HOUSE OF ASSEMBLY

Tuesday 5 November 1985

The SPEAKER (Hon. T.M. McRae) took the Chair at 2 p.m. and read prayers.

ASSENT TO BILLS

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

Australia Acts (Request),
Criminal Law Consolidation Act Amendment (No. 2),
Evidence Act Amendment (No. 2),
Holidays Act Amendment.

PETITION: COORONG BEACH

A petition signed by three residents of South Australia praying that the House urge the Government to ensure that the entire Coorong beach remains open to vehicles and the public and that all tracks are maintained in good order was presented by the Hon. H. Allison.

Petition received.

PETITION: EMERGENCY HOUSING ASSISTANCE

A petition signed by 22 residents of South Australia praying that the House urge the Government to extend bond money and advance rental payments for emergency housing assistance to country applicants was presented by the Hon. H. Allison.

Petition received.

PETITION: OPEN SPEED LIMIT

A petition signed by nine residents of South Australia praying that the House reject any proposal to reduce the open speed limit from 110 km/h to 100 km/h was presented by the Hon. H. Allison.

Petition received.

QUESTIONS

The SPEAKER: I direct that written answers to the following questions on the Notice Paper, as detailed in the schedule that I now table, be distributed and printed in *Hansard*: Nos 39, 209, 221, and 243.

PAPERS TABLED

The following papers were laid on the table:

By the Minister for Environment and Planning (Hon. D.J. Hopgood)—
Pursuant to Statute—
Botanic Gardens Act 1978—Regulations—Parking.

By the Minister of Community Welfare (Hon. G.J. Crafter)—
Pursuant to Statute—
Liquor Licensing Act 1985—Regulations—Exemptions.
Rules of Court—Supreme Court—Service and Execution of Process Act—Interstate Custody Procedures.

By the Minister of Recreation and Sport (Hon. J.W. Slater)—
Pursuant to Statute—
South Australian Trotting Control Board—Report, 1984-85.

MINISTERIAL STATEMENT: EDUCATION DEPARTMENT ACCOUNT

The Hon. LYNN ARNOLD (Minister of Education): I seek leave to make a statement.

Leave granted.

The Hon. LYNN ARNOLD: I wish to explain briefly to Parliament the circumstances surrounding a delay by the Education Department in the paying of a bill, as raised by the member for Davenport in a question to the Premier last Thursday. The honourable member reported that the business of R. Draper and Co. Pty Ltd sold 4 000 adhesive labels to the department, issuing an invoice (No. 2035) on 30 July to the department's Chief Accountant for payment against order No. 25184 totalling $220.

The facts are as follows. A cheque was drawn on 26 August (27 days after the date of issue of the bill) against the above order and invoice numbers. However, it was credited against a wrong credit code (No. DRA 0190). This resulted in a bus contractor named R.L. Draper from Kapunda being paid instead. I am advised that the department was only alerted to this error through a phone call on 30 October 1985 from R. Draper and Co. wanting to know where their money was.

The Education Department has now, first, on 1 November paid R. Draper and Co. Pty Ltd the account for $220 against the correct creditor's name and address and, secondly, sought a refund of the amount incorrectly paid to the bus contractor, R.L. Draper of Kapunda. I have been assured that this type of error represents only a very minor occurrence in the massive amount of the department's financial dealings. Further, I can assure the Parliament that the department does and will continue to take every possible measure to ensure payment of bills within 30 days.

QUESTION TIME

BUILDERS LABOURERS FEDERATION

Mr OLSEN: Can the Premier say whether the State Government will investigate current activities of the Builders Labourers Federation in South Australia which are holding up important building projects and threatening to significantly increase building costs? A demarcation dispute between the BLF and the BWIU has already stopped some work on seven building sites, including the ASER project and the new STA building. However, I have been informed that this is only one side to escalating industrial action in South Australia by the BLF.

On his release from gaol last month, the union's Federal Secretary, Mr Gallagher, announced that the union would intensify moves for a shorter working week throughout Australia. In South Australia, the effect of this campaign is now becoming apparent. I have been informed that the union has already forced a 36-hour week on major building projects at Berri, Tea Tree Gully and Greenacres. In addition, it is claiming a new site allowance for another major project at Port Adelaide. The inevitable result of that action will be higher building costs within South Australia. The Master Builders Association has already said today that the placing of bans on major building sites in South Australia is the sort of action that has led the Federal and Victorian Governments to institute deregistration proceedings against the BLF.

The former Liberal Government in South Australia had joined deregistration proceedings against the union but, after winning office, one of the first moves of the present Government was to withdraw from those proceedings. In view of the build-up of industrial action by the BLF and the importance to the economy of the State of holding down building costs and ensuring that projects proceed without disruption, I ask the Premier whether his Government will take immediate action to investigate the union's activities within the State.

The Hon. J.C. BANNON: Of course this matter is the cause of great concern. The current dispute that is taking place is a dispute as to who should have the right to perform particular concrete work. This work was previously performed by mixed BLF and Building Workers Industrial Union gangs. Contrary to the national building industry agreement, as I understand it, the two unions are in dispute, because the BLF has claimed exclusive rights to all that concrete work. It is a great pity that that sort of action is catching up our industry in South Australia.

The Leader of the Opposition referred to the fact that we have not taken steps to join deregistration moves against the Builders Labourers Federation in this State and that is quite correct; we have not done so because in fact the record of the Builders Labourers Federation South Australian branch in this State has not been one which would warrant such action being taken. On the contrary, a close analysis of the figures and discussions with the building industry has revealed that, if we joined such actions, we would be simply importing into South Australia problems that largely we have managed to avoid and I am sure that no South Australian wants that, because our industrial relations record is one of our strengths in terms of attracting investment and future development.

To the greatest extent possible we will seek to use the very successful methods that we have previously employed in relation to industrial relations in this State and to ensure that the dispute does not catch us up. That in fact is taking place at the moment. Of course, the federal councils of these unions are involved. Today my colleague the Minister of Labour has cabled Australian Conciliation and Arbitration Commissioner Griffin, who is in charge of this industry and this dispute, to ask that the hearing of this matter be expedited because of the damage that could be caused to our building industry.

We are taking what action is possible, but I urge all members to take account of the consequences of raising the temperature precipitately in a way that could in fact attract to this State problems that we have been able to avoid and, by so doing, have in fact been able to prosper. Let us ensure that that sort of action of confrontation is not brought into effect unless it is absolutely necessary. However, I assure the House that, if it becomes necessary, it will be taken.

PUBLIC TRANSPORT FARES

Mr FERGUSON: I direct my question to the Minister of Transport. Will the decision of the State Government to relocate the STA bus depot from Hackney to Mile End cause any increase in public transport fares?

Members interjecting:

The SPEAKER: Order! I ask honourable members to come to order so that I can hear the question.

Mr FERGUSON: The member for Davenport has been saying on radio that a 15 per cent fare rise is in the offing because of the cost of relocation of the depot away from Hackney. He has said that it appears that the Government has made no special provision for funds to pay for the relocation, so that fares would have to rise. He has further claimed (and this has puzzled me) that the STA was not told about the decision to relocate the depot. The honourable member appeared to be flourishing or quoting from a memorandum which I understand is not a public document. The Minister might like to indicate whether it comes under the heading of 'stolen goods'.

Members interjecting:

The SPEAKER: Order! The last observation by the honourable member is totally out of order.

Members interjecting:

The SPEAKER: Order! I do not need the assistance of the Deputy Leader in this matter.

Members interjecting:

The SPEAKER: Order! I ask the honourable member for Henley Beach to withdraw the last phrase.

Mr FERGUSON: I accept your ruling, Mr Speaker, and withdraw unreservedly.

The Hon. G.F. KENEALLY: I think it is ironic that the Melbourne Cup has just been won by 'What a Nuisance'. I should have backed it, knowing the nuisance that the member for Davenport is, not only to me as Minister but to the people of South Australia. The honourable member is at it again, delivering misinformation to the citizens of this State. He is hell-bent on taking away from his Leader the title of 'Most unreliable and untrustworthy politician in South Australia'. There is a very serious matter here that I want to address at the outset because clearly the member for Davenport is doing no service whatsoever to somebody he expects to be one of his colleagues.

The minute that the honourable member flourished is, of course, a minute signed by the Chairman of the STA and addressed to me. That minute was circulated throughout the STA. It is dated 4 October and left the internal audit office of the STA on 1 November this year: I want members to bear that in mind. The member for Davenport knows, and I think his Leader knows, that in the internal audit section of the STA is a Mr Julian Glynn, who just happens to be the Liberal candidate for Hayward.

Members interjecting:

The Hon. G.F. KENEALLY: He previously worked in the office of the former Attorney-General (Mr Griffin) as one of his staff. Because of the rumours that are circulating, and because of the damage that this is doing to Mr Julian Glynn in the STA, I believe that it is incumbent upon the honourable member opposite to clear Mr Glynn's name. Therefore, I call on him to do so, because not to do so is to allow these rumours to circulate.

Members interjecting:

The Hon. G.F. KENEALLY: Members opposite have short memories. What the honourable member needs to do is state quite clearly the source of his information. For him not to do so, in view of the information that I have given the House, would allow these rumours to remain current. The honourable member has it within his power to make a statement in this House saying where he got that information. Merely to say that it did not come from the source that rumours suggest it came from is not sufficient. To clear the candidate's name he needs to say where the information came from. There are two critical points that the honourable member sought to make. I can recall the Opposition being very determined to clear a senior public servant's name a little while ago, but it is not so keen to apply the same principle on this occasion.

The two points that the honourable member wishes to make are, first, that the transfer would result in an increase of 15 per cent in fares for commuters using STA services and, secondly, that the State Transport Authority was not involved in the decision to transfer its operations from Hackney to Mile End. On both accounts he is right. The authority was fully aware of the proposed move and in fact

it entered into full discussions with the Department of Lands, the Treasury, the Premier's Department and the office of the Minister of Planning. The earliest meeting to decide about the move was held in the office of my predecessor with the Minister of Transport.

The Chairman, General Manager and Traffic Manager of the STA were all involved in these discussions and they all had an opportunity to contribute their views before the new site was selected. From the outset the STA was fully involved in those discussions. In terms of the 13 per cent question, the STA has made no such suggestion at all. This is another example of the honourable member's plucking a figure out of the sky, multiplying it by two and then sending out information over the news media, purporting to be a factual assessment of the situation; of course it is not and never has been. The Government's policy in terms of fares charged by the STA is quite clear.

The member opposite has been in government; he knows how the system works, and he also knows how to put out misinformation. In the first place, the purchase of the property was undertaken by the Department of Lands, as the honourable member knows—in fact he almost said so this morning. The construction will be undertaken as a capital works project, whether under the Government's capital works program or that of the STA. Whichever is the case, funding will be provided by the Government, because the moving of the depot from Hackney will benefit all South Australians.

The Hon. D.C. Brown: I have a letter from the Chairman. Perhaps you should read that into the *Hansard* record.

The Hon. G.F. KENEALLY: I will come to that in a moment. The decision to move the depot from Hackney will benefit all South Australians, so the cost of that should not be met only by the STA or commuters. Therefore, a decision will be made that the cost will not be a charge on the operating account of the STA. The State Transport Authority has been made aware of that and of all the decisions that we have made.

After discussing the matter with me on 4 October the Chairman of the STA, Mr Rump, sent a minute to the Government asking that the authority be formally advised of the Government's decision. He was aware of the situation. In fact, he was down at the Hackney depot with the Premier knocking over a wall, as everyone would recall, and that was hardly the action of a person who did not know that a decision had been made. He was very close in all the decisions that had been made by the Government in relation to the move.

I might add that this move has been applauded by all sectors of the South Australian community. In his press statement the member for Davenport said that the Liberal Party supported the move. If that is so, one could well ask how the Liberal Party intends to fund the move. However, we know the answer to that, as the honourable member has already said it would increase the fares of South Australian commuters by 15 per cent. That is the honourable member's option for funding the move from Hackney to Mile End. It is not that of the Government. The Government will not impose a charge on commuters.

The Chairman of the STA minuted me on 4 October to formalise the situation, so that detailed design work could commence in relation to the Mile End site, using funds appropriated by the Government through the Department of Lands. As Minister of Transport, I replied to the Chairman on 8 October 1985. Obviously the honourable member will be given a copy of that correspondence by whomever provides him with this information as soon as it is available. In turn, the Chairman acknowledged receipt of my minute of 21 October assuring me that work was proceeding in accordance with that approval.

So, right from the outset the move from Hackney to Mile End has been appropriate in the way that it has been dealt with through the various departments. The STA has been involved in all the discussions; it was aware of the decisions; and it asked in October merely to be formally advised (I ask the honourable member to note the words 'formally advised') so that it could go ahead—

The Hon. D.C. Brown interjecting:

The Hon. G.F. KENEALLY: Sure. I heard the honourable member read it over the radio this morning. It made the request so that it could go ahead and employ the architects who needed to be put to work in order to achieve the Government's policy of returning to the citizens of South Australia that part of the parkland that has been alienated for so many years. There is no basis to the honourable member's allegations at all. He quoted a minute out of context and tried to hang the whole tale on that. I am glad to have had the opportunity to put the record straight.

BUS DEPOT RELOCATION

The Hon. D.C. BROWN: Will the Minister of Transport say what is the total estimated cost, including the cost of purchasing the site, to relocate the Hackney bus depot to Mile End, when the relocation will take place and from where will the funds come to pay for the relocation?

Mr Ashenden: Good question!

The SPEAKER: Order!

The Hon. D.C. BROWN: The honourable member can obviously pick a good question when he hears one. From the outset I would like to read to the House the full letter sent by the Chairman of the STA to the Minister of Transport—the very letter that the Minister just refused to read into *Hansard*. That letter is very pertinent. It is a minute to the Minister of Transport regarding the relocation of the Hackney depot, and states:

> The State Transport Authority has not yet been formally advised of the shift of the depot to the United Motors site at Mile End, although there have been several media statements to this effect. The authority therefore has no information about the source of funds necessary to finance the construction of a new depot.

Members interjecting:

The Hon. D.C. BROWN: I ask honourable members to listen to this.

The SPEAKER: Order! All members will come to order. Leave has been given by the House for the member for Davenport to explain his question.

The Hon. D.C. BROWN: Thank you, Mr Speaker. This is a very pertinent part of the letter, and I ask all members to listen to it. It continues:

> However, it is perfectly clear that, unless the funds are made available to the authority in the form of grant money, the relocation will have a significant impact on the cost of providing services.

It is signed by James D. Rump, Chairman of the State Transport Authority. It clearly indicates, as any blind Freddy can see (although the Minister obviously cannot)—

The SPEAKER: Order! The honourable member must not debate the matter.

The Hon. D.C. BROWN: Well, I—

The SPEAKER: Order! The honourable member will resume his seat. I ask the honourable member to continue with his explanation, bearing in mind that he must not debate the issue.

The Hon. D.C. BROWN: As any honourable blind Freddy can see—

The SPEAKER: Order! I will not tolerate that sort of nonsense. It is a reflection not on me but on the authority of Parliament itself from which the honourable member

sought leave. If he continues in that vein, I will simply withdraw leave. I place the honourable member on notice.

The Hon. D.C. BROWN: Thank you, Sir. I certainly will not continue in that vein. As the matter has been raised, I would clearly like to set the record straight. Julian Glynn, the Liberal Party candidate for Hayward, did not leak or give this information to me.

The Hon. G.F. Keneally interjecting:

The Hon. D.C. BROWN: I challenge the Minister to repeat outside this House what he has said in here this afternoon.

Members interjecting:

The SPEAKER: Order! The honourable member will be seated. I ask the entire House to come to order, and that means both sides of the House and everyone, including Ministers and their senior colleagues.

Members interjecting:

The SPEAKER: Order! As I have pointed out over and over again, the difficulty is that the House itself has loaded an unsatisfactory burden onto me.

Members interjecting:

The SPEAKER: Order! I do not think that I can make myself more clear. I now give a formal warning that every member of the House is called to order. The next infraction will bring a warning and that will be followed by the normal procedure. There are difficulties in this kind of situation because of the burden imposed on me and other Presiding Officers in the sense that Ministers may, without restraint as to relevance or otherwise, deal with questions as they see fit. However, at the same time, under Administrations of all kinds, members asking questions must limit their explanations to what is relevant and comply with other rules, and I have to uphold those orders. The honourable member for Davenport.

The Hon. D.C. BROWN: As further evidence of the fact that Mr Glynn was not the source of my information, I assure the honourable Minister and you, Mr Speaker, that I had that document well before 1 November, which was the date specifically referred to by the Minister. I can tesitfy to that, because I have colleagues on this side to whom I showed the document well before 1 November. Obviously, it would be inappropriate for me to indicate the source of my information, and I do not intend to reveal that source. I have been able to produce evidence that completely clears Mr Julian Glynn, and the Minister should apologise for what he said about Mr Glynn.

The SPEAKER: Order! The honourable member has now clearly breached the Standing Orders. I can only uphold them in the form in which they are and ask the honourable member to refrain from that line and continue with his explanation.

The Hon. D.C. BROWN: In further explaining my question, I point out that, when the Premier was asked a question specifically about the cost of relocating the STA depot, he would not give a specific undertaking at the press conference of 16 June this year: he merely said, 'in excess of $10 million.' However, he disclosed that the cost of the site was $6.6 million. That is why I now ask the Minister for details of the cost. Further, when will the relocation occur, and where will the funds come from to pay for the cost of relocation?

The Hon. G.F. KENEALLY: I am pleased that the honourable member has at least done some good service to the man that he would seek to have as a colleague in this place. I assure the honourable member, the gentleman to whom he has referred, and all other members opposite that at this moment within the STA there is much anger about the source of this information that has been leaked to the honourable member. It is not unreasonable in the circumstances that I have related to the House that his colleague would have been under some pressure. I have required the honourable member to come out clearly to undo the wrong that he has done his colleague.

Members interjecting:

The Hon. G.F. KENEALLY: He is the one who flaunted the document around, and he is the one who should have accounted for what transpired, because this is not the first time that one of the people that he would seek to have as a colleague in this House has been in a sensitive position in the STA.

The honourable member should make doubly sure that in future he does nothing to cast any sort of doubt upon the integrity of that officer. I accept his statement completely. I think that the honourable member asked what was the cost. I can give in general terms the figure conveyed to the Treasury by the STA, which has done some rough costing on this: it is a little over $6 million for purchase of the land, although I will get the correct figure for the honourable member. The total cost of construction of the new depot is about $11.7 million. Of course, it will be staged over a number of years.

The Hon. D.C. Brown: That's even higher than the figure I quoted.

The Hon. G.F. KENEALLY: No, the honourable member quoted two figures: $6.6 million for the cost of the land and the Premier said something in excess of $10 million for the—

The Hon. D.C. Brown interjecting:

The Hon. G.F. KENEALLY: At this stage, Treasury has been given some preliminary costing by the STA—funnily enough, by the very organisation the honourable member said did not know anything about it at all, yet it was able to provide the basic funding estimates.

So, it is a little over $6 million (I can define that figure for the honourable gentleman, because the sale was finalised at the end of September, and the land now belongs to the Government). The final estimates for construction will not be known until the final determination is made on what we will build—its size, and so on—and the matter will have to go before the Public Works Standing Committee, as the honourable member would be well aware because of the changing nature of STA accountability.

It will be about $11.7 million, but because it is a staged program and we will be moving out slowly over a number of years, that figure is only an estimate at this stage in 1985 dollars. By the time it is finished, the real cost of final construction of the depot could be somewhat higher, having regard to possible construction inflation of something in excess of 5 or 6 per cent.

Again, I advise citizens of South Australia—particularly STA commuters—that this Government will not charge them the cost of this relocation. I repeat, because it is significant—and people should be well aware of it—that the member for Davenport has clearly signalled that if he were Minister of Transport in South Australia he would place a 15 per cent surcharge on STA fares to fund the relocation that he has said quite clearly the Liberal Party supports. I ask him to tell the people of South Australia where his money will come from, because the money we will use will come from the Treasury; it will be loan funds and will be within our capital program. Because this is a staged program the final form of those funds will be determined in future budgets.

YOUTH PROGRAM

Mrs APPLEBY: Will the Deputy Premier, representing the Minister of Labour, report on the proportion of young males and females being assisted by the Service Clubs

Involvement with Youth program? A number of members in this House would be aware of the work being done on this project since it came into being in 1983. Service clubs have made a major contribution to youth by contributing to and financially supporting projects and providing many hours of voluntary work. As the State Government has taken up a funding option from the Federal Government for 1986, I am sure that this information would interest the House and community, because of the initiative of the 500-odd service clubs involved.

The Hon. D.J. HOPGOOD: Of course, the honourable member is referring to a program now funded by the State Government. Something like $57 000 has been committed in this budget to this very worthwhile initiative. This is perhaps an opportunity to commend service clubs throughout the State, especially those that have been closely involved with the development of this project, for the idealism and energy that they have put into this program involving the future of our young people. As to the specific question asked by the honourable member, I will refer it to my colleague and bring back a considered reply.

Mr JULIAN GLYNN

The Hon. D.C. BROWN: Will the Minister of Transport formally apologise to Mr Julian Glynn, the Liberal Party candidate for Hayward, for the accusations that he made in the House earlier this afternoon?

Members interjecting:

The SPEAKER: Order! I ask the House to come to order. I ask the honourable member for Davenport to resume his seat—he does not need to be told that over and over again. The honourable member for Davenport.

The Hon. D.C. BROWN: In answer to a question earlier this afternoon, the Minister made some very specific allegations concerning Mr Julian Glynn. He accused Mr Glynn of leaking a document to me.

Members interjecting:

The Hon. D.C. BROWN: Well, the Minister did. I invited the Minister across the House to repeat those statements outside Parliament. I now have a statement that I would like to read, in explanation of the question, from Mr Julian Glynn:

> The Liberal Party candidate for Hayward, Julian Glynn, denied categorically this afternoon the Minister of Transport's accusation that he had leaked an STA document.

I quote Mr Glynn:

> I don't even have any knowledge of the document . . . I would invite the Minister to repeat his accusation outside Parliament.

Members interjecting:

The Hon. G.F. KENEALLY: I have no need to apologise, but I do regret that the member for Davenport, by releasing an STA document in the way that he did, placed Mr Glynn in an awkward position. For the benefit of this House I raised the awkward situation in which Mr Glynn found himself and challenged the member for Davenport to clear his name, and he did so. I made no allegations, but I pointed out to this House quite clearly—

Members interjecting:

The Hon. G.F. KENEALLY: I do not think that members opposite should run away from this. The fact of life is, and has been since the member for Davenport released that document, that there has been a very heavy suspicion upon Mr Glynn; I wanted to clear that and I have been able to do so. I apologise to Mr Glynn for the behaviour of his colleagues in deliberately trying to place him in a position where, as an officer of the STA, his credibility was in doubt. I have never suggested that that was the case. I am quite happy to accept that Mr Glynn, as is the case with all officers of the STA, is not in the habit of leaking information.

I apologise to Mr Glynn for the actions of the member for Davenport. I am quite happy to accept that the overwhelming number of members of the STA, as members of the Public Service, give loyalty to the STA, the Government and the Minister. Obviously, somebody has not done that. I am perfectly happy that the member for Davenport has cleared Mr Glynn. I think that was something that he was honour bound to do and because he has done so that should be appreciated. I am prepared to apologise to Mr Glynn for the behaviour of his colleagues.

The SPEAKER: The honourable member for Florey.

An honourable member: He's awake!

The SPEAKER: Order!

BIRTHS, DEATHS AND MARRIAGES REGISTRATION DIVISION

Mr GREGORY: Will the Minister of Community Welfare, representing the Attorney-General, investigate the workings of the office of the Births, Deaths and Marriages Registration Division? Last week my son needed an extract from the Registrar relating to the registration of his birth. His sister went to the office and completed an application form for such an extract. She paid the priority amount so that we could receive it as soon as possible.

The extract was received on 31 October and was dated 31 October, but the date of birth was shown as 31 April. When I inquired at the office on Monday 4 November 1985, I was advised that the application was dated 31 April. I raised the question of how dependable are the certificates supplied by this office, particularly when those extracts are used for all types of important purposes. Do they just copy what is written on an application form and not what is on the actual registration of birth?

The Hon. G.J. CRAFTER: I thank the honourable member for his interesting question. I will obtain from the responsible Minister a report as to the practices of the Registrar in these situations as to what precise information is placed on a birth certificate, so that the honourable member, and indeed the public, may know the practices and procedures of that office.

Mr JULIAN GLYNN

The Hon. MICHAEL WILSON: My question refers to the Minister of Transport's accusations against Mr Julian Glynn. Before the Minister made that accusation about Mr Julian Glynn did he or any of his officers check with Mr Glynn to ascertain whether there is any truth in the accusations the Minister has made?

The Hon. G.F. KENEALLY: I have reported to the House the sequence of events. I have not instructed the STA Chairman to have an inquiry (or a witch-hunt, as some would call it) within the STA. I am aware that the Chairman and the General Manager of the STA are quite aggrieved by the actions of the honourable member opposite and are taking what internal actions they feel appropriate on this occasion.

I have pointed out to the House that the document that the member for Davenport has comes from a circular which was circularised within the STA and which left the internal audit office on 1 November. It was fairly significant that the honourable member raised the matter on 5 November. That sequence of events has caused, I believe, if left unchallenged, considerable harm to the gentlemen whom the hon-

ourable member aspires to have as a colleague (although he will not be here himself).

Members interjecting:

The SPEAKER: Order! I warn the Leader of the Opposition.

The Hon. G.F. KENEALLY: The member for Davenport probably will not be here after the next election, anyway. Because of the sequence of events, and because of the suspicions that the action of the honourable member has caused, I thought it was essential that Mr Glynn's name be cleared. I am not aware of the actions that the Chairman and the General Manager of the STA have taken, but I suspect that they will be taking appropriate action, having regard to the events that I have explained to the House. I will check with the honourable member to see—

Members interjecting:

The SPEAKER: Order! I warn the honourable member for Bragg.

The Hon. G.F. KENEALLY: I will check with the Chairman to ascertain whether or not they have had the need to discuss the matter with Mr Glynn. I think that, as a result of the member for Davenport's emphatic denial that Mr Glynn provided him with the information, Mr Glynn's name has been cleared within the STA. I think that that is to his benefit and to the benefit of the honourable member, who at last has taken the action necessary to remove from Mr Glynn that shadow of doubt that his initial action caused.

TAFE STAFFING

Ms LENEHAN: Can the Minister of Education provide the House with information on areas of proposed expansion of TAFE staffing due to an increase in staff funding in the 1985-86 budget? I ask this question because I am a member of the local TAFE college council, the Noarlunga council, and am concerned that, as it is in a new and growing area, it is important that any staff increases in the State be reflected in the staff increases within the Noarlunga council.

I am aware of some of the initiatives of this Government with respect to programs such as the New Opportunities for Women program, which has operated very successfully in many colleges in South Australia, particularly in my local college at the Noarlunga centre. I am therefore concerned to see that these programs continue to receive the funding and support that they have received in the past.

The Hon. LYNN ARNOLD: I am able to provide the House with some information on the real increases in funding under the State budget for technical and further education. I seek leave to have inserted in *Hansard* a table which tabulates this information.

Leave granted.

DEPARTMENT OF TECHNICAL AND FURTHER EDUCATION
PROPOSED ADDITIONAL STAFFING DUE TO AN INCREASE IN STATE FUNDING 1985-86 BUDGET

Item	Additional Funding $'000	Proposed Increase in Staff Numbers (Actuals) TAFE Act	PS Act	W/Paids	Total	Estimated Average Full-time Equivalent 1985-86
1. $2.4 million Expansion						
1.1 Additional Apprentices	700	36	12	5	53	22
1.2 NOW Program	28	—	—	—	—	—
1.3 Prevocational Program	770	49	5	—	54	23
1.4 Traineeships	200	—	12	—	12	8
1.5 TAFE Equity[1]	650	28[1]	—	—	28	14
2. Commissioning of Facilities	500	5	5	8	18	9
3. Diploma in Tourism	146	2	1	—	3	1.5
4. Child Care	97	6	2	—	8	3.5
Total	3 091	126	37	13	176	81

[1] Previously Commonwealth funded (PEP) positions. 1.5—substitution (should be cut from total)

The Hon. LYNN ARNOLD: I will not go through the entire table, as it has now been inserted in *Hansard*. The table identifies that the State Government has put in extra State funding to the Technical and Further Education budget, in addition to the effects of inflation, to the tune of some $3.091 million in the 1985-86 budget. That is State money that has been committed for that purpose. This allocation has meant that 81 extra full-time positions could be State funded, and it incorporates a number of other important areas. Clearly, the most significant of those areas has been connected with the YES scheme, under which scheme about $2.4 million of expansion has been catered for. That includes significant sums of money for additional apprenticeships, the NOW program, the prevocational program, traineeships and TAFE equity.

That last category is worth an additional mention because, while it involves extra State money being spent, being an extra impost on the State's budget, it is merely a substitution for a reduction in Commonwealth money that we had. That allocation really picks up the loss in funding that resulted from the PEP (Participation and Equity Program) made by the Commonwealth Government. Questions about that matter have been asked previously by members from both sides of the House. Then there is the matter of some $500 000 for the commissioning of new facilities in TAFE. I indicate that the Government has consistently followed a policy quite different from that of the former Government, which did not put in new money to commission new facilities: to a large extent it ran down existing facilities rather than commissioning new facilities. We have not done that; we have put in new money on all occasions.

Then there is an amount of $146 000 which has been allocated for the diploma in tourism area, and a further $97 000 for child-care courses, in addition to money that we have already spent. I point out that these are all increases on existing activity and are not the full figures in relation to the money that is being spent.

In addition, I must identify that other new activities will be undertaken by the department as we determine the reallocation of priorities within the department. The department has examined all its ongoing activities and has determined that there is the possibility of a reallocation of about $500 000 from one area to another in order to pick up new priorities. Presently, officers at the senior executive level are working through what priorities there should be for spending that $500 000 on other activities in addition

to those presently being undertaken or on expanded activities in areas that are already being undertaken.

In fact, in addition to the $3.091 million of the new money from the State coffers, the allocation indicates a quite substantial boost for TAFE within the budget. As to the Noarlunga TAFE college, I will certainly obtain detailed advice as to the immediate impact that this will have on that college, as referred to by the honourable member. I shall have that information inserted in *Hansard* for her information.

SUBMARINE PROJECT

The Hon. E.R. GOLDSWORTHY: Was the Premier consulted by the Federal Government about the membership of its Submarine Construction Project Liaison Committee? This committee began meeting last month. I have been informed that its purpose is to ensure that the submarine project has broad public support and understanding. The committee's Chairman is Mr Beazley, the Minister for Defence. A representative of the Federal Minister for Industry, Senator Button, also sits on it.

However, three of its other seven members are leading lights in the left wing of the Labor Party in Victoria. They are Mr John Halfpenny, State Secretary of the Metal Workers Union, Mr David Charles, Chairman of the Federal Caucus Foreign Affairs and Defence Committee, and Mr Gerry Hand, Chairman of the Caucus Industry and Services Committee. The ACTU and three industry organisations are also represented on the committee, but none of its members are from South Australia.

In view of the significant influence of the Victorian left wing of the Labor Party in particular on this committee, it appears that the South Australian Government was not consulted about its membership and, if this is the case, I ask the Premier whether he will take up the matter with the Prime Minister with a view to ensuring that there is at least one South Australian representative among this big levy of left wingers from Victoria.

The SPEAKER: Order! The Deputy well knows that the last comment was equally as out of order as was the phrase used by the member for Henley Beach earlier in Question Time, and I now call on the Deputy to withdraw it.

The Hon. E.R. GOLDSWORTHY: Mr Speaker, what do I have to withdraw?

The SPEAKER: The last phrase that the honourable member used was argumentative and by way of debate and clearly not by way of explanation of the question within the Standing Orders. Just as I asked the member for Henley Beach to withdraw his emotive phrase, I now ask the Deputy Leader to withdraw his.

The Hon. E.R. GOLDSWORTHY: I withdraw the phrase and say, 'prominent members of the left wing of the Labor Party of Victoria.'

The Hon. J.C. BANNON: I am not sure of the motives behind the Deputy Leader's question.

Mr Olsen interjecting:

The Hon. J.C. BANNON: For information, the Leader says. That is why he phrased his explanation in that inflammatory and ridiculous way. Whatever his motive was, it certainly was not to assist South Australia's pursuit of the submarine project—we know that. We know that one of the things that galls this Opposition more than anything is the way in which South Australia has been able to successfully pursue a number of projects.

I refer to the way in which, right from the beginning, we have been able to organise a task force, as well as representations, visits to the contractors, a project definition study result which was perfect in terms of South Australia's position in relation to this project and the close relationships with the federal Defence Department and the Federal Minister. All these things add up to our being well placed for the submarine project.

But, it is also a fact that the final decision will be in the hands of the current Government in Canberra and that, no matter how strong a case we have made across the range, it is a very competitive position and we need every bit of assistance that we can get. The sort of nonsense, denigration and the way in which the Deputy Leader has raised the question can be aimed at nothing else than to undermine and knock South Australia's chances of securing this project. No other motive can be ascribed to it. This whole Parliament ought to treat with contempt that approach to such a major project.

Members interjecting:

The SPEAKER: Order! I point out that the Leader is already under a warning.

HANDICAPPED PERSONS ACCESS

Mr HAMILTON: Will the Minister of Transport, representing the Minister of Tourism in another place, say what steps are being taken by the Department of Tourism to ensure that people with disabilities have access to tourism facilities and events in this State? On 22 October, at pages 1428-9 of *Hansard*, I said that the South Australian Department of Tourism was in the process of installing a computer information booking system into each of its travel centres and that this network would be established in over 40 State Government travel centres throughout Australia. I further went on to say that I believed that there was a lack of information in South Australia in terms of the availability for the disabled and elderly of access to metropolitan and country beaches, aquatic centres, beach change rooms, caravan parks, churches, educational institutions, halls, health centres, holiday camps, cottages and flats, hotels, cabins, motels, jetties, boat ramps, museums, art galleries, parks, picnic sites, playgrounds, public libraries, public and private toilets, recreation centres, restaurants and eating places, shopping facilities, showgrounds and sporting facilities.

I pointed out that in 1982 and in 1983 two booklets had been compiled by the Western Australian Government: the first entitled *Access—A guide to Perth's picnic sites, parks and ocean beaches* and the second *Access for the disabled—Perth metropolitan area, south-western and great southern regions of Western Australia.* I further pointed out that I believed that similar information was important for the people of South Australia and also the tourists. Finally, I said that I believed that the community was increasingly aware that people with disabilities should not be debarred, by reason of their disability, from participating in the everyday activities that we take for granted. I support that contention wholeheartedly.

As well as receiving essential services, disabled people should have access to the same work and leisure activities as anyone else in this State. Just as a disability does not stop the desire to work and contribute positively to society, so it does not mean that the person suffering the disability loses the desire to enjoy himself or herself. One of the major leisure activities in this State is tourism and the opportunity to travel and see this great country of ours. Disabled people should have the opportunity to visit, to travel, and to see and enjoy South Australia.

The Hon. G.F. KENEALLY: I thank the honourable member for his question and, as a former Minister of Tourism, I acknowledge the work that he and his colleagues have done in advising the Government on matters concern-

ing tourism. I also thank him for giving me notice of his question so that I could provide a considered reply.

The South Australian Government has recognised the special needs of people with disability with regard to tourism and indeed in all of life's activities. The Government appointed the first Special Adviser to the Premier on Disability, who has the responsibility for advising the Government on all aspects of government as they affect people with disability. Within tourism in particular, the Government has begun the process of increasing the access of people with disability to tourism facilities.

In 1984, an investigation was undertaken to identify the needs of people with disability with respect to tourism. The subsequent report outlined the extent of the needs of people with disability and the requirements of particular populations of people. The report outlined a proposed strategy for increasing the access to tourism of people with disability: information for disabled people of what is available—in order to stimulate demand; education of the disabled people themselves, the travel industry and the community in general of the positive outcomes of tourism for people with disability; and the improvement of access and integration for people with disability within the field of tourism.

The South Australian Department of Tourism is to play a leading role in the implementation of the strategy as the emphasis of the program is to develop special access for the disabled within tourism and not to develop special and separate tourism. The first stage of the strategy will be commenced with a project to establish what facilities exist at present for disabled people. This information will then be made available to people with disability generally and on booking services in particular.

The South Australian Government has during its term of office been working towards ensuring that people suffering from a disability are able to play a full and active part in the tourism industry both as operators in the industry and, more especially, as people taking holidays and enjoying themselves. As the honourable member has said, the mere fact that a person is disabled does not mean that he or she has not the same desires and needs as people without a disability. We are working towards ensuring that in the tourist industry, an industry which at present does not provide overwhelmingly for handicapped people, facilities for the disabled will become increasingly available. For some years I had the pleasure to spend an annual holiday with a severely disabled person, so I know how difficult and at times almost impossible it is for such a person to enjoy a decent holiday unless that person has help. That should not be the case, and we will work to ensure that it is not in future.

STATE FINANCES

The Hon. B.C. EASTICK: Does the Premier agree that a combination of wage movements this financial year and his Government's intention further to increase public sector employment will put significant pressure on State finances? Yesterday's decision by the Arbitration Commission will cost the State economy about $400 million in higher wage costs in a full year, including a cost to the State Government of at least $70 million. This would have been even greater if the South Australian Government's full submission to the Arbitration Commission had been accepted, because the State also argued with the ACTU that any decision should apply from 6 October—a submission rejected by the Commission.

With a further wage rise of 2 per cent forecast in April, the full year's impact of these wage movements will be to increase the annual State public sector payroll by at least $100 million. In addition, the present Government plans a further rise in public sector employment this financial year. The combined effect of these wage movements and a continuation of the present Government's policies will be to place further pressure on State finances and increase the likelihood of tax increases next financial year.

The Hon. J.C. BANNON: That statement by the honourable member is not correct, as it is based on a misunderstanding of how we budget in any one year. Regarding the national wage increase, I do not know where he gets the figure of more than $70 million: my figure is less than $50 million. In any case, it is provided for in the round sum allowance and our predictions of what may happen to wage movements during the course of the year.

I should have thought that of far greater fundamental importance to employment and economic growth in this State and in this nation was the preservation of the prices and incomes accord. Since that accord has operated, we have had two years record growth at a level that matches, if not exceeds, some of our best post-war years. We are in the middle of a third such period of growth against a background of an inflation rate that is under control.

The facts are that, if the Opposition's policies (to the extent that one can discern those policies) were implemented, I think that we would find that those growth rates would not be achievable and the flow-on—with all the consequences that would come from the abandonment of centralised wage fixation and indexation—would hurt the public sector very much and would also wound the private sector, ensuring that unemployment increased and employment decreased. Those things are not happening: indeed, the opposite is the case. I should have thought that the honourable member would have enough knowledge of what is occurring in the economy to appreciate that the recovery that is going on can be maintained provided that fundamental policies such as the prices and incomes accord remain in place.

CLASSIC WARE

Mrs APPLEBY: Will the Minister representing the Minister of Consumer Affairs ask his colleague to have investigated the method employed by Classic Ware to recruit agents? I apologise for the lengthy explanation of my question. However, an 18-year-old constituent and her parents have related the following scenario to me. She is employed part time and responded to an advertisement in the *News* under the heading of 'Employment'. Upon making contact she went for an interview on the same evening. The company concerned is Classic Ware of Gilles Street, Adelaide, and at the interview she was told that the work entailed selling to consumers from appointments made by the company and that she was to be supplied with names and addresses of people to call on. She was given the information sheet relating to the company and was told that she would be able to work for an hourly rate or commission.

Following a call to them she then attended her second interview the following Monday. At this meeting she was given a catalogue and a cooking demonstration took place using wares which she would be selling. Again, she was told that the selling would be by appointment. She was taken through the price list, and a discussion took place as to whether she would be paid an hourly rate or by commission. The commission appeared preferable. They were not invited to make a choice but it was assumed that they would all select commission. On Tuesday evening they returned, after ringing during the day, and were shown a kit and again prices and commission were discussed. As the demonstrator

was talking a man went around with a cooking dish and asked for $40—

Mr LEWIS: I rise on a point of order, Mr Speaker. Unfortunately, I cannot hear the honourable member's explanation. Is it possible to improve the standard of amplification of the microphone?

An honourable member: You haven't missed anything at all.

Mr LEWIS: I am not interested in whether or not I have missed it. I will be the best judge of that. Is there something wrong with the amplification system in this Chamber, or can we ask the honourable member to speak up?

The SPEAKER: Order! We do not need to personalise these matters. I have heard what the honourable member has been saying. The member for Mallee should well know that there are certain clear difficulties in hearing people in this House, depending upon the relative position of where they stand to where any other honourable member stands. I invite the honourable member for Brighton to conclude her explanation.

Mrs APPLEBY: I apologise to the honourable member, if he cannot hear me. The gentleman went around with a cooking dish and asked for $40, for which he issued a receipt. I have established that this $40 was for insurance on the kit they would use for displaying the wares. However, the relevant point is that at meeting after meeting it seems that my constituent, through that series of meetings, went from being an employee to an agent and to a purchaser. I question the validity of this type of operation, which clearly demonstrates that, at any one stage, persons responding to the advertisement are not being dealt with truthfully.

The Hon. G.J. CRAFTER: I thank the honourable member for her question. I will refer the details she has given to my colleagues the Minister of Consumer Affairs and Minister of Labour to find out whether her constituent has any remedies and whether any other action is required in the circumstances she has outlined.

PERSONAL EXPLANATIONS: MEMBER'S REMARKS

The Hon. J.W. SLATER (Minister of Water Resources): I seek leave to make a personal explanation.

Leave granted.

The Hon. J.W. SLATER: On Thursday last in this House the member for Todd, in the adjournment debate, stated:

> The Minister of Water Resources accepted an invitation from the Tea Tree Gully council to open a solar heating unit at the swimming pool. Ten minutes after he was due to arrive to perform the ceremony an apology was received that he would not make it. It is an absolute slight and a disgrace for a Minister to accept an invitation to open a facility and then, 10 minutes after he was due to perform the ceremony, ring through and say he could not make it. How appalling!

For the information of the member for Todd, I put on the record the reason why I was unable to attend that function.

I might say that I pride myself on two things: punctuality and integrity in attending functions when I accept an invitation. The reason for my not attending was a personal and domestic one. My wife is currently in hospital recovering from a serious operation and factors associated with her illness prevented me at the last minute from attending that function. I did apologise to the Mayor of Tea Tree Gully through my staff and I insisted that my ministerial assistant explain the reason for my non-attendance, and he did so. It is inappropriate for the member for Todd to raise that sort of situation without finding out from me personally—

Mr Ashenden interjecting:

The Hon. J.W. SLATER: I did send an apology. The honourable member has a loud mouth. At times all Ministers and members of Parliament have domestic situations that arise at short notice: this was one of them. The honourable member owes me an apology. It was incorrect of him to raise the matter in the way he did in the House.

Mr ASHENDEN (Todd): I seek leave to make a personal explanation.

Leave granted.

Mr ASHENDEN: I make clear that under no circumstances will I apologise—

Members interjecting:

The SPEAKER: Order! The honourable member will resume his seat. I will not tolerate barracking—even though it may be Melbourne Cup day—from the benches on my right and left.

Mr ASHENDEN: I believe that the personal explanation given by the Minister misrepresents me. I place on the record that before I made those comments I checked with the Mayor and the City Manager of Tea Tree Gully. Both advised me that they had not received an apology from the Minister: neither had they received any explanation as to his absence. Had the Minister, when he forwarded an apology, indicated that it was a personal matter obviously I would not have raised the topic. However, I make clear that I spoke to the Mayor and the City Manager who advised me that they had been given no reason whatsoever for the Minister's non-attendance.

The Hon. J.W Slater: Well, you know now.

The SPEAKER: Order! Before this matter goes any further that is the second time today we have had such matters turned into personal quarrels. As I have pointed out, it is my prime duty according to Erskine May and others, to stop personal quarrels. I hope that, in future, if there are misunderstandings the ladies and gentlemen, honourable members of this House, can sort them out before bringing them here.

The SPEAKER: Call on the business of the day.

MOTOR VEHICLES ACT AMENDMENT BILL (No. 3)

The Hon. G.F. KENEALLY (Minister of Transport) obtained leave and introduced a Bill for an Act to amend the Motor Vehicles Act 1959. Read a first time.

The Hon. G.F. KENEALLY: I move:

That this Bill be now read a second time.

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

Leave granted.

Explanation of Bill

The main purpose of these amendments to the Motor Vehicles Act is to improve services to the public and also the efficiency of the Motor Registration Division by—

(a) removing the limitation of 14 days currently placed on permits issued by the police to owners who have paid the required registration fees and compulsory third party premiums for their vehicles, but because they live in remote areas are not able to be issued immediately with registration labels and plates. Because of limited postal services in the outer areas of the State these transactions invariably cannot be completed within a period of 14 days and therefore it is proposed

that in consultation with the Police Commissioner the Registrar may fix by administrative action a longer period than 14 days for the operation of these special permits;

(b) by reducing the period for the completion of the transfer of the registration of vehicles from one owner to another from 14 days to seven days. Considerable difficulty and embarrassment are being caused to registered owners especially where parking fines are involved when the transfer of vehicles are not effected as soon as practicable. It is proposed that one document be used for the transfer of vehicles with the onus being placed specifically on the purchaser to ensure that a vehicle is registered in his or her name within a seven day period of the sale and to impose a late fee penalty if that requirement is not met;

(c) changing the registration period for traders plates from a March expiry date to a calendar year to obviate the reissue of plates and allowing a self destructive label to be used on these plates. This proposal has the support of the industry;

(d) providing for a five year period of operation for drivers licences instead of three years. This action will reduce the number of transactions which the public have with the Motor Registration Division which in turn will effect some economies within the division also. It is also proposed by administrative action that licences will be issued to expire on a driver's birthday in multiples of five years commencing at 20 years and renewed every five years thereafter;

(e) provide for a driving instructor's licence to operate over the same period as the instructor's ordinary driver's licence. This will allow the ordinary licence of a driver's instructor to include the additional classification of driving instructor licence. It also provides for a driving instructor's licence to operate over a five year period instead of three.

Clause 1 is formal.

Clause 2 makes an amendment to section 16 of the principal Act which provides for permits to drive pending registration. Provision is made for the determination of the period of a permit by the Registrar after consultation with the Commissioner of Police.

Clause 3 amends section 56 of the principal Act which sets out the duty of the transferor of a vehicle on transferring the vehicle to another person. The period within which the obligations imposed under the section is reduced from 14 to seven days.

Clause 4 amends section 57 of the principal Act which sets out the duty of the transferee of a vehicle on the transfer to him of the vehicle. The period prescribed in this section for the performance of obligations under the section is reduced from 14 to seven days. Further provision is made in new subsection (1a) under which where the transferee fails to apply for transfer within seven days of transfer and then applies to register the vehicle, or applies late to transfer the vehicle, the Registrar may charge a late payment fee.

Clause 5 provides for the repeal of section 65 of the principal Act and the substitution of new section 65 which provides that traders plates are issued for a period expiring on 31 December following the date of issue and may be reissued for further 12 monthly periods.

Clause 6 provides for the amendment of section 79 of the principal Act which prescribes a theory examination to be undertaken by applicants for licences or learners permits. Applicants must undertake and pass an examination in the rules to be observed by drivers of motor vehicles unless they held a licence in the five years preceding the application or they satisfy the Registrar that, within the five years preceding the application, they held a licence to drive a vehicle under the law of a State or Territory other than South Australia.

Clause 7 amends section 79a of the principal Act which deals with the requirement for persons to undertake practical driving tests. The amendment brings the section into conformity with section 79 as amended by clause 6 of the measure.

Clause 8 amends section 84 of the principal Act which deals with the duration of drivers licences. The present period of a licence (three years) is extended to a period not exceeding five years. The effect of the amendment is to enable the introduction of a system under which licences expire on those birth dates of a driver that are divisible by five. The Registrar is enabled to extend the five year period for a period not exceeding 12 months. The purpose of the extension is to enable a licence expiring, for example, after five years and three months in the case of a person who renews his licence three months prior to a birthday divisible by five.

Clause 9 amends section 98a of the principal Act which deals with driving instructor's licences. Provision is made for the Registrar to attach conditions to licences. The duration of the licences is extended to conform with the amendments to section 84 of the Act.

Clause 10 makes an amendment to section 145 of the principal Act which is the regulation making power. Provision is made to enable the promulgation of regulations which confer exemptions from the provisions of the Act in favour of persons, classes of persons, vehicles or classes of vehicles.

The Hon. D.C. BROWN secured the adjournment of the debate.

NATURAL GAS (INTERIM SUPPLY) BILL

The Hon. R.G. PAYNE (Minister of Mines and Energy) brought up the report of the select committee together with minutes of proceedings and evidence.

Report received.

The Hon. R.G. PAYNE: I move:

That the report be noted.

The question of adequate supply of gas to South Australian consumers at a reasonable price has vexed the South Australian community for a very long time. Some time back in 1976 I guess it was assumed—certainly by this Parliament anyway—that the two questions of sufficient supply and reasonable price were adequately addressed in the legislation at that time reorganising the contractual scene as it then was. Clearly, the reason that I am standing in this House today speaking to this report indicates that, whatever high hopes were held in 1976 by members of this House, they have not been fulfilled.

The Hon. E.R. Goldsworthy interjecting:

The Hon. R.G. PAYNE: The Deputy Leader, in interjecting, is merely continuing the course upon which he has embarked over the past several days in the select committee.

The Hon. E.R. Goldsworthy interjecting:

The Hon. R.G. PAYNE: In 1970, I think in our first year here, both the Deputy Leader and I were somewhat more diffident than we now are. I know that applies in my case, and I think that the honourable member opposite would be charitable enough to agree with that assessment, but he is not averse to giving out the odd freebie in any discussion that takes place. I think it would be fair to say that I have

been on the receiving end of quite of few of them. I simply point out that in the select committee it was not always sweetness and harmony. There is nothing to say that a select committee should operate in that way, but I simply make that observation.

The report points out that, in considering the evidence tendered to it, the committee was conscious of the importance of two facts, including one that I have already mentioned, namely, the continued supply of sufficient gas at a reasonable price to South Australia beyond 1987 when the current gas contract with the Cooper Basin producers expires. In order to ascertain whether the Bill, which had been referred to the select committee correctly addressed that matter, together with others, as can be seen from the report the select committee took evidence from a fair number of witnesses, including representatives from Santos, as the leading interest holder in the group, and officers from the Department of Mines and Energy.

The witnesses from Santos put forward, both through Mr Armour, its representative, and in somewhat more detail through Dr Armstrong, that they were confident that sales gas reserves currently estimated by them to be available were as provided to the Government in the letter from Santos dated 17 September 1985. They went on to say that in simple round figures something in excess of 3 100 000 000 cubic feet was available. The evidence that we obtained from the Department of Mines officers was somewhat at variance with that. The officer concerned was Mr Bob Frears, who is chief development geologist of the department. The department gave evidence through Mr Frears that, once again using round figures, there were 1 990 BCF of sales gas available in the Cooper Basin produced as unitised fields as at 1 January this year to meet the current PASA and AGL contracts. Any group of people gathered together to make an assessment of evidence (which is what a select committee is really doing, among other things) would be bound to have noted that there was a very large gap or gulf between those two sets of figures.

Mr Ingerson: A chasm.

The Hon. R.G. PAYNE: I would accept from the honourable member that the word 'chasm' would be suitable in that circumstance, because it is in the order of a trillion or so cubic feet of sales gas. It is a fairly reasonable gap (or chasm). The committee endeavoured to first address that problem in relation to the supply which it was argued is available to South Australia. The committee requested the two groups concerned to get together and make comparisons to see whether there was some possibility of any reduction of the very large gap between those two sets of figures, bearing in mind that the 1990 figure is not enough to meet schedule A and South Australian requirements in the future. The three trillion or so that I have mentioned would go a long way towards meeting those requirements, and certainly would meet the amount of gas still required to be assured to New South Wales under schedule A.

It is fair to say that both groups contained very highly professionally qualified officers. The meeting was held over some hours and with a considerable number of persons present. I understand that the delegation from Santos numbered 13 and that they met with departmental officers. I believe that a useful exchange of views and information took place, with a minor modification being made to the departmental figures to provide for a small improvement in those figures, but it was not of any great significance. The net effect of the discussion relating to the request of the committee was that clearly a chasm (to use the member for Bragg's word) still existed in that area.

I have gone through that explanation to illustrate the Government has to be aware of South Australia's future energy needs and is entitled to take such steps as it sees necessary to put such matters beyond doubt. Here we have representatives of the producers putting forward that a considerable quantity of gas exists to meet the needs set out, a position they have every right to adopt and pursue. On the other hand, we have departmental officers with the requisite qualifications and experience both outside the service in the industry, and also in the department, indicating that they are not able to arrive at the same figures. That is one area alone which led to the Government's taking a decision to seek a legislative solution to the dilemma that still faces us.

Let us make no mistake about it: just because we have a select committee, the difficulties and problems do not necessarily automatically disappear, but in its considerations and recommendations the select committee has said to this House that the Bill, with some minor modifications which are indicated in the report, does certain things in relation to this problem.

The other major import of all the evidence given to the select committee was that, over a long period of negotiation regarding this self same question of the adequate supply of gas to South Australia, the meeting first of the New South Wales requirement, and supply at a reasonable price, in some way the Government and its negotiators had been tardy, obdurate, intransigent and, in general, had not functioned in such a way as to progress negotiations in a meaningful manner.

One after another witnesses from the producers argued that, over a period (which was not contested) of some 14 months, one party was always not trying and the other was doing its damnedest to achieve success. That might hold water for a week, a month, two months or three months, but surely it is straining the bonds of credulity to suggest that that was the situation over the whole period during which negotiations were under way. It was patently absurd to adopt that line before the committee. I sometimes suspect that people who are not involved in the parliamentary process are inclined to think that members of Parliament who comprise a select committee are not too bright up top because the kinds of arguments often put to them are such as to indicate that precept. I hope and trust that at least some of the things I say here today may help to dispel that belief, if it is held in any quarter in South Australia.

What obviously was happening over that period was some pretty hard negotiating and bargaining wherein each side was anxious not to be pinned down too much until the major and minor points within a package had all been intermarried by way of partial or likely agreement and at the same time—and I will be quite open and honest about this on the part of the Government—to give away as little as possible. It is the Government's job, as it sees fit, to get a better supply deal and a better price than has applied previously.

Mr Baker: Who put us in that position?

The Hon. R.G. PAYNE: The honourable member asks who put us in that position. We had some discussion on this very topic during the hearings of the select committee: in 1976 all those negotiators on the part of the Government, and certain other parties, were dopey and did not really organise the affairs of the State in respect of gas supply and price in a way that would stand the test of time. That is so, but I suggest that the members of the present Parliament are faced with the same dilemma: whatever the outcome of this present legislation, and/or any approach which one could argue, I guess, is still open from the producers to have an agreed settlement in this matter, 10 years down the track it might be just as easy to be critical about what is taking place at the present time. I do not necessarily suggest that all the blame has to go to a Labor Government, because the previous arrangements were approved by the Parliament as well as by the Government at the time. Perhaps we will

leave the matter there, but I suggest that it is not unfair to put that point of view.

I was pointing out that it is absurd to argue that one side was always anxious to cooperate and willing to reach quick resolution of the matter over a long period of time (such as 14 months) and that the other party was not trying at all and did all in its power, as presented by way of evidence to us as it were, to prevent any meaningful progress being made. That propostion just does not stand.

In order to demonstrate to the House that I am not merely putting forward these words without any backup—that is, that the blame was not all on one side (if that is the correct word) and that there were holdups, delays, misunderstandings and wrong conceptions put forward by the producer groups in those negotiations—one letter will suffice to demonstrate beyond all doubt that that is actually what occurred. I refer to a letter, dated 8 October 1985, sent to the Premier by Santos. This letter begins as follows:

> Dear Premier:
> We are writing in reference to the draft PASA Gas Sales Amendment Agreement which was attached to Mr Guerin's letter of 23 September and which was to embody the offer—

this is the important part—

> previously made in Mr Guerin's letters of 26 and 29 August and the matters discussed in our meeting on 10 September.

There we have something relating back to 26 and 29 August and a discussion in a meeting on 10 September. The letter continues:

> While not all aspects of the Government's proposal had been agreed by the producers, it was our belief that the issues of principle were understood by both sides and that the agreement would capture the Government's proposal, consistent with that understanding. Unfortunately, this does not appear to have occurred.

The letter says that in its first paragraph. That sounds promising, but wait! The very next paragraph states:

> Included in the draft agreement are a number of important matters of commercial principle which have certainly not been agreed by the producers and which have not been raised in negotiations.

Even though the earlier part says that there had been two items of correspondence, that there had been a discussion, and it looked not too bad, the very next thing it says is that there are umpteen things wrong with it. The letter continues:

> We have reviewed that advice—

referring to advice they were seeking—

> which includes an opinion from Queen's Counsel and have concluded that we could not agree to signing an agreement in the form that you propose.

So we have gone from a bit of correspondence on two occasions, a discussion, and then the very next thing is that we cannot agree. Yet the argument that was being advanced, publicly and in advertisements and before the select committee, was that it was the Government that was in the wrong and not doing anything and that its negotiators, to be fair dinkum, should get on with the thing. Here I am halfway through a letter of 8 October and already I am demonstrating that, if there are to be faults or awards given out, it ought to be 'no fault' liability legislation, because there is plenty of that from the Party that is claiming that it has not been involved in any of the blameworthy aspects at all.

Mr Baker: Will you quote the other letters too?

The Hon. R.G. PAYNE: The honourable member will have his chance to speak. No doubt, in the fullness of time, he will get the call from you, Mr Deputy Speaker, or whoever is occupying the Chair. Then he will be able to develop his arguments. The letter continues (page 2):

> In addition to the above, there are a number of profound, outstanding commercial matters both PASA and the producers would need to be able to overcome before we could obtain an acceptable amendment agreement.

The more one goes into the letter, the more any reasonable reader can see that there is not the most, shall we say, forward desire to reach agreement in these discussions, at least on that occasion. I am only putting forward one letter to illustrate that the matter was not one sided by any means. It was nowhere near that, as was put forward both in advertisements by the producers and before the select committee. It goes on to say:

> There are a substantial number of other commercial terms, including a new proposed price for excess gas, the exploration provision, the first right of refusal, and a large number of drafting matters which would need to be agreed with the producers.

In case the reader—in this case the Premier—thought 'I don't need to give up, that is the nitty-gritty; now we will perhaps get down to something more likely to make some headway,' I point out that the letter concludes by saying:

> However, our initial and fundamental concern focuses upon the grave legal ramifications of the draft document. It appears to us that unless these can be overcome—

not 'agreed' but 'overcome'—

> we will be unable to conclude an early agreement.

I admit freely that I have been somewhat histrionic in the presentation—

Mr Baker: That was 8 October—when was the legislation brought in?

The Hon. R.G. PAYNE: It was not brought in before 8 October. The honourable member now realises that, through the benefit of the select committee, we have already demolished the argument that neither Party was working towards acceptable arrangements and that the Government was not fair dinkum. So, that is one useful thing that the select committee did for this House. Quite clearly, with just that one letter that premise has been demolished.

Mr Baker interjecting:

The ACTING SPEAKER (Hon. J.D. Wright): Order! Will the member for Mitcham desist from further interjections so that the Minister can continue.

The Hon. R.G. PAYNE: I think I have dealt sufficiently with, shall I say, the contesting type of witnesses, at least in relation to reserves, concerning both Government party negotiators and producer negotiators. In the remaining time that is available, I refer to the submission that was made to the select committee by the Chamber of Mines. In a written submission, to which the President of the Chamber of Mines, Mr Leverington, also spoke, he said:

> It has been stated publicly by the producers, and not denied by the Government, that the proposed legislation unilaterally sets aside terms of the existing Cooper Basin indenture.

That is true: it does so, and I have no quarrel with that. The circumstances which led to that approach and the way in which that setting aside has been done have already been explained to this House in the explanation of the Bill, which has been provided to all members. The Government did not take that step lightly. It was taken regretfully, and that has been made quite clear to the House. That decision was made by the Government sadly and regretfully in carrying out its task in order to secure gas supplies for South Australia. The President of the Chamber of Mines went on to say:

> The chamber is also concerned that the Government is reported to have withdrawn from negotiations with the producers when it appeared likely that agreement could be reached without the need to resort to legislation.

That may not have been apparent to the President of the chamber. I do not quarrel with that. Members in this House would have realised from the very clear explanation given to them that that possibility was not available. There was a need to get a resolution, and that was the only course left open to the Government negotiators. I will not read all of Mr Leverington's response, due to time limitations, but he went on to say:

The chamber does acknowledge the need for gas to be available to the South Australian market at prices that are fair and reasonable to producers and consumers and in quantities that can give the appropriate assurances to those responsible for planning the State's industrial and domestic energy requirements.

The Government agrees wholeheartedly with that premise. We note the reference to 'fair and reasonable' prices. During the select committee hearings I asked the President of the Chamber of Mines a question along the following lines: 'Does the chamber have a view on the price of gas to South Australian consumers? Should it be higher than consumers in New South Wales pay for the same gas?' To me that seemed a reasonable question to ask and, after all, the chamber is the body that is associated with this whole industry.

The response that I received was quite surprising. Mr Leverington said that the chamber had not addressed that matter and that it did not have a view on it. I freely admit that I am paraphrasing these remarks to some extent, but I invite members to check the exact response in the minutes of the evidence if they so desire. The chamber had referred to 'fair and reasonable' prices, and I asked for a simple conclusion from the head of this very important body in South Australia, but I could not get a response other than that to which I have referred. The chamber's submission further stated:

The chamber believes that the Government should take a leadership role in bringing all the interested parties together—

it covers a very wide ambit and mentions the Commonwealth Government, the South Australian Government, the Queensland and New South Wales Governments, the AGL and the producers—

to negotiate agreements.

The chamber is entitled to take that approach. I do not quarrel with that, but it might take a long time to get all those people together, and time constraint is a problem that we are currently facing in redressing this matter. I do not quarrel with the behest of the chamber to take a leadership role in this matter, because that is just what the Government has done. Over a period of time very strenuous efforts were made to reach a negotiated agreement.

Much has been made of an alleged four month gap which occurred—sometimes described as five months, depending on who is speaking—between February and July this year, when negotiations were not in progress. That space of time (it is not a gap in the sense that that word is being used by some people) was the period during which the Government was endeavouring to obtain agreement in relation to an independent arbitrator who would at least provide a basis by making a ruling on an independent basis as to the state of the reserves on which a contract might be written.

The thinking involved there was mine. I was representing the Government at the time, and it seemed to me not only that would it be unwise and absurd to attempt to write a contract which did not have any commodity backing for the supply of the commodity but also that it could have led ultimately to legal considerations in the event of injunctions or actions taken in future, which would have been very difficult to answer. That is why there was a lull in negotiating. Apart from that time, it can be argued clearly that there was continuous argument to and fro, which in the final analysis got nowhere. That is why the Government took the action that it did. If members read the select committee's report, which is now available to them, they will find that the select committee has found that the action of the Government in this matter (through the legislation presented to this House) is such that it is fair, reasonable, restrained and modest. I commend the report to all honourable members.

The ACTING SPEAKER: Order! The honourable Minister's time has expired.

The Hon. E.R. GOLDSWORTHY (Deputy Leader of the Opposition): Let me start by describing this Bill in rather different terms to those used by the Minister. What has unfolded as a result of the inquiries of the select committee is a sorry saga of procrastination, incompetence and double dealing, culminating in a massive deception aimed at the public of this State. It will be useful for the House to reflect on the history of the events surrounding this Bill.

I advise the House to examine that history with some care before it casts a vote in favour of it. The Government has been warned since 1982 that the major problem facing this State is the long-term security of supply of our gas. If I have said that once, I have said it a thousand times. It took a committee of inquiry to get the Minister off his backside to do something about this in August of last year. Blind Freddy could tell that the 1976 contracts written by the Labor Party were absolutely hopeless. The producers agree that they are no good and that they must be renegotiated.

The Labor Party put the contracts in place and the Labor Party can wear them. By about August last year it decided to get off its backside and start doing something. It set up the Barnes Committee. I have the highest respect for Ron Barnes, having worked closely with him in setting up the Roxby Downs and Stony Point indentures with the same producers but without the sort of ill feeling and deception that has surrounded these negotiations. Mr Barnes as Under Treasurer was closely associated with those negotiations and played a crucial role in assisting the Government and me, as the responsible Minister, in bringing them to a successful conclusion. What has been the record of this Government?

It had the good sense to appoint Mr Barnes as Chairman of the committee, although it would have been helpful if the Government itself and the Minister, had he the ability and wit, had been more closely associated with them. Nonetheless, that committee met and the Government's offer in relation to price (which I shall deal with as it is of critical importance to the public of this State) continued until February of this year, when the Government was offering $1.77 per gigajoule to the gas producers. One of the critical points in any negotiation—in my judgment the most critical point—is what the product will be sold and bought for. There was not a great disparity, but the Government's offer was $1.77. The Minister then unilaterally ceased negotiations—called them off with no word to the other side as to when they would be resumed.

Four or five months later (from February to July), the Government was in a hurry to fix these contracts in the dying stages of its administration, and one would have thought that it would show a little more alacrity at this stage. But what happened? A letter was sent by the Government. We managed to wangle these letters out of the Government through continual probing. It was like drawing teeth to get to the bottom of the saga, but we got them. The next effort was a palsy walsy letter from the Minister to the Managing Director of Santos stating, 'Dear Ross'. The 'Dear Ross' bit can soon be modified when one gets the tone of the letter, which stated:

The Government has given careful consideration to the major issues outstanding in the gas negotiations.

I think the producers probably wondered what gas negotiations—they had not heard anything for 4½ months. It continues:

The attached heads of agreement contain a number of modifications aimed at resolving the matter.

It further states:

The Government has offered a real price increase over the first part of the contract period.

This is where the massive deception has been visited on the public of this State in relation to the phoney electricity tariff announcements when the Government, secretly behind the scenes, agreed to a price increase for gas but publicly announced a drop in the cost of electricity. It is despicable deception. The letter goes on:

The Government cannot permit the price and long-term supply arrangements for gas to remain unresolved and has determined that this matter must be finalised by the end of July.

That is 12 days, mind you! I gave the Minister credit for more sense than to put his signature to a letter demanding in 12 days the conclusion of a matter as complex as this. This was the letter that reopened the negotiations.

Attached to that letter were the heads of agreement—and quite revealing they are, too. The matter of prime importance to the public is the question of what it is going to pay for gas. The two fundamental issues are: first, security of supply, and, secondly, price. I will address the second question of security of supply and reserves later. The question of price is the one that the public understands, and that is where the massive deception has been visited on the public.

The Government's offer for 1986 was $1.72 per gigajoule. An escalator has been built in. The figure shown is $1.60, but when we apply the escalator, which appears in the front of the schedule, it works out at $1.72 per gigajoule—an increase of 10 cents for gas next year. That was the first throw of the Government in its reopened negotiations. Where do we go from there? There was a series of letters which we managed to get tumbling out over the long exhaustive sittings of the committee. It sat all day Thursday, Thursday night, all day Friday, Friday night to midnight and Saturday morning. It was suggested by the Minister that we sit Saturday afternoon, but some of us said that we had tickets to the Grand Prix and that we had better knock off. We resumed on Monday—an impossible and ridiculous timetable because the Government wanted to keep actively open the question of calling an election later this week.

We sat ridiculous hours, inconveniencing not only members of the committee but also the public, which has a vital interest in this matter, for the cheap political purpose and gimmick of a phoney Bill which the Government had to settle before calling an election. The Government had made deceitful promises in relation to ETSA tariffs, and it could not afford to front up to an election without the matter being settled.

I will press on with the revealing correspondence which sets the scene for the massive deception by this Government. On 26 August, we got down to, 'Dear Mr Adler'. It had dropped the 'Ross' bit. Again in that letter the Government indicated a price increase for next year. They were normal negotiating points, but the thing that did not vary over the months of these negotiations was the Government's offer. There was some slight amelioration of the offer for 1985 prices, but 1985 had almost slipped by, anyway. We were on about the price of gas to the public of this State for next year. That schedule, attached to the letter of 26 August, indicates two prices: $1.72 on one schedule (that is the consistent theme of these prices), and, $1.67 on another schedule. All of these prices, to increase in real terms with an escalator (they are 1985 figures), meant that we were sure, come hell or high water, that gas prices would increase by 10 cents next year.

The next bit of correspondence of interest was the contract of supply of gas to PASA, dated 29 August. The letters were coming with increasing frequency. Again, the contract offer by the Government refers to price, as follows, 'Dear Mr McArdle', and refers to the contract for the supply of gas to PASA. The Government made concessions, I admit—sensible concessions if it wanted to find gas. It refers to non-subject areas. I could not understand the second point, which stated that no specific exploration commitment would be imposed.

I would have been rather keen as Minister to see that there was a commitment, as there has been for the past three years, which had proved successful in finding gas. Nevertheless, price and supply are the fundamental questions. The price was to be $1.72 next year with further escalation.

The next letter to which I refer, dated 3 September, was from the producers, accepting the price of gas. The price was agreed. One of the fundamental parts of any negotiation was agreed. There is agreement with the Premier's offered price. The producers were not jumping for joy because they had hoped for more, and any hard-headed businessmen would adopt that attitude because they have shareholders. Indeed, unless all industry is to be completely socialised, one can understand that attitude. The letter states:

As part of the overall package our proposal accepts the prices indicated in Mr Guerin's letter of 29 August on the basis that they are firm prices, only to be adjusted by application of the index referred to in clause 6.

That is the escalator to which I have referred: one-half of the CPI with the fuel and oil index, and the other half based on inflation: in other words, an inflation factor built into the escalator. Again, the price agreed for 1986 was $1.72. Just prior to this time the Government, while secretly agreeing to pay higher prices, announced its electricity tariff schedule.

As well as making calculations myself, I have had someone who recently retired from ETSA check my calculations, and we have calculated that, if the Government was not to push ETSA into a further massive deficit on top of the enormous tax regime imposed on it with the change in interest rates, it would have to get the gas for about $1.50. Indeed, I have said so often in this House.

Here is the Government, behind the scenes, agreeing to an increase in price of 10c while making these public statements. This is the fundamental reason for the Government's double-crossing the producers at the eleventh hour when it wanted to announce an election: 'Let's solve a political problem as it arises and worry about it later down the track.' The Government announced these phony electricity tariffs, which required a gas price of abt $1.50 per gigajoule. So the producers agreed the price and the sorry saga continued. I refer now to another letter from Mr Guerin, dated 23 September.

The Hon. R.G. Payne: The Government was busy, wasn't it?

The Hon. E.R. GOLDSWORTHY: Yes, busy writing letters every day. However, it is a pity that it did not get busy between February and July—or between 1982 and 1984. What about this ridiculous letter saying that these were the heads of agreement and that an answer would be required within 12 days? Talk about cloud cuckoo land! The Government hoped to wrap up the whole matter quickly.

The Hon. H.Allison: They wanted to fix it in two weeks.

The Hon. E.R. GOLDSWORTHY: Yes, in October 1983, when we suggested that there might be a problem. Now we have this letter to Mr Adler, written on 23 September 1985, when things were drawing to a close quickly for the Government. When the Government announced its electricity tariffs, it did not get the kudos that it thought it would. The Government announced the ETSA tariffs even though it had not fixed the gas price. This letter reaffirms the Government's price and attaches a new agreement that raises some new matters. The schedule attached to the letter was consistent with the Government's offer from July, except that there was to be a slight reduction in the price (a couple

of cents per gigajoule) in 1985. The price for 1986 was again stated as $1.72 a gigajoule, and the consistent theme was now agreed. However, the problem concerning the new agreement was that it raised serious legal problems for the producers, because they were open to court challenge.

In this House the Minister read a letter in a deprecating way, suggesting that the producers had nothing to worry about. However, during the committee proceedings there was tabled advice from an eminent QC, which we were asked to keep confidential, that that agreement would have landed the producers well and truly in hot water—in fact, in boiling oil—in the courts, yet the Minister, the Premier and his negotiator Mr Guerin seemed to think that this did not matter. The producers' response was that they were concerned about the new agreement, which introduced new matter that had not been raised by the Government previously. The producers suggested that this new matter would need discussion because the advice of their eminent QC indicated, among other things, that they could be in breach of their obligations to AGL and be obliged to deliver gas to PASA even though they were prevented from so doing. That seems to be a rather difficult predicament in which to find oneself. They were told that they had lost the benefits of the PASA future requirements agreement for all time. There could also be undersirable legal consequences for PASA, the State and relevant Government officials arising out of the producers being induced to breach their contract with AGL and conspiracy to injure AGL.

The Government obviously did not seem to be worried about the advice of the eminent QC and what it might do to public servants in Government offices. It is an important matter to be raised with the Government. Here is the best legal opinion available suggesting that the agreement will be in breach of other contracts and will land them in court. Events came to a rapid conclusion about this time. The Government was running out of time: it wanted the option of calling an election, and it kept putting out these new matters in this contract. The price had been consistently agreed—an increase of 10 cents for next year. That matter and many other matters had been settled, but then came the letter to Mr Adler from Mr Guerin, the chief negotiator—and the tone had changed—suggesting that they would seek to give the producers legal immunity under the Act. How legal immunity can be given from action in a New South Wales court or, indeed, a High Court challenge, I do not know. So, the answer on that score was hardly satisfactory—indeed, absolute nonsense.

There is also the threat that the Minister would make a statement at Port Augusta, but he had already made certain statements, anyway, and that was the end of the shooting match. Memories of witnesses as to what occurred at one session were strangely at variance. The Minister had the opportunity of having a Government witness appear, but I would like to place on record what the producers' representative said in relation to those meetings was:

> Both of the undersigned were present at meetings of the Guerin committee on 10 and 11 October. We understand that Dr Messenger, in the select committee hearings today, asserted that the producers indicated in the meeting that they did not accept any of the proposals in the Government draft contract of 23 September.
>
> We wish to state categorically that the producers' position in those meetings was as follows:
>
> We continue to accept all matters previously agreed. The matters on which we are at issue were those newly raised by the Government's draft contract.

So it goes on. Then, out of the blue, on the day that the Bill was introduced in this Parliament, came a letter from the Premier—handed to the producers on the very day—stating, among other things:

> The second major objective has been to secure those supplies at an acceptable price. We have discussed on a number of occasions the current arrangements for pricing requiring significant modification. Whatever the antecedents, the current disparity between prices charged to the Pipelines Authority of South Australia and those charged to AGL for the same gas produced in State resources is unacceptable, and steps must be taken to remove this anomaly.

That matter had never surfaced at any time during the negotiations with the Government on the agreed price. In fact, I questioned Dr Messenger fairly closely in the committee because I thought it was at a rather critical point that this provision should suddenly be inserted in the Bill.

After some questioning, Dr Messenger admitted quite clearly that at no stage—and this is on the record at page 380—as far as the Government was concerned during those negotiations was it an issue. He said, 'No, it was not an issue.' That was in answer to my question about the first time anybody had heard of equalising the price of AGL; nor had there ever been mention of a price of $1.54.

The conclusion is clear: the Government had unilaterally cut off negotiations, double crossed the producers and deceived the public to get itself out of a hole which it dug in announcing ETSA tariffs. What Government can have any credibility whatsoever in such circumstances? I predict that the Government will finish up in court—probably the High Court—and that the position will be dramatically and damagingly exacerbated. Instead of bringing this matter to a successful conclusion—and I believe from all the evidence available to the select committee that success was well within sight, if the outstanding matters of the subject area, reserves and security of supply could be solved (which I believe they could)—here is a Government likely to find itself with a court challenge.

The result will be further delay, further ill feeling, further procrastination and a continuation of the sorry and appalling history of lack of a real grasp of fundamental issues and action to resolve those issues by what I believe has been a lame duck Minister and a Government that have had no grasp of them. They talk about an argument concerning reserves. An independent arbitrator set up under the terms of the AGL contracts will report on reserves in December this year. That report will be binding: if that arbitrator says that the reserves are sufficient to satisfy AGL, that is it.

The Minister said a couple of months before that event, 'We must decide now. Don't let us wait for that critical information; we don't have enough reserves.' What does the Government's own oil company—SAOG—say? It has had to stand on the sidelines during the negotiations because the Government has 99 per cent of the shares, but this is what SAOG said:

> Using estimates documented in that report, table 1 attached demonstrates that the gas reserves in the South Australian Cooper Basin are sufficient to meet producers' contractual obligations to AGL to 2006 and the commitments to South Australia in 1992 which are currently being negotiated.

This was to Mr B. Guerin on 7 October 1985, when the Government was in such a rush to terminate these negotiations which it claimed were almost completed so that it could bring in this secret Bill with a completely new set of conditions. Those conditions were never agreed and ignored all those substantial matters of agreement which in good faith had been reached.

What credibility has a Government which operates in this fashion? I do not know how the Minister or the Premier can live with themselves if, in such a cavalier fashion simply for electoral expediency, they can repudiate agreements they have reached. It does not augur well for the reputation of the Premier, or his Government, or for the well-being of the wider community and this State.

I wish to canvass a number of other matters. The Government suggested that the supposedly infamous Goldsworthy agreement, which it has denigrated over the years, has

done the State a disservice. If nothing else, it was committed to an exploration program which found gas. The Government was quite happy to increase the price of gas above that of 10c. Throughout all these negotiations firm agreement was reached for all of that period.

However, the Goldsworthy agreement at least had a second string to its bow, because I foresaw that from the AGL arbitration, which followed the 80 per cent decision by Judge Lucas, there could be some disparity in price.

I agreed with the producers that we would rearrange royalties as best we could to try to equalise the price; we reached that agreement. The only defence for inaction by the Government here is that it would have led to court action. So what! We now have, in the dying stages, the possibility of court action involving this Government. Our advice was that we could make arrangements for payments to PASA or the citizens of this State to ameliorate the price.

If that agreement was successfully brought to a conclusion the public would now be paying $1.31 for gas in South Australia. We would have managed to average $1.01 and $1.62, and people would be paying $1.31. However, this Government would not even try; it would not lift a finger. One would have thought it was worth a shot. If the Government had got cracking on day 1 we could have got $1.10 down to $1.05; $1.32 down to $1.16; and $1.62 down to $1.31. At least I had reached some agreement with the producers, which was more than this Government has been capable of doing. So, we had a strategy for equalising the prices of gas paid by consumers in this State. The Government did not even give it a fling. All it did was sit down and denigrate what Goldsworthy had done—do not worry about any of the second part of the arrangements I made with the producers, oh, no! Someone said that it would not work, but I believe it would have.

We now find the Government bringing in a Bill in the dying stages and being faced with a court challenge which will delay the matter and exacerbate the problem. It is an appalling record of delay, procrastination, incompetence, deceit and double dealing. The public of this State will simply not wear it. When these facts become known, as I hope they do—and when these matters get into the public arena—I think that members opposite will hang their heads in shame to think that leaders in their Government can stoop to such depths of deception and double dealing in order to overcome a short-term political problem of their own making. It is an absolutely appalling record and I am ashamed for a Government whose members could not lie straight in bed. I do not know how they could live with themselves in such circumstances.

Mr BAKER (Mitcham): Two items were mentioned by the Minister of Mines and Energy that he regarded as critical to South Australia's future: price and supply. I would add a third item of the State's credibility. This select committee met, as my collegue has mentioned, very solidly over the space of some five days, in which time we received a variety of evidence, much of it highly technical and multi-faceted, and with some serious long-term implications. We did not have time to address fully some of the questions that had to be addressed. We did not complete the evidence of some of the producers on the legal aspects of the Bill, even though the Minister said that he would take them under his wing: I still do not know whether that has been done.

Because of the shortage of time, we did not have sufficient ability to reach the conclusions, particularly on some of the questions of credibility, that we should have. I will lead the House through some of the areas that have been touched on by the shadow Minister in this regard. First, I will point out to the House exactly how the negotiations progressed. The House will remember that the member for Kavel warned the Government when we lost government in November 1982 that the agreements had to be fixed up, which was fundamental for the future of this State, yet it was not until August or September 1984 that any action was taken. That is unforgivable because the leeway to make other decisions has been diminished. In fact, our bargaining power has been diminished.

It does not need to be reiterated that the Government failed to meet the needs of this State because it took so long to get into gear. One of the critical pieces of evidence that was produced related to where the original problem arose. The evidence received by the committee clearly demonstrated that the agreement made in 1976 between the producers and the South Australian Government was not in the best long-term interests of the State in that, first, it failed to secure supplies for South Australia beyond 1987—unforgivable!

Secondly, it provided a marked disincentive for the producers to pursue exploration. Thirdly, it restricted any options for competitive supply of natural gas from any other sources. Fourthly, it locked the State into maintaining relativity in prices for petroleum. Further, as gas supplies diminished, the overriding impact of high marginal costs associated with exploration and production would be reflected in the ultimate price, to the disadvantage of the State.

These are fundamental questions and are the reasons that the select committee sat. In 1976 the heads of the State—Mr Don Dunstan and Mr Hugh Hudson—failed this State miserably, and now we are attempting to fix up the mess: that mess has not been fixed up. The Government has sought a short-term palliative to meet its electoral needs.

For the edification of the House, I will briefly run through the points at which agreement could have been reached prior to the introduction of this Bill. It has never been refuted that in February 1985 the bargaining committee under the Under Treasurer, Mr Barnes, had got close to finality. There was, indeed, a small disagreement on price.

The Hon. R.G. Payne: Did you say 'close to finality'?

Mr BAKER: Yes, close to finality. There was the question of the *force majeure,* which is an overriding condition that if the reserves are not found the producers would not be liable. There was another item of exploration commitment and another of the basis of agreed recovery for State royalties. One of the reasons why agreement could not be reached—and it is important for the House to understand—is that signing an agreement, as my colleague has pointed out, would place the producers at legal risk. They had had, indeed—

The Hon. R.G. Payne interjecting:

Mr BAKER: Just hold on! In February 1985 they were very close to agreement, but they could not agree because it would place them at legal risk. The Minister accepts that. So, if action was to be taken to relieve them of that risk it had to be taken then. The only response that was given by the Government to this situation was, 'Yes, but we were worried about our long-term supply': I will address that question shortly. If they were at risk with their long-term supply then, they were at risk later in the year, and this Bill does not solve that problem. That was the only reason that was given for the suspension of those negotiations. No evidence presented by the Government team denied those facts.

In July the State's new position was presented. There were 14 new items on the agenda as well as some that had rolled over because they had not been agreed previously. The solution by the producers was to extend the agreement to 1992. The producers again showed undoubted willingness to come to the table, as the Minister will agree. Yet, some

items were still to be resolved because of some legal difficulties.

In December 1984 the Government had agreed to what was in 1986 dollars $1.77 per gigajoule. The producers' price at that stage was $1.86—very close to agreement. In February 1985, the Government still maintained its position of $1.77. In July 1985 it was $1.72, and on 29 August it was $1.72. So, on each of those positions the price offered was much higher than is contained in this Bill.

On 3 September the producers agreed with $1.72 as the base 1986 price. Three issues remained at that stage. Again, this has not been denied by the Government negotiating team. One was the undefined legislation on ethane petrochemical fuel, the exclusion of the first right of refusal, and the Government wanted the producers to remain in their subject areas, which means that they could continue to supply gas only from the area that had been designated. These again caused legal difficulties.

For people who do not know much about the legal situation, there are two aspects: one is that approximate $2 billion worth of loans are mortgaged against the indenture agreements, the two agreements being the Stony Point liquids and the original 1976 Cooper Basin agreement. Any lessening of the terms of that agreement could place the producers at financial risk, and that was to be avoided at all costs.

The ethane petrochemical situation was still unresolved—whether in law the State was entitled to set aside this fuel—because there was some suggestion that until some legal opinion could be gained to the effect that it did have a right, by doing so it would put Australian Gas Light Company's rights at risk. AGL has some priority in relation to South Australian gas supplies. As I said, the third item was the subject area. The draft letter from the producers was sent to the Premier on 26 August, but some suggestions were made as to how these problems could be overcome. None of these things were denied in the committee, so again we were fairly close to reaching agreement.

On 23 September the Government sent a draft contract to the producers, and new items were contained on the agenda. The six new matters were the legal structure and the protection of AGL rights; the *force majeure* which I have already mentioned; the severability of the agreement and the restoration of future requirements if that failed; the concept of a gas bank which had suddenly raised its ugly head within the negotiations, and the fact that the producers would have to spend something like $50 million to meet those obligations; clause 18 in the sales agreement; and the price review process.

To their credit, the producers came back to the Government and attempted to negotiate a position. In February 1985 the price was very close and there were only three items outstanding, whereas the July-August situation was that the price was actually agreed and three items were outstanding. Of course, the final word was presented by the Premier. It is important to understand that the Government had no intention of reaching agreement, because every time the producers came to the table the Government put a futher bar in their way. It did not want to reach agreement, because we heard in evidence that legislation was being prepared as early as May 1985.

The Hon. R.G. Payne: So they had some warning about it: it was not secret after all as far back as May. Thanks.

Mr BAKER: No, the Minister did not listen. I said that the evidence presented to the select committee was that the Government, as early as May 1985, had been preparing a Bill, and the only evidence that was given to the producers was (and this was in August) that there would have to be some enabling legislation to ensure that whatever final agreement was reached was properly carried out in order to overcome some of the legal difficulties. The Minister knows that that is the truth.

The Government was committed to a course of denying negotiations, but kept them on the hook for one very good reason—there was a forthcoming election in 1985 and the Minister wanted to show the people of South Australia that he was a tough negotiator, that he would secure South Australia's long-term future with his negotiating skills. It was not negotiating skill at all: from at least June or July onwards he intended to use the heavy stick approach. He did not care that the producers had tried to reach agreement, and there has been no evidence presented to the select committee to refute that. It was interesting that nothing in all the evidence tendered refuted that course of events. I reiterate to the House that price was not a problem, because indeed the price that was agreed as early as July and August was fairly close to the price that was offered in December 1984, but indeed much higher than the price contained in this Bill.

I will now go to the issues of price, supply and credibility. In relation to price (and I intend during the Committee stage, because I will not have enough time during the second reading, to expand on some points), the price laid down in legislation for 1985 is $1.62 per gigajoule. The second part of the formula is that, until a new price has been negotiated by AGL, the price formula shall be the base price multiplied by a price inflator or consumer price index, or in this case they are using an Australian implicit price deflator for expenditure on gross domestic product. In simple terms, it performs a similar job to the CPI. Of course, the third item is that, when AGL renegotiates its price, that will be the price that rules in South Australia.

Despite agreement from the Government on price and the fact that the producers have agreed to that price, the Minister in the Bill has legislated for a much lower price, because, as we have heard from my colleague the Deputy Leader, an election is imminent. The Government had already calculated that it needed to reduce the price of gas in South Australia to achieve the 2 per cent reduction in electricity.

It is worth noting that all the evidence suggested that South Australian gas prices were not at the exorbitant level that some people had suggested. I believe that they could be far cheaper if the mechanism expounded by the Deputy Leader during the select committee and for the past 2½ to three years was adopted. The public of South Australia could have obtained gas more cheaply, but we did not have the right to take away from the producers the ability to make a profit. We did not have the right to depart from the 1982 arbitrated position. Departing from the 1982 position in such a radical way with an actual decrease in the price causes a ripple effect.

The ripple effect is first, that the producers obviously would receive a lower return (a figure that was calculated was $9 million per annum); secondly, and more importantly, it deals with the AGL contract, because the Minister failed to tell anybody that, when the arbitrator deals with the AGL contract again, he will take into account its competitive situation in the Sydney market. He has not told the House that the delivered price of gas in Sydney is slightly higher than in Adelaide because of pipelining. He knows that, when AGL comes up for its new contract price, the arbitrator will take that into consideration. So, despite the fact that we have lived within the 1976 agreement and had the position arbitrated, and despite the fact that it was seen to be a fair and reasonable situation at that time, there will be a real loss from the South Australian sector.

We did have some means of ameliorating the impact on South Australia, but those means were never taken up by the Government. Not once did it canvass the possibility or

say, 'We can make it cheaper for South Australians to receive their gas because we will offset it against royalties received from the New South Wales sector.'

The Hon. R.G. Payne: You don't think we wanted to honour the agreement set by your Deputy Leader by any chance?

Mr BAKER: It would be the first agreement that you have honoured, because you have not honoured too much in this Bill.

The Hon. R.G. Payne: I don't think that is true.

Mr BAKER: Well, it is true, Minister. The honour of people is such that, when they set out on a track and finally reach a reasonable compromise after considering the various points of view, they do agree. What is important is that agreement is reached behind closed doors. That allows each party to depart the negotiations with their pride intact. As soon as legislation is introduced you show the world that South Australia cannot be trusted. The Minister does not care about credibility—but I do. The Minister has set them a lower price and has subjected them to vast increases in expenditure to set aside ethane and to set aside the supply so that there can be continuity. The Minister has also subjected them to a clause which reduces their ability to search outside the area. In fact, the Minister has done many things which I believe affect the credibility of this State. They are things which I believe the population of South Australia would not think possible for an honourable Government.

The Hon. R.G. Payne: It's all right if I broke the Deputy Leader's agreement. You just told me to do that. You're doing a good job of hanging yourself.

The DEPUTY SPEAKER: Order! The Minister will have the right of reply.

Mr BAKER: I now turn to supply. The question of supply dogged the committee throughout its sittings. There were two quite different viewpoints. The two different viewpoints were really based on what the Department of Mines and Energy perceived to be the available gas reserves and what Santos had come up with. I suppose that, having reviewed all the evidence that we were given (probably in a very inadequate form, because there were many questions that we did not have time to ask), the truth probably lies somewhere in between. The question of gas supplies is probably the most fundamental question. If there is a lot of gas, production costs are reduced. It is a simple matter. If the gas supplies are diminishing, the marginal cost of producing additional units is increased. If there is sufficient gas, there is no difficulty with price because there is a better bargaining position and there is no difficulty with future supplies.

In connection with the Government's paranoia with supplies, it is interesting to note that the Department of Mines and Energy presented figures on five wells. Core samples had been analysed and in the Toolachee region a porosity value of 11 per cent was the lowest value at which gas could be extracted—I think it is fair to say on the basis of five core samples. However, on the basis of long-term experience with wells, Santos demonstrated on a number of occasions that the proposed cut-off level of 10.4 per cent porosity was unreasonable—yet it was not accepted. Indeed, it made some difference to the calculations. As I have said, I think the truth probably lies somewhere in the middle. To try a little bit of logic on the Minister and other members, if we are talking about long-term supply we must work out what would happen if AGL tried to prevent us from using gas that they thought was theirs. First, the producers would fight that proposition as strongly and as hard as possible, because they would know that their revenue would be reduced, in this case by at least 60 per cent. So, we are guaranteed that the producers will protect the situation.

The Hon. R.G. Payne interjecting:

Mr BAKER: If the Minister's memory serves him well enough, he will recall that we were given evidence by the producers that they were willing to set aside the *force majeure*—

The Hon. R.G. Payne: It was only available for a couple of weeks before it disappeared again. The evidence before the select committee was that it was still required.

Mr BAKER: The Minister well knows that in the negotiations (and he has no evidence to refute this) the *force majeure* was not a problem up until February 1985. No evidence has been presented to the contrary. When it was raised during the critical period when the Government was already preparing the legislation, it suddenly became an issue and the producers said that there was difficulty with their legal obligations. They said that they would try and get around that. However, that was too much. The Minister then said that there would be another set of conditions. This is the position adopted by the Minister on behalf of the Government ever since the negotiations began.

I wish to raise many items, given the history and the incredible incompetence of the Government in relation to this matter. How could a Government which has had three years to negotiate a position suddenly at the end of the day, five minutes before an election, say that it is introducing enabling legislation? 'We will get cheaper gas prices but in the process we will throw away millions of dollars of investment capital for the State.' And that is exactly what will happen. How could the Minister have a draft Bill prepared during this period (because they do not appear suddenly over night) and how could he wait until just before an election before placing the legislation before the House? How could the Minister tell the select committee that it had only five days to determine the cause of the problem, given that the Government had not been able to solve that question in three years? How could the Minister tell the producers, 'We are going to subject you to increased costs; we are not going to give you any right to hedge your bets in the non subject area; we will load you down with conditions which are untenable; and we will impose prices which are unreasonable'? The answer is quite simple: this Government is intent on winning the next State election.

The Government will use people and it will use whatever tactics it believes it requires to win the election. If it means that the credibility of this State as an investment region goes down the drain, that is of no interest to the Government. If it means that we lose thousands of jobs because people do not want to invest in this State any more, that is of no consequence to the Government. The solution arrived at by the select committee really does nothing. I will further explore this in the Committee stage because I do not have time to do that in the two minutes remaining. All we have until 1990 is some unused gas for the 1985-87 contract. We have some gas which was to be set aside to run the petrochemical plant. We also have some ethane that will have to be cooked up into a cocktail to take us past 1990 under the proposed conditions with some difficulty, but the Minister and someone else advised me that this was technically possible. We were not told about the price and the feasibility of producing the ethane cocktail as the solution to the problem.

The solution arrived at by the select committee does not help very much. We have gained lower prices—but at what cost? The Minister said that he wants people to discover new gas supplies in the non subject area. No-one will search for gas in the non subject area if they believe that the Government will act like this. No-one in their right mind would sink a hole in that area if they believed that the Government would continue to depress their return. It would provide no incentive to explore, apart from the sledge hammer that it has produced today. I believe that it was a good

committee because it came out with a lot of facts, but the result was disgraceful.

The DEPUTY SPEAKER: Order! The honourable member's time has expired. The honourable member for Bragg.

Mr INGERSON (Bragg): I commence my comments by congratulating the witnesses and thanking them for their part in making our rather difficult task a little easier than we first expected. The witnesses were from both the Government and the producers, as well as one independent citizen who, in probably the shortest presentation, put the position as succinctly as anybody did. This was the first select committee I have attended, and I will make some comments about it.

My first comment relates to the haste and the need to go through the processes of the committee as quickly as we did; that seemed to me rather unnecessary. We sat, as has been explained, through one night until 12.45 a.m. and sat during the weekend to finish the job. This seemed to be nothing more than political expediency. I have not, to this stage, seen anything at that select committee that could not have been any more clearly and easily handled if we had spent more time on it. There is obviously a lot more evidence that we could have collected, in particular yesterday, from witnesses if we had not been gagged by the Chairman. I feel that it is a pity that that occurred because, to my knowledge and understanding, from what has been put to me most select committees have the opportunity to properly question witnesses and are given ample time to report.

The most important thing about this Bill is that this Government is recommending that we break an indenture Act. It seems that this is the most important and fundamental thing that the select committee had to consider, and it was considered for a considerable time. The main Acts to which this indenture relates are the Cooper Basin (Ratification) Act 1975 and the Stony Point (Liquids Project) Ratification Act 1981, and many other associated indenture agreements. I am concerned that, when one looks at investment in this State, this method of introducing an indenture to Parliament is one of the most important acts that we can perform to carry out investment between an individual and the States.

I am concerned that the breaking of these indenture agreements may affect the State's credit rating and, as importantly, affect the investors and in this particular case the producers Santos, Vamgas, Delhi and other members of this consortium. I find it unbelievable that a Government can simply wipe off, through one clear, whimsical Bill coming before this Parliament, the investment that these people have put into this State. I realise that this Bill will not wipe out all of the indentures, but it seems to me that any agreement that the Government enters into in totality ought to be honoured or the whole indenture wiped out and started again.

It seems to me that fiddling at the edges is not the sort of thing that any Government of any persuasion ought to be doing. There have been many reports in the press and letters to the Editor, not only from people who have an obvious vested interest in this exercise but from individuals concerned about job security, particularly in relation to the developments at Stony Point and Moomba. As the Minister is aware, about 6 000 people are employed at this venture, and it is quite unbelievable that the State is putting some of those jobs at risk by introducing what I believe is very draconian legislation.

The other side of the coin is the effect of this action on investors. To date nearly $1600 million has been invested by the companies in the basin. All the companies concerned have in recent times borrowed significant sums of money, not only to develop the Stony Point area but to carry out much needed exploration in the Moomba area, and I find it unbelievable that we should bring before this Parliament a Bill putting that investment at risk.

As reported to the committee, considerable concern is felt by the producers about what their banks might see this legislation doing to them. We have in the report a comment by the committee that it believes there is little risk. That is not the evidence that was placed before the committee—it was quite contrary to that. In fact, all the producers put forward the argument that they were very concerned that this Bill would have a significant effect on their creditability at the banks that have guaranteed and produced the money.

If we have asked these companies to invest historically we will also be asking them to spend money to explore in the future. This Bill has taken away entirely any incentive that they might have in the short term to invest significant sums of money to prove up or find the gas that this Bill is talking about. The report mentions that only 2 per cent to 7 per cent of sales will be affected by this Bill, but the sales side is not as important as the effect on the credit rating of these companies. That was clearly spelt out on several occasions in evidence given to the committee by the producers.

I will talk now about reserves. This is the area in which we probably heard the most divergent opinions. It was like a chasm—like full back and full forward, often miles apart. It seems incredible that we have a situation put before the select committee that, in a letter of 17 September, Santos stated clearly that there were adequate reserves, so far as it was concerned, of some 3 132 BCF plus some additional ethane equivalent to 334 BCF—well and truly adequate to cover the sort of agreement negotiated between the producers and the Government up until the end of February.

At the same time evidence put forward by the Department of Mines and Energy was significantly different, not just a little, with half as much gas put forward as was put forward by Santos on behalf of the producers. During the evidence it was stated clearly by Dr Armstrong, of Santos, that each year, and particularly in the years 1983 and 1984, the company had had independent consultants come in and look at their estimates and on each occasion the Santos figures were proven to be quite conservative.

Yet the figures of the Department of Mines and Energy were considerably lower than the producers' figures. Many technical reasons were put forward why that had occurred, but it seems strange to me that members of the committee had to ask the producers and the department—through the cooperation of the chairman—to sit down and look at the figures which Santos, on behalf of the producers, had not seen. It was quite incredible that evidence was put to the committee that refuted the argument of Santos, on behalf of the producers, but Santos had not seen that evidence which had been placed before the Minister by his advisers.

It is incredible that, after 15 months of negotiation and argument about reserves, half way through a select committee Santos said that it had never seen the figures put forward by the Department of Mines and Energy. There had been no discussions, as far as the select committee was concerned, about why there was a significant difference between the department's figures and Santos's figures. That is the most fundamental concern of the whole exercise.

That was the evidence put before the select committee and it was not refuted by the Minister. In fact, the Minister suggested that both parties get together because there was a disagreement regarding the figures. That is quite unbelievable. On the most fundamental issue, the quantity of gas, there has been no discussion about their respective figures between the two parties that will finally make the decision. That makes one wonder how serious the Government was about reaching an agreement. It was in a position to say, 'Irrespective of what the agreement will be, we have the final card up our sleeve—you haven't got enough gas in

any case, and here are the figures.' I was surprised that that situation emerged. The other important factor in regard to reserves is that AGL, in conjunction with the producers, has employed an independent arbitrator to consider the reserves because AGL does not believe they are there.

Mr Baker: Who is the arbitrator?

Mr INGERSON: The arbitrator is Coles *et al.* This independent arbitrator has been brought in to question the reserves and will report in December. It is interesting that the same situation applies to one of the most important areas considered by the select committee—the quantity of gas. We are advised that the independent arbitrator will also report to the State Government in December, but we will not wait for that report. It is a most fundamental exercise. We will find out in December how much gas is there and whether the figures put forward by Santos or the Department of Mines and Energy are right or wrong, but the Government has hastily introduced a Bill that does not seem to take any note of that at all. Again, one wonders what this is all about.

I have not yet referred to the letter of agreement with AGL. The further we went into this whole exercise the more we came back to the fact that the 1971 agreement between AGL and the producers, which was consequently ratified by the State Government, is clearly the cause of the supply problem today. If that agreement had not been ratified or if some agreement had been made with AGL to get around that situation, we would not face this problem.

I refer now to price. As the submissions and information gradually came before the select committee, we found that the Government had been negotiating prices with the producers and that these prices were very close to the current price that has been so heavily criticised by the Government. The Goldsworthy agreement has been bandied around as one of the worst agreements that any Government has made for a long time, but the figures are close to the figures bandied around.

In December 1984 the price being considered was $1.56—in 1985 dollars; in February it had dropped to $1.53 on the Government's proposal, but all of a sudden on 29 August there was a submission by the Government at 1986 prices of $1.60, only 2c less than the sum paid under the Goldsworthy agreement. It is interesting that the figure was accepted by the producers on 3 September this year, obviously as part of a package. There is no question that any deal done in this area must be part of a package. That figure of $1.60 in 1986 terms is in fact $1.72.

I undertook an exercise in extrapolating the other figures put forward in the agreement: in fact, what the Government was putting forward was $1.94 in 1987, $2.20 in 1988 and so on. So while the Government is saying that the price stipulated under the Goldsworthy agreement of $1.62 a gigajoule is too much, it is putting forward under the signature of Mr Guerin on its behalf a suggested contract of $1.60 in 1985, $1.72 in 1986, $1.94 in 1987 and $2.20 in 1988. It is interesting to note that behind the scenes the Government was doing deals with the producers but in public it was criticising the Goldsworthy agreement that it said it had been left with. That interesting information came to light during the deliberations of the select committee.

The committee was told about a new sales agreement which had commenced in about August 1984 and which terminated in February 1985 whereby the Government and the producers were to sit down and negotiate price, supply and any other legal matters that may have to be negotiated so that the two main areas—price and supply (and let us face it, that is what it is really all about)—could be worked out. The Barnes committee worked through August 1984 to February 1985 and obviously there was a tremendous amount of to-ing and fro-ing until it got down to these issues.

The producers submitted evidence that they thought that those three matters could have been quickly and clearly fixed up. They had the impression from their last meeting with the Barnes committee that they were not far from agreement. Then suddenly that committee was wound up and another committee was set up. I will outline the three major points from the letter of 18 July 1985. The letter is addressed to Mr Adler, from the Minister (Mr Payne).

The Hon. R.G. Payne: Did that letter say 'Dear Ross'?

Mr INGERSON: Yes, I think it did. Obviously, that was the cordial period. The scene rapidly changes in other letters. In the letter to which I have referred a price rise is offered. Right through the proceedings the Government was negotiating prices that were significantly higher for the next four years than those in the agreement entered into by the previous Liberal Government. The second point put forward was that the Government accepted that within the agreement there must be an adequate supply, but it made the point, which I find strange, that it would not expect an exploration agreement. I should have thought that, if the Government wanted the whip hand in making sure that it had a supply, it should at least have demanded expenditure on exploration. Yet here we have the Government taking such a hard line on the Bill before the House, whereas back in July when the committee was set up its approach was not so hard.

The other point put forward in the Bill which was a backflip from the agreement days of the Barnes committee concerned the *force majeurr* clause which was different from that which had been negotiated and clearly expressed to the committee as a negotiated and agreed position. The final point was that agreement had to be reached within 13 days, and there is an incredible statement in the Minister's letter to that effect. All of a sudden, after three or four months of negotiation, the company was expected to make an agreement within 13 days on a brand new legal document containing 18 or 20 clauses.

That series of letters proceeded through a series of negotiations between the Government and the producers and, as the Minister said, there was considerable movement by both parties. Evidence put to the committee by the producers, and not refuted by anyone, substantiated the fact that the Government was continually changing the rules of the game: that it would put forward a set of rules, ask for agreement, and then produce another set of rules in the next letter. It was put to the committee that it was the Government and not the producers that completely changed the rules. In the end, even though the producers wished to continue negotiating on the agreement, it was the Government that called a halt.

It is interesting that on 23 October, the day before this Bill was introduced, a letter went from the Premier in which he reiterated what everyone knew and what everyone knows was the fundamental exercise—a secure supply of gas. The Premier talked about the prices charged, which everyone accepted, yet in evidence to the committee yesterday, substantiated by Dr Messenger, for the first time there was talk of relating the price to the AGL contract.

It is incredible that on the day before the introduction of this Bill a letter to Mr Adler, representing the producers, contained a suggestion that linked the price in the AGL contract to the price to be paid to the producers in future. Also, for the first time in a series of discussions there was stated the need for urgent legislative action. This was reported to the committee. The legislation had been suggested by and discussed with the producers. That was put in purely and simply to enable the producers to carry out their contracts and to ensure that any legislation was neutral.

There was no suggestion of introducing draconian legislation such as that introduced on 24 October. Therefore,

we now have a Bill that was referred to a select committee, and the producers have expressed to that committee their great concern in relation to gas reserves. They argue that their reserves are adequate whereas the Department of Mines and Energy argues that they are not. According to evidence given to the committee, the prices for gas were clearly agreed to at the end of August, but now the whole agreement has been thrown out the window because of the direct link between the prices arbitrated or agreed with AGL.

It is interesting that we should link ourselves with an agreement that is specifically designed for New South Wales. I accepted that the price should be a single price at the wellhead, but it seems odd that the South Australian Government should have no opportunity to be part and parcel of the agreement with AGL. What happens if, in a couple of years, there is a massive escalation of the arbitrated figure? What will the Minister do then? Will another Bill be introduced to change again the indenture so that we can bring it back to a more realistic price? Why was not the option included at least to negotiate the price with the producers if the price set by AGL was not satisfactory?

The other point of concern put to the committee was the investment factor for the producers now and in the future. The fact is that agreements with the banks are put at risk. By introducing this Bill, the Government is putting that situation before companies which have struggled and which have been helped by the Government. Now, some of those companies are reasonably successful and others are extremely successful. I should have thought that one of the great pluses in selling off our royalty rights in this State is that we should encourage companies to expand and to have the incentive to get behind this State and develop it. We should not introduce legislation that clearly breaks indentures, as we are doing by this legislation that has been set before Parliament for special reasons. That concerns me very much.

The final matter about which I am concerned is the possible loss of jobs that may occur in this production area because, if the banks require extra security or call on the producers to repay some of the money that they have borrowed, almost all the producers will have severe liquidity problems. Further, if they have such problems, one of the first groups of people affected will be those people whom they employ, and I am concerned that this Bill should be heading down that line.

Mr GREGORY (Florey): I support the adoption of the committee's report. It does a number of things, amongst which it reserves certain gas for South Australian use, it voids the Pipelines Authority of South Australia future agreement, it enables PASA to seek contracts for gas elsewhere; and it sets a price for gas to be paid by PASA. That is absolutely necessary. I want to relate to the House a brief history of gas supplies in South Australia. It was first delivered in 1969, and it was not until 1971 that other contracts were able to he undertaken, because supply was then guaranteed. In 1971 the producers and AGL signed a letter to supply 2.8 trillion cubic feet of gas to the Sydney market.

I comment specifically on that, as this matter is very important. The intent of the contract was that if they were able to discover 2.8 trillion cubic feet of gas, sufficient to be able to provide 2 trillion cubic feet, according to a schedule, over 20 years, the contract would take effect, and AGL would be responsible for building a pipeline to Sydney. That was in May 1971. The producers and AGL voluntarily entered into that agreement; they did not require South Australian approval, other than the promise to grant petroleum production licences to the producers to enable them to implement the contract, if it took effect. It has become apparent that that was the root cause of all our trouble.

During 1971 and 1972 the producers undertook major exploration, and they declared that they had found 2.8 trillion cubic feet of gas. It is interesting to note from the evidence, also going back to the period 1972-73, that, when the letter of agreement was being received between AGL and the producers in terms of whether sufficient gas existed for the contract, New South Wales production was commenced in 1976. The South Australian Government was advised at that time that the producers realised there would be considerable benefit from looking at a rationalisation of the production in the Cooper Basin, rather than having Moomba and Gidgealpa developed to supply the Adelaide gas market.

All these other fields which the producers had discovered in their exploration program for AGL were being developed to supply the Sydney market, and there would be benefit in pooling the fields to enable a common production facility. This led to intense negotiations between the Cooper Basin producer companies, the State Government, AGL, and the Pipelines Authority to introduce the unitisation of the Cooper Basin producers and the undedication of the dedicated fields: in other words, rather by agreement, these fields would be dedicated to that contract.

In undedicating them, the producers and AGL had agreed to put them into the common pool, along with Moomba and Gidgealpa, and have their supply drawn for the two State contracts for New South Wales and South Australia. There were very good reasons for the producers wanting to do that at the time, because it meant that all the firms that had their production licences were able to share in the benefit of the sale of that gas, even if the gas was not then drawn from their production area.

At the request of the producers the Cooper Basin (Ratification) Bill was drawn up and introduced into this House by the Minister of Mines at the time (Hon. Hugh Hudson). Contrary to the interjection by an honourable member when the present Minister of Mines and Energy presented the report now before us, the Cooper Basin (Ratification) Bill was not just a Labor Party Bill. It had the full support of the Liberal Party at that time. I want to refresh the memories of members in that regard. On 29 October 1975 the member for Davenport had this to say:

> The Liberal Party supports this Bill with pleasure. I believe it will be to the long-term benefit of the whole State.

That is what the member for Davenport had to say on that occasion.

Mr Ingerson interjecting:

Mr GREGORY: That is what he said. The member opposite is not suggesting that he does not tell the truth, is he? The member for Davenport further stated at that time:

> One of the major problems of the field is that there is every likelihood of there being far greater reserves than are known and, once the guaranteed price is obtained, further exploration work can be undertaken. I understand that no exploration wells have been drilled in the Cooper Basin for about two years, and that is most unfortunate.

On that occasion the member for Davenport was recognising a problem similar to that which is plaguing us at the moment in respect of the gas fields. Those comments indicate the Liberal Party's belief at that time that there was sufficient gas to meet South Australia's needs as well as those in relation to the Sydney market. The member for Davenport further stated at that time:

> That means that South Australia will have at least a guaranteed supply of some quantity until 2005, probably sufficient for the Adelaide market even beyond that period, if the expectations in the Cooper Basin come to fruition.

So, it was not only people on this side of the House who had such views at that time. The member for Davenport further stated:

The indenture is essential, because it will ensure (and this is possibly one of the greatest benefits of all that will accrue from the project) future exploration in the field.

That is what he said, and there is no dispute about that. At that time, Mr Coumbe, the expert, who was then member for Torrens (unfortunately he is no longer with us) had a few things to say about the Cooper Basin (Ratification) Bill. He stated:

It is in the interests of South Australia that this Bill is passed.

He added further comments, such as:

The price structure for gas supplied to Adelaide was recently increased to enable exploration to resume...The other matter relates to the rights of AGL, which are being readjusted. If we do not proceed with this measure, there could be some doubt as to the future ability of South Australian industry to continue to use this product.

Mr Coumbe later continued:

At present they are going to waste or being flared, and this is a national scandal and a tragedy. While I do not blame anyone at this time, I mention that as a matter of fact.

The member for Light then had a bit to say about the Bill. He expressed interest at the time in how the liquids part of the scheme would be reserved for use in South Australia. I gather from the tone of his speech that he supported the Bill also. At the conclusion of the debate the then Minister of Mines and Energy (Hon. Hugh Hudson, moved that the Bill be referred to a select committee comprising Messrs Allen, Dean Brown, Hudson, Olson and Slater, and that committee was appointed.

It was somewhat hypocritical of the member for Kavel to make the comments in this House that he did about the 1975 Cooper Basin (Ratification) Bill. He was a member of the House when that Bill was debated. I know that, because the record shows that the member for Kavel took a point of order during the debate as follows:

I rise on a point of order. This is the first time, to my knowledge, that the right of reply has been permitted on a motion to note the recommendations of a select committee report.

The member for Kavel was here; he was not hiding. He knows full well what went on. I undertand that people are able to attend select committees of this House and can hear what is being said. I wonder whether the member for Kavel attended meetings of that select committee. However, I point out that he said nothing in opposition to the Bill when it was further debated in the House on 6 November 1975. He said nothing at all. The report shows that the vote on the motion at that time was carried. There was no call for a division, and one can only assume from the record that the Liberal Party at that time supported the concept that was before the House. Therefore, it is stupid (I think that is the word used by the member for Kavel) for members opposite to suddenly stand in this House and try to make people believe that they consider that the 1975 ratification Bill was wrong. That is being very hypocritical.

It is easy to do things with hindsight. If some generals could have fought all their wars with hindsight they would never have lost one. If the member for Kavel were to do everything he has done with hindsight, he would never make a mistake. There again, he has never done much, either. It is important that we understand the basic reason for the select committee and why agreement has not been reached. Members opposite have been apologetic towards the producers. They have indicated that agreements have been reached and broken by Government negotiations. It is obvious from listening to their remarks that they have had little or no experience in negotiating agreements. Negotiations are based around packages and concepts and not around one thing occurring at a particular time; indeed, price may depend on a number of variables. What is in the package usually determines the price.

From my understanding of the evidence given to the committee and from viewing the documents tabled, there has been considerable to-ing and fro-ing over 18 months, which is a considerable time for negotiations to take place. The real stumbling block with the Government and the negotiators acting on behalf of the Government was the inability of the producers to guarantee supply. That is the all important thing. It is a matter of conjecture as to whether or not they can supply. The producers say that they can, and they have the word of consultants Degolyer and McNaughten—very good world consultants—in assessing the extent of oil and gas reserves available to the producers in the Cooper Basin.

AGL, not being too sure of the accuracy of the figures coming in from that company, employed consultants—PMA—which came out with lower figures similar to those arrived at by the Department of Mines and Energy. That caused some consternation, as there could not be agreement. It is my understanding that in such circumstances the agreement between AGL and the producers provides for the federal Auditor-General to appoint an arbitrator. They had long consultations between themselves and could not come to an agreement on who the arbitrator ought to be, so they went to see the federal Auditor-General, who told the two groups to go back and talk among themselves in order to settle it. Eventually, they settled on a company, Coles, Nicki Foruk and Pennell, to be the consultants. Once that had been agreed, they then had to agree on terms of reference for the consultants. Apparently, as agreement could not be reached, they again went to see the Federal Auditor-General who told them to go away and fix something up themselves, as it was not within his terms of reference.

It is my advice that the work being done by Coles, Nicki Foruk and Pennell is being done in the absence of any agreement being reached on the terms of reference. It is quite possible that in December of this year, when that group of consultants brings its figures to the producers and AGL, there will be court action, because the agreement with AGL is such that it can take injunctions to ensure that it has a supply of gas to the year 2005 for Sydney, which can be very much to the detriment of South Australia. It is my further advice that, in respect of the whole of this problem, an eminent Queen's Counsel and a number of academic lawyers virtually unanimously advised as follows:

Gas sharing with AGL could not be enforced by legislation, because of possible difficulties with section 92 of the Commonwealth Constitution (interstate trade).

The producers could not sign a contract with PASA for gas from the general reserves within the Cooper Basin of South Australia until Schedule A was declared.

Even after Schedule A was declared, and supply to PASA under a new contract commenced, PASA's supply would be second priority to AGL until 2006.

AGL could stop supply to PASA by injunction if at any time it could demonstrate that there were insufficient reserves to enable Schedule A outstanding commitments to be supplied.

PASA would have to divert gas from its own customers if at any time Schedule B quantities were not being supplied to AGL.

That is the problem we have, and that is what the Government was trying to seek from the producers all along. The reason for so doing is that there is some doubt as to whether the reserves of gas in the Cooper Basin are sufficient to fulfil contracts with AGL and the Pipelines Authority of South Australia (which means South Australians) until that time, contrary to the belief given to the people in 1975 when the Cooper Basin (Ratification) Act (which, incidentally, both sides of the House agreed was essential) came before this House. This is not a view that one could say was held only by the Department of Mines and Energy. One of the producers, Crusader Resources, wrote to the Minister stating:

Exploration and appraisal for additional gas in South Australia has been neglected because it is perceived that development money spent in Queensland has better corporate value than exploration money expended in South Australia. Crusader has, for the past five years, attempted to significantly increase exploration in the Nappacoongee Murteree Block. However, the major participants, voting in unison, have always blocked these attempts.

The shortfall in reserves against the AGL and PASA contracted markets has been handled with a bias towards introducing Southwest Queensland gas into the PASA futures market. South Australia's best interests would have been served by a determined effort by the unit towards obtaining gas sharing of the existing South Australian reserves between the future likely PASA and AGL markets.

There we have in a nutshell what has been happening for economic reasons and for greater returns. One cannot blame the producers for that. There has been a neglect of production and exploration in the Cooper Basin to the detriment of South Australia. Why do we need to make the Pipelines Authority of South Australia futures agreement void? It is very simple. The agreement is such that, with some variables, South Australia is required to take 100 billion cubic feet of gas a year and the *force majeure* in the contract that the producers had with the Pipelines Authority of South Australia states in part:

. . . partial or entire failure of natural gas reserves which in the opinion of the producers supported by the report of an independent expert can only be remedied by the drilling of uneconomic wells or the installation of uneconomic facilities. . .

We can see from the Australian Gas Light agreement that all the gas there could be reserved. The producers could say, 'Look, there has been partial or entire failure of the natural gas reserves. Consequently, we do not have to supply you.' South Australia would then be stuck. We would have to enter into contracts to purchase gas somewhere else for our energy needs here. We have the Liberal Party supporting a concept of women and children going to bed at night without meals having been cooked, houses unheated and cold showers.

Mr Lewis: That is nonsense, and you know it.

Mr GREGORY: It is not nonsense. It could happen in an extreme situation. If the honourable member is saying it could not happen, he is walking away from reality. If we got a supply of gas from Bass Strait, which is possible, the producers could then prove up a bit more and say, 'We have the gas now and you have to buy it at 100 billion cubic feet,' and we would be left holding the bag.

That is not the only problem. At the moment Torrens Island power house, which produces more than 60 per cent of the State's energy needs and electricity, is solely dependent on gas. If gas supplies are interrupted to such an extent, the A station 1, 2, 3 and 4 boilers could be fired with oil. They were designed to operate on oil but, from evidence, I understand that it would cause a dramatic increase—30 to 40 per cent—in tariffs.

If it was decided that we were to go for coal, we would have to convert Torrens Island to black coal. That is not a cheap operation either, because we would have to spend at least $120 million before we could have any of the units at Torrens Island operating on black coal. The problem is that 3 and 4 boilers in B station could be fired up on black coal but would operate at about 180 megawatts per unit instead of 200.

From the evidence given, I am not sure what would happen with 1, 2, 3 and 4 units of A station but if there was a corresponding reduction there of about 10 per cent we would find that those units would produce at 10 per cent about 108 megawatts instead of the 120 that they are each supposed to produce. It would not be feasible to convert 1 and 2 of station B to coal because the design of their boiler would mean that they would be able to produce only 100 megawatts. That huge investment would produce half its possible output.

We have a problem in determining what is in the ground and there is a difference of opinion between two sets of experts. If the State Government was foolish enough not to accept the assessments on the conservative side of the available reserves it would be lacking in its duty. The member for Bragg mentioned the evidence given to the committee by Mr Armstrong. He holds to his point of view. I appreciate that from a person with professional experience, but other professional people hold to a different view. The difference really is between 1 940 billion cubic feet and 3 049 billion cubic feet—a big difference. I suppose that this is one of the problems associated with gas.

Mr Lewis: The figures are rubbery.

Mr GREGORY: It is a bit like what is between your ears, Peter. I understand, from evidence given to the committee, that if more work was done perhaps the more conservative figures of the Mines Department could move towards the more expansive figures of Santos. It is like talking about Lassiter's gold: we know it is out there somewhere, but we have not got it. It is the same with oil or gas in place. We know it is there, but can we get it?

Advice we received indicated that gas is being driven out of the reservoirs by expansion and, depending upon reasonable porosity of the rock, 79 to 80 per cent recovery could be made. Santos assured us that in one area it will get 85 per cent, but that if there is water driven expulsion of gas from the reservoir it can result in figures as low as 50 per cent and up to 60 per cent recovery. The only real way of knowing what is in these reservoirs is when the last drop of gas comes out and no more can be extracted. That can be done only after proper exploitation, testing, drilling and working on a number of these fields, which has not happened.

Mr Lewis interjecting:

Mr GREGORY: The honourable member's interjection is quite correct, because we heard evidence of fraccing taking place in some areas. The member for Kavel pointed out that, when he had brief tenure as Minister of Mines and Energy in the previous Government, fraccing at that time was not good. In some places it works, in others it does not. The expert from Santos said that in one area where they had carried out fraccing there had been a reduction in flow from wells and in other areas there was an expansion. There is reason to take their word for it.

The member for Mitcham commented that the Government was not interested in reaching a sales agreement. That is nonsense; the Government was interested. However, one cannot reach a sales agreement unless one has a security of supply, which was always a sticking point. If availability of gas had been assured I am quite sure that eventually agreement could have been reached. The member for Bragg said that he had attended the committee. I thought that he had participated as a committee member. I understood that 'attendance' meant that one gave evidence or that one was an observer.

I want to make one correction. The member for Bragg complained about the method of negotiation—'doing deals with the producers'. The only time one does deals is when coming to finality and reaching an agreement. As I said earlier, I have been involved in many negotiations. It is not until you wrap up the total package that you have reached agreement. It is possible that, in the early stages of negotiations when going through all the points to be discussed, one reaches agreement about a number of things, but there is a price to pay. When it gets towards the end, and adding it all up, it still may not be a package wanted by both parties. Consequently, agreement cannot be reached.

So, one goes back and negotiates a different agreement on different parameters. One knows this when involved in such negotiations. The member for Mitcham shakes his

head, and is saying that he knows that. Why did he not say so instead of trying to make out he did not? I am pleased that he knows that is what happened. At least he could have had the honesty to say so in the House today.

I enjoyed participating in this committee, because it is a very important step that this State is taking. When this Bill is passed by both Houses it will ensure that the State Government gets the best deal possible for the citizens of South Australia and that assured gas supplies are secured at a reasonable price.

Mr KLUNDER (Newland): It was interesting to hear the member for Florey finish by saying that he enjoyed working on the select committee, because that is how I was going to start. However, given the amount of work done by the committee—and I include the witnesses, the Minister's staff and parliamentary staff—'enjoyed' is probably the wrong, term and I replace it with the word 'appreciated'.

I do appreciate working on select committees because they normally look at a Bill in a far deeper form than we do in the House. I must admit that on this occasion the select committee did not seem to get to the level of expertise in the matters before us that I fondly believe has happened in relation to all previous select committees. I will return to that later. Overwhelmingly, the question was one of the reserves that were available for the State of South Australia. That question was so important that all other questions depended on it and everything came back to the simple question—do we or do we not have the gas to supply South Australia in the near future?

Members who have spoken in the debate have clearly delineated the history of the events that took place, so I prefer not to do that. There is another kind of background to the deliberations which is important. I refer to the background of the decreasing amount of time to make preparations if it turns out that we are short of gas. The current contract runs out at the end of 1987. It was made very clear by Mr Easton, the Assistant General Manager of ETSA, that a four to five year lead time is necessary to make decisions, for instance, in the matter of changing the Torrens Island power station to coal.

I assume that other industrial and commercial undertakings in this State have similar lead times. Therefore, we are already in a position where the producers' hand at any conference table is strengthened significantly in the course of those negotiations; and every day closer to the end of the contract strengthens the hand of the producer.

Having been a member of the select committee I think it is impossible to assure the House that enough gas is in recoverable reserves and that it exists as such. It is equally impossible to argue that it does not exist.

In my opinion the select committee did not have the skills to determine this. The figures are probably not clearly determinable in any case. The experts that came before the select committee disagreed. On the one hand the producers clearly stated that they believed there were enough reserves to supply both AGL and PASA. As part of the back-up information they indicated that they had to borrow an amount of money and that the banks were unlikely to lend them that amount of money unless the banks' consultants were also convinced that there would be enough gas. That argument is probably limited somewhat by the fact that, on those occasions when the producers were kind enough to give us information as to how much they owed and when it was repayable, they told us that the amount borrowed and the interest had to be repaid by 1992. Consequently, one would not expect a bank to look to a very long distance past 1992 to find out whether there were reserves beyond that year; the banks would only be interested in the reserves covering the length of the loan.

The producers declared that the schedule A for AGL was available by September 1984. They declared a further 200 BCF for PASA in December 1984, and then declared a guaranteed supply to PASA for five years on the basis of a reasonable commercial return. Another group which indicated that it believed there was an adequate supply was SAOG, which presented a letter indicating that. I was somewhat astonished by that letter. To my mind the letter had an almost miraculously narrow basis for that prediction. The letter delineates that the required amount is 3 130 petajoules, with the available reserves being 3 159 petajoules—the difference being less than 1 per cent. I find that astonishing in a situation where recoverable reserves usually means someone has a 90 to 95 per cent certainty that the figures given can actually be recovered.

I believe that SAOG was treading a very thin line in this matter, given its fairly sweeping conclusion. I think it is reasonable to add that SAOG did not include the amount discovered during the current year, which would probably add 1 or 2 per cent to its figures. The experts on the opposite side included PMA, the Adelaide based consultancy firm called in by AGL. Apparently, PMA had a pessimistic outlook in relation to the reserves.

The experts also included Mr Owens, the Manager of Energy and Development, Department of Mines and Energy. Mr Owens stated very clearly that: early 1985 the confidence in gas reserves was suddenly shattered by consistent advice from advisers that there seemed to be a major shortfall in gas reserves so that DME could not enter into a long-term contract that it had tried to negotiate.' Of course, Mr Owens is referring to the Barnes committee negotiations which at that point were called off. Dr Messenger, Executive Member of PASA, also made his views quite clear, as follows:

> We do not believe that the producers have sufficient gas, and particularly because of the ongoing *force majeure* aspects and disputes, we do not believe (although they keep emphasising this) that they believe they have the gas. They will not guarantee supply, apart from this ongoing and completely unacceptable *force majeure* position, which we consider would enable them to get out of a supply contract if they do not ensure supply.

I will return to that later. The figures between the Department of Mines and Energy and the producers were sufficiently staggering to be worthy of comment in their own right.

The original and second lot of information made available to the committee show a difference of, respectively, 1 469 petajoules as the difference between what Santos believed was available and what the Department of Mines and Energy believed was available, and the second lot of figures showed a difference of 1 140 petajoules. I think it should be stated that the figures supplied by the Department of Mines and Energy in each case indicate that there would be a shortfall of the schedule A requirements.

The experts also included Crusader Resources NL, which was a party to the PASA futures requirements agreement. The comments from Crusader are probably as strong as any we have heard. The Crusader letter states:

> Crusader now sees the corporate goals of some larger unit producers dictating the course of the unit. Because these producers have significant gas reserves in Southwest Queensland, they have not proceeded with due diligence to protect the traditional unit markets for gas produced from within South Australia. In particular:
>
> 1. Exploration and appraisal for additional gas in South Australia has been neglected because it is perceived that development money spent in Queensland has better corporate value than exploration money expended in South Australia.

The Crusader letter also states:

> Crusader believes it is most likely that the independent experts will judge a shortfall to exist and thus contractually the South Australian producers will not be able to contract to deliver gas to PASA after 1 July 1988.

With quite commendable understatement the letter adds:

This is undoubtedly a most serious situation.

Finally, it also said:

The major reason for these reserves not being available now is that the block parties have not been prepared to undertake sufficient gas drilling.

Crusader did not resile from the statements made in its letter. On 4 September a telex to Mr Guerin in the Premier's Department stated that Crusader stood by its letter of 1 July 1985. The difficulty in establishing the amount of gas that exists either as gas-in-place or as reserve gas can best be illustrated by an exchange that took place with Dr Armstrong, the Executive Director of Santos.

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

Mr KLUNDER: Before the dinner break I was in the process of trying to establish that it was very easy to come to different conclusions as to the amount of gas in place, and I was about to quote Dr J. Armstrong, the Executive Director of Santos. Dr Armstrong said:

In early 1982 the Degolyer and McNaughten report of the gas in place on the fields at that time was 25 per cent higher than the producers' number.

I shall now go through a number of questions and answers from the evidence of the select committee. Dr Armstrong was asked:

You may not have realised it, but you are compounding my problems because it sounds as though different people, using different parameters and different assumptions, will look at exactly the same gas field and, on what you have said so far, make assumptions of about 25 per cent difference in terms, I presume, of reserves. Is that correct? Is it gas in place or reserves?

Dr Armstrong replied:

Those percentage differences refer to gas in place.

He was then asked:

Then we have a difference again perhaps in terms of the recoverability of that gas and therefore the reserve value one can assign to the gas in place?

And his answer was 'Yes.' He was asked:

So two different groups of people arriving at the same gas field having the same basic information can arrive at figures that differ by 25 per cent?

He replied, 'Yes, that is correct.' It is only fair to say that Dr Armstrong then went on to say that he had not brought up the 25 per cent illustration in order to show that that was possible but merely to show that Santos was more conservative than the consultants. However, it illustrates that different and currently uncheckable estimates of gas availability are being made with errors as large as 25 per cent—and that they are being made by experts who have the same basic goal in mind. The producers, I think, have an interest in being optimistic. I am not claiming that they deliberately load their figures because of that, but, in an area where guesswork and intuition still play a large part, one cannot expect them to automatically take the most gloomy prognostication at every available opportunity.

By contrast, the Department of Mines and Energy has nothing to gain by being gloomy in its estimates and forecasts. In fact, on this occasion by being gloomy in its forecasts it has created a great deal of unhappiness for a lot of people. If I can speak more lightly for a moment—that hardly suits the caricature of public servants who will do anything for an easy life.

The committee listened to a number of experts and found that the experts did not agree. The House may draw its own conclusions as to where it places its confidence, but members would be foolish indeed if they did not guard against the worst possibility. If the normal contract is renewed, and if at any time after 1987 there appears to be insufficient gas, AGL can take out an injunction that will stop the supply of gas to PASA and Adelaide overnight. The producers have indicated that they do not believe that this will happen, but they have refused to divest themselves of their protection if it does happen. I suggest to members that there may be a lesson in this also.

The Bill seeks to set aside various quantities of gas for the use of South Australia, namely, the contract quantities for 1985, 1986 and 1987, the 6.015 cubic litres set aside for the petrochemical industry and a quantity of ethane so that the petrochemical gas ethane will last beyond 1992. The gas will be safe from an AGL challenge. The need for that was elucidated from Dr Webb, the General Manager, Commercial and Planning, of Delhi. He was asked:

Does that mean that 2.8 TCF, which is supposed to be the reserves available to AGL—schedule A—may in fact include the petrochemical gas?

He replied:

There is no doubt in regard to AGL's rights that there are varying legal opinions and so there is some doubt.

Therefore, there are doubts and it is utterly necessary to place that quantity of gas beyond doubt. There seem to have been major stumbling blocks in the ability to guarantee a source of supply, and one of these was the *force majeure* provision, that is, the act of God clause which lets out one party from its obligations if the circumstances are beyond its control. One such acceptable provision would be that the producers should not be penalised for not being unable to supply gas if an earthquake destroyed part of the pipeline. Two *force majeure* provisions were at issue.

The first arose in the following circumstances. The producers indicated a guaranteed supply to PASA and, as we know, guarantee hinges on sufficient reserves being available. Apparently, the guarantee is a normal commercial one, which, one presumes, includes penalties for non supply. One of the *force majeure* provisions is that 'partial or entire failure of natural gas reserves which, in the opinion of the producers supported by the report of an independent expert, can be remedied only by the drilling of uneconomic wells or the installation of uneconomic facilities' is a condition under *force majeure* that, in fact, allows the producer to not supply gas without penalty.

That is not a bad clause, because basically it means that one can promise to provide gas from the base of saying that one has sufficient reserves and, if those reserves do not turn up, in fact there is no penalty for not supplying. Interestingly, producers indicated that the provision had been waived in the Barnes committee negotiations stage by them on condition that extension outside the subject area would be permitted by the Government. It was then alleged that the Government had gone back on its *force majeure* provision and had not insisted later that it be included. There again, I want to read into the record the words interchanged with Dr Messenger:

I need clear in my mind exactly what the *force majeure* situation was. I have in front of me a gas sales contract, which I understand is current. On page 12, clause 12, it indicates that the *force majeure* provision exists. One of the provisions is the partial or entire failure of natural gas reserves, which is, as you have pointed out, the way in which it is possible to guarantee reserves and then, if they do not eventuate, to use a *force majeure* provision to not pay the normal commercial penalties. We were given to understand earlier by another witness that during the negotiations of the Barnes committee the producers agreed to the removal of that clause and the *quid pro quo* from the Barnes committee was that the producers would be able to go outside the subject area. If my memory serves me correctly, the producers then indicated that the Government then did not ask again for that particular *force majeure* clause in the later negotiations of the Guerin committee. That is what we were told. The 18 July heads of agreement for a new gas contract sent by the Government to the producers includes, in section 9 (2) (5):

A declaration of *force majeure* shall not be made in the following circumstances:

(a) If due to a failure of reserves the producers are unable to supply the quantity of gas.

It seems to me as though right throughout this entire situation, from February to July or whatever, the Government has been consistent in its requirement that this partial or entire failure of natural gas reserves *force majeure* clause should be dropped. This is evidence that that is so. Is that your understanding?

Dr Messenger replied 'Yes'. Again, a great deal was added to that answer, but none of it in any way qualified the statement 'Yes'. The least one can say is that there was some confusion in the evidence provided to the select committee, and I believe that this did not help either the producers or the committee.

The other interesting factor that derives from this was that, even if the independent arbitrator in December declares that the schedule A has been met for AGL, the producers will still not vary from their current stance that any provision regarding guarantee of supply must still include the *force majeure* part clause regarding partial or entire failure of natural gas reserves. I will briefly quote some evidence on that point. This question was asked of Dr Webb:

Will the producers still insist on the *force majeure* provisions after December if the arbitrator declares schedule A to be met?

He replied:

The determination by the expert is something that we believe would materially clarify the risk elements to the Government. We have expressed this consistently throughout the negotiations and it is clearly our view: the principle of the normal *force majeure* circumstances is that an event such as an injunction in a court by anyone, no matter how unlikely, is a normal *force majeure* condition.

Dr Webb was asked:

Your answer is 'No'?

He replied:

In that sense our answer must be 'No'.

He then goes on to add to that answer. In other words, the producers are saying that the consequences to them are so harmful that it is the State and not the producers that will have to carry the consequences. The second *force majeure* provision which I have already partly dealt with deals with the legal entanglements. On page 12 of the current contract, under XII, *'Force Majeure'* reads:

The order or act of any court or Government or authority having jurisdiction . . .

This relates to the possibility of an injunction by AGL if it should find that the gas supplies to Sydney are threatened. The crux of this is that no gas supply to Adelaide is safe after 1987 from AGL, except the gas provided for in this Bill. If this Bill is not enacted and a successful AGL injunction takes place, then the consequences for this State would be horrifying. All industry, commerce and homes dependent on gas would be thrown into total disorder and the price of electricity would rise dramatically, which is something that no-one wants and no-one would be able to guard against except under this Bill.

Again, the Bill provides the only source of guaranteed supply to South Australia and will provide the breathing space that South Australia needs to consider its options. A further stumbling block is the PASA future requirements agreement, which is declared void by clause 9 of the Bill. The future requirements agreement locked PASA into the producers in that PASA had to buy from the producers and it could only look elsewhere if notified by the producers of an inability to produce the gas (and they would presumably do that from the cover of a *force majeure* clause).

However, if PASA then bought elsewhere, the producers, on finding new or more gas, could require PASA to buy more. This would lock PASA into a most unreasonable situation, in that it could not enter into anything but an emergency buying situation with other suppliers. PASA certainly could not enter into medium or long-term contracts with anyone else.

This may have been an agreement to which one would not have to pay much attention in an era when it looked as though there would be a plethora of energy supplies for South Australia. As such it is probably not much more in error than all those other predictions that were made in the 1970s about the future, such as population growth. Those who are eager to condemn with the advantage of hindsight might well consider that, and the fact that the Liberal Party supported the ALP at the time. They might also consider how their current predictions will look in 10 years time.

Moreover, with the current supply situation, that looks as though it may have problems associated with it, the State cannot afford to have the future requirements agreement in the current form. I do not believe that the people of South Australia will accept a lock-in situation such as this.

Price was a further stumbling block that was well and truly canvassed in these debates. In South Australia we pay $1.62 per gigajoule. The price to AGL is $1.01 and, while the city gate price of gas in Sydney is somewhat higher than the city gate price in Adelaide because of higher transport costs, it is still true that South Australia is paying an inordinately high gas price. Interestingly enough, at no point in the discussions before the select committee did the producers state that any particular price was not sufficient to enable them to continue supplying. I suppose while they are supplying to Sydney at $1.01, that is hardly a claim that they can make with regard to our price of $1.62 in Adelaide.

The degree to which the Bill seeks to address this (and the Bill will produce a reduction in the order of 10 cents per gigajoule) does in my opinion have the support of every South Australian who is sick and tired of paying high gas and electricity prices. The Minister of Mines and Energy and the member for Florey have already dealt extensively with the history of the interaction between the producers and the Government. I did not intend to repeat it and I have not done so.

The time for long and drawn out negotiations is finished. The details of past negotiations are interesting—to historians. The assignment of credit and blame for those past negotiations is interesting—to politicians. But what is important is that action is taken to secure future supplies and that the supplies so secured are beyond the reach of others. The Bill is necessary in order to achieve this. It does what is needed, namely, to give the State a guaranteed continuity of supply to produce the breathing space that is so urgently needed. It removes those shackles which the State cannot afford to have and it reduces the price of gas which will in turn have a beneficial flow-on effect throughout the industrial, commercial and domestic life of South Australia and that is what the people of South Australia want it to do.

Mr M.J. EVANS (Elizabeth): I am aware from their contributions that my colleagues on the select committee and the Minister who preceded me in this debate have canvassed the issues at stake at considerable length and have informed the House in detail of the various matters placed before the committee and the issues that taxed our minds over a period of six days. From that debate and from other comments which have been made I am certain that every member in this place understands the fundamental importance of this Bill. That was certainly reflected in the detail and volume of the work that was undertaken by the committee. Although this was my first experience of a select committee, if they are all like that then select committees are a great deal of work and members of Parliament who sit on them are to be commended for the effort that they put into them, but perhaps they are not all of quite that standard. If my term is renewed in this place, I may have an opportunity to find out.

Mr Peterson: When your term is renewed.

Mr M.J. EVANS: My colleague says 'when my term is renewed'—then I may find out. With the benefit of 20/20 hindsight it is very possible to say that the decisions taken in the mid 1970s have not turned out to be the most appropriate for this State, but of course, as members on this side have pointed out, that was virtually a unanimous decision of this House at the time. Although the factors that were involved may have appeared to lead those who took those decisions into certain agreements and covenants, it is certainly the case that the 1980s have proved that the assumptions that were made at the time have not turned out to be accurate.

Fortunately, this Parliament has the power to set right those events and miscalculations—I will not call them errors, because I think that would be wrong, and it would be a disservice to the people who made those decisions. They were not errors of judgment, but rather miscalculations of judgment. Unfortunately, the Parliament now is required to set right what have turned out to be regrettable decisions. However, the committee recognised the fact that in so doing we are abrogating the legitimate rights of the producers and I think that, if one reads the committee's report, one can see that the committee recognised that this legislation does in fact set aside some rights that the producers now enjoy.

For its part the Government has assured the committee and the House that the very minimum possible damage is being done to the existing rights of the producers consistent with the overriding needs of the people of the State. For its part the Government has assured the committee and the House that the very minimum possible damage is being done to the existing rights of the producers consistent with the overriding needs of the people of the State. That judgment is a very fine one to have to make. Although I believe that the decision that the Government has made is indeed a very proper one, one does have to ensure that the rights of the producers are not unnecessarily trammelled, and that of course is something that will be further debated in Committee. It is a very fine judgment, but this Parliament was elected to make those kinds of fine judgments, and I think that the principle that the Government has embodied in the legislation is appropriate.

The committee, as other honourable members have said, was briefed at some length on the progress, or the lack thereof, of negotiations between the Government and the producers. It must be remembered that the producers have valuable rights under existing agreements. Much as we might now bemoan this fact, they certainly have those rights and they have every right to protect their interests. Accordingly, I do not blame them for their spirited defence (and it was that) of their position. However, the State has the ultimate right to protect its citizens, both corporate and domestic, from the changing economic circumstances in which we now find ourselves.

I support the principles that have motivated the Government to introduce the Bill, and the hearings of the committee confirmed my understanding of that fact. There is no doubt, from the evidence before the committee, that there is a substantial difference of expert opinion as to the size of proven reserves. I think that it was the member for Bragg who made the point about a chasm existing between the two sets of figures. I have also learnt from my days on the committee that there are as many opinions as there are experts giving them. I think that geology is indeed far from an exact science, with due respect to the highly professional geologists who appeared before us.

Santos, as the lead producer, if you like, presented very credible evidence in support of its estimates. The Department of Mines and Energy equally presented very credible evidence in support of its figures, which reveal a significant shortfall in the total requirement of gas for AGL and PASA. Subsequent meetings of officers failed to resolve these differences. It is clearly beyond the scope, and I would venture to say the ability, of the committee to determine the correct position. There is no way of knowing, as every witness who came before the committee pointed out, just how much gas is contained in a particular reserve or well until the last joule of energy or cubic metre of gas has been squeezed from that well.

In these circumstances I believe that the measure now before us is justified. The State must ensure supplies of gas at reasonable prices. Industrial and domestic consumers have that right. Accordingly, while the producers and the Government, in an ideal world, should have been able to come to an agreement on a new gas supply and price regime, the fact is that they have not, despite the best intentions of both parties. I might say that, although there was some conflicting evidence on this matter, I have not been convinced that either party negotiated with anything but the best of faith.

However, the producers, it must be said, had one eye on AGL (quite properly) and the other on their existing very favourable contracts and agreements. The Government, of course, also needed to keep one eye on AGL and the potential injunctions that it is capable of placing, and the other on the imperative and undeniable demands of South Australian consumers of both gas and electricity. It is very important that members should remain conscious of the inexorable link, at least for the time being, between the price of gas and the price of electricity in this State.

Negotiations, it must be said, went around in circles for months. As issues were agreed new issues emerged and old issues were revived by both sides. Clearly, legislation is the only way out of the impasse in which we now find ourselves. Any further delay in my view would be intolerable, no matter what the reason for the failure of the parties to come to an agreement. Pursuant to its ultimate responsibility to the people of this State, the Government has now introduced the legislation before us. Although the evidence before the committee, in my view, clearly establishes the need for the Bill, very little opportunity was afforded to the committee to debate in detail the provisions of the Bill. This was due not to any lack of diligence by members of the committee but rather to the overall time frame in which we were required by the House to undertake our work.

When it came time, for example, this morning to consider the draft report presented to the committee by the Chairman, a number of potential amendments to the Bill were canvassed in that report. The Minister has circulated detailed amendments to the Bill, many of which correspond with those foreshadowed in the draft report. I expressed my clear intention to the committee to seek further clarification of some details in the Bill. Unfortunately, the Deputy Leader of the Opposition chose to move that the report be taken as a whole and not paragraph by paragraph, which I understand is the more traditional approach. This was supported by Government members, and the end result was in my view to restrict my right to raise matters of detail which I had sought to address.

Mr Baker interjecting:

Mr M.J. EVANS: The member for Mitcham is quite right when he points out that we had a problem with time. However, I remind him—

The SPEAKER: Order! The honourable member is in no way restricted, except as to the time that he has left, to raise any matter that is relevant to the motion before the Chair.

Mr M.J. EVANS: Thank you, Mr Speaker. The committee had available to it at least a period of several hours before this House sat, and I believe that it could have in

that time, or in somewhat less time than that, canvassed many more matters of detail within the Bill than it actually did. A number of points that I raised in the committee were indeed addressed by the Chairman in his capacity as Minister, and in some respects quite satisfactory answers were given. In others I believe that further detailed discussion of the Bill was desirable, not because I wished to dispute any of the principles underlying it but rather because I believed that a number of matters of detail should have been considered by the committee in its approach.

The Minister might well respond, as indeed he did in committee, that ample opportunity will be available in the House during the Committee stage of the debate to canvass any detailed points that members may choose to raise. I will naturally avail myself of that opportunity. However, although this was my first select committee, and I must therefore defer to my more experienced colleagues who have undertaken these tasks previously, I believe that it would have been an advantage to this House if the committee had had more time available to it to address the individual clauses of the Bill. That, of course, is a matter which is now history. One of the things that I intended raising during—

The SPEAKER: Order! The honourable member may be under a misapprehension. The sequence of events is indeed a little out of the ordinary, but certainly not strange. At the moment, in effect, we are on the second reading of the Bill. We will then go into Committee, so the honourable member is perfectly at liberty to then raise any matter about which he feels disturbed.

Mr M.J. EVANS: I think, Mr Speaker, we may be at cross purposes about the word 'committee'. I am canvassing the amount of time that was available to the select committee this morning for example, to canvass the detailed provisions of the Bill in its report to the House this afternoon. I am well aware, and fully agree, that in the Committee stage of debate here there will be ample time and opportunity to canvass those matters of detail. I was only making a brief and almost oblique reference to the amount of time available to the select committee to debate the actual provisions of the Bill. I do not wish to pursue that point, because it is not a central point of my address.

One of the most important matters that I wish to raise subsequently relates to the price of gas. The Bill, for example, links the future price of the reserve gas to the arbitrated price that AGL is in the process of obtaining at the moment. One of the two major considerations in this legislation is price: the other, of course, is security of supply.

The legislation does what it can to address the question of security of supply. It does so by reserving certain quantities of gas, which indeed could legitimately be said to be the right of the South Australian public. I believe it does so without interfering with the rights of AGL. However, the other critical question is that of price. In fact, the Bill establishes a price in accordance with the so-called Goldsworthy agreement until the end of 1985, and thereafter until such time as a new arbitrated price is set by AGL, at which time the original arbitrated price is indexed.

However, once AGL obtains a new arbitrated price, that price will apply in South Australia. I personally support the concept that we should not have to pay more at the wellhead for our gas than does AGL. However, I think we must look very seriously at the prospect of allowing South Australia's gas price to be determined, in effect, by the results of the AGL producer arbitration process.

As I understand the process, the South Australian Government, and therefore the South Australian public, would have no right of representation before such arbitration hearings, except with the consent of the parties thereto. I am not aware of any real reason why the parties should consent to our presence. After all, we have no interest in the contract before them and certainly are not party to the contract between AGL and the producers in so far as it relates to their arbitrated price. We are party to some of the agreements, but not in that respect.

Mr Baker: How would you achieve equal prices?

Mr M.J. EVANS: Equal prices *per se* are not necessarily the most important concept. While it is a reasonable proposition to say that we should not pay more for our gas than AGL—and I do not disagree with that proposition—South Australia might well have other considerations involved in any determination of price.

AGL and the producers may come to agreements which are not in the best interests of South Australia. If we link our price to the AGL result, that may not always be by arbitration: it may well be by a sweetheart deal between the producers and AGL, which may take into account factors other than those which may be desirable to the South Australian community. I appreciate that the price link is only for the reserved gas and that any gas taken in from other areas would of course be at negotiated prices. But I still remain concerned about the direct link which is being undertaken in this Bill between the AGL price and the South Australian price.

Of course, other issues that must be addressed when and if this Bill becomes law relate to the long-term supply situation for South Australian gas. The Bill cannot and does not solve the long-term supply question. It simply provides, as the Minister said I believe in his second reading explanation, an appropriate breathing space for the community in which to obtain long-term arrangements. For example, the committee spent some time discussing the question of non subject area gas. That is a very important matter, and I believe that the Government and ultimately this Parliament may well have to address that issue very much more strenuously than has been the case to date. A number of assumptions are implicit in this legislation and in this legislative scheme, and non subject area gas and the declared exploration which will take place in those areas is one of the very big ifs associated with this Bill.

Of course, a diligent Government will (and I am sure that the present Government will do this) address those questions, and no doubt the Minister will be able to advise the House of his plans in that respect. But those issues must be addressed if we are not to repeat the mistakes of the 1970s. A critical point is that we must learn from the history of the earlier agreements, which ultimately have not been in the best interests of South Australia. As I have said, it was not possible to determine that at the time, and we now know that, with the benefit of retrospective decision. However, we must not repeat these mistakes by unfortunate decisions being made in haste.

Therefore, while I commend the report of the committee to the House, I certainly reserve my right to discuss matters of detail during the Committee stage. I draw the attention of members of the House to the need to address not only the question of interim supply of gas to South Australia, as this Bill does, but also our long-term needs. This is necessary if we are to avoid reliving events that have occurred in the past.

The Hon. R.G. PAYNE (Minister of Mines and Energy): I thank all members who have contributed to the debate so far. I think it is fair to say that a good deal of what has been said has been more to the point than is usually the case in relation to debates in this Chamber. A great deal of the remarks made were pertinent to the motion before the House.

In response, I intend to deal, first, with some aspects raised by the Deputy Leader. The Deputy Leader said that

were secretly negotiating higher prices while simultaneously announcing cuts in electricity prices. More than one member has referred to the first part of his comments, in that certain prices, referred to in the House, would apply as part of a package deal with other benefits associated therewith for the people of South Australia.

The Deputy Leader in some way seemed to be opposed to cuts in electricity prices. This was evident from the tenor of his remarks, and I am not sure what he had in mind. One way of illustrating the advantages of discontinuing the present iniquitous AGL and PASA price differential is this: using the ETSA gas consumption figures for the last financial year (1984-85) and the difference between the current PASA price of $1.62 and the AGL price of $1.01, at ETSA's current level of costs, if we were paying the New South Wales price for gas, electricity tariffs could have been reduced by 7.2 per cent. Even if the Leader would not appreciate that happening to his account, I am sure that many people in South Australia would be only too pleased with that.

The question of damage to business confidence and the investment climate in South Australia has been raised, and this matter does bear consideration. As has been clearly outlined already, the Government did not act lightly in this matter. The Government took into account its responsibility to ensure, as far as it is capable of looking after it, the welfare of all the citizens of South Australia. In that respect, the price for energy, whether it be electricity or gas, influences the lives of all domestic consumers as well as having an effect on industry and commerce. If price rises were allowed to continue unchecked, that could have an absolutely devastating effect on business confidence and the investment climate in South Australia.

In addition, the security of supply in itself would have a very marked effect on the incentive for or possibility of entrepreneurs seeking to develop in South Australia. Clearly this is a matter which the Government has not overlooked and which it has had firmly in mind in acting in the way that it has with such restraint in taking only those steps that have been necessary to ensure the continuity of supply for some years after 1987, as proposed in this Bill.

There has been a fair amount of scaremongering, and I express very genuinely my absolute regret that the producers have chosen some of the tactics they have chosen in this matter. It seems that one is speaking with a very large tongue in one's cheek to suggest that business confidence will be affected by the actions of the Government in this matter whilst at the same time putting up the money to take out full page advertisements in Australia-wide newspapers drawing attention to the very fact that business investment confidence will be affected.

Mr Ingerson interjecting:

The Hon. R.G. PAYNE: Apparently the member for Bragg does not see any problem in that and accepts that one can damage the very confidence that one is setting out to protect. To me that is illogical. It may well be a reflection of the desire of the producers to protect their own interests, and we have canvassed that. I do not think that one speaker on our side, including the member for Elizabeth, or any member opposite, has suggested that the producers did not have a right, either before the select committee or at any other time, to vigorously defend their position. That is not what I am criticising, but I regret the way in which they took such action, and I query whether they gave much thought to what they were doing—and perhaps are still proposing to do as they are their own masters in this matter—in promoting that form of advertising.

I was talking about the question of damage to business confidence. To clarify my position, if the producers chose to advertise in South Australia only, I would argue that that would be a limitation which they had imposed and which to me would have removed the necessity for me to express any regret at their Australia-wide action. It seems that there are other substantial business interests, anyway, that are not of the same mind as that of the producers in connection with investment in South Australia. I refer, of course, to the recently concluded offer and acceptance of exploration licence to provide for entry into the Officer Basin in the Pitjantjatjara lands wherein substantial members of the consortium are involved, the membership of which is well known. One of the members is actually a member of the producer group, and I am sure all members here would wish that venture well in the interests of South Australia.

The Hon. E.R. Goldsworthy: Have you read the latest press release of the Chamber of Mines?

The Hon. R.G. PAYNE: Yes, I have read that release, and I can understand the position they were in because, having already produced something which said that, unless drastic action was taken, something could not occur, and then to be faced with the actual occurrence taking place on a massive scale, such as I have just outlined, clearly meant that some reappraisal of the position of the chamber was necessary.

The Hon. E.R. Goldsworthy: Don't you get on with the chamber?

The Hon. R.G. PAYNE: I get on exceptionally well with the chamber. I can recall some interesting trips organised by the current President, Mr Leverington.

The Hon. E.R. Goldsworthy: You sacked him from the board of the trust—you wouldn't call him a friend.

The Hon. R.G. PAYNE: I did not sack Mr Leverington.

The Hon. E.R. Goldsworthy: Of course you did—you put your mate from the Trades Hall on.

The SPEAKER: Order! The Deputy Leader is now not only interjecting, which is out of order, but is also interjecting in a most unpleasant way, and I ask him to come to order. The honourable Minister.

The Hon. R.G. PAYNE: Mr Leverington served a term on the board, and I did not renew it. That is not sacking somebody from the board.

The Hon. E.R. Goldsworthy interjecting:

The SPEAKER: Order! I warn the Deputy Leader of the Opposition.

The Hon. R.G. PAYNE: Our relationship is better left to Mr Leverington and me than to the Deputy Leader. I am sure the good relationship Mr Leverington and I enjoy will continue. The Deputy Leader went on to talk about a royalty solution to the present problem, that is, with a view to addressing the difference in gas price as between that paid by New South Wales and that paid by South Australia. He said that the Government did not even give it a fling. Having outlined the scheme, which seemed to be rather conspiratorial in nature to say the least, his choice of words 'did not even give it a fling' was the most suitable term to have used: that is about all that that action would have achieved—it would not have lasted long. We had advice on that matter, and the advice we received on that plan to adjust the AGL/PASA price differential, using royalties, would leave the State vulnerable to a High Court challenge. The advice we received was so strong that it stated, 'If you are able to collect the extra royalty from AGL, don't spend it to equalise prices, because you are likely to find that you won't be able to retain it.' That is how far that scheme would have got.

The Hon. E.R. Goldsworthy interjecting:

The Hon. R.G. PAYNE: The advice was that, if we were able to collect the royalty, as outlined by the Deputy Leader as being a possible palliative in this area, the Government ought to be careful about spending it, as it would be subject to an almost certain successful challenge and would then have to be remitted.

I am very sad for another reason that we have reached this position. There was a certain amount of canvassing by various members of the reserve position. To me it comes down to a very simple issue. I do not think the producers should feel too upset if I put to the House the proposition in this way. It seems that the whole issue on reserves is that, if the producers are so confident of those reserves, why do they not guarantee to supply? I do not believe that that is an unreasonable proposition, in view of the suggestion at least on their part that they have the reserves to do the job. It has been suggested that the Government took action in implementing this legislative solution without warning—'secret legislation' or 'deception' were words used by the Deputy Leader. Of course, speakers on the Government side have already dispelled that view.

However, the situation bears examining from the viewpoint of the producers. The producers were given many signals along the way as to where we are heading. The Stewart Committee, as far back as 1984, gave the first warning about reliability of gas supply, fair price and the necessity for certain action. This was followed by another signal from the Future Energy Action Committee. Signals concerning preparations announced for engineering, environmental and other studies and for the partial conversion of Torrens Island power station were apparently ignored. That was followed by ETSA's call for expressions of interest for the supply of coal for Torrens Island, and that kind of signal also was ignored.

Many people in the industry as a whole feel that the producers had ample notice that something needed to be done and that, if a suitable agreement could not be reached, the Government might be forced to take legislative steps. Of course, in the event that has happened.

In a peculiar performance, the Deputy Leader made another statement, which I have been trying to analyse ever since, but it can only be described as an aberration: none of us is immune from this, and I am the last to suggest that I am. He said that we were not moving and that it was a pity we did not get busy in 1982. We only came into government in November 1982. He had just concluded a three year agreement with the producers that he proudly announced would provide a massive exploration program for gas, solve the State's needs in respect of supply and set the price for three years. He said we should be doing something about it!

What on earth was he on about? Apart from the fact that he had just concluded an agreement, which I am sure he would say was binding, he said we should have already been trying to break it. Is he saying that when he makes agreements they do not have any validity or standing? He knows darned well that one of the reasons why the action we are taking has nothing to do with an election that is imminent, as he claims, is that the Government has maintained the full three year tenure of an agreement that he concluded when he had certain aspirations on the eve of an election.

Nevertheless, it was an agreement which appeared to have the possibility of working. It was agreed with the producers who, I am the first to say, kept their part in it along the way. We had that sort of evidence before the select committee. The accelerated gas program did take place; required expenditure was carried out, and there were some further finds. Unfortunately, I know that I can say with the support of the committee, there were not as many as we all hoped, but it could be argued fairly that we did not lose ground for a couple of years in terms of further discoveries made.

It was absurd of the Deputy Leader to carry on in that way today. As I said, it was an aberration about which I will say no more except to point out that hopefully we will not have any more of that sort of nonsense in any further remarks made by the Deputy Leader.

In summary, how did we get to this position? First, the producers were not all wrong; they deserve credit. I do not really think, in the remarks made so far, that they have been given credit for the aspect I now canvass. They definitely evinced a desire for a change to the PASA future requirements agreement, for example, an agreement in which they had many rights that they had held for a considerable time.

Yet, they freely said in negotiations with Government groups that there was a need for change. That is to their credit. I place that fact on record: they are entitled to have that known. However, it is a pity that that sort of conciliatory spirit apparently could not continue through the negotiating phase. As I indicated in the 8 October letter, gradually and even in that letter there seemed to be invective creeping into the correspondence. No doubt—and I was not present at all the negotiations—

Mr Baker: What would have happened if you'd been carrying on like that?

The Hon. R.G. PAYNE: There is a way of expressing oneself without actually suggesting, in every second or third line, that no way will the people concerned ever get together. That was the tone: it is not likely that agreement can be reached. That letter said, 'Our advice is that we cannot . . .'. There are no words of mediation there. I ask the honourable member who interjected how he believes that sort of negotiating behaviour will help reach agreement.

Mr Baker: You did a few cartwheels.

The Hon. R.G. PAYNE: No, the Government did not do any cartwheels at all.

The SPEAKER: Order! I ask the Minister to ignore interjections.

The Hon. R.G. PAYNE: I am perfectly happy to describe what part I took in the negotiations. I did my best to get as low a price for South Australian consumers as possible, and I will continue to do so as long as I am the Minister. That is what I was trying to do. I did not succeed ultimately in getting it agreed as part of a total package. But the honourable member himself pointed out that at an earlier stage certain prices were at least partially agreed. There was not very much difference between the two sets of positions. If I could have got the price down further I would have tried. Is the member opposite saying that I would not be doing the job properly for the people of South Australia? Is that what is being put forward by way of interjection?

Members interjecting.

The SPEAKER: Order! I ask the honourable Minister to resume his seat. The Chair has given the most extraordinary lenience in this debate, bearing in mind the importance it obviously has to the State of South Australia. I ask the Minister to address himself to the motion and other honourable members to cease interjecting. They are breaking Standing Orders.

The Hon. R.G. PAYNE: Thank you, Mr Speaker: I will address the motion wherever possible. What is the view of people who are not members of the Government towards actions taken by the Government? That seems a fair question to canvass in relation to this report. I speak on behalf of the Government: the Government believed that it was the correct way to go. What do other people think? We need only look at the annual report for 1985 of Adelaide Brighton Cement, a major industry and a high user of energy. The report expresses concern at the very complex and most unsatisfactory situation in regard to natural gas, and states, in part:

> It seems that the only solution is firm intervention by the South Australian Government in the common interest—

not just Adelaide Brighton Cement—

> by legislation, if necessary.

Mr Ingerson: Who said that?

The Hon. R.G. PAYNE: It was Adelaide Brighton Cement in its 1985 annual report. In the common interest, not just of that industry but speaking for all South Australians, the Government should take legislative action. There was no restriction, one notes, on how much legislative action the Government should take. What did the Government do? We have already outlined to the House, and had supported by the select committee report, the fact that the minimum legislative action that is proper in such circumstances, as indicated by the member for Elizabeth, has been taken—no more, no less—to achieve that result.

Other organisations besides Adelaide Brighton Cement have a view in this matter. We heard earlier the position of Crusader Resources NL and its viewpoint on the matter. The date of that communication was 1 July. A further communication dated 4 September states, in the third paragraph:

Crusader stands by its letter to the Minister of Mines and Energy dated 1 July 1985—

in which, of course, as we all now know, they expressed certain viewpoints about their concern in relation to gas supply and reserves in South Australia—

We believe . . .

The SPEAKER: Order! The member for Florey is definitely out of order.

The Hon. R.G. PAYNE: The letter continues:

We believe that for the gas resources of South Australia to be fully exploited it would be necessary for the State to impose a firm exploration commitment on the subject area.

Of course, earlier speakers pointed out how the Government saw this particular exploration commitment happening. Those are just a few organisations that come readily to mind.

What are the citizens of South Australia saying about this same matter, leading citizens like Mr Bruce Dinham, for example, who was previously in a position at ETSA in which no-one would question his knowledge in respect of matters such as the price of electricity, its effect on consumers, tariff policy and all of that sort of thing? In a letter in the *Advertiser* of Monday 4 November, Mr Dinham excellently set out the situation when he said:

The present agreement, which the legislation would alter—

he is referring to the Government's measure—

is a special arrangement put in place by the Government in 1974 for the main purpose of rescuing the producers, particularly SANTOS, which was then a predominantly South Australian company, from financial difficulties, ETSA, SA Gas Co, and Adelaide Brighton Cement Ltd—

that is the same firm I mentioned earlier—

all of which had invested millions of dollars in gas-burning equipment, were asked to tear up their contracts and accept the new arrangement which was almost wholly favourable to the producers, including the 50 per cent increase in gas prices . . .

which took place at that time by way of Government intervention. Let us not make too much of this Government intervention always being such that it is not warranted.

In conclusion, there are others in the community who perhaps are not usually described as leading citizens in the conventional sense, but I have a letter from the Retired Union Members Association of South Australia Inc., an organisation established by the UTLC of South Australia. Addressed to the Hon. John Bannon, it reads:

This association commends your Government on its proposed legislation to control the price of natural gas charged to the State and urges enthusiastic support to the measure. The association welcomes that the aim of the legislation is for an ultimate parity of the South Australian price with the price paid by New South Wales.

It is signed by A.D. Wing, the Secretary of the Retired Union Members Association, which consists of people in the community who are not usually so well off but who have just as much right to dignity and the ability to meet the cost of their energy needs in their retirement years.

In conclusion, I believe that the select committee report very sagely has addressed the issues in relation to this matter and has made a series of very proper recommendations to the House. Accordingly, I commend the noting of the report to the House.

The House divided on the motion:

Ayes (23)—Mr Abbott, Mrs Appleby, Messrs L.M.F. Arnold, Bannon, M.J. Brown, Crafter, M.J. Evans, Ferguson, Gregory, Groom, Hamilton, Hemmings, Hopgood, Keneally, and Klunder, Ms Lenehan, Messrs Mayes, Payne (teller), Peterson, Plunkett, Slater, Trainer, and Whitten.

Noes (21)—Messrs Allison, P.B. Arnold, Ashenden, Baker, Becker, Blacker, D.C. Brown, Chapman, Eastick, S.G. Evans, Goldsworthy (teller), Gunn, Ingerson, Lewis, Mathwin, Meier, Olsen, Oswald, Rodda, Wilson, and Wotton.

Pairs—Aye—Mr Wright. No—Mrs Adamson.

Majority of 2 for the Ayes.

Motion thus carried.

In Committee.

Clause 1 passed.

Clause 2—'Commencement.'

The Hon. R.G. PAYNE: I move:

Page 1, line 32—Leave out 'This Act' and insert 'Subject to subsection (2), this Act'.

It is proposed that clause 12 come into operation at the time of the Governor's assent to the Bill. This change to clause 2 will remove the retrospective operation of the offence provision. Certain unintended breaches of the Act—and I stress this—may occur (they do not necessarily occur), and may have occurred between the introduction of the Bill and any final assent it receives, if it passes. The purpose of the amendment is to ensure that the provisions that I have outlined do not come into effect.

Mr BAKER: As I understood it when we were discussing this matter in the committee, specific concerns were expressed by the producers about this clause. Without wishing to be seen to be supporting solely the producers' case, I point out that the representations which were made at the time, and which I understood the Minister was to take on board, were that it was unreasonable for the whole Act to come into operation until it was proclaimed. The second part of this amendment provides that section 12 shall come into operation when the Act is assented to by the Governor. There are a number of other provisions which affect the operations of the producers, for example, clauses 7, 8 and 9. There is a whole range of provisions which fundamentally affect the future operations of the producers and the agreement. As I understood it, the Minister was to leave the door open for representations to be made on this Bill.

The CHAIRMAN: Order! I have grave doubts about whether or not the honourable member is straying from the amendment before the Chair, which amendment was moved by the Minister and which simply seeks to leave out certain words and insert other words.

Mr BAKER: What I am saying is quite pertinent to the question. The amendment provides that clause 12 shall come into operation by proclamation, but the remaining part of the Act will come into operation on 23 October—and that is retrospective legislation. Clause 12, for the edification of the Committee, deals with fairly draconian penalties, but they are not the only thing in the Bill. There are things in the Bill which say that, if there is any breach of the legislation, a licence can be suspended, taken away, varied or revoked.

This is a package Bill and the Minister is moving an amendment which goes part of the way along the track. The only part of the way it goes is in respect of proposed section

12. I understand that two things were said in the select committee: one that the door would be open for further approaches to be made so that both parties do not find themselves in difficulty (and that is not abrogating the rights of either party); the second thing was that this amendment leaves out the rest of the legislation.

The Minister must understand that the rest of the Bill causes some concern. Clause 11 provides that where a producer contravenes or fails to comply with a provision of the Act the Minister may vary, suspend or cancel a petroleum production licence held by a producer. There are serious ramifications in this Bill. I understand that the Minister had agreed, by nodding, that the door would be left open and that the problems of making this legislation retrospective could cause problems.

The Hon. R.G. PAYNE: I think that the honourable member has misunderstood the situation. What I intended to indicate at the time that these matters were being canvassed, and what was put to me, was in relation to the retrospective nature of the penalty provision. Clearly, the amendment (only half of which I am attempting to move because the first part does not help much unless we move the other part) will mean that that sort of penalty will not apply where obviously an inadvertent action takes place prior to proclamation of the Bill. The question of other activities surely cannot be an offence until the Bill has been proclaimed.

The Hon. E.R. GOLDSWORTHY: That part of the amendment already moved is quite senseless without recourse to subclause (2); that is, the Minister is seeking to move an amendment so that the Act will come into operation on the date on which it is assented to by the Governor. It is meaningless to move half of the amendment when we do not know what it is all about. I take it that the Minister will move the other part of the amendment, which will then make sense of what he has been saying.

The Hon. R.G. PAYNE: The position as outlined by the Deputy Leader is quite correct. I adverted to this when responding to the member for Mitcham. It would certainly make more commonsense, if not parliamentary sense, to move both of the component parts of the amendment. Therefore, with your permission, Mr Chairman, I move:

Page 1, after line 33—Insert new subclause as follows:
(2) Section 12 shall come into operation when the Act is assented to by the Governor.

It can be clearly seen that the penalty provisions are such that if something has taken place up to and including the time of assent it is not affected by those provisions.

The CHAIRMAN: If that is the wish of the Committee, I am happy for that to happen.

The Hon. E.R. GOLDSWORTHY: I am quite happy with that, Mr Chairman. That leads me to ask the Minister when the Government intends to have this Bill assented to. It appears to me from the rather traumatic experience that we have all had to suffer since Thursday of last week that the Government is under some sort of fast track in relation to this Bill. As I outlined earlier, we sat on Thursday well into the night, all day Friday until at least midnight, until the *Hansard* staff were literally asleep in their chairs, we came back on Saturday morning for more, and the suggestion was made that we sit Saturday afternoon.

That indicates to me that for some reason the Government is in an enormous hurry in relation to this Bill. That being so, I am interested to know when the Minister expects this Bill to pass through the Parliament and to be proclaimed because, of course, the Parliament has to be sitting to receive a message from the Governor. The only interpretation one can put on the inordinate and indecent haste with which these affairs have been conducted is that the Government wants to position itself for an election, or it is so ashamed of the Bill that it does not want it to have prolonged public scrutiny. There is no other logical explanation. When does the Minister intend that this Bill should pass the Parliament and be proclaimed?

The CHAIRMAN: I am trying to be patient. Most of the Deputy Leader's remarks were irrelevant to the amendment before the Committee. I hope that the Minister will not delve into the sort of irrelevance that we have experienced thus far.

The Hon. R.G. PAYNE: I will do my utmost not to be irrelevant. In answer to the honourable member's question, all I can do is provide the Committee with the information that I have. First, I indicate that I would like the Bill to be passed as soon as possible. All Ministers want Bills passed as quickly as possible. Secondly, I point out that I have worked the same hours and have been present on the same occasions as has the Deputy Leader. Thirdly, in answer to the honourable member, the Bill is detailed on the paper as completing its passage through this place today (as required by the Government in its program), and it will proceed to the Upper House thereafter. I am not in a position to say what will occur in relation to its passage there.

Mr M.J. EVANS: It would assist considerably my understanding of the Minister's requirements in this matter if the Minister would indicate the rationale behind the departure from the normal practice of an Act coming into effect on a date to be fixed by proclamation. What are the advantages, which were not adverted to in the second reading debate, of having all the other provisions, apart from clause 12, backdated to the date of introduction? What consequences might flow, or what was the Minister imagining might occur in the intervening period between that date and the date of proclamation?

The Hon. R.G. PAYNE: We are now in a position of juggling with the Bill, because a request from the producers has been met with consideration by Government. Since we are dealing in an area where premeditated offences could occur (although I am not in any way suggesting that that was in the minds of the producers), the size of evasions which might have occurred had to be addressed in drafting the Bill. This is really in semi-dreamland, but one must still allow for such possibilities: the contracts could be signed overnight, and so on. So, the thinking was that the relevant date should be when the provisions are brought in and moves are made. However, because the producers have, I believe sensibly, pointed out that they might inadvertently be in breach of certain provisions, for which serious penalites applied, the Government acceded to a request that was made, and I am attempting to address it in a sensible way.

The Hon. M.J. EVANS: With respect to the Minister, that does not address the question of why the Bill will not be brought into effect on a date to be fixed by proclamation. Now that the Government has agreed to postpone the penalty clauses, there is no possible penalty in relation to any breaches that might intentionally occur—be they in the realm of dreamland or not—in the interim period. Therefore, if the producer so chose, he could enter into those provisions without penalty, because the penalty does not come into effect until the date that the Bill is assented to.

In any event, the Bill mainly seeks to do two things. It seeks to reserve certain quantities of gas, which would be reserved regardless of any contractual undertakings or manoeuvrings by the producers: the gas would still be reserved in accordance with the Bill. The Bill also seeks to fix prices, and those prices would be fixed regardless of any contractual manoeuvrings by the producers. Therefore, I am not quite sure what is the purpose of changing the normal provisions now that the Minister has agreed to defer the penalty provision.

The Hon. R.G. PAYNE: I think the member for Mitcham touched on this matter, and that should have triggered in my mind perhaps a better answer for the member for Elizabeth. Clause 11 would still be in force, under which the Minister is empowered in relation to licences, notices, and so on, that can be issued so that in the interim period there is a degree and measure of control.

Mr BAKER: With respect, that is exactly what we are talking about.

The Hon. R.G. Payne: That is not what is going to happen. That is there.

Mr BAKER: One must return to the basic question of why the Bill is not coming into operation on a date to be fixed by proclamation. We are all aware in this House that under existing agreements the producers will suffer quite considerable penalties.

Ms Lenehan: Whom are you interested in? Are you interested in the people of South Australia? Obviously, you are not.

The CHAIRMAN: Order! The member for Mawson shall not interject; otherwise, I will mark the member off as having spoken once.

Mr BAKER: It was an interesting interjection from the member for Mawson which apparently I cannot respond to.

The CHAIRMAN: The honourable member should not answer interjections, which are out of order.

Members interjecting:

The CHAIRMAN: Order! Honourable members will cease interjecting or the Chair will take the necessary action.

Mr BAKER: All members of the select committee were very mindful of their responsibilities to South Australia and indeed of doing the best deal that they could for South Australians. That was foremost in our minds and was always the case. If members opposite listened to the speeches made by Opposition members, they would understand some of the concerns that exist and some of the ways in which we might get around them. In reference to the starting date, members opposite will no doubt understand (although their understanding is limited on some occasions) that there are existing provisions which enable the South Australian Government to act, should the producers be in default. The damages that could be incurred under those circumstances would be quite significant. I think we can all agree on that premise. However, it is unusual for a Bill to be introduced with penalty provisions, and the Minister has indicated that a penalty remains in the Bill in relation to the Minister's being able to suspend a licence at his wish or whim.

The Hon. R.G. Payne: It's a procedure rather than a single penalty.

Mr BAKER: Certainly. It is a procedure that remains. It is probably the ultimate procedure and penalty to suspend a licence and to take someone's operation away. Indeed, it is the heaviest penalty of all. There is no reason why the Bill should not come into operation on the date to be fixed by proclamation. We have gone a long way down the track here, and there will be some serious implications for South Australia as a result of this Bill. I do not say that lightly. I am very mindful of what consumers are paying for gas.

I thought that it would be useful to have the Bill in its normal form so that it would come into operation on a date to be fixed by proclamation. There could indeed be some intercession which is acceptable to the Government in the meantime and which resolves this issue without some of the deleterious effects to which I have referred, namely, jobs, investments and various other things, including non-security of future supplies. Future supplies are still in tremendous doubt and I will refer to that later. I thought that there would be some way that a little door would open. In the normal course of events a Bill comes into operation when it is proclaimed, but in this case we have a very unusual procedure. At law I cannot see that it provides the Minister with any additional assistance. On the other hand, I foresee that it could cause potential damage.

The Hon. R.G. PAYNE: Unless the Bill comes into force on the day on which it is brought in, it would not be possible to have a penalty arrangement such as is outlined in clause 11 unless it were to operate in a retrospective way. Surely the honourable member can see that. If we had a date of proclamation (and the Bill is not law while we are talking about it, while it is public and while the fight is on), some of the gas set to be reserved under the Bill could be contracted away. I am not suggesting that the producers will do that, but it is a possibility that is provided for. That is the only reason why the Bill is in this form.

Amendments carried; clause as amended passed.

Clause 3—'Interpretation.'

The Hon. R.G. PAYNE: I move:

Page 3, line 28—After 'ethane' insert 'butane and propane'.

During the select committee hearings this matter was first raised, to his credit, by the member for Elizabeth. He pointed out that the possibility existed that propane and butane (what we non-learned people call LPG) might be caught up in certain provisions of the Act when that was not intended. One of the witnesses also raised that matter. This amendment is to ensure that that does not occur.

The Hon. E.R. GOLDSWORTHY: As the Bill stood it was nonsense. In fact it would have jeopardised, if not closed down, the operation of Stony Point, the major product of which is LPG. So, it is quite clear that that was an omission by the Government. When was this Bill first drawn up?

The CHAIRMAN: Order! The Deputy Leader cannot ask that question.

Mr Ingerson interjecting:

The CHAIRMAN: Order! That is completely out of order.

Amendment carried; clause as amended passed.

Clause 4—'Reservation of natural gas for purposes of the State.'

The Hon. R.G. PAYNE: I move:

Page 3, line 44—After 'ethane' insert 'butane and propane'.

The Hon. E.R. GOLDSWORTHY: The Opposition does not like the Bill at all, but the amendment is sensible. I asked when the Bill was drawn up because, if it was as hasty as the select committee, I can understand the mistakes that have been made. That is why I wanted to know.

The CHAIRMAN: Order! The Chair does not need described to it why the question was asked. The Chair simply says that the question was out of order and that the Minister should not answer it.

Mr M.J. EVANS: This also relates to a previous debate about the date of operation of the Act. I would like to elicit a response from the Minister in relation to the reserved gas. Am I correct in my understanding that the Bill only reserves gas that is either already contracted by the producers to the State under the gas sales contract to PASA or, alternatively, is contracted for the purposes of the proposed petrochemical plant under the deed of covenant and release signed by the Government, the producers and various other parties—that it only reserves those two parcels of gas that are already reserved by contract to the State in any event?

The Hon. R.G. PAYNE: Maybe my attention span is going. I cannot relate the question to the amendment before the Committee. The second reading speech and the Bill make quite clear that the gas that is reserved is the gas contracted in the years 1985, 1986 and 1987 under existing contracts and not used, but which is an annual contract quantity to PASA. It reserves the 213.5 BCF of gas which *ad nauseam* has been referred to for years in this House as

the petrochemical gas, and it reserves ethane. I am not too sure what other information the honourable member requires.

Mr M.J. EVANS: In which case, how could that gas be contracted by the producers to anyone else in the interim in order to defeat the purposes of the Bill since it is gas that was already contracted to us, anyway?

The Hon. R.G. PAYNE: That is an intelligent question, but it is no longer relevant to the amendment with which we are dealing, and I ask the honourable member to examine that accordingly.

The Hon. E.R. GOLDSWORTHY: What is reserved in section 4 are quantities of natural gas other than ethane. Those quantities in the case of the remainder gas are defined in terms of heating value, gigajoule (GJ) as opposed to the reservation of natural gas sufficient to produce the relevant number of gigajoules. In the case of the reservation of petrochemical fuel gas, the reservation is in terms of volumes. There is some confusion in this provision between volumes and heating values which tends to demonstrate either the Government's lack of understanding or the haste with which the Bill was drawn up. I understand that some confusion is inherent in this clause.

The CHAIRMAN: The Chair points out to the Minister that, although he has moved an amendment to clause 4, we are dealing with the clause. I understand that the question from the member for Elizabeth deals with clause 4 (2) *(b)* rather than the amendment.

The Hon. R.G. Payne interjecting:

The CHAIRMAN: Order! The Chair is not in that position. The Chair is endeavouring to explain to the Minister that the amendment moved by him is before the Chair. However, that does not stop the Committee from dealing with the clause. The question dealt with paragraph *(b)*.

The Hon. E.R. GOLDSWORTHY: I was asking the Minister to explain the apparent confusion in relation to the clause regarding the reservation of the petrochemical fuel gas in terms of volumes. Can the Minister explain how the confusion between volumes and heating values can be reconciled?

The Hon. R.G. PAYNE: I am advised that the format of the clause was chosen to relate the gas to the actual gas contained in the gas sales contract.

The Hon. E.R. GOLDSWORTHY: That is gobbledegook. There is confusion in this provision between volumes and heating values. That has nothing to do with whether the gas is gas or whether the gas is not gas, which is what the Minister said. Can the Minister explain what is meant by this clause when that confusion exists in the Bill?

The Hon. R.G. PAYNE: There are two documents included: the gas sales contract and the deed of covenant, which are mentioned in clause 4. The way in which they are specified is the way in which they are specified in those existing documents. That is why they appear in this form.

Mr BAKER: Can the Minister inform the Committee what the reservation of this gas will do for South Australia's future energy supplies? In particular, does clause 4 take us through to 2006, or what does it do for securing future gas supplies?

The Hon. R.G. PAYNE: The reserved gas constitutes approximately—and I think that on the select committee we all agreed not to get down to the last decimal point—five years supply from the end of 1987. Some evidence was given suggesting that there was a different viewpoint that could be applied to that period. The member for Elizabeth said that it was unlikely that any member of the committee was expert enough to be able to decide whether some of the facts presented to us, at least in the time available, were accurate. I lean to the view that we are talking about five years.

Mr BAKER: For those people who read *Hansard* but who do not read committee reports, is it true that paragraphs (a) and (b) deal with the contracted but unused gas and that about 30 petajoules are involved there? The other quantity, involving 6.015 thousand million cubic metres of gas, standard temperature, is of the order of 250 petajoules. If we take those two figures, we have supplies on varying estimates for about two and half years beyond 1987. Then we get into the situation where the normal gas supplies are no longer available to South Australia, and we have to go on to a new production technique involving a mixture of other fuels because natural gas, in the form in which we are traditionally used to receiving it here in Adelaide, would run out in 1990. Would the Minister like to comment?

The Hon. R.G. PAYNE: I thank the honourable member for correcting my somewhat fuzzy viewpoint of what is contained there. I overlooked the fact—and I am not supposed to refer to it—that clause 7 deals with another quantity of gas—ethane—which, together with the quantities that we are considering in clause 4, would involve a period in excess of four years. Depending on the rate at which it is actually used, I am entitled to assume that that is over five years.

Amendment carried; clause as amended passed.

Clause 5—'Obligation to supply reserved sales gas.'

The Hon. R.G. PAYNE: I move:

Page 4, lines 13 to 17—Leave out subclause (2) and insert the following subclause:

(2) The Cooper Basin producers may include with the gas—

(a) such quantities of ethane as are necessary to satisfy the terms and conditions set out in the first schedule;

(b) such quantities of butane and propane as cannot practically be separated from the gas,

and any quantities of ethane, butane and propane so included shall be taken into account as if they formed a part of the quantity of gas reserved by section 4.

I understand that this amendment was prepared as a result of some representation from the producers and is meant to ensure that the practicalities of working are met.

The Hon. E.R. GOLDSWORTHY: The confusion to which I alluded in referring to clause 4 appears to persist in clause 5. I refer to the fact that there is a mix-up between volumes and heating values in clause 4. By contrast, clause 5 requires in 1985 a volume of gas capable of providing 100 petajoules. Apart from the confusion that arises from the language changes and concepts between clause 4(2)(a) and (b) and clause 5(3), it is clear that the maximum amount of reserved sales gas that can be required to be supplied is restricted to the remainder gas and petrochemical fuel gas plus, under clause 5(2), only such quantities of ethane as are necessary to satisfy the quantity specification in the first schedule.

In other words, the total volume of reserved sales gas represents only approximately 257 petajoules, which it is estimated will not be sufficient to meet the State's requirements until even the end of 1990 unless the State resorts to burning ethane, under clause 7(4). It seems that the Bill is self-defeating in this provision.

The Hon. R.G. PAYNE: I recollect that we canvassed this to some degree on the select committee. I thought that we had agreed to differ. I understand that what we are now doing is at the request of the producers. I fail to see what the difficulty is that the honourable member is raising.

Mr M.J. EVANS: I can see a very good rationale for providing in clause 5 for a volume of gas as it relates to heating value, as against clause 4, which provides for a volume of gas, because clause 5 contemplates a future supply of gas. It is clear that the State will require not a volume of gas but a heating value of gas in order to meet the heating needs of consumers in the State. It may be that that heating value is derived by varying proportions of the constituent

gas: for example, it might be ordinary sales gas as we now receive it or an ethane cocktail, as the member for Mitcham alluded to earlier: or it may contain certain quantities of ethane and methane, in which case the volume of gas required to supply a varying heating value would change. Therefore, it is only sensible to specify the heating value of the gas in clause 5 rather than the volume of the gas, because a certain volume of gas may not provide the heating value that we require to run the State.

Therefore, it is quite reasonable in clause 5 to require a supply of heating value, which is what we need to run the State's industry and for consumers, as opposed to clause 4, in which we talk about reserve quantities of gas specified in existing agreements. I do not find difficulty with the change in terminology that the Deputy Leader finds.

I can well see the rationale, if my understanding of it is correct. Unfortunately, this matter was not canvassed in detail in the committee. I understand that we are talking about heating value in clause 5, because we might well vary quantities of the mixture with respect to ethane in future. That may well become a consequence if what we require is heating value, not gas volumes.

Mr BAKER: I have a number of questions about the open endedness of the current provisions in clause 5. I refer the Minister specifically to the requirement in clause 3—'in each subsequent year'. At this stage we do not really know what will happen at the end of the time frame. Under clause 5(3)*(d)*(ii) the date determined by the Minister as being a reasonable one by which agreement should be reached could be retrospective, and it may take him a year to make up his mind.

There are no checks and balances in those provisions. As the Minister would understand, the worst thing for the producers would be that they are advised six months after the event that they have to supply more or less than the quantity already specified. We should have some way of informing producers early in the piece, and their requirements to supply should be laid down in the Act. As paragraph *(d)* (ii) stands, the Minister can determine whenever he likes whatever gas limits shall be placed on the producers years hence, and that is not reasonable.

Perhaps the Minister will seek to move an amendment which provides that he shall notify the producers, for example, six months prior to the beginning of the following year or something along those lines. I think it is reasonable for the Minister to put himself under some constraint to make the producers aware of what is expected of them. There is also the question involving determinations made under subclause (4) as to whether the Minister should seek representations from the producers. However, in all probability certain information would be available about the fact that they have not been able to reach agreement before then. Some areas need tidying up. Subclause (7) provides:

> The authority is not obliged to accept reserved sales gas that the Cooper Basin producers are required to supply and where the Authority does not, in a particular year accept the volume of gas that the producers are required to supply, the obligation of the producers in respect of that year is reduced to that extent.

During the select committee a question was raised about responsibility to supply and a sudden change of mind occurring, matters which this legislation does not address. A number of small drafting matters could be improved, if there was time for full scrutiny. It is most important to specify the authority and Cooper Basin producers but, when it is left to the Minister to decide, he should be able to decide before the event what the cost requirements shall be in forthcoming years.

The Hon. R.G. PAYNE: Clause 5(3)*(d)* sets an upper limit on the quantities which may be required in subsequent years. The honourable member may be pleased to know that actual quantities will be established by agreement or, if necessary, by determination of the Minister. The opportunity is there for agreement.

Mr Baker: If there is disagreement, there is a problem that it could wander on without constraint.

The Hon. R.G. PAYNE: Clause 5(4) indicates the uses to which gas may be directed and requires the Minister to give written notice, a provision which I think the honourable member was seeking. I take it that would go some way towards alleviating his concern. I understand that subclause (7) provides for the circumstances where, for example, non-reserve gas may become available. Purchase of such gas under separate contracts by PASA would enable the reserve gas—particularly petrochemical gas and ethane—to be preserved.

Finally, I point out certain technical requirements, and one of the very useful functions concerning the producers coming before the select committee was to draw attention in many cases to what they perceived as technical difficulties in the actual working of the Bill. If it emerges that there will be some difficulty in this area, I am prepared to undertake that such requirements would be determined by co-operative action between my officers and officers of the producers.

The Hon. E.R. GOLDSWORTHY: I heard a lengthy explanation by the member for Elizabeth on the first point I raised. However, my second point is that all that is reserved here is 257 petajoules of gas, which will not last us very long. If all the gloomy predictions from some quarters turn out to be the case, what does the Minister see as the position in cranking up exploration which is an essentially critical exercise in those circumstances? How does he hope that we will be able to reserve those 257 petajoules and keep that supply in the bank? I ask him to address the more critical question of cranking up exploration.

Amendment carried.

The Hon. R.G. PAYNE: I move:

Page 5, line 1—Leave out 'in respect of' and insert 'to supply reserved sales gas in'.

Amendment carried.

The Hon. R.G. PAYNE: I move:

Page 5, lines 3 to 5—Leave out subclause (8).

Amendment carried.

The Hon. E.R. GOLDSWORTHY: Clause 5(6), provides that the producers must comply with a notice under subclause (5). It is not clear what this means in the context of a notice which says that PASA either does not require any of the gas which the producers are obliged to supply, or requires part only of such gas. There is no stipulation as to whether such part only of the gas is to be supplied during the year or specified parts of the year, and the intention of clause 5(6) is unclear.

The Hon. R.G. PAYNE: I am advised that the notice can be that they not be required to supply gas, if that is deemed appropriate.

The Hon. E.R. GOLDSWORTHY: There are some considerable queries relating to clause 5 (7) and (8) which could lead to some confusion. I think that we at least ought to get it on the record so that the Government in due course may decide that changes have to be made. Clause 5 (7) gives rise to a number of questions. The subclause says that PASA is not obliged to accept reserved sales gas that the producers are required to supply. It is not clear whether this means that PASA is not obliged to accept reserved gas that the producers are required to supply by operation of subclause 5 (3) or whether it means that PASA is only relieved of its obligation to accept reserved sales gas that PASA has notified the producers under subclause 5 (5) it does not require.

On the basis of the present drafting it is possible that the following situation could arise in respect of 1988 or any subsequent year. First, there is no agreement between PASA and the producers on the volume for the year and the Minister can under clause 5 (3) *(d)* (ii) require the producers to deliver 100 petajoules. Secondly, before 1 July 1987 PASA tells the producers that it does not want any of the reserved sales gas in 1988. Thirdly, the producers are still obliged to supply the 100 petajoules, even though they know PASA does not want it and PASA is not obliged to accept it. Not to put too fine a point on it, that seems to me a little peculiar.

If the producers do not supply gas as required by the Minister, then they would be in breach of the Act. That would be a breach that could lead to loss of their production licences. If they do supply the gas to avoid a breach of the Act, PASA is not required to take it. The Bill makes no provision as to what happens to the gas in such circumstances other than to say, 'The obligation of the producers in respect of that year is reduced to the extent that PASA does not accept gas the producers are required to supply.' It gets sillier and sillier.

That does not overcome the fact that the producers will have been required to do all things necessary to enable them to supply and to in fact supply. The reduction of the obligation of the producers contemplated in the second part of clause 5 (7) only arises on its terms when PASA has not accepted gas. PASA cannot fail to accept gas unless it is supplied. In other words, the absolutely ridiculous situation would arise where PASA does not want the gas but nonetheless the producers have to supply, or produce and deliver to the PASA pipeline 100 petajoules, or else, first, they will be in breach of their obligations under the Act, with the horrific consequences that would follow and, secondly, they would not be relieved of their obligations to supply the same quantity of gas under the PASA sales contract. The whole operation of clause 5 (3), (5), (6), and (7) will need to be closely examined. As I say, a peculiar situation will arise through the operation of this clause.

The Hon. R.G. PAYNE: I can only point out to the honourable member that, as of a few weeks ago, the Pipelines Authority came under ministerial control and I am certainly prepared to give a guarantee that the Minister will not allow PASA to act capriciously in those matters.

Mr M.J. EVANS: I cannot quite see how the relationship works between subclause (5) and subclause (7). Subclause (5) says that the authority has the power to inform the producers that it does not require all of the reserved gas to be supplied. That sounds perfectly reasonable, yet subclause (7) says that the authority is not obliged to accept reserved gas sales, but the Cooper Basin producers are required to supply. If the authority has decided that it does not require certain gas in a year and under subsection (5) it has notified them to that effect, how could a situation arise where the authority needs to be excused from accepting gas that the producers are required to supply, because they have already been relieved of their obligation to supply by the notice under subsection (5)? I cannot see the relationship between subclauses (5) and (7).

The Hon. R.G. PAYNE: I am advised that there are two situations that we have attempted to address by clause 5 (5) and clause 5 (7). Clause 5 (5) clearly states that six months before the beginning of the year there can be, in writing from the authority, notice that it does not require any or requires part only of a quantity of gas. During the year the situation may arise where PASA may wish to say that it does not want any more gas, and that is why those two provisions are there. One is different from the other. One is pre-notice, whereas the other is during the currency of the year in which the gas has already been asked for, but the authority can decide that it does not want to take it.

Mr M.J. EVANS: That seems to go a little beyond what I understood was to be reasonable conduct on the part of the authority. Subclause (5) gives the authority a reasonable discretion, with six months notice, to notify the producers that in the following year it does not require a certain part of the reserved gas. That seems perfectly reasonable and commercial. The producers get six months notice and everything is reasonable. But the Minister is now saying to the Committee that subclause (7) gives them an additional power that, having allowed the six months notice—

The CHAIRMAN: Order! I want to point out to the member for Mitcham that the practice that he is carrying out at the present time is definitely out of order. If the member for Mitcham wishes to carry on a conversation with anybody in the gallery, I would suggest that he go out of the Chamber and buy the person a cup of coffee. I hope that clears up the position and that I do not see it any more. The honourable member for Elizabeth.

Mr M.J. EVANS: So we have the reasonable situation in subclause (5), which perhaps not everyone accepts, but which I certainly accept. In subclause (7) is the Minister saying that that conveys an additional discretion on the authority? Having allowed its six months deadline and reasonable notice period to have elapsed without notifying the producers of a reduced requirement, at some stage during the following year of supply has the authority an additional right over and above that in subclause (5) to simply, at any given time, notify the producers that from that day forth they do not require part of the gas which they implicitly indicated by their failure to give notice under subclause (5) they would require that year, and in which case, the producers then are suddenly not required to supply that gas?

It seems to me that the authority is being given two bites of the cherry, but if we look at page 5 the authority is then not liable to pay for gas it is unable to accept by reason of circumstances beyond its control, so the authority is excused by a *force majeure* clause (something of which we heard a great deal in the committee and which I think is a reasonable provision). I accept that.

Not only does it get that *force majeure* privilege but also it gets a discretionary *force majeure* under subclause (7) which it can exercise at any time, in addition to the reasonable right I thought we were giving them under subclause (5), to give the producers six months notice. Are we not being too generous in our discretion to the authority by giving it both subclauses (5) and (7)?

The Hon. R.G. PAYNE: As it disturbs the member for Elizabeth so much, I point out that the obligation of the producers in respect of that year is reduced to the extent that they are no longer required to supply. There is a *quid pro quo*. The producers do not take the gas out of the ground and put it in a balloon. It is a continuous process of quantities down a pipeline, and things like that.

The Hon. E.R. GOLDSWORTHY: The operation of this and subsequent clauses appears to create a number of major difficulties in terms of the operation and planning of the producers. Clause 5 (3) *(d)* allows the Minister to notify producers at any time—for example, the day before the relevant year, or at any time during the relevant year—that he has determined that no reserved sales gas, or only an amount of reserved sales gas much less than may have been indicated is likely to be required to be supplied, is in fact to be supplied.

This places the producers in an impossible position. For planning purposes based on estimates provided by the Government the producers may have made provision for 100 petajoules to be supplied and have made capital expenditure against that expectation. Another example is that under

clause 5 (5) the notice may require that the producers supply gas for only part of the year. Under such circumstances they must be protected by some upper limit in rate such as contemplated in clause 5. If gas requirements were restricted to a proportion of the year only, the shutting of wells could ultimately mean the loss of gas reserves or the inability to produce gas quickly when called on to do so because of the presence of water in the reservoirs. That is one difficulty. Clause 5 (8) clearly contemplates the continued existence of the PASA gas sales contract.

Mr Baker interjecting:

The Hon. E.R. GOLDSWORTHY: It obviously contemplates it. Therefore all the rights and obligations of the parties under the PASA gas sales contract continue subject to the provisions of the Act. The only relevant provision seems to be clause 5 (8), which exempts the producers from obligations to supply gas under the PASA gas sales contract in the circumstances contemplated by the subclause.

It is not at all clear what this subclause means, but it may have certain implications. In 1986 the producers are obliged to supply 106.561 petajoules under the PASA gas sales contract while they are obliged to supply 95 petajoules under the Act. Therefore, there is some confusion as to whether that is wiped out or not. It appears from this commentary that it is not.

As I said, it clearly contemplates the continued existence of that contract. The producers are exempt from their obligation to supply gas under the PASA gas sales contract only while they supply reserved sales gas under the Act. Therefore, they would still be liable to supply to PASA in 1986 the difference between 106.561 and 95 gigajoules (that is to say, 11.561 gigajoules) under the existing PASA sales gas contract. One doubts whether this was intended. In 1986 the producers are required to supply 95 petajoules of reserved sales gas under the Act.

Let us assume for the moment that the producers are attempting to commence to supply such reserved sales gas to PASA and PASA refuses to accept it. The only consequence is that, PASA having refused to accept it, the producers' obligation to supply under the Act is reduced. Nonetheless, the producers will not have supplied reserved sales gas to PASA as required by the legislation (clause 5 (8)). Therefore, the producers are not exempt from their obligations to supply gas under the PASA gas sales contract but are required to continue to do so. That is a recipe for complete confusion, I would have thought.

The Hon. R.G. PAYNE: In relation to clause 5 (3) *(d)*, as I pointed out earlier, that clause sets an upper limit on quantities that may be required in subsequent years. The actual quantities will be established by agreement, so some of the dire effects that are supposed to happen will not happen.

The Hon. E.R. Goldsworthy: What about the conflict—

The Hon. R.G. PAYNE: We have a further amendment on file that should take care of that, if we ever get there.

Clause as amended passed.

New clause 5a—'Discharge of gas sales contract.'

The Hon. R.G. PAYNE: I move:

Page 5, after line 5—Insert new clause as follows:
5a. The Gas Sales Contract is discharged.

I think that this new clause meets the concern which, at the time the producers were preparing the submission which I think the Deputy Leader is using, was recognised, and the Government is endeavouring to meet that concern.

New clause inserted.

Clause 6—'Price of reserved sales gas.'

The Hon. E.R. GOLDSWORTHY: This is the clause that dropped out of the sky, so to speak. I outlined to the House during the second reading debate the history of negotiations on behalf of the Government from the middle of July until 23 October, when the Government sent a letter to the producers on the day that the Bill was presented to the Parliament, which effectively terminated any further intelligent discussions and which led to the debate we are now conducting.

As I have pointed out, the two major areas of concern in these gas matters are supply and price. We have already had a round or two in relation to supply and the obvious haste of the Government to avoid the results of the independent arbitrator in December or its disregard of what its own oil company tells it. However, this is the clause which, as I said, has dropped out of the sky. It bears no resemblance to anything agreed before by the Government and sets up instantly a new Government policy.

The price agreed by the Government—offered by the Government, indeed, to the producers—was of the order of $1.72 consistently from July to 23 October—$1.72 per gigajoule or a 10 cent increase, carefully hidden from public scrutiny. There it was: the one consistent theme in the Government's offer was this price, which is one of the critical issues in these negotiations and certainly the most critical in terms of public interest and scrutiny.

There it was, the only thing that changed in the Government's offer to the producers during the whole of that period was any discount on the 1985 sale price. It was of the order of 2 cents. It started as a little more than that, and finished up of the order of 2 cents from September until the end of the year—peanuts in terms of these contracts, but there it was.

Despite all the bleatings of the Government about the high $1.62 it had to pay because of the shocking Goldsworthy agreement, it was to pay $1.72. That was its continuous stance, its offer for the whole of these negotiations. Then, out of the sky, on 23 October comes a price of $1.52, according to some new formula dreamed up—and the Government wonders why the producers, I, as a member of the public, and the public are a bit puzzled as to its integrity throughout these negotiations. That is point one.

The second point is that suddenly we are going to hitch our star to AGL and that we will accept the price that is to be determined by negotiations to which we are not a party, which we cannot influence but whose determination will be binding on us. When the Minister was asked why this matter was not raised at all during the negotiations and why it had appeared, the answer given to the select committee was that it was Government policy.

An honourable member interjecting:

The Hon. E.R. GOLDSWORTHY: If it were not so serious, indeed it would be a matter for great jest. I refer to the minutes of evidence from one of the chief Government negotiators, which attests to the fact that at no stage was it in the Government's contemplation that the price of gas paid to AGL would be part of the consideration of either negotiating team.

So, this provision has dropped out of the sky. It is a most irresponsible policy to be adopted instantly, obviously, when the Bill was surreptitiously and hastily introduced into the House. What responsible Government would hand over to a company in another State total responsibility for negotiating and settling the price of gas to be delivered in South Australia? What Government would sit on the sidelines and mutely and passively observe other people with interests that are certainly not aligned to those of this State going about their business interests and securing a price which suits their purposes at any given time and which probably will not be related to South Australia's interests? What an utter and complete abdication and cop-out of any vestige of responsibility by the Government for the affairs of its constituents in relation to the supply of this essential commodity.

What a completely absurd and irresponsible instantaneous policy to be adopted for short-term political expediency in order to overcome a perceived problem. If ever there was a nonsense clause in a Bill it is this one. If ever there was a case of major deception, double dealing and double crossing, it is this one. It stands out like a beacon on a hill for all to see who care to examine the history of these sorry events. It shows just how crooked and dishonest the Government is in writing this clause into the Bill. Together with other documentation that we managed to obtain from the Government after a fair bit of probing during the course of the select committee hearings, this will stand as living testimony to the Government's action in this matter.

This represents a breach of faith by the Government in terms of all the undertakings and offers that it has made in terms of price. The Government's embarrassment is obvious. It made the ETSA price announcement, but it could not sustain it. Suddenly the Government woke up to the fact that perhaps Goldsworthy was talking some sense, that perhaps they had twisted the arm of ETSA a bit too hard in getting it to announce the 2 per cent ETSA tariff cut, and that perhaps a price of around $1.50 would be needed to justify it. So, what was the answer? It was to break all the undertakings that had been given to the producers and to put in the magic price. Over the months much criticism has come from me and others in relation to this matter.

The Hon. R.G. PAYNE (Minister of Mines and Energy): I move:

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

Motion carried.

The Hon. E.R. GOLDSWORTHY: I have always subscribed to the view that one's credibility is probably a possession to be prized and coveted rather highly. The public's perception of politicians does not ascribe to them that attribute to any large extent. Nonetheless, it is my view that, if politicians or members of Parliament, or Ministers particularly, can maintain credibility in dealings with the public and the people with whom they enter into negotiations, they maintain what I believe is a most worthwhile attribute and something that is to be highly prized. There have been notable Parliamentarians around Australia who I believe have possessed credibility, and they have tended to be the people who have endured in this rather transient lifestyle and profession that we follow. They are people with credibility.

I suggest to this Committee that the Minister responsible for this Bill, the Premier and the Government have absolutely no credibility whatsoever as a result of this clause dropping out of the sky. In terms of price, the Government has gone back entirely on the continuous offers that it has made to the producers over the whole period of the negotations, after the delay which was enforced at the whim of the Government. That was the one important element of the negotiations that varied only slightly.

So, here it is. But how about the second leg, which I described as Government policy? If ever there was testimony, over the whole period of my association with this place, to lack of credibility, trustworthiness, decency and honesty, it is to be found here in relation to this clause which for the basest of political motives, has found its way into this Bill. I believe that when the wheeling, dealing and dishonesty of the Government become apparent to the public, as they surely will, the Government will be history, and its dealings will pass into part of the history of this State and soon be forgotten. We heard earlier in this Chamber remarks about the damage that has been done to the State's reputation Australia-wide and indeed world-wide, as a result of this legislation.

However this clause, leaving that alone, is living and enduring testimony to the complete dishonesty of this Government. I am ashamed for it and ashamed for South Australia. I am ashamed for the officers who have to serve under a Government in those circumstances, but here it is in black and white before us. Taken in the context of the past history of this Bill, it is an absolute disgrace.

Mr INGERSON: I wish to refer again to price. Earlier in the evening the Minister conveniently referred to Adelaide-Brighton Cement and its position in relation to the reduction needed in the price of gas. It was suggested that there was some possible legislation—

The Hon. R.G. Payne: And security of supply.

Mr INGERSON: Of course. We know that security of supply is part of the whole exercise. It is interesting to know that approximately the same time, in a letter dated 29 August, having heralded earlier tonight how important it was that we have a reduction in price and how we ought to support the public comments of the company previously mentioned, the Government wrote to Mr McArdle and set out the following:

We recommend that the prices be as follows: in 1985—

and these figures are all in 1985 dollars—

$1.60, and in 1986 $1.60.

Transcribed into 1986 dollars that is $1.72. For 1987 it is $1.69 (transcribed into 1987 dollars it is $1.95), and in 1988 it is $1.78 per gigajoule or, transcribed in 1988 dollars, $2.20 per gigajoule. Here again we have a Minister who is prepared to stand up in the House and clearly point out how important it is to have a reduction in the price of gas and yet, at exactly the same time, Mr Guerin, on behalf of the Government, was putting forward this offer to the producers for a significant increase in price over the next four years. In dollars of the day it is $1.60, $1.72, $1.95 and then $2.20.

To show that there was some faith in and acceptance of those figures, two days later on 3 October the producers in a letter to the Premier stated:

As our part of the overall package, our proposal accepts the prices indicated in Mr Guerin's letter of 29 August on the basis that they are firm prices only, to be adjusted by application of the index referred to.

The index that I used was that which was put forward to us in evidence by Santos only a couple of days ago—a figure which showed approximately 7 per cent inflation in those preceding years. Here we have a situation where a Government is prepared to stand up in this House tonight and clearly argue that it believes that there ought to be a reduction in price, yet at the same time it is prepared to enter into agreement with the producers for a massive increase in price. I find it quite unbelievable that a Minister should stand up in this place and make those comments as he has done tonight.

I also take up again the comment of AGL. It is unbelievable that the Minister and the Government should not give itself a second option, because one of the problems we have today is that we are locked into an agreement. Here we are again locking ourselves into a fixed price set by AGL. To understand the AGL price, it involves the conditions that apply in New South Wales—not in South Australia. The South Australian Government is deciding to hand over to the New South Wales Government all the negotiations and we in South Australia—the so-called cheap State—will have to accept the massive inefficiencies of New South Wales, because we are locking ourselves into an AGL agreement. It just happens at the moment that the figure is significantly less. What will happen tomorrow if suddenly there is a

massive increase in the AGL price? What do we do then? Do we say, 'Gee, we have made a mistake,' and then rush through more legislation to set up another option? It is unbelievable that the State Government has abrogated its responsibility to negotiate gas prices for gas used in South Australia for South Australian people.

Mr BAKER: The major contribution made by members opposite, including the member for Elizabeth, who made a more intelligent contribution than other members opposite, was that the Government was negotiating a package. We have heard that the $1.72 price really did not exist because the rest of the package has to be negotiated. The member for Elizabeth said that it would be nice to have it at the same price. However, he was not sure how he would achieve that. What did the Government trade off in order to reach the price of $1.53 or $1.60 in 1986 prices? I have gone through all the items that were in contention, new items raised and the process of negotiation, and I am quite dumbfounded as to how it came up with this little proposition.

My colleague the Deputy Leader said quite clearly that this was a breach of faith and the breaking of a promise, and that it showed quite clearly that South Australia was not to be trusted as a negotiating State, as it had taken away the competitiveness of the producers in terms of their contracts and, under some unilateral arrangement, had decided on this magic formula. That is irrespective of the past determinations of the arbitrator, which were previously made requisite on the Government. As my colleague the Deputy Leader has pointed out, it was through this arbitration process whilst the price escalated dramatically (as was softened by the skill of the Deputy Leader) that the overall benefit to South Australia was in terms of gas supplies. Nowhere but nowhere has this Government pointed out how it has come up with this formula.

We had an explanation that indeed the formula was arrived at by looking at the original arbitration decision and then applying a cost price inflator. What defies description is that that Government had agreed to $1.72, as had the producers. In this Bill the Government has not given way to anything and has in fact gone further than any other point of negotiation. So, it has taken away and taken away again, and the final word is that we must accept the lower price.

What part of the package was the Government trading off for the $1.53 price, which was never agreed upon? What was the trade off situation or the package to which the Government has referred? There is nothing there which sustains an argument that the price can be reduced. Indeed, if one looks at the facts of the situation one sees that this very process could ensure that South Australia never has sufficient gas supplies much beyond the 1990 plus cocktail formula up to 1992.

If one looks at the figures and considers what is happening in Sydney or what the arbitrator has ruled in Sydney today, we are reasonably assured that in the next negotiations there will be a further reduction in price. Beyond that, we have no control on what happens regarding price arrangements in Sydney. If negotiations go sour in Sydney, the Government will want to renegotiate the contract.

It will be said that we are disadvantaged; we are paying too much for our gas. The Government does not act on the basis of good management or competitive tender but will take decisions that are beneficial at election time—so long as it is satisfied that it is in the Government's interest, not necessarily in the interests of the State. By making this formula, South Australians can kiss their gas supplies goodbye beyond the year 1992. There is no incentive whatsoever for gas suppliers in South Australia under this formula.

That is from two viewpoints: first, that there is a reduction in the price, which means that the desire to find new supplies will be diminished; secondly, reducing the real return in such a way as has been done here will mean that other people who are willing to explore will no longer be willing to do so because they can never trust the Government to reach an agreement on anything.

Even if we get part way to an agreement, they can be assured that this Government will break it, because it has demonstrated adequately to everybody that it does not stand by its promises or agreements. The Government is trying to seek electoral advantage. I defy the Minister to outline exactly why $1.53 was not stipulated. We were given an explanation of the formula, but we were never given a justification for it, despite the fact that we had significant information on why the arbitrator had agreed on the early decision, which leaves us with the $1.62.

I find many parts of the Bill distasteful, but this one in particular cannot be condoned in any shape or form. Other provisions in clause 6 are equally disadvantageous. It contains many of the dirtiest provisions that could possibly be inserted in legislation. Anyone who has made a contract or is determined to spend money to provide a service can never be assured that they can get an economic return for it. I know that this legislation will pass the Upper House in a basically unamended form, because we on this side simply do not have the numbers. However, I ask the Minister to reconsider what he is doing under clause 6 and to understand the ramifications of his action within this Bill, not only under clause 6 but elsewhere. There is no explanation from the member for Elizabeth as to how he could accept this price formula.

The CHAIRMAN: Order! The member for Mitcham should not refer to the member for Elizabeth as having to do anything at this point. He is not the Minister, nor is the member for Mitcham answerable to the honourable member.

Mr BAKER: I will delete that reference, Sir. There is no explanation from the other side as to what good this will do for South Australia, except in reducing the price for gas. We are all interested in that, but we will not proceed merely on the basis of obtaining an electoral advantage or on the basis that our credibility will disappear. I ask the Minister to reconsider.

Mr M.J. EVANS: The member for Mitcham was a little uncharitable in respect of my own position on this clause, considering that I raised the point about the AGL price first in the committee this morning. Therefore, it is a little unkind of him to refer to me in that way. However, I will not take offence. My point in relation to this clause is not that which has been raised by members opposite. They must recognise that prices offered previously in all other negotiations were obviously made in the context of other arrangements also occurring.

I can accept the reasonableness. However, in a Bill of this kind designed to assure supply and price, it is perfectly appropriate for the Government to put forward a price schedule in the Bill and in some way fix and determine the price. It does not have to be exactly the same as some other price which may have been offered in the context of other negotiations previously. I accept that. No doubt the Minister much more adequately than I will deal with those points. But, I find difficulty in accepting that we are now prepared to place all our faith and trust in arguments that AGL may put before an arbitrator or in the fact that AGL may choose to agree with the producers the reserve sales gas price for South Australians.

This Bill is all about guaranteeing interim supply and price for South Australians, in which case I have difficulty in accepting that we are prepared to place our faith and

trust in the arbitrated agreements or non-arbitrated agreements which AGL may reach with the producers. Given that this part of the Bill applies only to reserve sales gas and that this will acknowledge that reserve sales gas has only a limited future life, it should not be beyond the ability of the Government to come forward with a fixed price schedule that would give certainty of price to both consumers and producers—a price which was fair to consumers and producers and which would have at least left us without any doubts.

We now still have a very considerable doubt, because the price is to be fixed by AGL or by its arbitrator if agreement cannot be reached. That appears to happen, because they are currently in arbitration. That does not preclude an agreement between AGL and the producers and before the arbitration is completed, or an agreement between AGL and the producers after it is concluded. Today we would have to subscribe for balance of supply of reserve a sales gas. It is certainly the case that AGL interests need not necessarily be South Australia's interests. I look at this clause from a point of view different from that of most members opposite.

It is certainly not within my capacity to set forth this evening a schedule of prices which would be reasonable in that context: that falls within the Minister's ambit. However, given the objectives of this Bill and the need for industrial and domestic consumers in this State to have certainty not only of supply but also of price, that some future arrangement other than this is more desirable.

Mr INGERSON: In relation to the formula that is now before us, I can only assume that the formula in the Bill produces a better result than that which was put forward by the Government and used by it in the agreement of 29 August 1985, because the formula then used had a 50 per cent GDP deflator and a 50 per cent CPI fuel and light component. One can only suspect that, because we have now gone to two fixed GDP figures, it gives us a better figure, in other words, a lower gas price. I would like to point out to the House that the agreement made on 29 August and then accepted on 3 October by the producers now has a different formula. I suspect, even though I do not have the figures in front of me, that the principal reason for doing that is that we have a lower figure of $1.54 and not a figure that is perhaps closer to the $1.62. I am cynical enough to believe that that is probably one of the reasons why the formula has been changed.

The other important thing about the AGL price is that it is really like a person in competition down the road saying, 'Why don't you go out and buy the goods for me and do the best in the marketplace and I will accept that price.' I do not know anybody in the market or the real world who does that, yet here we have a Government that is prepared to stand before us tonight and say, 'We really do not care how you negotiate it in New South Wales or what kind of guidelines you use, but we will accept the result at the end of the day.' As I said earlier, I find that situation absolutely incredible.

I wonder if PASA has been asked whether it is happy with this formula because, when we look at all the evidence put before us, we see that there have been many occasions when people have not been asked their views. We have had the examples of the differing views between the department and the producers in relation to reserves. It was only because of evidence placed before the committee that the two groups decided to get together on what was a very wide variation. I wonder if in this case PASA has been asked whether it is happy to have New South Wales negotiating on its behalf.

As the member for Mitcham clearly pointed out, any reduction in the price of gas totally removes incentive. Why would anybody enter into a contract with a Government or with any person when the price of your gas will be reduced dramatically? One of the plusses in the so-called Goldsworthy agreement was that at least we had $55 million of exploration money spent on looking for more gas. What producer will go out and look for gas now when it is having its price and opportunity cut from underneath it? Finally, what effect does this change of formula reduction have on the price of electricity in South Australia? What is the real bottom line?

The Hon. E.R. Goldsworthy interjecting:

The Hon. R.G. PAYNE: It is a very great pity that the public of South Australia are not more privy to the proceedings in this House, because it is absolutely incredible to hear members of this Parliament complaining about the lowering of gas prices, especially when not one of the producer organisations appearing before the select committee made any such representation. That ought to be noted. In fact, I thought it was in their favour that at least they recognised that the differential between the price paid in New South Wales and South Australia had had its day—that there had to be some amelioration of that situation. So, I freely say that that was to their credit.

Yet here we have Liberal Party members carrying on in this manner. I am almost tempted to thank members opposite, because I know what use can be made of these remarks. Quite clearly, it will be brought to the attention of any electors whom I encounter that we received representations from Liberal members opposite during the passage of this Bill that the price should not be as low as that which has been achieved.

It is amazing that members opposite cannot see something which the member for Elizabeth has clearly seen. He was no more privy to the negotiations and information available to the select committee than were members opposite, yet they refuse to see it.

An honourable member interjecting:

The Hon. R.G. PAYNE: Certainly, I think that all members of the committee listened assiduously and served for the whole time. I think only three members did not serve the full time on the committee, and they were due to unavoidable absences—I will not say who those members were. As has been pointed out, there was not too much overtime on the nights and on the Saturday when the committee met, but their attendance and assiduous application to their duty was very commendable. I have no complaint there. But, the question was how we arrived at the $1.52 price.

Mr Ingerson: Why did you change the deflator?

The Hon. R.G. PAYNE: Members opposite should ask one question at a time, please. I think we can probably agree that in 1982 there was an arbitrated price. If one then uses the CPI index and takes that price through to 1986, the figure—

The Hon. E.R. Goldsworthy: Starting from when?

The Hon. R.G. PAYNE: From 1982.

The Hon. E.R. Goldsworthy: What part of 1982? The price went down from 1 January to 9 September.

The Hon. R.G. PAYNE: That is fair enough, and I do not mind the Deputy Leader of the Opposition making the point that there was an adjustment.

The Hon. E.R. Goldsworthy: There was an adjustment and the increase was halved.

The CHAIRMAN: Order!

The Hon. R.G. PAYNE: We are dealing with the arbitrated price of $1.10, and that is how that figure was arrived at. In the circumstances that seems fair and reasonable, and I thought that that was one of the reasons why the producers adopted that attitude before the select committee. I thought that they were prepared, in the interests of South Australia, to forgo some of their revenue, because that is what it could

mean. I wonder why members opposite are not prepared to agree to that.

Members interjecting:

The CHAIRMAN: Order! The Chair is trying to be as patient as it possibly can. We have two Ministers talking to each other and we have the Deputy Leader deciding to carry on a personal conversation of his own. I hope that we can refer to the clause before us.

The Hon. R.G. PAYNE: I am sure that it is clearly understood that the other price was an interim price, so in setting a future price by legislation it should be realised that from a constitutional point of view the approach has to be satisfactory and that there is a need for an arms-length transaction to take place. In the event, it was decided to take the stance that the price achieved by AGL by way of arbitration would be adopted.

The member for Elizabeth has said that that does not entirely please him. He has a perfect right to take that view. I can only point out, as I did this morning in an attempt to fit the time schedule we had, that it is Government policy to do that. The member for Elizabeth was kind enough to point out that he did not feel fit or ready to prepare a schedule of prices himself this evening. Nor do I. I am pointing out that what was done was a matter of Government policy. To meet the requirements that I have set out, we need to have this separation or arms-length arrangement; if there are to be any possible constitutional queries arising then clearly that is the situation.

It has been argued that we are abrogating our responsibility and handing this matter to another State whose interests necessarily might not be the same as ours. I can only say that I have been approached by AGL as to whether we might not join with it in any arbitration, and I am having that matter examined.

The Hon. E.R. GOLDSWORTHY: That is a pretty thin explanation for this rather dramatic abrogation of responsibility that I alluded to earlier in my remarks about this clause. I am not surprised that the Government is prepared to move a vote of no confidence in itself, because the whole history of these contracts indicates that AGL has managed to secure for itself a position so secure in relation to supply of our gas that we are in the pretty predicament that we are in at the moment.

I remember quite precisely a conversation I had with the then State Manager of Delhi before he left and before Delhi subsequently was taken over by CSR—Mr Bob Blair. He told me that, back in the early days when these negotiations were being conducted, he (a producer) warned the State that its interests were not being safeguarded—a fairly rare occurrence. I said, 'Can I use that information publicly?' He said, 'Certainly, I warned the State that its interests were not being safeguarded.'

It is no wonder to me that we have reached the stage where the Government is, in effect, carrying a vote of no confidence in itself. The Labor Government and continuing Labor Governments have made a botch of the affairs of this State in negotiating terms for the supply of gas from the Cooper Basin to Adelaide. No wonder it is prepared to opt out! No wonder it is prepared to adopt instantaneous policies—on this occasion, 23 October—to opt out and let these far superior business brains conduct the affairs of the State (far superior to theirs, mark you).

The Hon. R.G. Payne: We're so bad at negotiating that we are getting the price down.

The Hon. E.R. GOLDSWORTHY: The Government is getting the price down by making a liar of itself—not a very comforting situation in which to find oneself, I suggest. In all the negotiations that I have been privileged to have on behalf of this State I have struck some pretty straight shooters and the people around this nation who are held in high regard are those whose word can be trusted. I well recall, and I will recount to the Committee, an incident that impressed me when we were spending a lot of time negotiating the Roxby Downs indenture—a massive effort canned by the Labor Government in this Chamber, by the way, but now embraced enthusiastically because, miraculously, the Roxby Downs development has been transformed from a mirage in the desert to the great white hope of the State—a rather amazing turnaround in view by the Labor Party in a historically short space of time. Nonetheless, in negotiating that Roxby indenture I had a first-class team of officers supporting me—first-class people, the best I could pick from the Government service. I remember that we were negotiating one section in connection with royalties and there was a dispute, a disagreement, as to the memories of negotiators on our side and, indeed, of Roxby Management Services as to, in that case, a depreciation factor to be built into a fairly complicated royalty arrangement whereby the State insisted on some profit related element in the royalty.

Sir Arvi Parbo had been party to those negotiations because there had been a sticking point. He flew across from Melbourne and said that what the Government side was saying was correct and asked whether we could renegotiate. That accounts, in my mind, for the reputation that Sir Arvi Parbo enjoys around this nation—a reputation that this Government will never enjoy because it is not prepared to deal in a straightforward, honest fashion with people who enter into negotiations with it on the understanding that one's word is one's bond. That is what this clause is all about.

It will be to the everlasting shame of this Government that it will have to live with the reputation that its word cannot be trusted. I wish that more members of the public were privy to the deliberations of this Chamber, as the Minister requests, not so that they can absorb some cheap political point that this Government, by breaking its word, has managed to reduce the price of gas, but to gain some pleasure and respect from the fact that here was a Government that was trustworthy.

I want to deal with the remarks of the member for Mawson, whose interjection was, 'Don't the public want gas prices reduced?' Of course they do, but they do not want completely untrustworthy people running the affairs of this State.

Members interjecting:

The Hon. E.R. GOLDSWORTHY: I am managing to get under their skins at last, thank goodness.

Mr Whitten interjecting:

The Hon. E.R. GOLDSWORTHY: I have a high opinion of the member who just interjected. I would not attribute these qualities to all members opposite or to him because I know he is a straightshooter. However, by golly, the people responsible for this shonky Bill and this clause are not straightshooters and never will be. I apologise to the honourable member who interjected, because I do not put him in that category for a minute. However, it is to the undying shame of his leaders that they have been prepared to go down this track. I wish that the public was privy to the facts, because this is what brings Parliament into disrepute; this is what brings leaders into disrepute. I shall never be party to this sort of shonky deal.

Mr BAKER: I took extreme exception to the remarks of the Minister when he said that we were complaining about the reduction in gas prices. Everybody on both sides of the House would like to be paying Bass Strait prices or prices below $1 per gigajoule. It would be something really wonderful. However, that is not the real world. In the real world gas has to be supplied at a price. I will reiterate the points that we have made, because the Minister simply does not understand. The first is dishonesty; the second is lack of

credibility; the third is that, by the very process of doing the very things he is doing here tonight, he will restrict South Australia's potential to advance and the Government will not earn any Brownie points in the longer term (the Minister will not be here in the longer term), because the Bill does not offer any incentive to explore. There is no guarantee of supply beyond between 1990 and 1992.

I believe that there is sufficient leverage in the system to get that six year rolling program that has been mentioned, but this is certainly not the right way to do it. We on this side are concerned about the South Australian Government having a future and that South Australians have confidence in the Government. We want people to come and invest in South Australia.

In debating this Bill, to maintain that we do not like the Government negotiating cheaper energy prices, I think demeans everyone who has been involved in the process. The Opposition is putting forward a point of view in this respect because we believe that the matter is important. Of course we would all like to see cheaper gas prices and we would like to see lower energy prices applying. We all have to pay the prices that apply, and we know that there are people in the community who cannot afford to pay them. However, the bottom line is that a short term advantage results in long term costs. During negotiations, had the Minister negotiated at a level of $1.50 to $1.53, or whatever the actual price was, we would certainly have had no objection to that. Had that been the bottom line in negotiations, we would have said that the Minister had negotiated well, that the producers had reached agreement for a tradeoff of other things.

But the Minister did not do that. In fact, the price, as outlined to the Parliament, was $1.77 in December 1984. The Government was willing to pay that, and then the price was reduced to $1.72. The issue is not quite as simple as saying that the Opposition objects to cheaper gas prices. We would all like that situation to apply for our personal benefit as well as for the benefit of all South Australians. I consider such remarks to be quite distasteful. The Opposition stands here on the grounds of credibility, and we want South Australia to win. We do not want to see something of a short term nature destroy this State.

Mr INGERSON: I again ask the Minister a question that I asked about a quarter of an hour ago in relation to the change in the formula. As I mentioned, in relation to the agreed contract price that was sent to Mr McArdle on 29 August, some figures were supplied and a formula agreed for updating it. Will the Minister advise the Committee whether that formula would give a different answer to the one now provided in the Bill by the Government? It seems to me that it is a double deception.

The Hon. R.G. PAYNE: The reason for the change in formula was to arrive at a fair price (not a 'cheap gas price', which I think was the term used by the member for Mitcham). I want to make that quite clear. I believe this to be a fair and reasonable price in the interim. As I have pointed out, in the circumstances, quite sensibly it relates back to an arbitrated provision of a couple of years ago.

Mr Ingerson interjecting:

The Hon. R.G. PAYNE: The honourable member was having his say about the price of $1.52, and so on—I am simply pointing out that the Government's approach in this matter has been fair and reasonable. I indicated previously what was involved in respect of taking the arbitrated price of another State. It might appear that responsibilities were being abrogated, but, on the contrary, there is a need when legislating in this way to follow certain procedures. If the Minister just legislated the price, in the event of any challenge clearly that could be argued to be not fair and reasonable because the decision was not made at arm's length. I suppose other ideas could be used, but in the event the Government chose that particular idea.

Mr INGERSON: Following that up, it appears to me that the reason for changing the formula was that it gives a lower price than the formula used in the agreement made between the Government and the producers on 29 August. Whilst the principle of going back to $1.10 has been changed also, the fact that the base has been changed does not affect the final result at all if using the same inflators on the common base. Since there has been a change in the formula, will the Minister advise the Committee what the figure would have been under the formula used and agreed to by the producers and the Government on 29 August, as compared to the answer that we are likely to get under the current formula?

The Hon. R.G. PAYNE: Yes—$1.64.

Mr M.J. EVANS: Having resolved those points made by members opposite, I return to the point made by the Minister in relation to the question of arms length dealing in relation to fixing the price. It was never suggested in any of the select committee hearings that the producers could take legal action against the Government in relation to the constitutional validity of this legislation. That has never been contemplated. Therefore, I can only assume that the Minister is referring to a potential legal action by AGL. This Bill only relates to gas that is already appropriated for South Australian use, be it for a petrochemical plant, for domestic gas sales, or whatever. That is irrelevant: it is appropriated for South Australian use, and therefore, in terms of the opinions expressed before the committee, the price cannot be challenged by AGL, because the Bill specifically avoids a challenge by AGL by not attacking their rights in relation to gas under schedule A. Therefore, I cannot see the reason behind the argument that, if we have the power to reserve the gas (which we did in clause 4), why not unilaterally and not at arms length, but simply of our own volition, that same freedom constitutionally does not exist in relation to fixing the price under clause 6. I cannot see, nor has the Committee before it, any evidence which would suggest that this could be subject to any constitutional challenge.

The Hon. R.G. PAYNE: I can only suggest to the member for Elizabeth that it is a very unwise procedure to go on one legal opinion. I do not think I realised that 15 years ago, but I have since learned, after quite a few years, that it is sometimes advisable to get more than one opinion. The Government has obtained a number of opinions on all sorts of matters associated with this topic, and it has acted prudently. There may well be no challenge. What is the sense in not acting prudently, in the event that there may be a challenge? That is the approach that has been adopted.

Mr BAKER: I want to raise two other issues in relation to clause 6. I refer first to the 80 per cent of the scheduled figures. Clause 5 detailed the figures for at least the next two years to 1987, the requirements laid down, and of course we have clause 6, which accepts the notion of 80 per cent of volume. Clause 6 (5) provides that the authority is not liable to pay for gas that it is unable to accept by reason of circumstances beyond its control. This matter has been discussed previously in Committee, but I refer to the Minister's saying that the Government wanted leverage and that the producers would bear the burden. I will not debate that matter, other than to say that perhaps the Government decided that that was another area where it could belt the producers around the ears. However, in relation to clause 6 (5), does a Government instruction that PASA not accept further supplies from the producers, for whatever reason, constitute circumstances beyond PASA's control? I ask that as a legal question.

The Hon. R.G. PAYNE: Another thing that I have learned in the House over quite a few years, apart from getting more than one legal opinion, is that one must certainly never give one. In any event, Ministers are specifically precluded from giving legal opinions. So, perhaps the honourable member may care to rethink his question. The other point is that the Government does not have the power to belt the producers around the ears. I resent that, and the honourable member should rethink his position because he is a party to this legislation which, if it becomes law, will have passed the Parliament. To describe any of these provisions as a means of belting the producers around the ears is rather demeaning to the whole process.

Mr Lewis: What do you think about that!

The CHAIRMAN: Order!

Mr LEWIS: I could see no other way of attracting your attention, Mr Chairman, and I would otherwise have been confronted with the inevitability that confronted me last week in this Parliament.

The CHAIRMAN: Order! I ask the honourable member to come to the clause.

Mr LEWIS: I want to know why the Minister believed that the member for Mitcham and other Opposition members were engaging in what he described as a demeaning process by criticising the Government's action and referring to it.

The CHAIRMAN: Order! I pointed out previously that I am quite serious about this issue and that I will act in relation to it. Members are indulging in a very serious affront against Standing Orders. No member has the right whilst in the Chamber to carry on a conversation with people in the gallery. I hope that it does not occur again because, if it does, I will act in relation to the person that I pull up.

Mr LEWIS: I do not think that the Minister has been the least bit legitimate in his remarks by describing Opposition members in the way that he just did and saying that we were engaging in a process of demeaning, which was to the discredit of Parliament, by describing the Government's action in this case as simply belting the producers around the ears with this piece of legislation. We do not belong to it, it is not our idea or the way in which the Deputy Leader of the Opposition, were he the Minister, would have gone about making arrangements with the producers in the circumstances.

I would have thought that it was the Opposition's legitimate responsibility to ensure that the Government understood how it felt and how it perceived the general public interest and feelings about any measure that the Government brought into the House: I do not understand how he can claim that we in any way discredited the Parliament. Indeed, the contrary is the case in my view: it is the Minister, as spokesman on behalf of the Government, who is demeaning this Parliament and destroying people's belief in its capacity to make laws fairly and evenly for all who are affected by them. I would be pleased if the Minister could lecture me on how he considers the Opposition to be engaging in that kind of activity—demeaning the role of Parliament—and the Government not to be doing so.

The Hon. R.G. PAYNE: I am pleased that the member for Mallee has the same ideas as I have. I was simply bringing to the attention of the member for Mitcham that on reflection (and I have some regard for the honourable member, as we are colleagues, albeit situated on opposite sides of the House) he should not have used the comment in that way. I find it refreshing that the member for Mallee supports me in that view.

Clause passed.

Clause 7—'Ethane'.

The Hon. R.G. PAYNE: I move:

Page 6, after line 16—Insert new paragraph as follows:

(ba) make efficient use of ethane as fuel for the operation of the liquids processing facility at Port Bonython;.

In seeking support for this amendment, I point out that some concern was expressed by the producers that a practice that they currently follow might well be precluded because it was not recognised in a manner to which they felt they were entitled. This is the Government's response. I believe that it will be satisfactory to them, and I seek the Committee's support.

The Hon. E.R. GOLDSWORTHY: Of course the Opposition supports the amendment. It was a quite glaring omission from the Bill. My understanding is that the cost of those facilities was something like $20 million. If the producers were precluded from using ethane it would be a most difficult situation. It simply indicates again some of the anomalies that have become only too abundantly apparent during the course of the Committee stages of the Bill.

Mr BAKER: I noted that the estimated cost of not providing this facility was the loss of $20 million in equipment and an ongoing additional cost of propane butane as a fuel of $14 million a year. We seem to have fixed up an important anomaly in the process. Will the Minister say whether there is any other area other than Port Bonython in which ethane is used, as all other uses are restricted under the Bill. Also, in requiring this amount of gas to be set aside, does the Minister expect the producers to put in additional facilities at their own cost to ensure its storage?

The Hon. R.G. PAYNE: I am advised that there is no other area, except an enhanced oil recovery scheme with the use of ethane injection, which could be a use. However, there is nothing in operation at present. This is a concession that the Government has provided for the producers, and I think that at this stage the honourable member would be satisfied with the amendment in its current form.

Mr BAKER: My second question was: does the Minister expect the producers to supply at their own cost storage facilities to ensure that a supply of ethane is kept *in situ* in tank or in ground over and above what is already provided? As members of the House will be aware, ethane was deemed to be an important product of the system because it would be used in the petrochemical plant for South Australia. Indeed, I understand that the producers have spent $70 million on extraction equipment for this purpose.

The benefits to the producers would be in the form of the higher price that they could demand for the ethane. At this stage, they have received no return on their $70 million investment because, if they were not extracting it in that form, they could flow it down the pipeline with the other gases up to a mixture of about 10 per cent ethane. Can the Minister advise, given that the producers have already spent $70 million on facilities that at this stage could be of no conceivable use to them in terms of maximising their potential revenue from a sale to a petrochemical plant, whether he is requiring them to spend additional funds beyond that $70 million to store the ethane?

The Hon. R.G. PAYNE: I am somewhat at a loss. The producers had an obligation, anyway, to store ethane in relation to a petrochemical plant. It would seem that that is something they had to deal with, anyway. I have been told, although I do not have a lot of detail on this, that the de-ethanising process involves a cost which leads to other benefits in accelerated liquids recovery. I cannot give any more detail than that.

Mr BAKER: The setting aside of the ethane was seen to be of mutual advantage to the State and to the producers: I have already explained why. The extra expenditure was warranted and provided for. Now the situation has altered, the incumbent costs associated there would not be recovered as they would have been had the ethane been used in a

petrochemical situation. I understand from the figures given to us that they had spent $70 million originally.

There was some chance that that would be recovered in higher prices and that an additional $50 million would have to be spent to meet the requirements imposed by this Bill, because the original requirements spread over a far longer time frame than those provided for the meeting of our additional requirements to 1992. The Government is imposing—and perhaps the Minister could clear this up—an additional cost on the producers of some $50 million over what they have already spent.

Mr M.J. EVANS: I do not know whether the Minister wishes to respond directly to that or whether he wishes to take on board another point. I would like to raise with him the last two lines of page 6, wherein we discuss the letter of agreement, which is the contractual rights and obligations subsisting between the Cooper Basin producers and AGL at the commencement of the Act, under which the producers are required to supply gas to AGL. I understand that that is an interstate contract and that it therefore might be caught by the protection of section 92 in relation to interstate contracts. However, if we go on to read the definition of 'letter of agreement', we see that it excludes any subsequent amendments to that letter of agreement unless those amendments have been approved in writing by the Minister. In view of the Minister's earlier comments about the dangers of litigation by other parties in this matter, does he consider that the veto power to amendments to the interstate agreement, which he has given himself in that clause, might be subject to attack?

The Hon. R.G. PAYNE: On a matter as weighty as that and obviously calling for mature legal consideration, I will take advice and let the honourable member know in due course.

Amendment carried; clause as amended passed.

Clauses 8 and 9 passed.

Clause 10—'Restrictions on the productions of natural gas.'

Mr BAKER: This clause acts as a restriction on the producers to meet their obligations to the State. We spent considerable time in the committee looking at our future supplies. We looked at what could come from within and without the subject area. Most of us were of the mind that, if we were to take up any shortfall, should that shortfall exist in the short term, it should be provided from the non-subject area, because the non-subject area is not under control, or AGL has no right to gas flowing therefrom.

Most people in the committee were of a mind on this point. It was a point of departure that some restriction should be placed on the producers to pursue this. There are some means by which this can be overcome by separate letter. I know that the Minister is interested in stimulating further exploration in the area.

The Hon. E.R. Goldsworthy interjecting:

Mr BAKER: Not with the way that he has broken some of the agreements already. However, it is worthy of note that the Minister is of the mind that the producers shall not meet South Australian supplies from the non subject areas.

The Hon. E.R. GOLDSWORTHY: The member for Mitcham raises a fairly significant point. The matter was obviously canvassed during the negotiations with the producers before the Government aborted those discussions and brought this Bill, as I suggest, precipitately into the Parliament. That was one matter that I thought was a fertile area for further discussion. The whole tenor of the Government's thinking is to inhibit action and put the clamps on people.

The Government's approach to this matter is, 'How can we screw people down?' However, it should be thinking about how we can get more action up and running. Once one has reached agreement and the non-subject areas have been given out to exploration licence under conditions passed through this Parliament in recent days, it is no good the Government's trying to think again how it can have a go at screwing down conditions in this area because they do not quite suit what it wants. That is a negative way to approach a subject.

We should be cranking up effort and trying to exploit this State's resources and certainly not being silly enough to give them away interstate, as has happened in the past. The Government's philosophy in approaching these matters is to clobber people into submission because it wants to change the ground rules. The member for Mitcham dealt with one area which could certainly have done with more discussion. A solution to the problem of long term gas supplies for South Australia and expansion in due course of the use of natural gas in South Australia should be aimed for. Everyone is worried about the short haul but we also want to get out of this tunnel vision and look further down the track.

Mr LEWIS: The Government's action in bringing in this clause as part of the Bill very much reminds me of treating diarrhoea when the problem needs solving at the other end. That observation is indeed appropriate to this clause—it stinks.

The CHAIRMAN: I call the honourable member for Bragg and hope that he will now refer to the clause.

Mr INGERSON: I draw members' attention to the letter of 29 August from Mr Guerin to Mr McArdle, which reads in part:

> Non-subject area gas will be able to be included on agreement between the producers and PASA, either to meet requirements to the end of 1992 or for periods beyond 1992. PASA is prepared to begin discussions on contracts for such supplies as soon as producers are able to approach it with assurances of economically available reserves sufficient to meet the requirements of the proposed contracts. This intention will be confirmed in a side letter to the agreement extending the PASA gas sales contract.

Does the Minister intend to make that position available under this clause?

Clause passed.

Clause 11—'Consequence of contravention of or failure to comply with this Act.'

Mr BAKER: The discretion provided under this Bill caused concern to all members of the committee. If we looked at the simple legal facets of this clause, we would come to the conclusion that, no matter whether the producer contravened it due to conditions beyond his control, he would be subject to this procedure. Obviously, a simple word like 'knowingly' indicates that one has done the wrong thing and has to pay a penalty. Clause 12 provides heavy penalties. It is a very strong measure which gives the Minister the right to take out existing producers. He can take away their licences and bankrupt them overnight. We know that no reasonable Government would do such a thing.

Mr Lewis: We are not talking about a reasonable Government.

Mr BAKER: The Government has failed to show that it is reasonable on a number of counts. The provision is subject to the Minister's discretion and arbitrating power, like many things in the Bill. At the end of the day the Minister can, rightly or wrongly, take such action. There is no remedy, and it does not suggest anything capricious. If something is capricious, it is still liable under clause 11. There is no come back at all.

I know that our legislation in other areas provides similar penalties. However, in this case the penalty is the ultimate—wiping out someone's licence. Perhaps the Minister could insert words to the effect 'a producer knowingly contravenes or fails to comply with the provision of this Act'. The

bottom line is that the Minister has total power to take away a livelihood, and such a clause should not be in the Bill. I would prefer to see some modifying words, such as those I have suggested.

The Hon. R.G. PAYNE: The clause provides adequate recognition: it deals not only with contravention but also failure to remedy. The Minister has to give a reasonable period of notice. Obviously, penalties cannot be applied lightly or in any manner other than that which is reasonable.

Clause passed.

Clause 12—'Offences.'

Mr INGERSON: It was put to the select committee that this penalty, under the conditions of the existing arrangement between the producers in the Cooper Basin, means a penalty not of $1 million but $11 million (subclauses (1) and (2))—a penalty of $1 million for every day. That would involve virtually every partner, basically because of the unique condition of the partnership.

The Hon. R.G. PAYNE: Although I venture carefully in giving a legal opinion, as I said before, the honourable member is right: they are all liable. He should note that that is a maximum penalty.

Mr INGERSON: It could be a penalty of $11 million and $1 million per day per partner, or is the Minister saying that it is in fact $11 million in total?

The Hon. R.G. PAYNE: They can all be liable.

The Hon. E.R. Goldsworthy: They are all liable.

The Hon. R.G. PAYNE: If they do not do anything wrong they will not be liable.

The Hon. E.R. GOLDSWORTHY: These clauses sum up the thinking of the Government and the point that I was making earlier: get an enormous club so that you can belt people, and bankrupt these 11 companies in a very short period of time. Instead, we should be trying to crank up maximum effort across the board in terms of developing the resources of this State. Again, I simply say that it is indicative of the way the Government approaches its problems.

Mr BAKER: I think it is worth noting what this clause really means, because perhaps other members do not understand that, when we talk about producers, we talk about a conglomerate of 11 companies. Some of those companies have a very small share in the Cooper Basin and others, such as Santos and Delhi, have a major share in the oil that is produced from the basin.

The fine may be imposed on one of the larger producers. It may be justifiable, but of course, because they are jointly and severally liable, that spreads to the smaller partners. A fine of $1 million would bankrupt some of the smaller members of the conglomerate. It is unfair. I do not know of any Act in Australia that specifies a $11 million maximum penalty. Perhaps the drafting people can search the State and Federal records to see if a first offence situation incurs a fine of $11 million. I am quite amazed that South Australia is trying to set the scene for new law and order legislation. We now have $11 million as our top line. This could be the new law and order policy.

The Hon. E.R. Goldsworthy interjecting:

Mr BAKER: Yes, I think they are a little concerned that the producers might not do the right thing, so they will not only take away their licences so that they cannot produce, but they will charge them an initial $11 million and then $1 million a day as a penalty. I find it quite fascinating that South Australia sets the trend in this area.

As far as I know the stick is larger than any legislation I have seen to date. It is obvious that they intend to get the producers to the barrier by whipping them up with a good solid dose of: 'I will take away your licence if you do not perform and, even if you do perform but fail somewhere along the line, I will impose a fine of $1 million a day with $11 million to start with.'

The Hon. R.G. PAYNE: I do not seek to respond, except to point out that most penalties relate to the potential damage or harm that may result from an offence. In this case, speakers earlier today have already pointed out that in one case (and I will not mention the amount, because I think it is a little unfair, but certain producers were kind enough to outline their banking arrangements to the select committee) the repayments involved immense sums of money over a six year period. The honourable member was privy to that, so I ask him to look at the penalty in the light of that and in the light of the potential damage to the interests of the State and to the community as a result of an offence.

Mr Baker interjecting:

The Hon. R.G. PAYNE: I remind the honourable member that we are talking about maximum penalties.

Clause passed.

Remaining clauses (13 and 14) passed.

First schedule.

The Hon. R.G. PAYNE: I move:

Clause 2, page 9, in paragraph (a)—after 'interruption' insert the words 'unless the interruption is unavoidable'.

Mr BAKER: I am pleased that the Minister has responded to a legitimate concern that was expressed by the producers, but unfortunately here is another situation where the words do not really express the possible ramifications. 'Unless the interruption is unavoidable', does that take into consideration where a gas feeder line has to be turned off for cleaning purposes? Some things, such as a gas pipeline blowing up, are unavoidable. When we visited Moomba we saw plenty of twisted gas pipelines and that was unavoidable.

If a producer has a discretion that will affect the supply and they notify that it will affect the supply, does it then become unavoidable? We had 'unnecessary' and if we have 'unavoidable and unnecessary' we cover the problem, but as soon as we use either word in isolation we have a problem. Does the Minister understand that dilemma?

The Hon. R.G. PAYNE: I understand what the honourable member is putting but I am not sure what he expects as an answer.

Mr BAKER: Perhaps before the Bill reaches the Legislative Council we could add 'and unnecessary' to the amendment.

The Hon. E.R. GOLDSWORTHY: I want to read into the record the comments on the schedule, which sets out the terms and conditions pursuant to which the producers are to supply reserve sales gas for operation or other purposes. They therefore should be the same as those pursuant to which the producers currently deliver and the authority currently accepts natural gas under the existing PASA gas sales contract. However, this does not appear to be the case.

There is no reason why the existing terms and conditions that have worked satisfactorily for so long should now be interfered with. It has all the earmarks of interference and disruption without any good cause. Failure to supply results in a totally disproportionate penalty, namely, fines in excess of $1 million and confiscation of assets under clauses 12 and 11 of the Bill.

That applies to this schedule. Clause 1 contains a definition of 'producers' representative' and should be a reference to the company that for the time being is the unit operator under clause 7 (1) *(c)* of the unit agreement. In the definition of 'uniform rate' there appears to be nothing to require that annual quantity be reduced on a *pro rata* basis if required by PASA for part only of a year. In relation to clause 2 *(a)* for operational purposes it is impossible to supply gas without interruption and in the absence of an operationally realistic *force majeure* clause, as the contract currently provides. To

comply with this obligation it will require the establishment of additional storage facilities at Moomba at an estimated cost of $80 million.

If the liquids plant has to close for any reason in circumstances that interrupt gas supplies there will be an immediate breach of this provision of the Act. It is essential for security of both the Moomba and Port Bonython plants that an ongoing supply of gas be taken off for planned maintenance from time to time. Sections of the Moomba plant cannot be maintained or modified with the plant on line. This is recognised in the existing gas sales contract with PASA and has been accepted practice during the past 16 years. Clause 2 *(e)*, when linked with clause 7 (2) *(a)* and *(b)* of the Bill, requires that a precise heating value be maintained at all times and at different levels for different markets. This is operationally impossible.

Clause 5 *(c)* provides very generous prescribed percentages for supply at low rate. Producers' obligations could be open ended if PASA does not assess on a *pro rata* basis requirements for part of the year for which supply under the Act is required. For example, PASA could require producers to supply a full year's requirement over a three month period. Regarding clause 7 *(b)*, it is impossible to control the plant to provide an exact heating value. Additionally, for plant maintenance and other purposes it is necessary to shut down portions of the plant from time to time. On the basis now proposed this would result in the entire plant having to be shut down. As to the effect on other agreements, the existing PASA gas sales contract and the PASA future requirements agreement are two of several hundred interdependent agreements entered into for the exploration, development and funding of the Cooper Basin hydrocarbon resource.

Legislation was drawn in the absence of any consideration as to the impact upon these other agreements, including agreements expressly referred to in the Cooper Basin and Stony Point indentures and agreements previously approved by the Minister of Mines and Energy. For example, the legislation will impact upon the structure and operation of the unit agreement, which is the primary vehicle for development, production and sale of gas required to service South Australia's requirement. It would impact upon security and loan arrangements entered into with the international financial community.

It will also impact upon the security arrangements entered into as between the producers—arrangements designed to ensure the financial viability of the joint venture requisite to development of the Cooper Basin hydrocarbon resource.

None of these considerations has been taken into account in preparing the legislation, which is expressed to have retrospective effect and severe penalties for breaches of any of its provisions. Therefore, the legislation potentially puts at risk not only the PASA gas sales contracts and PASA future requirements agreement (of course, it wipes that out), but the whole of the complex structure pursuant to which production of gas and liquids has been developed, operated and funded. It is unreasonable, impractical and damaging for the legislation to be given retrospective effect when its full impact has never been examined or understood by the Government.

The latter comments are general, the former part of those comments referred specifically to the schedule. It appears that there are a few defects there which obviously need the attention of the Government and its draftsmen.

Mr LEWIS: I draw to the Committee's attention one set of circumstances in which clause 2 *(a)* is quite out of kilter and unreasonable with what I consider to be natural justice. I seek an assurance from the Minister about this matter. Let me explain. Under the discretionary power given to the Minister elsewhere in the Bill, should it become law, it will be possible for the Minister, in the event of an industrial dispute of the kind we have seen with the Storemen and Packers Union at Port Stanvac, to simply order the partners (the producers) in the Cooper Basin to agree to the demands of the union to pay or provide, or in that agreement do whatever the union is asking, or otherwise have the interruption to supply caused by the unions' action in shutting off the gas proclaimed or declared to be an avoidable interruption.

In those circumstances they will become liable to that horrendous fine to which we have just referred. If ever there was a means by which it would be possible for a trade union movement at some point in the future to provide enormous sustentation funds for the Labor Party it is this provision that does it: they could demand $10 000 a week wages, or more, and have the Government direct the Cooper Basin producers to agree to that demand, and if they did not agree, the producers would be subject to the penal clauses referred to elsewhere.

I find this kind of proposition repugnant. I think that the producers, and indeed the people of South Australia, ought to tread warily and take care, that it is possible, and it has been countenanced, that such a provision be written into the law, when people in this State are making their decisions about whom they will vote for in the next election. Quite clearly, this whole proposition has been cobbled together at the last minute by this Government. The mass of amendments and amendments to amendments we have witnessed, produced by the Minister, and the lack of cogent reasons given for the inclusion of certain clauses, such as this one, and amendments to that clause in the form we now have put before us are clear reasons why the whole proposition was cobbled together in this fashion to try to provide the Government with an issue upon which it believed it would be able to con the people of South Australia into supporting it at the poll in the near future.

They need to be wary of that. We as a Parliament ought to be wary, too, because no-one will thank us for giving a Government of this political persuasion in future the power that this clause in the schedule provides.

Amendment carried.

The Hon. R.G. PAYNE: I move:

Page 9—Leave out paragraph *(a)* and insert the following paragraphs:

(a) Subject to paragraph *(ac)*, the producers shall supply gas at a rate fixed from time to time by the Authority.

(ab) The Authority may fix a rate for the purposes of this clause and may, at any time, vary such a rate.

(ac) The producers are not required to supply gas at a rate exceeding the maximum rate.

Amendment carried.

The Hon. R.G. PAYNE: I move.

Page 10—Leave out paragraph *(d)*.

Amendment carried; first schedule as amended passed.

Second schedule, preamble and title passed.

The Hon. R.G. PAYNE (Minister of Mines and Energy): I move:

That this Bill be now read a third time.

The Hon. E. R. GOLDSWORTHY (Deputy Leader of the Opposition): The Bill comes out of Committee very much as it went in. It is the Government's quick fix—

Ms Lenehan interjecting:

The SPEAKER: Order! The honourable member is addressing himself to the Bill as it came out of Committee. His last comment was that it was the Government's 'quick fix'. The honourable Deputy Leader.

The Hon. E.R. GOLDSWORTHY: That is the first time that I have used that term in the whole of the debate,

although the member for Mawson complains that I am being repetitious.

The SPEAKER: Order! I ask the honourable member to continue his comments in relation to the Bill.

Ms Lenehan interjecting:

The SPEAKER: Order! I ask the member for Mawson not to interject.

The Hon. E.R. GOLDSWORTHY: The member for Mawson should not interject.

The SPEAKER: Order! I have already said that.

The Hon. E.R. GOLDSWORTHY: This is the Government's quick fix. The Government is facing an election and, having agreed to an increase in gas price and a reduction in ETSA tariffs, and finding that the two do not add up, it has come up with a quick fix answer: break the contract, bring a Bill into Parliament, and hope that it will all go away. Well, there is no way that the Opposition will be party to that sort of deal.

The House divided on the third reading:

Ayes (23)—Mr Abbott, Mrs Appleby, Messrs L.M.F. Arnold, Bannon, M.J. Brown, Crafter, M.J. Evans, Ferguson, Gregory, Groom, Hamilton, Hemmings, Hopgood, Keneally, and Klunder, Ms Lenehan, Messrs Mayes, Payne (teller), Peterson, Plunkett, Slater, Trainer, and Whitten.

Noes (21)—Messrs Allison, P.B. Arnold, Ashenden, Baker, Becker, Blacker, D.C. Brown, Chapman, Eastick, S.G. Evans, Goldsworthy (teller), Gunn, Ingerson, Lewis, Mathwin, Meier, Olsen, Oswald, Rodda, Wilson, and Wotton.

Pair—Aye—Mr Wright. No—Mrs Adamson.

Majority of 2 for the Ayes.

Third reading thus carried.

INDUSTRIES DEVELOPMENT ACT AMENDMENT BILL

Returned from the Legislative Council without amendment.

MENTAL HEALTH ACT AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 22 October. Page 1401.)

Mr OSWALD (Morphett): I am honoured by the number of members staying in the House for this important Bill presently before us for consideration. I telegraph to members that I think that it will take some minutes to pass. In opening my remarks, I indicate that the Opposition supports the Bill. As members would know, it was introduced during the last session of Parliament. Its purpose was to cover the legal vacuum in regard to medical and dental treatment in respect of persons who, by reason of mental illness or handicap, are unable to consent to medical or dental treatment themselves.

In sending the Bill to a select committee I hope that we have cleared up many of the misconceptions about the law as it affects the mentally ill and the mentally handicapped. I understand that many parents of mentally handicapped people took the opportunity to appear before the select committee and express their concerns about various matters. I also understand that many organisations, particularly religious organisations, took advantage of the opportunity to appear before the committee, as there were many misconceptions abroad in the community about the rights of parents and those who went before the Guardianship Board in the advocacy role in relation to this issue of consent to medical treatment.

It is a fact that many parents and parent organisations thought that the parent of a mentally ill or handicapped person over the age of 16 or 18 years had the legal right to consent to medical or dental treatment being carried out on that person. In fact in that case the parents do not have that right. It appears that for some time people have thought that a parent of a mentally handicapped person over the age of 18, perhaps in an institution, had a legal right to consent to medical procedure being undertaken, following which the medical staff would go ahead with it.

In fact, it was clearly indicated in this House that parents do not have any legal right whatsoever to give consent in relation to a mentally handicapped person over 18 years of age. In the past many parents of mentally handicapped people have gone to medical practitioners or dentists seeking a surgical procedure to be undertaken (and this includes seeking sterilisation) on their offspring, and what has occurred is that, provided a person was not capable of giving an informed consent, and provided that that person was living with their parents or the parents consented, the doctor went ahead and performed the procedure.

I also point out to the House that it should be noted that a doctor has no legal right to perform that procedure, nor do the parents have a legal right to request it. I understand that overseas, for example in the United States of America, and throughout Australia, there has been a growing number of actions against the medical profession, and one cannot blame doctors for being unwilling to carry out procedures unless a legally binding consent has been given.

This is where we are getting down to the bottom line of this Bill—this whole question of the binding legal consent being given by somebody, some organisation or some board so that the doctors who perform that surgical procedure have legal consent. That is what this Bill is all about. I am advised by members who sat on the select committee that the intent of the Bill is that, as far as possible, the mentally sick or mentally handicapped person, if capable of consenting to a procedure, should make up their own mind. Let us be quite clear on that. They should be able to make up their own mind if at all possible.

I also note that the select committee considered that the legal right of a person over 16 years to consent to treatment should not be taken away or assumed by another person unless the matter had been considered in an objective and impartial forum, for example, by the Guardianship Board. I also note that that sensitive areas of sterilisation and termination of pregnancy are not to be carried out without the consent of the Guardianship Board: that is, it cannot be delegated. Shortly I will talk about the delegation of various medical or dental procedures for purposes other than sterilisation and termination at all ages. The Opposition agrees with the Government on this view that the sensitive area of sterilisation and termination of pregnancy cannot be carried out without the consent of the Guardianship Board.

We support the Bill in that the medical practitioners will now have legal consent for their actions. I make that observation purely from a legal standpoint. I am not casting this debate on the pros and cons of whether terminations should proceed. I am not canvassing that subject whatsoever. Rather, I am doing so purely from the legal standpoint that the medical practitioner who performs that procedure is working under legal consent, which has come through from the Guardianship Board.

I am pleased to see that parents will still have some role to play once their child turns 18, despite this peculiar legal position in which parents find themselves once their children have turned 18, namely, that they no longer have a legal say over medical procedures for their offspring. I wish

to quote a section of the report which puts the position very clearly in relation to parents. It states:

> The select committee was concerned to reassure parents and has recommended several amendments to strengthen the involvement of parents. Firstly, it is made clear that parents can initiate applications to the board. Secondly, parents are given the opportunity to appear before the board when it is determining an application for either a sterilisation or termination procedure (the earlier Bill had provided this right only in relation to sterilisation). Some discretion is, however, left with the board in not involving parents where it would be inappropriate in the best interests of the person.
>
> Thirdly, an appeal is made available to parents against decisions of the board concerning sterilisation or termination procedures. The appeal is to the Medical Health Review Tribunal and is to be made within two working days of the board's determination for a termination procedure and one month for a sterilisation procedure.

That is terribly important. The Opposition is pleased that parents will still have an opportunity to be involved. It is terribly important for the parents who have offspring in institutions to feel that they can go along and have some input. It would have been most undesirable if that aspect had been taken away.

I notice, because of the workload of the Guardianship Board (which no doubt is extremely overloaded in its working capacity at the moment without having these additional powers thrust upon it), that it has been given powers of delegation. We should note those powers of delegation in all these areas, except for sterilisation and termination. This means that other cases will be delegated. For example, it will delegate out to parents where the child is living at home with the parents, and secondly, where the person is in an institution the delegation will be to the superintendent of the institution at which the person resides. That seems to be a fair and practical delegation and it means, once again, that in those cases where the mentally handicapped are staying at home the parents can play a role which I am sure will give them a feeling of security and happiness. The Bill also clarifies who can apply to the board for consent to treatment. That was possibly a very good aspect in the Bill which I also applaud.

One other aspect of the Bill that I would like to mention briefly is the question of advocacy. There has been some suggestion that parents are sometimes too close, possibly through their love and affection for the mentally ill or handicapped person, to be best suited for the role of advocate. Because of this it has been suggested that an independent advocate be provided. These advocates do not need to be legally qualified persons but rather can be from some other area in the community; they could perhaps could be a family priest, a minister, relative or family friend. I guess that a social worker could also become an advocate—as long as it is someone who can represent the interests of that mentally handicapped person. Whilst there is obvious merit in this (and I am sure all honourable members would agree that there is merit in an advocate coming forward), I have been advised by members on that select committee who considered this matter in depth that so far a successful system of advocacy has not been found to prevail anywhere in Australia.

I have also been advised that the committee decided for a couple of reasons not to specifically include a provision for advocacy in the Bill: first, because of the lack of such advocates in Australia and, secondly, because there is nothing to stop the Guardianship Board now listening to advocates if they come forward, nor will there be any restriction on advocates coming forward under this new Bill. If I have been advised correctly, namely, that there is no reason why someone should not appear before the Guardianship Board in an advocacy role under the board's present *modus operandi*, and that there is no reason why the board cannot listen to such advocates if they come forward, there seems to be no reason specifically to place a new clause in the Bill.

Some religious organisations have had some concerns about this area of advocacy, particularly when terminations are being considered. They felt that they should be able to come forward. I understand that the select committee considered this issue at great length and came up with the conclusions that I have just made known to the House. I understand also that one of the religions has accepted that as a possible workable solution and is reasonably content with the committee's findings. So, we have a situation now where the board, under its present operation, will accept advocacy from anyone who comes in and wants to put a case before the board on behalf of the person involved.

The board will be happy to hear the evidence. Indeed, I should think that members on both sides of the House would be happy to encourage anyone who wanted to go forward in an advocacy role. However, we do not consider it necessary to enshrine it in the legislation at this time.

Briefly, I refer to the increase in penalties from $2 000 to $5 000 provided in the Bill for medical practitioners who perform procedures without the appropriate legal consent. The Opposition supports these penalties on the basis that we believe it is a serious matter for the person concerned and also for the family if a practitioner carries out a procedure without obtaining the necessary consent beforehand. We do not consider that $5 000 is an unreasonable amount, and are happy to support that provision.

Another aspect relates to reviewing the legislation. The Opposition supports this concept, which is not the same as a sunset clause with which members are familiar. The legislation will be reviewed and a report prepared, and no doubt it will be brought to Parliament, when we will consider how the new legislation is working. There is no doubt that the Bill is necessary and should be considered by all members as a great step forward in the area of help for the mentally handicapped.

The health profession has reached a difficult point—some call it a crisis point. I am not too sure if it is, but the medical profession reached a difficult stage, where doctors and dentists were no longer prepared to carry out procedures for fear of legal implications. To work under such conditions in any profession could become intolerable.

This refers to a situation in which, in good faith, those people previously accepted authority of parents to act and then found that those parents did not have legal power to give consent. In these times when the public thinks nothing of issuing writs, and when we are moving further down that track here and overseas, it is small wonder that the medical profession is seeking some legal protection. We are at a stage in our law making where, if there is a question of consent to medical and dental procedures, a person who gives that consent has the legal right to give or withhold that consent, which is a step forward.

The person who gives that consent also has the opportunity of withholding it. I refer particularly to the Guardianship Board. The Opposition believes that this Bill goes a long way towards addressing what has been a difficult area and is happy to support it, particularly as it is subject to review in the future.

Mr S.G. EVANS (Fisher): I support the concepts contained in the Bill, because I am concerned about the legal responsibilities of those who may attempt to give consent under present circumstances. It was recently brought to my notice by the mother of a 22-year-old man who was an inmate of an institution that cares for the mentally retarded that staff in that institution indicated to her that it was time that her son started to have some sexual relationships, even

though it appeared to her and others that he had never shown any interest in or had any knowledge of that sort of activity.

Therefore, he naturally did not show any interest. It was not in his mental thinking or makeup. The mother became disturbed and suggested that the lad should perhaps be sterilised before any such activity was encouraged, if the institution thought that encouragement was necessary for his future well being. However, the institution told her that she did not have the right, which is correct, to force it on the individual—her son—to have an operation that would make him sterile.

The mother became irate and said that if those in the institution encouraged such activity she would go to every section of the media and stir up as much turmoil as she could, because she thought that there was a grave risk that there might be brought into the world unnecessarily another human being who might inherit some of her son's mental disabilities. She was concerned for others who might be born and about the burdens placed on those who were closely associated with the lad, including herself and her husband, and that such activity should not be encouraged unless sterilisation was agreed to.

Under this Bill, through the Guardianship Board, a parent in that position could make an approach saying that before anything was encouraged in the way that was suggested—possibly by only one staff member—the lad should have an operation. In itself, that means that the Bill fills a need. This mother will be thrilled to think that she can approach the Guardianship Board to consider her son's circumstances if those caring for him believe that it is necessary for his development for him to participate in a field outside marriage that some people might think is improper.

However, the mother was prepared to say that, if the authorities who had better knowledge than she believed it was necessary, it should happen, but not with the possibility of procreation. I support the Bill, knowing that it has many facets. However, I highlighted that example because I heard of it only within the past six weeks. I congratulate all those who sat on the select committee and trust that when the Bill is enacted it is as successful as I and others hope it will be.

Mr BECKER (Hanson): I totally disagree with what has been said, apart from the parental point of view. I see no real need for this type of legislation, which is a typical example of professionals being well looked after by the Parliament. I am thinking of lawyers, medical practitioners, and the so-called care givers of all sorts of classes. We should have the right to sue them for their actions. Those who are responsible for people who have been given treatment should not lose the right to sue or take appropriate legal action. However, I understand that under this legislation that right will be removed. Nowhere in the Bill can I see that anyone has tried to understand or appreciate the role of a parent.

I do not care how one interprets it: one cannot totally legislate to usurp the role of a parent. Goodness knows, we cannot put it in the hands of the bureaucracy. They do enough damage in the community as it is with the limited power that Parliament gives them. I certainly do not agree with it in this instance. There has always been a grey area which will remain. The more legislation that is drafted, the harder the grey area will be to deal with.

We may have it now, but it will not make it any easier for a lot of people. I wish that Parliament would understand the role of the parent from the time of conception, through the nurturing of and caring for an offspring, through its adolescent years and into adulthood. As long as the offspring and parents remain on the face of the earth, the parent role should never be usurped by Parliament, but Parliament has done just that.

We have had a select committee where representations were made by caregivers, do-gooders, the odd parent and religious organisations, but there has been a compromise. At times it is a danger with Parliament, especially when dealing with human legislation such as this, that a compromise is made. When dealing with probably the most precious gift we are given, namely, the role of a parent, there is no room for compromise. That role has been denied and removed.

Not many in the community are blessed with or have the unfortunate experience of being given the role to care for someone who is encompassed in this legislation, namely, an intellectually disabled person. Let us not talk about mentally handicapped or whatever, because that term was abolished during the International Year of the Disabled. There have been no protests because the protests have been squashed.

I could go through case after case of many people who have come to me over the past 15 years in relation to the treatment of intellectually disabled people. I have yet to meet a professional who really understands and appreciates the role of parents. They all pretend that they do, but the education facilities that we have in this State to train people in this field are not good enough. Thanks to Don Dunstan and the parliamentary study trips, we have been given the opportunity to travel around the world, and on those trips I have visited some of the best university hospitals and institutions, but, as far as the treatment and care of the intellectually disabled is concerned, there is so much disagreement. You cannot lump these people all together: they are all individuals with varying levels of disability, but this Parliament has totally ignored that situation and has failed to understand and accept what occurs in the real world in relation to this matter.

I would not stand up here and sing the praises of the Guardianship Board, because unfortunately I always get the other side where there are too many institutions and as soon as there is a problem the staff refer that person to the control of the Guardianship Board. It makes it a jolly lot easier for the staff and that is the type of treatment to which I am strongly opposed. When one sees these people placed under the care of the Guardianship Board it shows how easy it is to remove the natural role from the parents. I never have agreed, nor will I ever agree with it, and I will fight that with all my might.

A case was recently brought to my attention where a husband had unfortunately seen his wife suffer from a very serious illness. The disability was such that she was admitted to the Julia Farr Centre, whose staff, true to form, immediately applied to have her placed under the care and control of the Guardianship Board. The couple have been happily married for over 30 years and he has looked after her, so we can imagine the disappointment and the slap in the face he received when his wife's affairs were removed from his control; in other words, he was virtually told that he was no longer competent or capable of looking after and caring for his wife's affairs, let alone ensuring that she would be comforted for the rest of her life as a resident of the Julia Farr Centre.

Somebody with a little bureaucratic bumph and power stepped in, played the role of God, and destroyed all those things that are natural and that we have come to love and understand in our community, namely, family relationships. This Government does not believe in the role of the family or family relationships and it does not give a damn about them. Anybody who supports this legislation will be lumped into the same category.

I am very disappointed, and I do not think that the select committee spent enough time on it or gave enough consideration to it. I do not think that under any circumstances you can come to a compromise. I think this is legislation for the case of convenience to protect the incompetent professionals we have in this community—and there are plenty of them. Again, we are sweeping under the carpet the real problems that affect intellectually disabled and those who brought them into the world and who have some right to ensure that they will be well looked after and cared for. That is why I protest very strongly and bitterly that the bureaucracy has stepped in to remove that role that rightly belongs to those who were responsible for bringing those people into this world.

The Hon. G.F. KENEALLY (Minister of Transport): I thank members who have participated in this debate, especially those who have indicated their support for the Bill. I fully respect the views of the member for Hanson. I know that they are genuinely held and that they have been expressed with a great deal of fervour and commitment. I think it is important that people who hold views similar to those of the honourable member (and some did appear before the select committee, and it is a view that is held by a significant minority of people within South Australia) should have their views expressed in Parliament. They could not have been expressed better than they have been tonight. I do not agree with the honourable member, but that in no way lessens my appreciation of and the respect for the views he has expressed. They will be conveyed to the Minister of Health.

I believe that the select committee has given due consideration to all points of view in the community and it has recommended to Parliament a Bill that improves the rights of parents, patients and the community in this very difficult area, both in medical and in legal terms, and I add in family terms. I urge the House to support the second reading.

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

ADJOURNMENT

At 12.20 a.m. the House adjourned until Wednesday 6 November at 2 p.m.

HOUSE OF ASSEMBLY

Tuesday 5 November 1985

QUESTIONS ON NOTICE

DEPARTMENT OF HOUSING AND CONSTRUCTION APPOINTMENTS

39. **The Hon. D.C. BROWN** (on notice) asked the Minister of Housing and Construction: How many people and who have been appointed to positions within the Department of Housing and Construction since 1 March 1985 without those appointments first being advertised and what are the reasons for not advertising these positions?

The Hon. T.H. HEMMINGS: There have been five appointments to the Department of Housing and Construction since 1 March 1985 without the positions having first been advertised as follows:

Mr R. R. Blewett—was appointed to the office of Assistant Director, Professional Services (EO-2), Department of Housing and Construction by the Governor pursuant to section 57 of the Public Service Act. Mr Blewett was employed by the Department of Housing and Construction prior to this appointment. Mr Blewett has now retired, effective as of 25 October 1985.

Mr J. M. Kent—was appointed to the office of Manager, Major Projects Co-ordination (EO-2), Department of Housing and Construction by the Governor pursuant to section 57 of the Public Service Act. Mr Kent was temporarily employed with the Department of Housing and Construction prior to this appointment under section 35.

Mr R. D. Lambert—was appointed to the office of Director, Industry Policy (EO-3), Department of Housing and Construction by the Governor pursuant to section 68 of the Constitution Act.

Mr L. J. Nayda—was appointed to the office of Chairman, Special Community and Aboriginal Projects Board (EO-1) in the Department of Housing and Construction by the Governor pursuant to section 57 of the Public Service Act.

Mr R. I. Nichols—was appointed to the office of Director (EO-6), Department of Housing and Construction by the Governor pursuant to the Public Service Act and drawing on powers under the Constitution Act.

All appointments were made due to the urgent and immediate need to put in place an executive structure to give stability, direction and leadership to the new Department of Housing and Construction.

ETSA FUNDS

209. **Mr BECKER** (on notice) asked the Premier:

1. Why did the Government pay to the Electricity Trust of South Australia $11 million on or before 30 June 1985 and then announce the amount as part of the $41 million tax package?

2. When was the $11 million actually paid to ETSA, what was the date of the cheque, when was it banked or invested by ETSA, and with whom?

The Hon. J.C. BANNON: The replies are as follows:

1. The Government paid $11 million to ETSA before 30 June 1985 because it wanted to return to the community some of the benefits of the economic recovery which were arising in 1984-85 and flowing to the State. This improvement was reflected in the State's budget outcome for 1984-85. The Government chose to do this through reduced electricity tariffs, which, along with other rate reductions, should also have the effect of sustaining the recovery. This contribution to ETSA was announced as part of the $41 million tax package because it will impact on the community in 1985-86, along with the other taxation concessions which we have made.

2. The $11 million was paid to ETSA on 28 June 1985. The date of the cheque was 28 June 1985. ETSA banked the cheque in its ANZ Bank account on 28 June 1985.

FIRES

221. **Mr BECKER** (on notice) asked the Minister of Education:

1. How many fires were there at Government schools during the year 1984-85?

2. What was the cost of estimated damage at each school and what was the cost of any rebuilding and refurnishing?

3. How many of the fires were considered to be deliberately lit, how many offenders were apprehended, how many of these were found guilty, how many were juveniles and how many were prosecuted, and what were the penalties?

4. Was any restitution for damage obtained and, if so, how much?

5. Who provides insurance cover for school property, furnishings and student belongings?

The Hon. LYNN ARNOLD: The replies are as follows:

1. There were 15 fires in Government schools in the 1984-85 financial year, as listed on the attached schedule.

2. Costs of replacement are also shown on the attached list. Where final costs are not yet available the estimated costs have been included.

3. Causes of fires (12 arson and three accidental) have been shown against each incident listed. The Education Department does not actively seek information on the perpetrators of these crimes, nor is such detail automatically made available by the South Australian Police Department. Even when some information on apprehensions is gleaned from media reports, the time lapse between these reports and any subsequent trial makes recording convictions and penalties an extremely difficult task.

4. During the period being reported upon no restitution was received.

5. There is no formal insurance policy over school property or furnishings. The Government of South Australia stands its own risk, reimbursing the loss of Government property destroyed by fire from funds set aside for the purpose by Treasury and made available through the Government Insurance Office. There is no insurance cover over student belongings.

Fires—1984-85

Date of Fire	School	Cause	Contents ($)	Building ($)
25.7.84	Darlington PS	Acc	Nil	5 095.96
31.7.84	Gepps Cross Girls HS	Arson	105.00	199.05
16.9.84	Ascot Park PS	Arson	34 774.00	350 000.00
1.9.84	Smithfield Plains PS	Arson	770.00	2 121.97
9.10.84	Renmark PS	Arson	121 127.00	1 000 000.00
31.10.84	Port Augusta School of the Air	Arson	26 124.00	91 000.00
7.11.84	Marion HS	Arson	Nil	600.00
21.12.81	Elizabeth West JPS	Arson	Nil	2 039.32
28.1.85	Seaton Park PS	Arson	6 734.00	25 000.00
8.2.85	Alberton JPS	Acc	327.01	NK
9.2.85	Black Forest PS	Arson	5 016.33	34 971.00
1.3.85	Risdon Park HS	Acc	750.00	40 000.00
1-4.3.85	Paralowie School	Arson	500.00	3 500.00
24.5.85	Kidman Park HS	Arson	5 000.00	16 000.00
9.6.85	South Downs PS	Arson	2 000.00	25 000.00
Total 15	12 Arson 3 Accidental		203 227.34	2 315.585.30

RIVER TORRENS FLOOD MITIGATION

243. **Mr BECKER** (on notice) asked the Minister of Water Resources: When will the Minister reply to correspondence from the member for Hanson of 13 June regarding the River Torrens Flood Mitigation Scheme?

The Hon. J.W. SLATER: In a letter to the honourable member dated 1 August 1985 it was indicated that the matter relating to an accident involving a horse on the River Torrens had been referred to the Crown Solicitor. It was also stated that once the Crown Solicitor's report had been received and considered a reply would be forwarded to the honourable member.

This matter is still being investigated and whilst a definite time cannot be given at this stage, the Crown Solicitor's Office has indicated that a report should be available in approximately a month's time. It is expected that a reply to the honourable member will be available shortly after.