

HOUSE OF ASSEMBLY

Wednesday 27 May 1998

The **SPEAKER (Hon. J.K.G. Oswald)** took the Chair at 2 p.m. and read prayers.

GAWLER RACECOURSE

Petitions signed by 167 residents of South Australia requesting that the House urge the Government to not allow the closure of the Gawler Racecourse were presented by Messrs Brown and Ingerson.

Petitions received.

LYELL McEWIN HOSPITAL

A petition signed by 181 residents of South Australia requesting that the House urge the Government to immediately release the long promised funding for the upgrade of the Lyell McEwin Hospital was presented by Ms Stevens.

Petition received.

MURRAY RIVER

The **Hon. D.C. KOTZ (Minister for Environment and Heritage)**: I seek leave to make a ministerial statement.

Leave granted.

The **Hon. D.C. KOTZ**: Members would be well aware of the importance of the Murray River to South Australia and that the Murray-Darling Basin has been experiencing a very dry period over the past year. The low level of water resources available are a consequence of natural conditions throughout the basin. As we all know, nature can be unkind, and we are experiencing only basic flows into South Australia as was the case for most of the 1997-98 irrigation season. Low storage levels within the basin are complicated by concerns regarding both Lake Victoria and Hume Dam and the possible closure of the Murray Mouth in the near future.

I would like, therefore, to take this opportunity to advise members of the prospects for 1998-99 and the actions being taken by the Government to respond to the present set of circumstances. Despite recent rains throughout parts of the Murray-Darling Basin, there has been little effect on stream flows and the long term predictions remain for relatively dry conditions. There is some evidence that the so called *El Nino* effect is waning, but it is still too early to predict what may happen over the next few months prior to the 1998-99 irrigation season.

However, South Australian irrigators can continue to expect the highest possible security amongst all irrigators in the Murray-Darling Basin. This is the result of longstanding policy decisions negotiated by successive Governments in South Australia and rigorously defended in recent months. Therefore, despite the low level of resources available in the basin as a whole, and the lower than normal allocations to irrigators, particularly in the upstream States of New South Wales and Victoria in 1997-98, South Australian irrigators have continued to be provided with access to full water allocations.

It remains likely that, even with the continuing dry conditions, South Australia will be provided with its full water entitlement, or close to it, in 1998-99. Any drought impact on water supplies would require drier conditions than

previously experienced over the past 100 years. However, if these very extreme circumstances prevail, a small cut in water allocations to irrigators and urban offtakes may indeed be considered.

To be fully prepared, I have asked the River Murray Catchment Water Management Board to advise me on the appropriate drought allocation response if South Australia were to be inflicted with such severe conditions. It may surprise members when I tell them that a very modest 10 per cent improvement in efficiency throughout the basin would release about 1 000 gegalitres for other purposes. At current water prices, this would be valued at about \$800 million in terms of production.

This current situation brings into sharp focus the importance of a catchment wide approach to the management of water resources. In particular, it highlights the significance of the 1996 Murray-Darling Basin Ministerial Council decision to cap diversions from rivers and streams within the Murray-Darling Basin. It is vital that the necessary balance between flows to sustain the health of the river and diversions from it must be achieved if we are to secure our future. It is important to appreciate also that the cap on diversions is not a cap on development.

Through the basin-wide adoption of more efficient irrigation practices and the fostering of water policies and trading in water allocations we will be able to enjoy increased prosperity. I am pleased to say that South Australia has certainly led the way in each of these areas. Events such as this indeed highlight our dependency on our valuable water resource and that it must be managed sustainably. This Government is committed to professionalism in water management and our resolve applies to all catchments across the State. It is this Government's resolve to manage our resources responsibly and, therefore, sustainably for the benefit of South Australia.

LEGISLATIVE REVIEW COMMITTEE

Mr CONDOUS (Colton): I bring up—

There being a disturbance in the Speaker's gallery:

The **SPEAKER**: Order! I warn that any interjections from the gallery could result in the whole gallery being cleared. People in the gallery please take that on notice and treat it very seriously. The honourable member for Colton.

Mr CONDOUS: I bring up the ninth report of the Legislative Review Committee and move:

That the report be received and read.

Motion carried.

Mr CONDOUS: I bring up the tenth report of the committee and move:

That the report be received.

Motion carried.

QUESTION TIME

CAPITAL WORKS BUDGET

The **Hon. M.D. RANN (Leader of the Opposition)**: Given the importance placed on capital works by the Government to sustain direct jobs in South Australia, will the Minister for Employment explain why the capital works budget of \$1.2 billion announced by the Premier yesterday as a boost for employment is actually less than last year's capital budget?

An honourable member interjecting:

The Hon. M.D. RANN: No, this is a question to you; you are the Minister for Employment. Last year, the Premier signed and distributed a pamphlet entitled 'Looking Forward to the Future' to all South Australian households. The pamphlet said:

A massive \$1.291 billion will be spent on construction and other projects.

Yesterday, the Premier said that next year's capital budget will be \$1 200 million and said this was an increase of 8 per cent, even though it is actually less than last year's.

The Hon. J.W. OLSEN: What I included in the statement I made to the House last night was the capital works budget for the period 1998-99. That does not happen to come within the province and the responsibility of the Minister. In my statement last night I indicated that the \$1.2 billion allocation will sustain some 20 700 jobs in the construction phase. Importantly, there is additional funding in the capital works budget which will be revealed in full detail by the Treasurer in the House tomorrow with the financial statements. That will include a commitment of up to \$55 million for the expansion of the Convention Centre, that is, something like an 8 000 square metre expansion at that centre. It includes, for example, some \$10 million of tourism infrastructure on Kangaroo Island over the next four years. It also includes the commitment to Memorial Drive.

As I indicated last night, the capital spend in those areas is designed to put in place infrastructure to assist the growth of the tourism industry, which will bring about in a coordinated way the creation of long-term jobs in the service and tourism industries in South Australia. It is well recognised that the Convention Centre in South Australia has over 50 per cent repeat business.

Mr Foley: A good Labor initiative.

The Hon. J.W. OLSEN: I acknowledge that the Convention Centre is a good initiative and that in its 10½ or 11-year history it has worked well. The fact is that 50 per cent repeat business indicates that the operators of the Convention Centre and the natural assets of Adelaide with the precincts around the Convention Centre enable us to get that sort of repeat business which is not generally recognised in other convention sites.

I think we are getting somewhere between 17 and 18 per cent of the national convention business in Adelaide, which is well ahead pro rata of what we would ordinarily get. Therefore, investing capital in this type of infrastructure will underpin economic activity in the future, and particularly jobs growth in the tourism industry. That is why we have strategically placed the capital works program. As is full well-known, and it was either the Leader or the shadow Treasurer (member for Hart)—I am not quite sure who—who last week or the week before talked about the capital works budget but overlooked the annual slippage. If members think back 10, 15, 20 years they will note this natural occurrence on an annual basis. The point is that we are allocating \$1.2 billion to a capital works spend which will assist economic activity in the State of South Australia, and that will assist with the creation of jobs in South Australia.

POPULATION MOVEMENT

Mr HAMILTON-SMITH (Waite): Will the Premier explain how the employment package announced last night, together with other initiatives of the Government, is arresting

the population decline experienced by South Australia over many years?

The Hon. J.W. OLSEN: I well remember day one of the election campaign when the Leader stood at the Toll Gate and referred to the—

The Hon. M.D. Rann: Do you remember the debate?

The Hon. J.W. OLSEN: —population drift—

Members interjecting:

The SPEAKER: Order! The member for Mawson and the Leader.

Members interjecting:

The SPEAKER: Order! Members will not shout over the Chair.

The Hon. J.W. OLSEN: In relation to population movement, with the collapse of the State Bank we saw a population exodus from South Australia, and it reached almost 8 000 people in the year 1993-94. When the bank collapsed, obviously there was a level of pessimism and concern and therefore people left South Australia. The annual drift interstate amounted to about 2 600. It skyrocketed to just short of 8 000 people on an annual basis. In the last year to December 1997 we saw that population drift out of South Australia reduce to 3 400, the lowest figure in five years. We are returning to the sort of pre State Bank collapse days.

Mr Conlon interjecting:

The Hon. J.W. OLSEN: The other point I would like to make for the honourable member is not only are we seeing net migration interstate reducing substantially but net immigration to South Australia has been increasing. For the same period overseas, there was a net immigration population to South Australia of 3 700. What we have for the first time—

Mr Atkinson interjecting:

The Hon. J.W. OLSEN: The percentage of the program is not high enough and—

Mr Conlon interjecting:

The SPEAKER: Order! I caution the member for Elder.

The Hon. J.W. OLSEN: If the honourable member will let me complete the sentence, I will explain why. It is not high enough. I readily concede that, and I have said so publicly. It is why we put in place 'Immigration South Australia': to market South Australia in an international marketplace, particularly for skilled-based migrants to be able to migrate to South Australia because of the job opportunities that presently exist here.

In addition to that, both my predecessor and I argued with the Commonwealth Government in relation to the immigration program and the points system to ensure that the regional economies of Australia received a fairer share of the population gain from overseas. That scheme is now in place. What we are seeing is an increase in the number of people from overseas coming to live in South Australia and, particularly and importantly, they are skills-based people who meet the requirements for the jobs for which we are not producing enough of our own people to undertake that task.

I referred in the statement last night to an IT growth of 15 per cent in employment year on year. At the moment our universities are unable to produce sufficient software engineers to meet the demand in the IT industry and defence related industries. With respect to 'Immigration South Australia', we have identified the fact that we need to get people to sustain Motorola, EDS and defence related companies in South Australia, investing more in South Australia and wanting to grow in South Australia.

So, the population base is increasing, to underpin further investment and further growth in the economy of this State.

Couple with that the natural population gain and we are short of just 7 000 in population gain in South Australia during the period to which I have referred. So, the population statistics are turning around as are those of motor vehicle sales, retail sales, job advertisements and new private sector capital increase expenditure in South Australia compared with other States in Australia. It is just one of the economic indicators that is starting to go in the right direction. It is one of the economic indicators that will underpin sustainable job growth in this State as we head towards the next millennium. I am sure that even the Leader of the Opposition would join me in endorsing the statistics that clearly indicate population gain for South Australia at last.

Members interjecting:

The SPEAKER: Order!

Mr Brokenshire interjecting:

The SPEAKER: Order! The member for Mawson will come to order.

EMPLOYMENT

The Hon. M.D. RANN (Leader of the Opposition): Given the Premier's statement to the House yesterday on the Government's jobs package, will the Minister for Employment explain the loss of 800 jobs in this year's capital program? Yesterday the Premier announced to the House that the capital program would sustain 20 700 direct jobs, which the Premier has just confirmed. Last year the Premier signed and distributed a pamphlet entitled 'Looking forward to the future', which announced that the capital works program would sustain 21 500 jobs.

The SPEAKER: The honourable Premier.

The Hon. M.D. RANN: On a point of order, Sir, I have asked the question of the Minister for Employment. If she cannot do her job, give it to someone else who can.

The SPEAKER: Order! There is no point of order. The honourable member will resume his seat. The honourable Premier.

The Hon. J.W. OLSEN: The question that the Leader asks is really a repeat of the first question he asked in the Chamber today. I thought that repetition was somewhat out of order. If the Leader would like me to repeat the reasons for the 8 per cent allocation increase to \$1.2 billion in capital works, I would be pleased to do so. Suffice to say that tomorrow the Treasurer will table in this House the budget speech and all the documentation that underpins the statements included in my employment statement of yesterday.

ELECTRICITY, PRIVATISATION

Mr SCALZI (Hartley): Will the Premier inform the House of the support for the sale of our power utilities that is coming from the Labor Party in New South Wales and why that support is there?

Members interjecting:

The SPEAKER: Order, the Leader!

The Hon. J.W. OLSEN: As the *Financial Review* reported this morning, no less than former ALP Federal Secretary Bob Hogg says that the New South Wales Labor Government will head into the State election committed to the sale of its power industries. I presume that Bob Hogg has some understanding of policy development in the New South Wales Labor Government. As with us, it is being driven by risk. That is why the policy direction has been implemented by all Governments around Australia bar one, that is, to

remove the risk factor in continuing to own power utilities. It is an argument about how much States are prepared to risk a Government guarantee, the 'badge of the Crown', as they call it—the risk, the bottom line coming back to taxpayers. What we want to do, having clearly identified that level of risk via the Auditor-General's Report and the quantum of that risk, is to remove it from the shoulders of future generations of South Australians.

Figures released yesterday show that power generation revenue in New South Wales has fallen by \$250 million in a year. Now, that is risk! Figures released yesterday in relation to power utilities in New South Wales show a revenue collapse of \$250 million. There is a bottom line to that. That is why Premier Carr, Treasurer Egan, Bob Hogg and a range of other people have clearly identified the right, logical and commonsense policy direction to be implemented in New South Wales. It is exactly that type of risk that is behind our sale policy, and it is one with which it seems Labor everywhere but here agrees. For example, I understand that Mark Duffy, former chief of staff of New South Wales Treasurer Michael Egan, has joined the power sales team in South Australia. Now, that is new Labor! Here we have Labor, a political dinosaur, and we know what happens with them: they become extinct with time.

UNEMPLOYMENT

Ms HURLEY (Deputy Leader of the Opposition): My question is directed to the Minister for Employment. Given that the Premier's announcement on jobs yesterday did not mention his previous promise made in May last year to reduce South Australia's unemployment level to the national average by the year 2000, does the Government remain committed to this target?

The Hon. J.W. OLSEN: On the basis—

Members interjecting:

The SPEAKER: Order! The House will come to order!

The Hon. J.W. OLSEN: The reason why I have decided to respond to this question—

Members interjecting:

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

The Hon. J.W. OLSEN: The reason why I have decided to respond to this question is that it was based on—

Mr Atkinson interjecting:

The Hon. J.W. OLSEN: No. It was based on a statement of mine. And if anybody is to defend my statements, it will be me.

Members interjecting:

The SPEAKER: Order! The Premier will resume his seat. There appears to the Chair to be a deliberate attempt to disrupt and distract Ministers when they are on their feet. If members want to persist in deliberately distracting and disrupting the House, I will take action. The honourable Premier.

The Hon. J.W. OLSEN: The Deputy Leader asked whether we intend to stick with the statement I made last year about our goal regarding the national average. The most significant employment package, I would argue, in this State's history would surely underpin that goal and objective I put down last year. What I said in the statement—

Mr Conlon interjecting:

The SPEAKER: I warn the member for Elder.

The Hon. J.W. OLSEN: And this is the reason why I am answering the question—for the benefit of the member for

Elder—because it is my statement, and the statement last night underpins the goal, the objective. I indicated in that statement last night that, for the past 30 years—and this has defied Governments of all political persuasions—we have not been able to position our employment-unemployment figures near the national average. Politicians on either side of this House, from whatever political background, would all want to see greater levels of employment and lower levels of unemployment: no-one would want anything other than that. But it has to be tackled in a systematic way to ensure that, in restructuring the economy, we iron out the difficulties in the economy to get jobs growth, and the only way in which we will do that is by private sector new investment in South Australia.

The statement and the \$100 million in total in new funds, reallocated funds, the cancellation of some programs and reinvesting is designed as a target to move towards those goals. I indicated in my statement last night that we are a long way away, and I readily concede that point, but Governments and this State have been such for 30 years. At least we put down a strategy last night to tackle the problem and to work out how, in a strategic way, we can invest taxpayers' money, upon which we can get jobs growth.

One of the programs will result in 2 400 young people being employed in the public sector in this State. The programs of the last three to four years have shown that, of those trainees, 70 per cent get permanent work at the conclusion of the traineeship. That is not a bad strike rate. Indeed, it is an exceptionally good strike rate. We are expanding that program next year and the year after, and that will underpin that 70 per cent strike rate for another 2 500 South Australians. That is the sort of program and the reason that we are putting it together. We have had historical difficulties in this State with unemployment levels, so we are trying to put incentive into economic activity to create permanent, long-term jobs.

YOUTH EMPLOYMENT

Mrs PENFOLD (Flinders): Will the Minister for Employment inform the House of progress on meeting the targets for the latest youth training intake and on the implications of the scheme from the employment statement made last night by the Premier?

The Hon. J. HALL: Mr Speaker—

Members interjecting:

The SPEAKER: Order! The honourable Leader. I expect some level of leadership to be shown.

The Hon. J. HALL: I am delighted to respond to the member for Flinders, given that she has had such a long-term involvement in and commitment to the State Government trainee program. The State Government youth traineeship program as you know, Mr Speaker, has been an integral part of this Government's youth employment strategy for many years and it shows quite clearly the determination of this Government to promote positive opportunities, particularly employment opportunities, for young South Australians. Mr Speaker, since 1993—

Members interjecting:

The SPEAKER: Order! The member for Spence.

The Hon. J. HALL: Since 1993, there have been more than 4 600 trainees in the traineeship program and, as the Premier has just said, of those trainees 70 per cent have either gained employment or gone back into full-time training or education. That compares favourably with the 462 trainees

under the previous Labor Government. As you would know, Mr Speaker, the trainees are engaged for 12 months, during which time they complete their formal training at TAFE, and the public sector then has the benefit of approximately 70 per cent of their time while their skills are developed.

Mr FOLEY: I rise on a point of order. Given that the Minister is clearly reading her answer, I draw your attention, Sir, to the provision concerning ministerial statements.

The SPEAKER: Order! There is no point of order.

Mr Foley: She's reading it!

The SPEAKER: Order! I have sat in this House for 19 years and I have seen a lot of Ministers perform. I see nothing going on at the moment that has not been a practice of this House for many years.

The Hon. J. HALL: Thank you, Mr Speaker. It clearly annoys the member for Hart that this Government has put in place such a comprehensive and outstanding employment statement, something that his Party did not do. The trainee program that was completed on 30 April this year placed over 500 trainees in regional South Australia and 500 trainees across the metropolitan area. In regional South Australia, they were located from Minnipa to Mount Gambier, and they were also located across all parts of the metropolitan area. It is worth putting on the record that most of the members of the House of Assembly have trainees in their offices, and I know that they find them to be valuable assets, and I am pleased to do that.

The other aspect of the program that is well worth putting on the record is that not only are the traineeships in clerical areas but they now cover horticulture, dental assistants, parks assistants, interactive multimedia areas, laboratory assistants, forest products and school aides. That ought to be noted, and congratulations should be given to such an innovative program. However, this House ought to acknowledge that the program announced by the Premier last night has, for the first time, set out a two-year commitment by a State Government to this trainee program, creating another 2 400 places over the next two years.

It is a \$43.2 million commitment by a State Government and, added to the 4 600 already provided, it goes in part towards helping this State's youth unemployment problem. The youth traineeship program has often been called the jewel in the crown of this State Government. It is one of the most outstanding employment programs, and I believe that the constant remarks of the Leader of the Opposition and some members of his Party show that they do not—

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The Leader will come to order.

The Hon. J. HALL: —like the news and that they are embarrassed by such a good employment statement as that announced by this Government last night.

Members interjecting:

The SPEAKER: Order!

EMPLOYMENT, PUBLIC SECTOR

Ms HURLEY (Deputy Leader of the Opposition): My question is directed to the Minister for Employment. Given yesterday's announcement that the Government will continue training and graduate programs over the next two years, as the Minister has just explained, will the Government now shelve plans to spend \$20 million in 1998-99 on separation packages to cut 380 full-time jobs from the public sector?

The Hon. J. HALL: As the Deputy Leader well knows, the Treasurer has already announced that small cuts will be

made in the public sector of this State. In the main those cuts result from the amalgamation of the 13 departments into the restructured 10. However, I suggest that the Deputy Leader wait another 24 hours to hear the Treasurer's statement.

WEST BEACH BOAT HARBOR

Mr CONDOUS (Colton): Will the Minister for Government Enterprises advise the House whether the West Beach boat launching facility will be a financial burden on the State?

Members interjecting:

The SPEAKER: Order!

The Hon. M.H. ARMITAGE: Certainly the West Beach boat launching facility is both a good project and one that will not be a financial burden on the State. It does provide demonstrable benefits to the community and facilitates a major development which more than outweighs the costs involved in constructing the facility. The project will provide a safe launching facility for recreational boat users; excellent community facilities, including public parking; club facilities, which it is believed will attract—

Mr Conlon interjecting:

The SPEAKER: The member for Elder has been warned once. I ask that he bear that in mind.

The Hon. M.H. ARMITAGE: —interstate and international events; and a much more useable site for the Sea Rescue Squadron, which will significantly reduce response times and, hence, increase safety. These benefits are intangible but they will benefit the South Australian community for years to come. The boat launching facility frees up land which is vital for the Holdfast Shores development to proceed. Further, the Barcoo Road site provides about 15 hectares of otherwise largely unuseable land next to the Glenelg waste water treatment plant and under the airport flight path, which can be used for car and trailer parking to support the development, thereby avoiding the need for land to be reclaimed and new seawalls to be built for this purpose if the facility had been provided at Glenelg.

The Holdfast Shores development will generate sales revenue which is expected to repay the full Glenelg infrastructure costs of \$14.2 million; and, importantly, it will provide the Government with revenue to offset the net costs of the West Beach boat launching facility, as well as providing the consortium with a developer's margin. In addition to the analysis of potential revenues set out above, the project will contribute normal rates, stamp duty and land tax revenue. An economic analysis of the project undertaken in 1996 estimated additional capitalised revenue to the State Government from these sources to be of the order of \$12 million from what was then a \$120 million project.

The consultant estimated that the project will support economic activity of 2 300 jobs through the construction, ongoing employment opportunities of 160 in the area, and an additional 140 through the multiplier impact. That was the position when the project was expected to cost \$120 million. As the project is now projecting revenues of \$190 million, its economic benefits could be considered conservative because of the increase in the suggested total revenue. Where does this lead us? It leads us to the fact that the Coast Protection Board is satisfied that the annual sand by-passing budget of \$250 000 is a good estimate of the likely average cost. The net present value of these costs would be around \$3 million—well below the conservative \$12 million in revenue identified in the consultant's report to which I referred earlier.

In summary, the capital construction contribution of the West Beach boat launching facility is expected to be funded from the sales revenue of the Holdfast Shores development, and the ongoing maintenance costs of the facility will be more than offset by the ongoing revenues to the Government from the operation of the development. This development is a win for the communities of Glenelg, West Beach and South Australia as a whole and, in answer to the honourable member's question, the figures certainly add up.

EMPLOYMENT

Ms HURLEY (Deputy Leader of the Opposition): My question is directed to the Minister for Employment. Given yesterday's statement on jobs, what is the Government's target for the creation of new jobs in South Australia for 1998-99? In November 1993 the Government promised that it would create 20 000 additional jobs every year for 10 years. In the 12 months to April 1998 South Australia actually lost 12 100 jobs.

Mr Brokenshire interjecting:

The SPEAKER: Order! I caution the member for Mawson for constant interjections.

The Hon. J. HALL: I am intrigued that the Opposition has now moved from ETSA to jobs. It is good to see that it is trying to put some focus on one of the major difficulties facing this State, but I find amazing the hypocrisy with which the Opposition speaks, because when the Leader of the Opposition was the Minister for Employment he had a track record of unemployment, not employment. I would have thought that the Opposition should be somewhat embarrassed by these figures. It should be understood that, when the Leader of the Opposition was the Minister for Employment, unemployment in this State grew by 35 000, or 74 per cent.

The figures in fact increased from 49 000 to 84 000—hardly a record, I would have thought, of which the Leader of the Opposition should be proud. The ABS figures very clearly show that, under that Minister, unemployment rose by 5 per cent to 11.8 per cent. This Government released an employment statement last night that shows an outstanding, whole of Government commitment to the South Australian community. I would have thought that this Opposition should be applauding that measure and not constantly involving itself with negativity and knocking.

Mr Foley interjecting:

The SPEAKER: Order! I caution the member for Hart.

The Hon. D.C. WOTTON (Heysen): Will the Minister for Employment inform the House of what specific assistance will be available for special interest groups coming out of the employment package announced by the Premier last night? The employment statement presented last night refers to assistance provided for young people and the mature and unemployed, and special assistance for other members of the community. I am particularly interested in what assistance can be provided for other people in the community.

The Hon. J. HALL: I am delighted to respond to the member for Heysen because of his long-term interest and commitment to the people about whom he has asked. As we know, unemployment affects many sections of our community but, in particular, there are some areas that need additional assistance—our young people, older people and the disadvantaged members of our community. The statement delivered last night by the Premier very clearly outlines assistance for those groups to whom I have just referred. It

shows that the employment opportunities that we have looked at and talked about—

Mr ATKINSON: I rise on a point of order, Mr Speaker. Page 291 of the 21st edition of Erskine May indicates that questions requiring information set forth in accessible documents—such as the Premier's statement last night, which is merely being repeated by the Minister—are not allowed where the member could obtain the information without difficulty. My point of order is by reference to the statement tabled in the House last night.

Members interjecting:

The SPEAKER: Order! The point of order is correct in that, if it is straight out of the Premier's statement, the information is available. However, if the Minister is providing additional information, she can proceed and the Chair will take note of her answer.

The Hon. J. HALL: Apart from some of the specific proposals that have already been referred to in earlier answers and by the Premier, there are some additional areas of the statement delivered last night that I believe the House should be interested in, although I am not so sure that that applies to some of my colleagues opposite. I refer to those activities that talk about—

Members interjecting:

The SPEAKER: Order!

The Hon. J. HALL: Not all of the initiatives contained in the statement presented last night specifically relate to the public sector. There are some initiatives that this Government will be developing over the next couple of years that will specifically relate to disadvantaged South Australians. The particular initiative in which I am sure the member for Heysen would be interested is the highly successful SBEIS program (the Small Business Employer Incentives Scheme). That is a further commitment by this Government to employ another 1 500 over the next two years. I would have thought that the success of the previous program would receive the support of this Opposition, not the constant derision—

Mr Foley interjecting:

The SPEAKER: Order! I caution the member for Hart for the second time. Next time I will warn him.

The Hon. J. HALL: There is a particular program I know the member for Heysen will be interested in, and that is an extension to DOME (Don't Overlook Mature Expertise), of which he has been very supportive in the past. The Government has decided to put in place a special program called Self-Starter for Mature Aged Unemployed. That is a new component of the statement that has been announced. The other areas that will be specifically developed include an additional \$500 000 allocated over the next two years for special initiatives and equity projects, whilst \$1 million has been put aside for pilot programs that will be developed in conjunction with the community and service clubs in particular. I urge Opposition members to give some thought to some innovative employment programs and perhaps contribute in some way, rather than constantly knocking the activities and programs of this Government.

Mr ATKINSON: I rise on a point of order, Mr Speaker. The Minister's last utterances are directly from page 8 of the Premier's statement to the House last night.

The SPEAKER: The Chair does not have the statement in front of it to follow line by line. I have to rely on members who have access to that statement. As I said in my previous ruling, the Minister can enlarge upon it and add to it, but it

is neither desirable nor required that she read from the statement.

Ms HURLEY (Deputy Leader of the Opposition): My question is directed to the Minister for Employment.

Members interjecting:

The SPEAKER: Order! The Deputy Leader has the call.

Ms HURLEY: Will South Australia's rate of economic growth in 1998-99 be sufficient to generate employment growth and reduce unemployment? Economic analysts agree that South Australia needs annual economic growth of about 4 per cent to maintain current employment levels and an even higher growth rate to make significant inroads into the existing high levels of unemployment.

Members interjecting:

The SPEAKER: Order! I caution the member for Hart for the last time. Next time he will be warned.

The Hon. J. HALL: Given that the Opposition does not like so many references to the employment statement delivered by the Premier on behalf of the Government last night, I suggest they read the document.

WEST BEACH BOAT HARBOR

Mr CONDOUS (Colton): Will the Minister for Government Enterprises advise the House whether the Government has honoured its commitments to the Parliament in relation to the West Beach boat launching facility?

The Hon. M.H. ARMITAGE: I thank the member for Colton for this important question, and I know that the Opposition will be interested in the answer because it relates to a capital works project which creates jobs in South Australia. The Government has taken very seriously its commitment to the joint resolution of both Houses of Parliament on 11 December last year which guaranteed support for the West Beach boat launching facility. We have in fact honoured the commitment. The people of South Australia should be aware that the Opposition supported the project through the resolution. The resolution, I repeat, has been honoured. The Parliament has the right to expect the Opposition to support the project. It can no longer suggest it does not.

I would like to address each commitment in turn. The first commitment was that surety be given to the Glenelg project by guaranteeing approval for a boat facility to be built to redefined criteria at West Beach. Well, redefined criteria have been adopted. All the required approvals have been granted and the guarantees have been acknowledged. The second commitment was that structural safety for a one in 100 years storm event will remain, and the height of the overtopping structure to be reduced and redesigned from a one in 100 year to a one in 10 year storm criteria. Well, a one in 10 year storm criterion for overtopping was adopted with the redesign by Connell Wagner. This has reduced the height of the breakwater by about a metre, and one in 100 year structural stability has been retained.

The first part of the third commitment was that the redesign had to incorporate the minimum length groyne and the harbour depth was to be the minimum. The redesign that I spoke about before incorporates the minimum length of the groyne. There is a strong recommendation from Connell Wagner that any reduction in the length of the groyne would significantly increase maintenance costs. I inform the House

that there is no intention unnecessarily to deepen the harbour. The second part of the third commitment was that the redesign had to be completed within two weeks and it had to be certified by the Institute of Engineers and the Coast Protection Board. The redesign by Connell Wagner was completed and the new application for development consent was lodged on 27 January this year.

Maunsell Pty Ltd was confirmed by the Institute of Engineers and the Coast Protection Board to undertake the certification, and the certification was carried out by Maunsell. The third part of the third commitment was for an independent environmental consultant to prepare an assessment for public release. The assessment by an independent environmental consultant, Woodward-Clyde, to ensure the correct environmental and construction decisions for the facility has been made. In fact, various people who have protested about this boat launching facility were represented in the process to select Woodward-Clyde as the independent environment consultant. The consultant's report has been widely publicly released, and its findings have been reported to a community-based construction forum established to monitor the project. A full copy of the report is available for public scrutiny.

The fourth commitment was for a sand management plan to be made available to the public. I acknowledge the work of the member for Colton in this House who moved the amendment to ensure that sand management around the boat launching facility was enshrined. The reports of Rust PPK in 1996, the 1997 EIS assessment report, a report in April 1997 of Coastal Engineering Solutions and again in August 1997 are all available to the public. Sand management and monitoring reports are being presented to the public through the construction forum that I mentioned before. This construction forum includes members of local interest groups such as the sailing club, the Sea Rescue Squadron, recreational boating interests, the Henley and Grange Residents Association, the local dune care group and the relevant local government authorities. The sand management strategy is set out in a publicly available newsletter.

The fifth commitment was that the Opposition offered to support compulsory acquisition, if necessary, of the Glenelg Sailing Club. The offer was noted, but the consortium has negotiated arrangements satisfactory to the parties. The last commitment was that the consortium undertook to indemnify the Charles Sturt council against any damage on the beach directly caused by the West Beach facility. The indemnity has been effectively achieved by amendments to the Local Government Act making the Government's responsibility a statutory obligation. The Crown Solicitor has advised that this legislation achieves everything that was sought through the Parliament's resolution to indemnify the council.

The Government is providing boating facilities for the South Australian community. We have met the Parliament's requirements and the community's expectations for intelligent, considered development with rigorous environmental scrutiny and we are providing an asset that will produce better boating and recreational facilities for all South Australians. The Mayor of Charles Sturt council, Mr John Dyer—

Mr Atkinson: A good bloke.

The Hon. M.H. ARMITAGE: He is a good bloke. Mr John Dyer has called for an end to protest action at the West Beach Boat Harbor. Mr Dyer is reported as having said, 'Enough is enough.'

There being a disturbance in the Speaker's gallery:

The SPEAKER: Order! If the gallery does not come to order, I will have it cleared.

There being a further disturbance in the Speaker's gallery:

The SPEAKER: Order! The gallery is to be cleared.

[Sitting suspended from 2.59 to 3.6 p.m.]

The SPEAKER: Had the Minister for Government Enterprises finished his reply?

The Hon. M.H. ARMITAGE: I was just about to finish, Sir.

Mr Foley interjecting:

The Hon. M.H. ARMITAGE: I was saying that the Mayor of Charles Sturt council, Mr John Dyer—who, the member for Spence said, was such a good fellow—has called for an end to protest action at the West Beach boat harbor: he is reported as having said, 'Enough is enough.' I agree. In this instance, enough is enough. The Government has taken very strong measures to allay the concerns of the Parliament and the community, as I have identified, and the Government has met the parliamentary resolution of 11 December 1997. I believe it now behoves the Opposition and the protesters to accept that the project is a reality. They should desist from wasting police time and resources, and they should get behind the project which will provide employment and which will be good for the total South Australian community.

UNITED WATER

The Hon. M.D. RANN (Leader of the Opposition): My question is directed to the Premier. Given the clear stipulation in the Premier's own water contract about the involvement of South Australia's United Water's parent company, Thames, in the Jakarta water supply project—absolutely stipulated in the contract—will the Premier assure the House that neither company is involved in any way in corruption claims detailed in front page newspaper stories overnight in London?

The front page of the *Independent* in Britain yesterday carries a story claiming that a 25 year contract to run the water system in Jakarta, which was awarded to a company controlled by Thames Water, has been put on hold—suspended—because, following the resignation of President Suharto, Jakarta city officials have claimed that the contract was awarded unfairly and corruptly to a company with close family links to the former president.

The South Australian Government's contract with United Water—and we will release the relevant page today—states that United Water shall procure that Thames Water International establish its Asia-Pacific regional headquarters in South Australia to coordinate the operations and activities of the Thames group of companies that are developing or undertaking various projects, including 'Djakarta Water Supply'. I understand that the allegations reported in London include collusion in the awarding of the contract as well as—wait for it—improper and corrupt interference in the tendering process. The *Independent* reports that, apart from accusations of winning the contract unfairly and corruptly, water quality in Jakarta is also understood to have deteriorated since Thames took over—and that must be fairly hard to do.

The SPEAKER: Order! The member is now commenting.

The Hon. M.H. ARMITAGE: I have not read the piece of paper to which the Leader of the Opposition referred—

The Hon. M.D. Rann: Front page.

The Hon. M.H. ARMITAGE:—yes, I heard you—and I will certainly obtain it and bring back a report. One of the latest bits of English paper which I saw was a report on the Internet from the *Electronic Telegraph*, and that was glowing as to how the Leader of the now British Government, Tony Blair—upon whom the Leader of the Opposition so closely models himself—is jumping in boots and all to privatise a number of utilities. They are looking at public transport and all sorts of things. The reason they are doing it is that, as I have identified to the House previously, no less a luminary than people from the various societies which are closely aligned with the Labor Party, such as the Fabian Society in the United Kingdom—

An honourable member interjecting:

The Hon. M.H. ARMITAGE:—they are—made a very public call in London recently saying that it is absolutely irrelevant who owns the assets: what is important is the services the assets provide. Tony Blair thinks that is a good idea. Maybe I can swap papers with the Leader of the Opposition. The other thing that the Leader of the Opposition has done—and as he frequently does in this House—is to make one statement which is reported in the context of something or other to do with a particular position and then by inference has indicated that that applies to the second position. What the Leader of the Opposition said in an almost *sotto voce* way—

Mr Foley: What?

The Hon. M.H. ARMITAGE:—you heard—was that the water quality has decreased dramatically since Thames took over. The reason that the Leader of the Opposition did that is that the Leader hopes desperately that someone from the media will report that this is happening in South Australia, and it clearly is not. In fact, the quality of the water has increased dramatically since the United Water outsourcing. I am very happy to supply any figures which any member of the Opposition wishes to seek from me. They have been assessed independently by various standards bodies to be providing much better water than previously. Those are the sorts of things that are important to consumers of water in South Australia. Having said that, I will be happy to bring back a report about the other matters.

TELE-HEALTH SERVICES

Mr BROKENSHIRE (Mawson): My question is directed to the Minister for Human Services. How is the Government ensuring that tele-health services will harness the very latest high technology to provide better health care for the people of South Australia?

The Hon. DEAN BROWN: I went to the Women's and Children's Hospital this morning for the launch of a new tele-health service, which results from a \$400 000 grant that my colleague the former Minister for Health made to the hospital back in 1996. It has two key components: first, to establish the most up-to-date and comprehensive video-conferencing facility for health use throughout the State that you would find anywhere in Australia; and, secondly, to establish a web site so that people can use the information at the Women's and Children's Hospital as part of obtaining information about the research programs, ultimately about better health for women and children, and a range of other areas that I will detail in a moment.

At the video-conferencing facility this morning, the display alone was unique. We immediately switched to

Mount Gambier, where an obstetric specialist was undertaking routine training through the Women's and Children's Hospital on a weekly basis, together with colleagues based in Adelaide. Because of this, the specialist is willing to be in Mount Gambier, whereas normally a specialist would want to come to Adelaide as that is where the routine weekly training is available. We saw that part of the training component delivered with people in both Adelaide and Mount Gambier.

Secondly, we switched immediately to a conference with people at Port Augusta who were professionals in the mental health area, and who were dealing with various groups, including Aboriginal communities and providing mental health services. They were discussing their problems with mental health specialists here in Adelaide. There is now a fairly comprehensive psychiatry counselling service available to many of our hospitals, particularly in rural areas. I have seen this example at Yorketown Hospital: a patient under the Mental Health Service, on a weekly basis or three times a week, will go into the Yorketown Hospital to be counselled by a very senior psychiatrist here in Adelaide. That person can remain in the local community without incurring the expense of coming to Adelaide or ongoing accommodation expenses in Adelaide, and that means far better treatment. It means that people in the country can get almost the same service they would be getting here in the city.

The third example was the immediate switching from Port Augusta to Coober Pedy, where a group of younger people are putting in place various youth training programs in the health area. Again, they came on line to discuss their programs with the Women's and Children's Hospital. It was a very dramatic display whereby in the space of 15 minutes we had these three examples covering the whole State. I stress that video-conferencing facilities are now widely available through our hospital system. Ultimately, we would like to see them available at every public hospital in this State.

The other aspect was the web site, which already is having about 12 000 hits per week. Importantly, this program means that people in rural and remote areas are starting to get much better health treatment, the sort of health treatment they would expect if they lived in Adelaide. Secondly, we can help to keep doctors in rural areas because we can provide ongoing training for them. Thirdly, there is an immediate response. You could have a critically ill patient under a doctor at, say, Port August or Ceduna, and that doctor through a video-conferencing facility could be linking into some of the best specialist services here in Adelaide and, therefore, giving better treatment than they would be able to provide without that specialist backup. So, we are making some quite significant headway in South Australia. There are exciting opportunities for the future. Most importantly of all, it is helping rural communities in this State.

ELECTRICITY, PRIVATISATION

Ms HURLEY (Deputy Leader of the Opposition): Why does the Premier continue to claim that he is selling ETSA and Optima because they will be less profitable in the national electricity market when internal ETSA and Optima documents leaked to the Opposition show that these companies expect to increase their profits and dividends to the Government under the national electricity market? On 18 February the Premier said:

Whilst we might get \$200 million-plus out of these trading enterprises now that might not be the case, particularly when they have allocated \$96 million for trading losses in the next year or two. That eats away at the \$200 million 'cash cow' . . .

Documents leaked to the Opposition from within ETSA and used to brief the Deputy Premier show that all parts of ETSA are expected to increase their returns on assets and equity as well as tax payments and dividends to the Government, while ETSA Power's shareholder value is expected to rise under the national market. On 25 February, the Opposition released internal documents of Optima showing that Optima expects a rise in after-tax profits to \$41 million in 2002.

The Hon. J.W. OLSEN: As I have indicated to the House on a number of occasions, more particularly in the statement that I made in the House on 17 February, there are a number of areas of risk. ETSA-Optima sought Government support for taking on some interstate contracts. The business plan put forward to Government, if my memory serves me correctly, showed that on the contracts that were written a profit projected of \$500 000 was anticipated. The reality of those two contracts entered into in Sydney and Melbourne, I think it was, was a loss at the time of reporting to us of some \$460 000—in other words, a very significant turnaround on a small contract interstate from a profit to a loss.

I also advised the House yesterday (and I refer the Deputy Leader to *Hansard*) that the provisions for the ETSA dividend in the forthcoming budget will see a reduction in the anticipated revenue flow to ETSA of the order of \$20 million. This is without the national electricity market actually having full effect. I have also indicated to the House that trading in this national electricity market has substantial risks, for example, the volatility of purchasing power out of the system. Last year in about November, when a heat wave went through Melbourne, the cost of purchasing power went from some \$12 to \$15 per megawatt hour to some \$4 000 over a three hour period. That indicates the volatility of the marketplace.

There were similar figures in Sydney, although I do not have the exact figures for the Deputy Leader. In about February this year in Sydney, once again with heat wave conditions, with the volatility of supply and demand not being matched, the price went well over the \$2 000 per megawatt hour purchase of electricity. When you have volatility of that nature it is, I would say, a substantial risk. Where you have people at ETSA, at No. 1 Anzac Highway or elsewhere, sitting behind a computer screen, effectively playing the futures market in purchasing generating capacity from the generators interstate, it is a risk that has been identified by the Auditor-General that we ought not to contemplate allowing the taxpayers of South Australia to pick up if it goes in the wrong direction.

That is the point that we have been attempting to make. Not only will we have run the risk of losing market share as more competitors come into the market, we simply cannot turn the clock back on being a participant in the national electricity market. That is just not within our power, province or opportunity. If the national electricity market is a *fait accompli*, whenever it might actually start—they keep shifting back the date—South Australia will have to be a participant.

Therefore, you have competitors in a market in South Australia that was previously simply a monopoly market. In a monopoly market, you have a degree of protection for your revenues and, therefore, your dividends. If you take away the monopoly market, you do not have protection of the revenues, because you have market competition that you have

never had before, and that drives down your revenue guarantee. In addition, any business will tell you that if your turnover in revenue fluctuates substantially so does your bottom line profit or loss. It is a combination of all those factors that has brought the Government to the position that we simply should not ask South Australians to pick up that cost.

WEST BEACH BOAT HARBOR

Ms KEY (Hanson): I seek leave to make a personal explanation.

Leave granted.

Ms KEY: I rise to apologise to the House for the disruption during Question Time by the West Beach protesters. I also apologise to my colleagues, because I asked them to assist me in showing people from the West Beach group into the gallery, and I have to take responsibility for that. All the guests were told that they had to keep quiet and act as guests in the gallery, and I apologise for their not doing so. I suppose that it demonstrates, though, the level of concern of those people.

The SPEAKER: The last part of the remark was entirely out of order.

Ms KEY: I am sorry.

The SPEAKER: The honourable member had the opportunity to make a personal explanation. It does not require a political barb on the end of it.

LIVING HEALTH

The Hon. DEAN BROWN (Minister for Human Services): I seek leave to make a ministerial statement.

Leave granted.

The Hon. DEAN BROWN: The Treasurer is today outlining changed arrangements in relation to Living Health. In making these changes to Living Health, the Government has increased its effort to combat tobacco smoking. In 1997-98, a total of \$800 000 was committed to the anti-tobacco campaign by Living Health. For 1998-99 and beyond, \$3.9 million will be dedicated each financial year to the most significant tobacco control strategy yet undertaken in South Australia. Of this \$3.9 million, \$1.4 million will come from Living Health funds, and there will be an additional appropriation of \$2.5 million. This total allocation of \$3.9 million will approach the per capita rate of funding in California, which has resulted in a reduction of smoking rates of around 9 per cent.

This commitment is a measure of the Government's determination to reduce tobacco smoking in this State. It is driven by the social and economic necessity to reduce the often tragic consequences of a product which, despite the best intentions of health workers, still claims lives and diminishes the lives of others. The new tobacco control strategy will be a major component of a wider State health promotion strategy. The State Government has set a target to reduce the prevalence of smoking, especially among young people, by 20 per cent over the next five years.

In order to advise me on the most effective strategies to achieve this goal, a South Australian Ministerial Tobacco Control Council will be established. Peak health promotion

bodies, such as the Anti-Cancer Foundation and the National Heart Foundation, will be invited to take part. The full membership will be announced in the next few weeks.

Tobacco smoking, which is a major public health issue, is responsible for approximately 1 800 deaths each year in South Australia alone. Cigarette smoking accounts for 30 per cent of all cancer deaths, 25 per cent of heart disease, nearly all chronic obstructive pulmonary disease and about 20 per cent of low birth weight babies. Passive smoking exacerbates childhood asthma and respiratory infections and is a risk factor in other serious diseases. The cost of tobacco-related disease in South Australia has been estimated at approximately \$750 million, comprising \$50 million in direct tangible costs and \$700 million in intangible costs.

It is of great concern that there has been only limited success in recent years in reducing the number of people smoking, especially young people. Of particular concern is the unacceptably high number of young people smoking, with reports suggesting up to 30 per cent of 15-year-old girls and 26 per cent of 15-year-old boys. Research also shows that smoking can be reduced in target groups by determined and focused effort. Central to this is the reduction in the sale and supply of tobacco to minors. We will be particularly rigorous in this area, including increased surveillance of retail outlets. We have started the surveillance already, with almost 700 licensed tobacco outlets having been visited in recent months.

This Government has banned tobacco smoking in all South Australian public dining areas from January of next year. Further, as a condition of receiving former Living Health grants, sports and arts organisations will be required to maintain smoke-free venues and other conditions previously attached to such grants. I will be looking to the South Australian Ministerial Tobacco Advisory Council to advise me on further initiatives to increase the number of smoke-free public places and workplaces.

When research condemns tobacco smoking as a killer of young and old, including non-smokers, who are the passive innocent victims, no Government can do less than take the very strongest action to reduce its prevalence. For the sake of young people, this Parliament has an obligation to maintain a very hard stance against the use of tobacco.

The Hon. M.R. BUCKBY (Minister for Education, Children's Services and Training): I lay on the table the ministerial statement relating to Living Health made today in another place by the Treasurer, the Hon. Rob Lucas.

GRIEVANCE DEBATE

The SPEAKER: The question before the Chair is that the House note grievances.

The Hon. M.D. RANN (Leader of the Opposition): Today I wish to take the opportunity to elaborate on the report contained in the British quality newspaper the *Independent*. The report, which is headed 'Nepotism row hits Thames' expansion', states:

Thames Water's hopes of building up a substantial overseas business suffered a huge blow yesterday as it emerged that a lucrative contract to run the water system in Jakarta had been put on hold amid allegations of corruption and nepotism. A company controlled by Thames was awarded the 25-year contract, which

covers the eastern half of Jakarta, in 1995. The western half was to be a joint venture controlled by Lyonnaise des Eaux, the French utility. Both groups formally took control of the operations in February.

Of course, members would be aware that the Premier's water agreement refers specifically to the Jakarta water supply and part of Thames Water's Asia Pacific headquarters being based here in South Australia. The report further states:

Yesterday, however, the Jakartan authorities confirmed that they had put contracts covering both the west and the east of the city on hold. City officials claim that both contracts were unfairly awarded to companies with links to former Premier Suharto, who resigned last week after a 30-year reign. Thames Water's Indonesian joint venture, in which it has an 80 per cent stake, is with a company chaired by Sigit Hardjojudanto, a son of the former President. Lyonnaise, meanwhile, has a joint venture with Liem Sioe Liong, a close friend of the former President. City officials allege that the two companies were awarded the contracts without a proper tendering process after the President intervened on their behalf. The contract required Thames to gradually extend the supply of water in its half of the city from 2 million to all 5 million inhabitants.

The report continues:

Today, Jakarta city employees will hold a demonstration and unveil a petition denouncing 'corruption, collusion and nepotism' in the awarding of the contract to a joint venture controlled by Thames Water.

It further states that there also have been complaints that the water is dirty and causes skin irritation and that the process of handling of leakage is too slow, according to the director of the city-owned management company. A spokeswoman for Thames apparently confirmed that the project had been put on hold but added that Thames hoped it would still be involved in the future. The report continues:

'There is a demand in Jakarta for safe water supplies for the people in the city,' she said. 'Investment is needed, and we believe that Thames Water is well placed to provide this.'

Members opposite would be well aware of the controversy surrounding the tendering process for the awarding of the United Water contract here. They would be well aware that the Premier, who was personally responsible for negotiating the contract but who refused to release it, told us that the contract stipulated that there be a reduction in the price of water, that 1 100 jobs would be created, that we would become the international headquarters in South East Asia of Thames and CGE, the joint owners, and that the contract stipulated that it be 60 per cent Australian owned, although the contract is owned by United Water's parent company, which is Thames and CGE. It is interesting that the Premier referred the question to his Minister for Infrastructure, even though he has previously boasted about the fact that Thames Water was to establish its international headquarters in Adelaide and would be responsible for coordinating projects such as those involved with the Jakarta water supply.

I would have thought that the Premier would be well aware of this project, given that his new adviser, Geoff Anderson, worked until recently for Thames Water through its subsidiary United Water, and also that his recycled adviser, Alex Kennedy, worked for Lyonnaise des Eaux, which is the other company cited, through a local public relations company. Presumably, he will be able to get up-to-date advice on what is happening to the Jakarta water supply contract and whether there is any spin-off here in South Australia.

It is interesting to note that, at the time Miss Kennedy was working for Lyonnaise des Eaux, not only was she writing columns that attacked United Water but, without revealing her ties with Lyonnaise des Eaux through Hamra Manage-

ment, she was involved in doing work on the side for the Premier in his bid to replace former Premier Dean Brown.

Mr MEIER (Goyder): Today I should like to speak about jobs for South Australians, and I warmly welcome the employment statement that the Premier made last night and the accompanying package. It is wonderful to see such a package for our State and we can all look forward to the future with confidence, particularly young people and those of mature years who are looking for jobs.

As was highlighted during Question Time today, the track record of the previous Labor Government was nothing short of abysmal. From 1990 to 1992, South Australia lost some 38 300 jobs, an absolutely diabolical situation. It was at a time when this State was going downhill at a very rapid rate and confidence was being lost by people left, right and centre. As a result, as the Premier indicated a little earlier today, people were leaving the State in droves.

The disturbing loss of employment numbers was presided over to a large extent by the current Leader of the Opposition, and it makes one laugh to hear him say that if he had control of this State things would turn around. Yes, they would turn around, but it would be for the worse: there is no question about that. It was also at a time when the State debt was burgeoning. Whilst the State Bank brought us over the precipice, it was heading in that direction anyway. When we hit the \$9.5 billion mark, that debt was added to by the State Bank, but we were already nearly \$6 billion in debt which had accumulated over many years, particularly over the 11 years that Labor was in power. Had Labor continued in office, it would have been simply a matter of time before the State ran into that massive debt structure, which the Liberal Government inherited. The first thing that we had to do was turn that around, and we are well on the way to doing so. In the Premier's statement last night, he highlighted the following point:

We know that every State Government is constrained in what they actually can do to alleviate unemployment. Private sector decisions totally out of State Government control. Commonwealth policies and the vagaries and volatility of the global economy all play their part in contributing to our problem and thwart our abilities to solve it, but the inevitability of those outside forces interfering should never mean that a State Government should stop trying.

Governments have to be very careful that they do not attempt to overcome the unemployment problem by themselves because, if they go down that track, they will simply tax people more and more and there will be less incentive for people to stay in that State or country, because the people who are working will be overburdened with taxes. This Government has undertaken to create the fine balance between what the Government itself should do and what the Government should do to help private industry, which is the key provider of jobs in this and any other community.

It is gratifying to see what is proposed, hand in hand with the private sector, for the coming few years as a result of the employment package announced last night. There will be continuity of the highly successful State Government traineeship scheme, with some 2 400 additional traineeships. There will be an expansion of the small business employer incentive scheme by a commitment of an additional \$6 million over two years for another 1 500 trainees in small business. Over the next two years, \$1 million will be allocated to fund special pilot projects and the community at work scheme will be expanded. The existing self-starter grants will also be expanded and the Government will extend

its graduate recruitment program to recruit an additional 600 graduates into the public sector. This package is a great initiative and will ensure the continued growth of this State. As the Premier highlighted today, it will stop the movement out of this State.

Mr SNELLING (Playford): I rise to speak on the issue of the rezoning of land at the corner of Walkleys Road and Grand Junction Road, Walkley Heights, just above Yatala prison. The land in question, which was sold by the State Government a few years ago, had formerly been a buffer zone around the prison but it was decided that such a buffer zone was no longer necessary. It was sold by the State Government for the purposes of a residential development on the land. However, the purchaser of the land soon requested that the land be rezoned to a commercial zoning for the purposes of the development of a bulky goods warehouse.

That happened quite a while ago, but only recently a report, which was prepared for the Minister for Transport and Urban Planning, was released. The zone plan amendment report recommends a rezoning of that land from a residential to a commercial (bulky goods) zoning, for the purposes of the establishment of a bulky goods warehouse on that land. I reject the assumptions that are made in the report and from which the conclusion is drawn that there is a need for more bulky goods warehouse floor space. I also reject the report's conclusion that the land at Walkley Heights is suited to such a development.

The proposed rezoning is widely opposed by local residents and by existing retailers, who believe that further retail development in the district should be restricted to those areas already set aside for commercial uses, rather than create new commercial zones in an already saturated retail market. I call on the Minister for Transport and Urban Planning not to rezone the land but to allow the previously planned residential development of that land to go ahead.

Mr LEWIS (Hammond): There are two or three matters to which I wish to draw attention. The first concerns the information given to the House today by the Minister for Environment and Heritage regarding the status of the Murray Mouth, which is in doubt, and the reasons why that was so, namely, an extended dry period across the Murray-Darling catchment areas which represent a seventh of the area of Australia.

Notwithstanding that extended dry period, there has been a continuing dependence upon those river systems, that is, the tributaries as well as the Murray River and Darling River themselves, for irrigation. Indeed, the dependence has been greater in consequence of the fact that there has been lower rainfall, and that is for two reasons: first, rainfall of itself provides the moisture the crops need and irrigation is therefore not necessary; and, secondly, whilst it is raining, of course, the crops are not engaged in negative evapo-transpiration loss from the soil.

My point is that, if we were just sufficiently bothered enough to take care of the amount of water entering those tributaries and main streams of the Murray-Darling system, we could easily continue with the present levels of economic benefit we derive from those river systems, but only if we meter the supply and then make it possible to transfer the water from inefficient crops in terms of the dollars they yield for the megalitres of water applied to them, and also the amount of water that would be used on any one of those crops any way.

We find at the present time that, because the supply is not metered but merely regulated as to the area of land on which the crop can be grown under irrigation, the amount of water therefore required in dry years is greater than the amount that would otherwise be used in an average or above-average year. Secondly, the irrigators simply go ahead and apply water to that given area of land for which they have a licence to grow the irrigated crop, regardless of the effect on the tributary they use in the system. Flood irrigation technologies are out of date and not sustainable—after all, they destroyed thousands of square kilometres of land in the Middle East.

Ms BEDFORD: I rise on a point of order, Sir, and ask you to rule on the relevance of this debate.

The ACTING SPEAKER (Mr Snelling): There is no point of order.

Mr LEWIS: I am not sure what the honourable member had in mind, but the purpose of grievance debates is to draw attention to problems that exist and explain the background to those problems for the benefit of improving the common weal of the wider community. It is of great interest to me and any other South Australian who is serious about creating new jobs because, by improving the efficiency of water use upstream and measuring the amount of water that is used, it will not only be possible for us to buy that water and use it here but it will also be possible for us to extend the level of irrigation with that amount of water and the number of jobs we create from doing so.

I would have thought that that was fairly important to the honourable member as, indeed, it is to any member in this place, as I know it is important to most South Australians who care about the economic consequences of exploiting a limited resource without regard to the way in which it is used. The down side, if we continue to do that, is that the land management practices, akin and along with the irrigation practices, are primitive and not sustainable—they will result in the destruction of the farmlands upon which they are being presently undertaken. So much for that. Another matter of concern to me, and I will address this on another occasion, is that we are not doing enough, through organisations such as Living Health, to reduce the number of carcinomas and melanomas that occur in rural workers and others who work outdoors.

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

Ms HURLEY (Deputy Leader of the Opposition): Today I asked a question about job losses in the public sector. The Government's financial statement for 1997-98 stated that \$20 million had been set aside to continue the voluntary separation scheme in 1998-99. The Government's own projected figure of \$52 500 per separation would mean the loss of 380 full-time jobs. The Government's five-year target for losses from the public sector is 12 400 full-time equivalent jobs. I highlight this fact because it is important in light of the Premier's job statement in which he talks about trying to stimulate employment in South Australia and trying to, at last, encourage people into jobs while at the same time his Government has been severely reducing the levels of employment in the public sector.

More important than the actual losses, I believe, was the timing of those cuts in the public sector. The most savage cuts occurred at the beginning of the Government's first term when other States around Australia were coming out of recession. Massive job cuts were occurring in South Australia which cut off the State's ability to climb out of recession.

South Australia has never really recovered from that economic disaster. We have been bumping along the bottom.

Members interjecting:

The ACTING SPEAKER: Order!

Ms HURLEY: The economic indicators for South Australia have never recovered from that time. In fact, employment has been one of the worst hit economic indicators and continues to be bad compared with the rest of Australia. South Australia is the worst mainland State in Australia with respect to employment. If the Prime Minister, John Howard, is to work seriously on cutting the national unemployment rate, he will have to think about what he will do about States such as South Australia where the economic indicators lag so strongly behind the rest of Australia, particularly with respect to employment, which is nearly 2 per cent below the rest of Australia.

The policies of the Federal Government, upon the Federal Liberal Government's achieving office shortly after the State Liberal Government, meant that a number of training programs and assistance for long-term unemployed people were also cut. This had a huge affect in my electorate particularly. Long-term unemployed people discovered that they had no hope of being retrained unless they could pay for the training themselves. This was patently impossible for low-paid employees in my electorate. They had to rely only on unemployment benefits. In my area, at least, unemployed people, particularly long-term unemployed people, have been almost without hope.

I welcome the State Government's belated attempt to try to create jobs in South Australia by injecting a bit of Government money to stimulate the sector. I also welcome this Government's recognition that Government intervention is occasionally necessary in order to stimulate job growth where the economic indicators are such that it is obvious that that will not happen through private industry alone. The Premier today again repeated that all the economic indicators in South Australia were trending upwards and that it was a good sign. However, after saying that for four years he must know that that will not be nearly good enough to produce the kind of economic growth that is needed to sustain current employment much less improve our unemployment level.

South Australia needs a growth rate of above 4 per cent and, under this Government, that has been impossible to achieve. In welcoming this announcement that some attempt will be made by the Government to stimulate employment, we must recognise that some of these projects are re-announcements.

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

Mr BROKENSHIRE (Mawson): I cannot quite believe what I have just heard from the Deputy Leader. The member for Napier is a very nice person but, when it comes to understanding the realities of life and the real reasons behind the drain in employment opportunities, I remind her that the facts are very simply these: the financial devastation of the State of South Australia in the early 1990s, and the recession we all had to have, brought on by the famous Labor Prime Minister, the Hon. Paul Keating. They are the two main reasons why South Australia has had problems getting good trend indicators when it comes to jobs growth.

As the Premier said today, even back in the good old days in the 1960s and the 1970s, when the framework had been set by the then Premier Sir Thomas Playford, South Australia still had a structural deficit when it came to being right up

with the national averages on employment opportunities. That is the reason why there have been problems in this State. As was also pointed out today, when the Leader of the Opposition was in a position of responsibility as a senior Cabinet Minister, he lost not only \$3 billion just with the State Bank but also 33 500 full-time jobs in manufacturing; and, on top of that, I think the unemployment rate went as high as 13 per cent during that period. So we had a fairly difficult problem to get correct, and that does take some time.

We could expedite matters if we adopted an approach similar to that of the Northern Territory. Along with a colleague I recently visited the Northern Territory—and I will be tabling a detailed report on that trip—to look at a number of issues, some of which are relevant to my own electorate and some that are a little more controversial but nevertheless highly important if we are to achieve the sustainable development for South Australia that all members on this side of the House and some members opposite desire.

What really hit me while I was in the Northern Territory was the fact that Territorians are ready to get on with the job. They are ready to see the Adelaide to Darwin railway line commence. They are already well into stage 1 of the Ports Corporation structural development, and I must congratulate all those involved in that \$100 million development. A further stage will cost another \$100 million. On top of that is part of the money for the Adelaide to Darwin railway line which will take a spur out through the sea to connect with the bulk terminals and the main super tanker opportunities that are being developed up there.

Territorians have a pro-development mentality. They are looking forward to the future. They are not looking at the past, and it is something that many South Australians and in particular some of my Opposition colleagues could seriously consider. If you consider what happened a few years ago when the Territory was given more independent rights, one of the trade-offs for that was the massive debt in real terms when you look at their small population. Today the population for the whole of the Territory is not much bigger than that of the new City of Onkaparinga. They were left with a massive debt, but they had a 'can do' mentality—a 'get on and do it' mentality. They realised that they had icons and opportunities, particularly because they were so close to our northern neighbours to capitalise on them and not look back.

That is the biggest and most difficult ingredient for the Government to get into the South Australian community. We need to be able to get that message out through the community. When I hear the Deputy Leader trying to again paint the image that we are a 'rust bucket' State, that does not help at all. We are not a rust bucket State but a smart State. We are a great State in which to live. Our cost of living is very good, our culture is good, and our climate is good. They are the sorts of things all of us should be espousing, not talking down South Australia. It is time we got a bit of bipartisanship on that basis.

Very briefly in the time remaining I want to talk about how impressed I was with the Ranger uranium mine right in the heart of Kakadu. There is a pristine environment right around the mine, and members would not believe the checks and balances. There are 400 checks on what is happening on an ongoing basis by the Institute of Environmental Scientists, a very solid work force, with a great royalty factor going back to the Aboriginal community who now own the Crocodile Hotel and other assets helping to lift their prosperity.

APPROPRIATION BILL

The Hon. G.A. INGERSON (Deputy Premier): I move:

That on Thursday 28 May 1998 Standing Orders be so far suspended as to enable—

- (a) the Premier to have leave to continue his remarks on the Appropriation Bill immediately after moving 'That this Bill be now read a second time';
- (b) the Treasurer (Hon. R.I. Lucas) to be immediately admitted to the House for the purpose of giving a speech in relation to the Appropriation Bill; and
- (c) the second reading speech on the Appropriation Bill to be resumed on motion.

Mr LEWIS (Hammond): It is not my intention to delay the House for long. On previous occasions I have drawn attention to what I consider to be new ground as far as the conduct of business within either or both of the Chambers that has been of concern because of my profound respect for and interest in the institution of Parliaments around the world. What we have in South Australia, and what was indeed imported and inherited from the Westminster Parliament up to and including 1856, is very important. Most of us have grown up knowing nothing different to this, but I can tell the House from my personal experience and study of other societies that what we have is very much better than almost everywhere else on earth.

I am therefore concerned when we change what we have and the procedures we adopt within what we have—without giving consideration to the message that it sends to the wider community when we make that change. The change that is proposed here today is different to and much less significant and serious than the one which was initially mooted, that is, that the Treasurer would move the second reading of the budget and deliver the second reading speech in consequence of having done so. That is not proposed in this motion. I am pleased to see that substantial shift in respect of what was originally proposed.

I say that against the background of the Constitution as it stands. As you would know, Mr Speaker, section 43A, I think, refers to the fact that members of the House of Assembly cannot even be candidates, leave alone members of the Legislative Council, and vice versa. That is for good reason, because we have a bicameral Parliament established by the Constitution. It is because the two Houses traditionally have separate roles in reviewing what happens within the Parliament. The two Houses ensure that the wider community of South Australia can accept the rate of change to its law and administrative procedures, as determined by proclamation or subordinate legislation of any kind, under that law.

Like it or lump it, any of us who disagree with those changes still have the means of saying so publicly, which is not the case elsewhere in the world, and in this place in particular, contributing to the debate about those changes before they occur. In this instance, the change that I see occurring is a change which, by gradualism, enables an albeit subconscious reduction in the level of understanding of the need, the role and the function for two Chambers in the Parliament—that is, a bicameral Parliament.

It blurs in the minds of the punters, Fred and Freda Citizen, John and Jackie, or whatever else you want to use to describe the wider public. It blurs the lines of difference. It thereby results in people coming to the conclusion, without having any other argument put before them, that perhaps the bicameral Parliament is irrelevant and one House ought to be abolished—not this House but the other place. If that is to be

the case, then I suggest that what we need to do is to do it consciously, have a full-on public debate about it and, following that debate, a referendum of the people to determine the future of the other place. If, on the other hand, we do believe that the other place is an important part of the institution of our Parliament, then we will retain it. We ought to respect the difference between the memberships of both and we ought to respect their respective roles.

In this case it is not the same as Estimates Committees as some people might think, nor is it the same as inviting a distinguished parliamentary visitor from outside the Constitution of the State of South Australia to address the Parliament, that is, the House giving an audience to a visitor, which is not the same as the House in session listening to a debate. This speech will be, in effect, the debate. It was going to be the debate. The Minister from the other place was going to deliver that debate, yet I believe he was not intending to stay here to hear the responses to that debate. I have absolutely the highest possible regard and fondness for the Hon. Rob Lucas, who has been a friend for probably more years than at my age I care to remember. If at a personal level there was one person from within the precincts of the Parliament I would choose to have as a colleague in this place, it would be first and foremost the Hon. Robert Lucas—meaning no offence to any other honourable member from the other place.

You have to state what you believe. The point that I make is that my remarks are not personal. They go to the principle which is involved and, in addition to that, I will further explain. The Estimates Committees invite the Ministers to come before committees which are subsets of this House to examine in detail the proposed expenditure in the budget. From day one the Estimates Committees were conceived as being the same as the standing committees of the Parliament in the way in which they operated in that strangers could come before those committees to give information and evidence about that proposed expenditure. However, the second reading speech on the budget is not like that. It is the House in session.

The other point that I wish to make about this new ground we break is that it is not the same as inviting a dignitary from another democratic institution to address us, nor is it the same as assembling to hear the address by the Governor, which is an entirely separate and different role. That is not a debate. Neither of those functions to which I have just referred are debate. They do not propose a Bill; they do not result in an Act of Parliament; they do not in consequence make law. That is the difference that I see. It is for that reason that in recent time, when asked what was my view of the proposal to have the second reading speech of Ministers from one House delivered in the other House, I said that that was quite wrong. It is an abuse of the trust and the heritage that we have in this institution, which is not enjoyed by societies governed differently elsewhere in the world. I therefore urge caution in future when contemplating any such moves of this kind.

The last occasion upon which I tried to do that—and this is my final remark—I was gagged from so doing, because I believed that it was a mistake at the time to have prevented two duly elected members of this House from participating in the assembly of the members of both Houses in which we elected a replacement member for a vacant Upper House seat. Those two people were the member for Kavel and the member for what is now known as Finnis. However, I have made my point, I rest my case and I leave the House to decide in this instance that it wants to go this distance, but I state quite clearly that I am flatly opposed to Ministers' going to

the Chambers other than that to which they belong to deliver or participate in debate in those Chambers in the way that was originally countenanced.

Motion carried.

The Hon. G.A. INGERSON: I move:

That a message be sent to the Legislative Council requesting that the Treasurer (Hon. R.I. Lucas) be permitted to attend at the table of the House on Thursday 28 May 1998 for the purpose of giving a speech in relation to the Appropriation Bill.

Motion carried.

ELECTRICITY CORPORATIONS (RESTRUCTURING AND DISPOSAL) BILL

Adjourned debate on second reading.

(Continued from 26 May. Page 747.)

Ms KEY (Hanson): I have some concerns about the ETSA Bill, as it has colloquially been called. I understand that questions will be asked in Committee and that, hopefully, answers will be given on the details of the Bill; but there are some general principles I would like to address this afternoon. First, I have had a lot to do with the Electricity Trust of South Australia as a trade union organiser and I am quite concerned to note that, whereas in my early days of working with ETSA staff there were, for example in 1991, 5 186 employees, these days the successive corporations have only 2 470 staff, with those numbers decreasing all the time. In the context of the employment statement released yesterday, I have real concerns about what will happen to these workers. Not all the workers who, undoubtedly, will be retrenched or who will take separation packages will be of a retirement age. I am sure that they will be looking for further employment. I hope that the employment statement released yesterday will address people who, basically, will be voluntary retirees, who will probably not be eligible for the old age pension but who certainly will need further retraining and work.

I am also concerned because the South Australian Council of Social Services says that the income, employment and welfare figures show that South Australians are struggling financially much more than they were 10 years ago. It tells us from the work it has done—and also looking at the census figures—that in 1991 South Australia's individual yearly income per capita was \$16 000, or 92 per cent of the Australian figure of \$18 057. When you look at the census figures, you find that South Australia is always behind. SACOSS claims that 40 per cent of Australian households have an annual income below \$25 000, which is about 60 per cent of average weekly earnings. That means that most South Australian families are battlers. If we have the same re-run of increased electricity charges in the way that our water bills have increased, I am concerned that the poverty slide in South Australia will be exacerbated even more.

People will not be able to pay their electricity bills. Some people already have problems doing that now, and I am concerned in relation to job prospects for South Australians: it looks as though people will have little chance of being retrained and returning to the work force after they lose their job from the Electricity Trust or from the other corporations.

A lot of discussion has taken place about the benefits of public versus private ownership of our electricity provider. Obviously, my concern is that it stay in the public sector. I believe that examples in Britain have shown that not only have the tariffs risen by 28 per cent but also a number of people in that industry have lost their job. Despite the

reassurances of the Thatcher Government, the situation has not improved in the United Kingdom. If we look to New Zealand as an example, while not being fully privatised, the corporatised electricity industry in New Zealand operates largely on private sector principles and is not subject to any electricity sector specific regulation, apart from supply and safety standards. While the wholesale price of electricity has declined by 17 per cent in real terms, domestic costs have increased by 20 per cent in real terms over 10 years since corporatisation in 1977.

We then look to Victoria. Since the privatisation of the electricity industry in Victoria, there has been a doubling of the connection fee for domestic users from around \$16 to \$34. A range of services previously provided free of charge or at low cost have been subjected to large changes or large increases. Domestic electricity prices had increased by 10 per cent prior to privatisation and were frozen in July 1993. Since privatisation in 1995, electricity prices have shown no sign of declining. Recent evidence on water prices in South Australia following the outsourcing of Adelaide's metropolitan water and sewerage supply has reinforced consumer concern regarding price and privatisation. In this case, claimed savings of around 20 per cent during the period of outsourcing have not been passed onto customers. Since outsourcing of the service, in 1996 bills for average water use rose by 6.7 per cent. I obtained that figure from the *Advertiser*, nonetheless, of 27 April 1998. Not only is the Labor Party saying that water privatisation has demonstrated that prices will go up but even the *Advertiser* is starting to agree with us. It is a very unholy alliance, I admit, but certainly the point is made that those costs have increased.

I return very briefly to the SACOSS report. From its inquiries SACOSS tells us that one-third of rural families have an annual household income of a low \$16 000. I wonder what will happen to those rural families when not only their water bills increase but their electricity costs increase and the parcel of services for which they are looking becomes a real concern for them when they cannot afford to pay for power. A lot of comment was made last night by members about the rural industry, and I respect the position they are taking. The member for Schubert, for example, said that he would wait to see what the details and the assurances would be with regard to his constituents. Most rural members would probably be quite interested—whether they be Independent, Country Party or Liberal—to ensure that rural families do not miss out because we decide to sell off our power industry.

I have a number of concerns but, until I have seen the detail and until the Bill has gone through the Committee stage, it would be irrelevant for me to raise them. I will leave my comments at this stage and hope to speak at a later stage when we have more information.

Mr BROKENSHIRE (Mawson): I support the Bill. As will other members, I will be waiting for a little more detail on some aspects with respect to opportunities, I would trust, rather than liabilities to rural communities and so on. The fundamental principles of this Bill are absolutely essential to the well-being of each and every South Australian. Let us look at why this is the case. First, I point out that this is as a result of the Hilmer report—fact, absolute fact—the national competition policy, the national grid. It is all driven primarily by a now retired former Prime Minister, the Hon. Paul Keating. At the end of the day, whether or not we can turn around and say that a lot of things relating to the Hilmer report, the national grid, competition policy and so on were

good or bad for Australia—and it will probably be a decade or so before we will know—the fact is that Paul Keating, a Labor Prime Minister, initiated all this and locked the States into what is now happening.

If in 10 years it is found to have been for the good of the people of Australia, I will commend Paul Keating's visionary and forward thinking, but, in time, if certain aspects prove not to have been in the best interests of the people of Australia, when I have a chance, I will remind all the people of South Australia and Australia of who created the monster. I trust that the Labor Opposition would be honest enough to remind the people of who initiated it. What has happened to the Liberal Government in South Australia and the Federal Liberal Government, and what has happened through the agreements with the Council of Australian Governments—which again was all initiated during the period when Paul Keating was Prime Minister—is that we are locked into this situation if we are to avoid risks such as those of the late 1980s and early 1990s, which we can no longer handle in this State. We know what happened with the State Bank and SGIC, and it goes on and on. That is really where it is up to.

The fact is that we do not have the capacity to run the risk, as the Auditor-General has said. It is interesting that, when it suits members of the Opposition, they are very keen to highlight what Ken MacPherson, the Auditor-General, says about the state of the State of South Australia but, when it does not suit them, they just chuck it in the bin. This is a time—particularly if they have learnt at least one thing, that is, that we cannot afford to subject South Australians and particularly South Australia's future to the debacle that we are trying to get out of—when they would certainly read and listen seriously to what the Auditor-General has said—and not only what the Auditor-General has said but what Mr Armour and other people on the board of ETSA have said.

Why is it that Bob Carr, the Premier of New South Wales, has said to Labor members, 'If you do not let me sell the New South Wales ETSA, I definitely will not win the next election'? I do not think that the Hon. Bob Carr is the most personable person whom I have ever observed anywhere. He is not a very popular Premier in New South Wales and he is there by the skin of his teeth, but at least I have to congratulate him when it comes to his showing that he is putting the interests of New South Wales' people before ideology which is back in the 1950s and which relates to the Labor Party. Whilst I do not want to see Bob Carr in power after the next election in New South Wales, I hope that the swinging voters will consider Bob Carr's courage on this issue and realise that Bob Carr, who is first and foremost a leader of the State, is prepared to put the best interests of the State before the nonsense of the Labor Party, which, because it is working in the dark old ages, is irrelevant when it comes to the next millennium.

That is not the case with this particular Labor Party, and especially the Leader of the Opposition, the Hon. Mike Rann. The Leader went on in this place for a long time yesterday with nothing to do with the Bill but—as has been the case ever since this matter was advised to the House—carrying on about whether or not Minister Ingerson knew about a certain matter, which is totally irrelevant to the long-term future. I did not see Mike Rann stand up in the—

Mr KOUTSANTONIS: Mr Deputy Speaker, I rise on a point of order. The honourable member continually refers to members of this House by their Christian names and not their seat.

The DEPUTY SPEAKER: There is no point of order.

Mr BROKENSHIRE: I did not see the Leader of the Opposition, when he was a Cabinet Minister, come into this House and say, 'I think we actually do have trouble with the State Bank. I think we have made some mistakes and I think we are at risk.' Do members know what the Leader of the Opposition said instead? He said that Tim Marcus Clark was the greatest thing since sliced bread. That was all he had to say when it came to looking at the potential risks, which were clearly not only potential at that stage but real events in the demise of the South Australian economy. The issue of the workers concerns me, and I have raised it in the Party room. I appreciate the great work that ETSA workers have done for South Australia. It is a sad fact of life that there has been downsizing of ETSA for some time. That downsizing was occurring when the Labor Government was in office, under then Premier Lynn Arnold—not a bad guy, I might add. But the downsizing in ETSA started then because Lynn Arnold saw the writing on the wall. Unfortunately, ETSA had been milked as a cash cow even back then in the good times.

We all know that a lot of infrastructure urgently needs replacement by ETSA. I know that as well as anyone, having an important use factor for power and being until recently on the end of a power grid and knowing how vulnerable we were when we had power blackouts. No matter what the weather conditions and no matter what constraints they had to work within and are working within, ETSA employees have done a fantastic job and I want to congratulate them. It is a matter of concern to me that their jobs are secure. Under this Bill, I am advised that their jobs are secure until at least 2002, and there will be no forced redundancies.

Now that most of the downsizing of the staff of ETSA has occurred, it will obviously need a certain staff; you need a base number of staff to run a complex like ETSA. One would hope that whoever buys the ETSA Corporation will continue providing that employment. One would hope that there will actually be opportunities for growth. If it is run properly, and if the people of South Australia are not at risk, perhaps there will be an opportunity to use some of the experience and skill of South Australian employees in other areas. Recently I have noted a lot of private sector power companies advertising in the press in other States for new staff, so there is no reason to say that there may not be a net increase in jobs for these people.

With the budget to be introduced tomorrow, I refer here to SACOSS, whose report has been presented to the Government. What SACOSS has not actually addressed is the following scenario. I heard the Opposition member in the previous debate talk about her concerns if power costs increase for householders. That is very much a concern for me as well, particularly with a lot of people who are trying to pay off a mortgage, and so on, and who are battling enough as it is. The national grid is here: it is happening now. Already people are starting to negotiate to purchase power from other States.

What happens if there are inefficiencies in the way we generate our power—which are no fault of anyone involved with power generation but a result of this State's natural resources for generation of power not having an edge as they have in the Kosciuszko hydro power scheme or in areas where there is black coal, etc.? We know that we do not have those natural advantages, but I put to members opposite, particularly to the member for taxis, who should be showing some interest in this issue—

Mr KOUTSANTONIS: On a point of order, yet again the honourable member has breached Standing Orders and referred to members in this place by other than their correct title.

The DEPUTY SPEAKER: I uphold the point of order on this occasion. The member for Mawson will refer to the honourable member who has just taken his seat as the member for Peake.

Mr BROKENSHIRE: I will not call him the member for taxis: I will refer to him as the member for Peake.

The DEPUTY SPEAKER: Order!

Mr BROKENSHIRE: In the worst case scenario, if all the major companies and major players in South Australia happen to get a better deal to buy their power on the grid interstate, what will that do to the efficiencies and the cost of power to the residential component of ETSA sales? Clearly, that will push it through the roof. There is a big risk there that SACOSS has not actually thought about when opposing the counter argument. I have not heard this from the Opposition at all, but what are the alternatives? The Federal Labor Government implemented this strategy and direction some four or five years ago. State Governments are now locked in.

We are in office and an annual report has come down, coupled with evidence from the board of ETSA; we have the national competition advice coming to the State Government about adhering to that, and the potential trade-offs or lack of trade-offs with financial agreements; and on top of that we have the Auditor-General (Ken MacPherson) reporting about the risks. That is where we are at the moment. We are vulnerable, and we cannot afford to make another mistake; too many have been made. What are the alternatives?

The alternatives are that we go along the way we are going with rundown infrastructure in ETSA, with a real risk of up to \$2 billion of further debt being loaded against the 1.5 million people of this State and never being able to get rid of that core debt. The Achilles heel of South Australia—

Mr KOUTSANTONIS: On a point of order, the honourable member is indulging in tedious repetition of material already presented in the debate and I would ask you, Sir, to stop the honourable member from continuing in this vein.

The DEPUTY SPEAKER: In response to the member for Peake, I point out that it is up to each member of this House to make the contribution that that person believes to be appropriate. I suggest that in much of the debate that takes place here there is repetition, particularly in a piece of legislation such as this. It is to be expected that that should be the case, so I do not uphold the point of order.

Mr BROKENSHIRE: Thank you, Mr Deputy Speaker. I appreciate the member for Peake's trying to waste my precious 20 minutes. To get back to the debate, what are the alternatives when the Achilles heel of this State is a crippling debt of \$2 million a day? We have to get rid of that debt. We have to get the handcuffs off South Australia so that we can be a real competitor, not tinker at the edges and try to trade with the Upper House and people who do not have a vested interest in actually getting the rebuilding of this State going but only an interest in playing Party politics. Those are the facts of the matter.

The alternatives are actually zilch, because we are locked into a situation where we have no room to move other than the proposal put forward under this Bill. There is no alternative from the Opposition whatever. That is why the Leader of the Opposition, if you could sit down with him and honestly have a chat about it behind closed doors, probably would accept that this is a good move. It has been proven by

other States that it has been a good move. Not only can it eliminate risk but it can actually open up opportunities.

I want to see cheaper power for small business; I want to see cheaper power for big business; and I particularly want to see cheaper power and infrastructure improvement for residential areas. Over the past 30 years, far too many of those residential areas that were originally beach shack sites prior to the urban sprawl have not had decent infrastructure put into them in the way that today's new developments have. They ran spur lines out to shack areas and suddenly decided to put in developments without spending a dollar other than just basically tacking on that spur line. That is why many of those fringe areas, some of which are on the edge of my electorate, are having power blackouts more often than they should. Everyone in ETSA knows that, and every member of Parliament knows it.

Billions of dollars need to be spent in that direction, but we do not have that money, for the reasons that I have outlined. I know that it is a difficult decision for some, and I appreciate that they should be vigilant in looking at the Bill; but they need to be constructive. They do not need to be destructive and just adopt a blanket approach to what the Government is proposing. I hope that the commonsense and wisdom we have seen with Bob Carr as the Labor Premier in New South Wales will prevail in the Upper House with the Democrats. I appreciate that the Hon. Sandra Kanck has done a lot of *bona fide* homework on this matter. I hope that she will look at all the consequences and I trust that all members in this House will do the same.

I have crossed the floor in this Parliament before, just like Normie Foster with Roxby Downs, which is now a real opportunity for South Australians, where we are seeing about \$1.6 billion of further investment. He had the intestinal fortitude to put the people of South Australia before Party politics. I hope that there will be people on the other side who realise that this is the option—people who are quietly saying so in the corridors—

Mr Koutsantonis: Who?

Mr BROKENSHIRE: I will not name them, because that would be unfair. But I hope that those who know that we have to do this will consider crossing the floor and voting with the Government. When you get out into the community—apart from the propaganda that the Labor Party is trying to push—the thinking people realise that we have to take the shackles off this State; they realise that you cannot tinker at the edges and that, at the end of the day, you have to be able to balance your payments on a weekly basis. They realise that you cannot spend more than you earn, that you have to do the maintenance on your own home and property and that you have to be able to sustain the care and the provision of that asset that you have developed for your family. That is exactly the same as we are doing, but on a bigger scale as a Government. That is why the thinking people of South Australia are not opposed to the sale, provided that the checks and balances are in place. Those checks and balances will be put in place, and I wish to highlight a few of the benefits and safeguards.

An industry regulator will ensure that unfair pricing will not occur—and that is something that concerned me. The Government is putting in an industry regulator to ensure that there is fairness and that performance and service levels also will be monitored to protect customer interests. Prices below the level of inflation have been guaranteed by the Government until 2002. Competition over time will further drive down prices—and that is being experienced already. ETSA

currently has the highest cost of delivery of any electricity supplier in Australia, and I have highlighted the reasons why. Country customers will, and must, benefit from the same maximum uniform tariffs as city customers, and customer concessions have to be—and will be, I was assured when I inquired—retained for those people who need the concessions.

I will again outline the risks. According to the Auditor-General—and I challenge those on the other side to say that the Auditor-General is wrong—the competitive risks are estimated to be up to \$2 billion. The private sector is more expert and experienced in managing those risks, and that fact has been proven, because we saw what a mess things were in when the Labor Party tried to run a business, and we know how difficult that mess is to fix. There is a further risk of \$1 billion in Federal funding under the national competition payments, if the National Competition Council judges that the State is less than fully competitive (that involves \$3 billion) and a possible decline in the value of the assets when the national electricity market is fully developed, which is estimated to be up to 50 per cent of their current value. The facts are clearly there.

Members of the Labor Party asked: 'What would Sir Thomas Playford do?' I believe that he would put this Bill through, because Sir Thomas Playford was forward-thinking and forward-looking. He was not working on policies that were developed back in the dim Dark Ages, and at the time he saw the need for a statewide grid—and full credit to him for putting that forward. It is there now; it was put in place by a Liberal Government, and all South Australians are benefiting as a result. But the ball game has changed, the rules have changed, the risks have changed and the opportunities have changed.

I say to you, Mr Deputy Speaker, and I say to anyone who would be a leader and who would wish to provide the direction and opportunity for South Australia and Australia generally to look forward and to work in our best interests and not look back into the dim Dark Ages with a socialistic attitude to everything—unlike the member for Lee, who does not understand that we are heading into a new millennium with new changes, leaving a situation primarily brought about by the former Federal Labor Government which the member for Lee supported. It will be on his head if this Bill does not get through and we end up in more trouble.

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

Mr KOUTSANTONIS (Peake): We have just heard the most absurd reasoning for the sale of our electricity corporation.

An honourable member: The member for cows.

Mr KOUTSANTONIS: No, I will not sink to his level. I will not attack individual members of Parliament. The member for Mawson was talking about the sale of ETSA and discussing the Labor Party's opposition to that sale. He seems to think that the main thrust of our attack is who knew what—and when. When did the Premier know, and when did the Deputy Premier know? We are all aware that the member for Mawson did not know, because they would not have told him; they would have kept it to themselves.

An honourable member: He wouldn't know.

Mr KOUTSANTONIS: They would not have told him; that is right.

Members interjecting:

Mr KOUTSANTONIS: If he could have counted the numbers in his own Party—

An honourable member interjecting:

Mr KOUTSANTONIS: In Public Works he might have known but, fortunately, we have a much better Chair of the Public Works Committee in the member for Hammond—a good independent Chair.

Mr BROKENSHERE: Sir, I rise on a point of order with respect to relevance to the debate.

The DEPUTY SPEAKER: There is no point of order, but I ask all members on both sides of the House, when they are addressing a particular piece of legislation, to recognise what the legislation is about and speak to the points that are made in that legislation.

Mr KOUTSANTONIS: Thank you for your protection, Mr Deputy Speaker. Before the last State election the Labor Party, especially our Leader, the member for Ramsay, was talking about how South Australia could compete, not only internationally but with other States; that together we could do things better than the rest of the world. He used the Crows as an example of the way in which together we could beat the Eastern States; we could defeat them at their own game. As the member for Mawson mentioned in his speech, since the State Bank disaster South Australia has had this pack on its back about how we cannot compete with interstate companies or with other Governments, etc. The Government has reinforced that issue as much as it can over the past four years to try to remind people of the State Bank. Rather than trying to lift our spirits and move forwards, over the past four years it has consistently brought to the attention of the public the State Bank disaster. We all realise that it was a disaster and that it has hurt the State, but the Labor Party and I believe that we can run ETSA, that we can compete with interstate operatives, with New South Wales and Victoria, and that we can do it better than they.

Mr Brokenshere: Tell us how!

Mr KOUTSANTONIS: I do not doubt the ability of South Australian workers and executives to take it to the Victorians, to the Western Australians or to the people of New South Wales.

Mr Brokenshere interjecting:

Mr KOUTSANTONIS: The member for Mawson says, 'Tell us some facts.' The fact is that the Government gives us no facts, in terms of its sale. The Government is telling us that we need to sell ETSA to cover the \$2 million a day debt. Yet, in the Government's own legislation, it does not guarantee that the proceeds from the sale of ETSA will go towards writing off debt. There is a clause whereby the Treasurer can put that money into consolidated revenue. We all know why they want to do that—because the Government has to pork barrel in seats such as Mawson to cover the incompetence of members in southern suburbs who are going to lose their seats, in order to hold onto Government. It is quite obvious why the Government wants to sell ETSA: it is to pork barrel. It is the most obscene reason to sell such a great public asset as ETSA to protect the likes of the member for Mawson.

But, fortunately for South Australia, we have drawn a line in the sand. We will defend our public assets. We will say 'No' to further politicisation. We say that we can do it better than interstate. We can compete; we can run ETSA. If the Liberal Party cannot, step aside and let us do it. We are more than ready to jump into the fray and take over the running of the State and compete with other States and internationally. But, of course, the member for Mawson doubts the ability of

South Australians to compete. He doubts the ability of South Australians, not only in the field of electricity but probably in the field of farming and wine growing as well.

I am surprised that a member who claims to have wine-growing regions in his electorate would say that South Australians cannot compete on national and overseas markets. We have shown that South Australians can do it better than everyone else, and if it were not for the likes of the Premier and his Cabinet and the member for Mawson winding this State down, we could be running things a lot better. But the Government went to the last election promising the keep ETSA in South Australian Government hands—and I am sure the member for Mawson distributed literature in his electorate promising to oppose the sale of ETSA.

Mr Brokenshere interjecting:

Mr KOUTSANTONIS: Are you saying that you did not? Of course you did. It was not only the member for Mawson. The member for Stuart, the member for Davenport and the member for Coles all put out propaganda promising that this Liberal Government would not sell ETSA. They said that ETSA would remain in Government hands. Listen to them now, Mr Deputy Speaker. They are saying, 'On the road to Damascus we saw a blinding light. We have to sell ETSA because the Auditor-General says so.' The fact is that this Government planned for a long time to sell ETSA, but it did not have the courage to take it to the South Australian people because it knew what would happen. Government members knew that they would be sitting on this side of the Chamber. The member for Mawson would not even be here.

Mr Brokenshere: You want to make a bet?

Mr KOUTSANTONIS: The member for Mawson wants to make a bet.

Mr Clarke: What a loss that would be!

Mr KOUTSANTONIS: It would set the State back decades if we lost the member for Mawson! I have a very bad throat infection, Mr Deputy Speaker, and I am trying to cope with the interjections of members opposite, but I will soldier on. When the Government went into the election campaign it was scared. They wrapped the Premier in cotton wool and would not let him debate the issues. When he did try to debate the issues on Channel 9, he was comprehensively floored. It was embarrassing—almost as embarrassing as the member for Coles' performance in Question Time today, but not quite.

Mr Clarke interjecting:

Mr KOUTSANTONIS: No, but the debate lasted longer, I think. It was about an hour. The Premier did not have the courage to say it, even though he was asked directly by Ray Martin on the Channel 9 debate whether ETSA would be put up for sale after the election. I think that the words the Premier used were 'Read my lips.'

Mr Brokenshere: That was Bob Hawke.

Mr KOUTSANTONIS: Actually, it was George Bush, not that the honourable member would know. The Premier said that he would never sell ETSA. The member for Stuart put out propaganda saying that of course that was not true, that it was just another Labor lie. That is what they said. They said, 'We will never sell ETSA. ETSA is far too valuable an asset to sell. It brings in millions and millions of dollars.'

Mr Wright: The Premier has come back in. He is going to change his mind.

Mr KOUTSANTONIS: He has changed his mind. He has seen the light. The Premier is not all that bad.

Members interjecting:

The DEPUTY SPEAKER: Order!

Mr KOUTSANTONIS: The Premier is not that bad. He barracks for West Adelaide, so he cannot be that bad.

Mr Clarke: They are a bunch of losers.

Mr KOUTSANTONIS: Now, now! It was a great victory when we defeated Sturt. It was my first grand final. But let us get back to more important issues. I refer to the Government's hypocrisy in going into an election campaign and deceiving the people of South Australia by not having the courage to say, 'Yes, we think that selling ETSA is the right thing to do. We think that selling ETSA will remove risk from the taxpayer and avoid a State Bank-like disaster.' Did they do that? No, they hid. In their polling they saw the Labor Party catching up, because people in South Australia are sick and tired of Governments selling their assets.

Mr Brokenshire interjecting:

Mr KOUTSANTONIS: As the Leader of the Opposition said, ETSA is not yours to sell. You have no mandate to sell ETSA. You did not have the courage then to debate it and you do not have the courage now to debate it. You will not have a debate with the Leader of the Opposition on the sale of ETSA. It shows the cowardice of this Government.

Mr Brokenshire: We are too busy doing real things.

Mr KOUTSANTONIS: The member for Mawson says that they are too busy doing real things—like deceiving the people of South Australia rather than being honest with them, rather than saying 'We believe that selling ETSA is right.' Bob Carr has been mentioned many times by the Premier and his Cabinet. He thinks it is the right thing to do for New South Wales to sell its electricity utility. The surprise is that Bob Carr has said that he will not treat the electorate with contempt or like idiots, and that he will take the issue to an election campaign. He will say, 'I want to privatise the electricity corporation in New South Wales. What do you think?' He has the courage of his convictions, unlike this Government which does not have the courage.

Let us get down to the shady deals, the deception and the lies before the State campaign about who knew what and when. We have heard that the member for Coles, the member for Bragg and the member for Kavel conspired before the election campaign to sell ETSA.

The Hon. G.M. Gunn interjecting:

Mr KOUTSANTONIS: The member for Stuart pipes up after his abysmal effort yesterday, showing that he does not have the courage to be a decent human being and repeat his remarks outside, but that is another issue.

ETSA is probably this State's greatest asset, and it is an example to the rest of the country how South Australians can do things better. We can show that we can compete internationally, that we can compete across the border and that we can do it better. We can sell electricity to other States. Only yesterday page 30 of the *Advertiser* reported a deal that ETSA has stitched up to supply electricity across the border, doing it better and outbidding interstate power generators. Yet the member for Mawson and the member for Stuart think we cannot do it, that we cannot compete, that we are not good enough. I think that we are.

Not only can we do it better but we can be that light on the hill for the rest of the country. We can set the example, just as Rob Borbidge is trying to set an example in Queensland. He has faith in Queenslanders. He says, 'We can do it and we can do it better. We will not privatise our electricity corporation. We will keep it in public ownership.' But this Government does not have the same faith or conviction in its people. Members opposite think that we cannot do it but, as I have said, we are more than happy to take over the reins of

Government anytime. I am sure that, if the Premier was constitutionally allowed to call an election tomorrow—

Mr Clarke interjecting:

Mr KOUTSANTONIS: He would be mad, yes, but the people of South Australia would give their verdict, especially on members like the member for Stuart who scraped in by the skin of his teeth.

Mr Clarke: Not next time.

Mr KOUTSANTONIS: He will not run next time. There will not be a next time for the member for Stuart. This is his last hurrah, as it is for the member for Colton.

Mr Clarke interjecting:

Mr KOUTSANTONIS: That's right. You have been here too long. It is amazing to see the performance of the member for Stuart, given that he has been in this place for 27 years. It is very disappointing. The learning curve is very small.

The Hon. G.M. Gunn interjecting:

Mr KOUTSANTONIS: Here we go! The member for Stuart speaks; he opens his mouth again. Of course, he was one member of Parliament who, before the election campaign, fought hard to save ETSA. He campaigned that it was just another socialist lie, that the Labor Party was lying about what the Government was trying to do, that ETSA is far too important. He even had the Premier visit his electorate to reassure workers that the Government would not sell ETSA because it is far too valuable.

Mr Clarke interjecting:

Mr KOUTSANTONIS: The member for Ross Smith tells me that he visited the member for Stuart's electorate three times. Three times he told open-faced lies to his electorate to let them think that he is serving their interests. We all know that the member for Stuart is here to serve only one person's interests—his own.

The Hon. G.M. GUNN: I rise on a point of order, Mr Deputy Speaker. The member for Peake is imputing improper motives to me and other members and I ask that they be withdrawn.

The DEPUTY SPEAKER: I uphold the point of order in that the term 'lie' is inappropriate in this Parliament and I ask the member for Peake to withdraw.

Mr KOUTSANTONIS: I withdraw, Sir. The member for Stuart led his constituents to believe that he would oppose the sale of ETSA, that he would fight strenuously in this place, that he would argue in Cabinet. He was the Speaker of the House of Assembly, so he had influence in Cabinet. He had a direct line to the Premier. He could speak to the Premier on their behalf and save ETSA, save their local jobs, but we have seen a backflip from the member for Stuart as we have seen from other members.

Mr Brokenshire: Your Leader is the master of backflips.

Mr KOUTSANTONIS: Here we go! He has only 3½ years to go! The Leader of the Opposition has given the people of South Australia a commitment. He had the courage to go into the election campaign and say, 'We oppose the sale of ETSA.' He then set out the reasons why we oppose the sale of ETSA.

We believe that ETSA pours money into health, education and our Police Force. It pours money into infrastructure which this Government has been slashing for the past four years and which it continues to slash. In its history ETSA has never needed a capital injection from the Government—not once.

Mr Brokenshire interjecting:

Mr KOUTSANTONIS: The member for Mawson claims that I believe that we are living in Utopia. I do not. I have

seen the decay that this Government has caused over the past four years. I have seen the hurt and pain it has caused. The sale of ETSA is symptomatic of the destruction of this great State. First, we heard promises from the then Infrastructure Minister in respect of the sale of our water corporation. He promised reductions in the cost of water, that it would be run more efficiently, and that SA Water would be 100 per cent South Australian owned. Of course, we now know that it is completely foreign owned.

The cost of water has increased 25 per cent. In the driest State in the driest country in the world, the price of our water has increased 25 per cent. That is another broken promise by the Premier. In terms of mismanagement, we all remember the big pong—the stink that was caused as a result of running down SA Water's infrastructure. I hope it does not happen but, if an Auckland-type situation occurs in South Australia, I wonder what the member for Mawson will say. I wonder what he will say to those small businesses he claims that he wants to protect. What will he say to them? As we know private companies do not spend as much on infrastructure as do Governments. They do not regularly maintain their facilities.

SA Water has shown that it is incompetent in respect of managing our water supplies. Will this happen with respect to our electricity supplies? Will we have a guarantee? Is there a guarantee that we can protect our electricity supply? My major concern relates to what the Government will do with the proceeds from the sale of ETSA. What will it do?

Mr Brokenshire: Pay off our debt.

Mr KOUTSANTONIS: The member for Mawson says that it will pay our debt, but his own Treasurer says that he cannot and will not guarantee that the entire proceeds from the sale of ETSA will be used to pay off debt. He wants it to go to consolidated revenue. Why? To pork-barrel in the seats of Colton, Mawson and Stuart because those members need all the pork-barrelling they can get. They need all the protection they can get. I went into the election campaign promising that I would fight for my constituents and that I would not back down and, if necessary, I will fight all the way. I distributed a pamphlet in which I promised that I would not support the sale of ETSA.

I stand in this place today reassuring the people whom I represent that I will not back down from that commitment. Unlike members opposite, I will not back down from my promise. I will stand, fight and draw a line in the sand: no more privatisation in South Australia.

Mr MEIER (Goyder): I support the Bill. It has been very disappointing to hear Opposition contributions about why we should not sell ETSA. The Opposition got us into this situation for a couple of reasons: first, it is responsible for this State's current debt situation; and, secondly, it allowed ETSA to sign the national electricity grid agreement. As a South Australian electricity generating company ETSA must be as competitive as any other electricity generating company in the country. I am sure that we are proud to undertake that task and we will achieve it, but we need to be fully aware of the possible pitfalls.

Discussion has taken place to determine the best option for selling ETSA. The options include a long-term lease, a trade sale, or a public float. As a result of that discussion it is quite clear that the long-term lease option would most likely favour an Australian buyer, a trade sale would probably advantage a foreign buyer, and a public float would probably mean selling ETSA at a discounted price. We cannot foretell what

the best option is. We must determine why we want to sell ETSA and Optima. Without doubt it is the unknowns—and the Premier alluded to this in Question Time today—in the new scene as it relates to the marketing of electricity at the national level.

We heard that the price for one megawatt hour of electricity can vary from approximately \$12 to as high as \$4 000—a massive variation. People ask how that variation can occur. The low price occurs when virtually no electricity is being used, that is, between the hours of 2 a.m. and 4 a.m. at certain times of the week when virtually no industry is operating. The high price can occur, and again the Premier alluded to this today, during a heatwave when electricity is at a premium, every one is screaming out for more electricity, and the electricity generating companies can literally ask any price.

The price of \$4 000 is factual, but estimates indicate that \$6 000 would not be an unrealistic price for one megawatt hour of electricity. If we have such a volatile product, why should the Government not continue to hang on to ETSA? Why should we not take advantage of the market situation and say, 'All right, we can sell our electricity up to \$4 000 per megawatt hour. Let us make sure that we do not sell it at \$12 per megawatt hour. Let us maximise our return.' That argument holds a lot of weight in that we could make big profits from ETSA. How would we do that?

I suggest that a top person would need to manage ETSA—a top person who is able to manipulate the computer and who can ensure that we are selling it at the right price at the right time. It is probably a little like a person who knows exactly how to work the share market and when to buy and when to sell. That type of person could be hard to find but, some years ago, South Australia needed to find a special person when the banking industry was deregulated. Our State Bank wanted to employ a top person to ensure that our bank was the most competitive in the country and that we would maximise our returns from that bank. Who did we choose on that occasion? Who was the guru we sought out? The guru was none other than Tim Marcus Clark. He came here with top credentials.

Mr Brokenshire: He was Rann's mate.

Mr MEIER: Yes, he was a mate of Rann's. Rann praised him up. Marcus Clark had all the credentials. He could make the State Bank work better than anyone in this country. The State Bank was going to make big money for South Australia. South Australia was not going to be the poor State. The bank would be one of the key players. Of course, we all know what happened.

Mr Scalzi: You can't bank on Labor.

Mr MEIER: You could not bank on Labor and you could not bank on Tim Marcus Clark. He said that he had the answers and, while I was present on two or three occasions when he said what he and the bank intended to do, it all fell into a great big hole, and South Australia suffered. If the argument with ETSA is that we have this massive variation in selling a megawatt hour of electricity from \$12 to \$4 000, the only way we as a State Government could hope to run that would be to have some fantastic guru oversee it.

Mr Brokenshire interjecting:

Mr MEIER: And I certainly will not be putting up my hand for that job. But what happens if the State Government hires someone with credentials similar to those of Tim Marcus Clark and it all falls in a big hole so that, instead of making the millions of dollars per year, as had been the case with State Bank, we suddenly start to lose not millions but billions? This Parliament would have to apologise to the

people of South Australia but, worse still, we would have to start the fix-up program all over again. I say to all members in this Parliament: please note the risk. Please note that, yes, big money could be made but, at the same time, massive losses could be made. That is one side of the argument.

The other aspect is that we are tied to the national electricity grid and to the national competition policy. The rules are such that, if we are not seen to be competing on a so-called level playing field, we are subject to penalties, which over a 10 year period can be in excess of \$1 billion. So, there would be a massive penalty to this State if we were not running the ETSA Corporation as it should be run from a competitive point of view. Do members want to put our taxpayers at that risk again? Many members opposite are saying, 'Yes, why not take the risk.' I say 'No.' We as a Government do not have to take these risks. The private sector can manage it and it seems able to make these utilities work very efficiently and invariably to make some money out of them as well.

Mr Koutsantonis interjecting:

Mr MEIER: SA Water is a good example. What has happened there? Rather than its costing the taxpayer huge subsidies every year, last year we saw a \$10 million profit. In addition, it gained \$26 million worth of overseas contracts. That is fantastic. For the first time, we are not taking money from the taxpayers to prop up and subsidise SA Water. That is exactly what we do not want to see happen with ETSA. So that is a very good example cited by the honourable member opposite.

There is more to this economic story. No-one knows what ETSA will bring on the open marketplace. Its value will depend on how soon we can sell it because, if New South Wales puts its utility up for sale before we do, the value of our utility will decrease; and if Tasmania does likewise, the value of ours will decrease. So, let us put it up for sale as soon as possible. Let us assume we could get \$4 billion for it. The \$4 billion could be used outright to pay off more of our State debt, which at present is about \$7.5 billion. If we took \$4 billion from our State debt, we would have only \$3.5 billion worth of debt left. That would be much more manageable.

If we worked on an average interest rate of 10 per cent—although they have been as high as 18 per cent, whilst some farmers were paying 25 per cent, and we have seen them come down to as low as 6 or 7 per cent—the interest on \$4 billion would be \$400 million. Thus we would be paying \$400 million every year just to service the debt at 10 per cent interest: if we could pay off \$4 billion worth of debt, we would be saving \$400 million a year—a massive saving. In other words, we would have \$400 million more that we could spend on services for the people of South Australia. We could spend that money on services such as health, education, police and so on. How wonderful to have an extra \$400 million each year that we could spend on services in South Australia to help the people.

'But', I hear you say, 'what about the profits that ETSA is currently returning to the State?' I acknowledge that in the past profits have been up to \$200 million. If we assumed the best possible scenario, paying off the \$400 million, we would be up by only \$200 million, but that is still a huge amount in comparison with the present situation. We would have an extra \$200 million a year to spend on services. I could spend all of that \$200 million on roads and services in my electorate immediately without any question. My capital works list probably totals \$200 million. It is needed, and I could spend

it tomorrow, but certainly in this financial year. It is a shame that the budget will not be able to include that. Whilst I am hopeful for something, I am not hopeful for \$200 million: I am a realist.

So we would be up by \$200 million on current figures. That is what members have to appreciate. That was the best case scenario. I could also look at the worst case scenario. The break-even scenario is that ETSA does not make a profit: it has a balanced budget and does not contribute anything. We would be \$400 million better off per year than we were, after paying off the debt. However, looking at the worst case scenario, if it lost \$200 million in a year, we would actually be \$600 million better off. But what if it should reach the stage that we have said is possible, namely, a \$1 billion loss, then this State would be \$1.4 billion better off.

They are the hard facts. That is the reality of what we in this State are facing. I am bitterly disappointed that the Opposition seems to be playing political games. Behind the scenes, members opposite know that the sale is the best thing for this State. They only have to look to what New South Wales is doing and they will know that it is in the best interests—

Members interjecting:

Mr MEIER: New Zealand electricity is owned by the Government, and look at the problems it ran into.

Members interjecting:

Mr MEIER: I do not want to be sidetracked.

Members interjecting:

The DEPUTY SPEAKER: Order! The member for Goyder has the floor.

Mr MEIER: It is extremely disappointing that members of the Labor Party are so selective in the facts they put forward. They are not prepared to acknowledge that it is a corporate body in New Zealand, just as it is a corporate body here with Government ownership. The New Zealand situation is a good example. The Government runs the electricity utility, so why not look to the private sector. We get efficiency in the private sector. Members opposite should know that and acknowledge it. That is why your other Labor Governments throughout the country are saying 'Sell', because they cannot run it efficiently.

I direct members' attention to the case of Sagasco, which the Labor Party politically said it did not want to sell. An election was held, Labor got into government and sold it. Members opposite have been two faced on the privatisation sector, without any question. It really troubles me. That is the one negative aspect of our parliamentary democracy system: the Opposition will simply go out of its way to try to create political mischief for the Government in the hope that it can capitalise before the next election. The minute it got into power, it would sell ETSA straight away. It would be the first thing the Opposition did, and it would use excuses.

I implore the Opposition to reconsider this matter. I believe that the facts and figures I have given today clearly show that South Australia will benefit, having a minimum of \$200 million extra per year to spend through to the ultimate of \$1.4 billion extra per year, if the worst case scenario happens. If you do not want South Australia to benefit, keep on your old hat line, because you will make sure that we do not progress as we on this side of the House would like to progress. We have worked hard on it, and it will result without any question at all in a situation that will be for the betterment of South Australia.

The other thing that the Labor Party forgets and does not realise is the fact that electricity re-selling is changing as fast

as is the computer world. Literally, it is a changing situation daily. Many different companies are getting involved in the selling of electricity. I have been informed that even companies such as Woolworths and Telstra are considering taking on retail licensing to supply electricity. That is something completely foreign to me. I do not even know how it will work in the future; but it is on the cards and it is occurring interstate already. Please, be realistic and accept that we are now in 1998 and that we are not far from the year 2000.

Particularly disappointing was that the Leader of the Opposition said yesterday words to the effect that he will no longer attend briefings. He made that very clear yesterday in his speech. The reason was that, apparently, the Treasurer had made some statement after a briefing that had upset the Leader of the Opposition. I do not know how members opposite get on with the Leader of the Opposition. He must be a very hard person to live with if he cries foul after a briefing because the Treasurer happens to make a statement—but I will not go into that. I distinctly remember—and the Leader of the Opposition brought up the situation of the debate at the last election—one unequivocal commitment that the Leader gave, namely, that he wanted to work hand-in-glove with this Government.

This Government has gone out of its way to provide briefings and the opportunity to know exactly what is the true situation. What is the Leader of the Opposition's attitude towards this? His attitude is, 'I will no longer attend briefings.' In other words, he is taking his bat and ball and walking out. It is an absolute disgrace and it makes a lie of what he said during the debate prior to the last election. I hope that members opposite remind their Leader of the commitment he gave prior to the last election and how he has broken it. It is a further tragedy for the future prosperity and benefit of this State.

Without question, the sale of ETSA will provide enormous benefits to this State. I am quite happy with the assurances given to country users of electricity that our concessions will continue. That has nothing to do with ETSA: it has everything to do with the Government. We have given that commitment already. Likewise, if you look at other examples where power distribution occurs, I believe that country residents will not be penalised but, in fact, will get better service because of greater efficiencies. I ask the Opposition to reconsider its point of view and to support a Bill that will be of great benefit to the State of South Australia.

Mr HILL (Kaurana): I am very pleased to rise to oppose this piece of legislation. A number of reasons have already been given in the House as to why the legislation should not be passed, but I want to talk about something very important to me, namely, a point that the very intelligent member for Peake raised in the last few minutes of his contribution when he referred to credibility. In the lead up to the last State election—and I was the State Secretary of the Labor Party and partly involved in the preparation of our platform, campaign strategy and briefings—the whole box and dice—one of the things that we as the Labor Party decided, based on our forums, research, discussion and all our knowledge, was that we should be opposed to the sale of ETSA.

We made a pledge to the people of South Australia several months before the last State election that there were a number of fundamental instrumentalities—health, education, water and power—that we did not believe should be privatised. We came out in front of all the people of South Australia; we put leaflets in most letterboxes; we sent direct mail to people; we

did television advertising during the election campaign; and we repeated time and again that we would not sell ETSA and that we were opposed to the sell-off of the fundamentals. We said time and again that ETSA, water, health and education would not be privatised. Why did we say that? First, it was our policy. It was something which we believed in. We had discussed it over a long period of time, and we discussed it most recently at our convention the year before last.

The second reason we kept repeating it was that we knew it was striking a popular cord with the people of South Australia. We knew that the people of South Australia did not want to sell ETSA. I am really pleased that the member for Hartley is looking at me with such an interesting expression on his face, because he knows that the people who live in Hartley do not want to see ETSA privatised. The honourable member knows that that was one of their concerns prior to the last election. The third reason we promoted our position on the non-sale of ETSA was that we were trying to flush out the Liberal Party and the Government over its position on the privatisation of ETSA. We tried time and again. The Leader of the Opposition appeared on television and was reported in the press many times saying, 'If they are elected, they will sell ETSA. That is what they want to do; that is what they have been planning for; and that is what they have been trying to get up. If they get elected again, that is what they will do.' The Government said, 'No, that is not true; we do not want to sell ETSA.' The Government denied it time and again.

To me, the first and most fundamental reason for opposing this piece of legislation is my credibility. I said to the electors of Kaurana time and again that, if Labor was in power, it would not privatise ETSA. The Liberals said the same thing. All of us in this Chamber said the same thing. None of us got up and said, 'We will sell ETSA.' What a huge backflip it would be, just a few months after the election, to get up in this Parliament and say, 'We will sell ETSA.' This is not a Mickey Mouse thing or a small change of mind: we are talking about something worth between \$4 billion and \$7 billion. That would be the most monumental backflip in the history of this place. I do not want to be associated with that. That is why I am very pleased to stand in this place and to say that I am opposed to the sale of ETSA.

Over the period of the election campaign the Government made a number of claims about its position. I would like to put one on the record. I know it has probably been referred to before, but in the *Advertiser* of 21 September 1997 John Olsen was quoted as saying:

I have consistently said there will be no privatisation, and that position remains.

Why did he say that? Why did he go against what he really believes? The reason is that he knew he would have lost votes. If he had had an inkling that the result would be as close as it was—1½ per cent between the two Parties getting a majority—and if he had known that the polling showed that, he would have been afraid of losing power. I know that every member of this place would agree that if John Olsen had honestly entered the election campaign saying, 'I will sell ETSA', he would have lost the election. The reason he knows that is his experiences in 1985 when he launched the biggest privatisation campaign that we have seen in this State. At least in 1985 he was honest, and he knows what happened. There was a very big swing to the Labor Party in 1985, because the simple fact is that the people of South Australia do not like and do not want privatisation.

Let me put on the record a couple of quotes from the then Leader of the Opposition in 1985. I was not planning to refer to 1985, except that the Premier referred to it yesterday. So, I thought I would check the record to see what he said in 1985. In his election speech in 1985 (*Advertiser*, 20 November 1985, page 22) the then Leader of the Opposition, John Olsen, put on the record the reasons why he wanted to privatise. It is an ideological thing. It is not about risk or debt: it is about ideology and what the man believes. He believes now what he believed in 1985. The article states:

'My party's philosophy is centred in a belief in the preeminent role of the individual. My political opponent's philosophy is founded in the central role of Government.' Mr Olsen said selective privatisation offered a clear difference in approach to the business of Government. 'It's a bold and overdue way of increasing efficiency and reducing the tax burden of individuals. . .'

That is fair enough, he has an ideology. He believed it in 1985. You cannot tell me that he changed his mind between then and the election campaign last year, and then three or four months later he changed his mind back again to selling it: it just is not credible. As I said, the main issue is credibility and he has none.

The other thing which he said in 1985 and which I found was fascinating when I read it today—because my memory was a little inaccurate—was that he did not argue the full privatisation of ETSA in 1985, only the partial privatisation. Again on page 22 of the *Advertiser* of 20 November 1985 Mr Olsen said:

A Liberal Government would give the private sector the right to tender, build and operate SA's next power station. This would limit the impact of future tariff increases and provide competition for ETSA in relation to their power generation activities.

Under the Liberal proposal, a joint ETSA-private sector venture, or a private sector operator alone, if more competitive, would provide power to the State's electricity grid system which ETSA would continue to operate.

That is a partial privatisation, but the interesting thing is that what he was contemplating was competition. Clearly, that would have put ETSA and its generating capacity at risk. The same sort of argument of which he was in favour then he is now opposing. It would have put ETSA at risk if it had been open to competition in 1985. Did he say then, 'This is too great a risk, we should not be doing it'? No, not at all.

Moving on now, I would like to distinguish a couple of points. In his pathetic attempts yesterday to try to drag in the past history of the Labor Party over a number of issues, the Premier referred to three items: first, Roxby; secondly, SAGASCO; and thirdly, the New South Wales Government's plans to privatise its power system. In the case of Roxby, there is a clear distinction. It was a vote of a maverick member of the Labor Party in the Upper House that enabled the legislation to be passed before the 1982 election. We went to the people in 1982 saying, 'We will not change that.' We were on the record before the election that we would allow it. There was no backflip after an election. There were no false promises. There was no credibility gap. Reality had changed; we changed. It is clearly distinguishable.

The second item is SAGASCO. I must agree that in 1985 the then Leader of the Opposition (now Premier) did argue for the sale of SAGASCO and we opposed it. It is true that after the 1989 election the then Bannon Government agreed to sell the State's shares in SAGASCO. It is true: it was a backflip. I acknowledge that. I do not agree with it—

Mr Clarke interjecting:

Mr HILL: As the member for Ross Smith said, 'It was a privately owned company', but it was also the scale of it.

The shares were worth \$50 million. In the case of ETSA we are talking about something which is worth \$5 billion. That is a huge backflip. You cannot say that some decision made by a former Labor Government some years ago about something which is worth roughly a hundredth of the value is equivalent to this backflip over ETSA. That just does not wash. In relation to New South Wales, the Premier of that State is open about his support for privatising the electricity system. That is fair enough, but he is doing it before an election. He is not trying to sneak it in after an election. He is being honourable and he is showing credibility, which is something that this Government is not able to do, especially on this issue.

Clearly, the arguments that the Premier has used are completely without substance. They are fatuous arguments. If the Premier is being honourable, fair dinkum and he truly believes that we have to privatise ETSA, that that is the only way this State can be saved, then the honourable thing for him to do is to call an election. He should go to the people and argue his case before the people of this State, because before the last election all of us said, 'We will not sell ETSA.' If he wants to change his mind he should include the people of this State and give them an opportunity. He may not want an election. Let him hold a referendum on it, I do not mind, but let the people be involved.

I can tell members what his response will be. He will not have a bar of it because he knows the people do not want it. They did not want it before the election last year and they will not want it now. It will not matter how many consultants he pays or how much money he pays them; he will not change the mind of the people of this State, because they are opposed to the sale of ETSA. They are opposed to the sale of public assets and, particularly in South Australia, the reason is their experience with the limited privatisation of SA Water. People were absolutely hoodwinked by the Government about the benefits that would be brought to them by the transfer of the management of SA Water to United Water. It was supposed to be lower prices, better service and more jobs. It was the opposite of all those: higher prices, worse service and fewer jobs—

Mr Koutsantonis interjecting:

Mr HILL: And foreign owned, as the member for Peake says.

Mr Conlon: And the big pong!

Mr HILL: Let us not forget the big pong. So, people are used to what privatisation brings and it does not bring the things that they want. They want service from Government instrumentalities, particularly ones which have a monopoly and which provide a valuable service—

Mr Clarke interjecting:

Mr HILL: I will get to the Deputy Leader in a second. On the point of public opinion, I must put on the record, too, this wonderful quote by one of the many former press secretaries to the current Premier, Rudolf Teuwsen, whose criticism of the Government is referred to in, of all places, the Catholic newspaper *Southern Cross*, as follows:

A former Liberal Government spin doctor has accused the State Government of being short-sighted and 'seriously out of touch' with the electorate. . . senior media adviser Rudolf Teuwsen said. . . a Government 'running so far ahead of the people that it is losing them'.

Dr Teuwsen lists the sale of ETSA and Optima Energy, softening gun laws, the West Beach marina and deregulating shopping hours as 'examples of a Government set on its own course without appearing to pay much attention to whether the people of South

Australia are able and willing to follow in the same direction at the same place'.

I think that says it all. Even the Premier's own former advisers are deserting him because they know what public opinion is. If he wants to test it, let him go to the people. I think that would be a great thing.

I want to deal briefly with the issue of risk. One of the great arguments for the sale of ETSA promoted by the Government is that the State is at something of a risk as a result of the national competition policy. Now, that may well be the case. As I understand it, most of the risk is placed on the generation side and not on the distribution side. Let us just say that, if risk is a problem, why does the Premier not come into this place and say, 'Let us sell Optima'? Why does he not say that? If that will cause us a risk, let him argue that case. ETSA—the distribution network, the retailing network—clearly is not as big a risk. So, why sell the whole lot? It is not because of risk; that is an argument. It is because of his ideology. He wants to sell them; he has always wanted to sell them. He wants to get some sort of runs on the board for his mates in the business community, so that when he leaves this place in a couple of years he has some credibility in that community—he will never have it in the general community.

The other issue is the matter of debt. We do have a debt in this State; it is a big debt. The point I put to the Government is that all of us in this place at various times in our lives—maybe now, maybe in the past, maybe in the future—have had houses. We have had debts which we have taken in order to get a house. I could say to each of us, 'Let us get rid of our debts. Let us sell our houses and we could be debt free.' Terrific. We would also be house free and security free. We would also have to pay rent and put up with the whims of the owner of the house that we happen to rent. Being debt free is not necessarily the ideal solution. What we have to do is achieve a balance between debt and public service. What the Government is doing is relying far too much on the notion of being debt free without looking at the consequences.

It brings up the issue which has not yet been properly addressed; that is, what amount of money would the Government find acceptable? What is the bottom line for the sale of these instrumentalities? Is it \$4 billion, as the member for Goyder said in the course of his remarks, or is it \$7 billion or more as other experts have said? That we do not know. How can we possibly say whether ETSA and Optima should be sold without knowing the amount that we will get for those instrumentalities? If it is a low level, it means we may well be worse off because the income that we would have received will have been lost and the debt will not be reduced to the amount that is being promised now. That is an issue which the Government is using as an excuse.

The other issue I want to briefly mention is accountability. One of the great things about having ETSA in the public system at the moment is that it is subject to a whole range of public accountability systems, including the Auditor-General and the Ombudsman. I briefly refer to a report by Roberta Jameson, the Ombudsman of Ontario, who says:

The prevailing nature of privatisation of a program or service is that Government generally maintains jurisdiction, maintains control, but places the administration in the hands of the private sector. This has the effect of keeping direct control close at hand, but placing accountability at arm's length—out of reach of both the public and the legislature.

The private sector is not subject to conflict of interest restraints, access to information regulations, privacy restrictions, Government auditors.

That is one of the great concerns where you have an instrumentality such as ETSA-Optima, which is providing an absolutely vital service to South Australians. Who will blow the whistle when they do the wrong thing? In Victoria there is a company called the Electricity Industry Ombudsman of Victoria Limited, a private company that has been set up to deal with some complaints. The board of directors of that company consists of all the chiefs of staff of the various electricity operators. That is appropriate: the bosses of the companies run the board.

Then they have a council, which supposedly is half industry, half community. The industry people are all on there; there are four of them. The community people are the Treasurer of the Victorian Farmers Federation (I am sure that he would be very independent!); the Deputy Chair of the Small Business Association of South Australia (he would really represent the interest of the battlers); and the national Chair of the Consumers Federation. That committee is chaired by the one and only Tony Staley, national President of the Liberal Party. That is the independent authority that scrutinises the activities for consumers in Victoria. I believe that is not something we want in this State.

In the few minutes remaining I would like to address briefly some of the key personalities in this debate. When I was thinking about how best to describe their behaviour and how it came across to me, I was thinking of a terrific television show. I must admit I like watching television. I usually just watch serious things on the ABC, such as *Roy and H.G.*, *The Bill*, and so on, but occasionally I watch *Seinfeld*. When I watch *Seinfeld* I am reminded of members of the front bench. George Costanza, who is that bumbling kind of incompetent who always gets things wrong and is a bit lazy, very much reminds me of the Deputy Premier. Jerry Seinfeld, who is a very slick operator, a bit smarmy, big smile—

Mr Conlon interjecting:

Mr HILL: No, not the Premier: I was thinking of the Treasurer, Mr Lucas. And there is Elaine, of course. We only have to think about Elaine, who schemes and manipulates behind the scenes and changes her partners periodically—of course, the member for Coles. I was trying to think of who Kramer could be, but Kramer is completely out of the picture so I thought that the member for Hammond over there is most like Kramer, the kind of character who bumbles into the middle of a scene without any relevance to anything else that is going on. I thought that describes the Liberal Party in operation on this issue.

Mr Conlon interjecting:

Mr HILL: That is right: the inquiry he does not know anything about. In conclusion, I leave members with one quote from the New Zealand Human Rights Commissioner, and I say this as a warning to all. She said:

When you hear the words 'economic restructuring' it should come up in lights: 'Beware women, children, disabled, vulnerable people—you are about to suffer.'

Mr McEWEN (Gordon): I would like to do five things this evening.

Mr Conlon: Can you do it quickly?

Mr McEWEN: I do it well, rather than quickly, Patrick. I would like to revisit the debate so far, explore some philosophical underpinnings and look at the big picture, the energy market, of which this is a subset. I would then like to turn to Optima and ETSA, and finally I would like to set out where I stand on the issue at this time. I would like to set out

10 points which will be negotiable but which are at least a stepping off point in relation to my view and that of my electorate about what will be possibly the biggest asset sale in this State's history. Let us just backtrack for a minute and look at a few highlights.

I remember that day on 17 February when a stunned Parliament heard the Premier announce an enormous political backflip, the decision that Optima and ETSA would be sold. Some 20 minutes before that announcement was made in this place the Liberal Party room was advised for the first time that this was on, so there had not been a lot of debate within the Party room. At the same time the Deputy Premier—and I thank him for extending the courtesy to me, the other Independent and the National Party member—briefed us about this backflip. And remember the reason for it: the provision for a potential write-down of up to \$97 million. No loss: 'provision,' 'potential' and the word 'risk' began to appear in the vernacular for the first time. Since that point, what I have found is that members have continued to pool their collective ignorance.

It is a costly exercise for people to come into this place and keep this Parliament open just to pool their collective ignorance. Some of the intellectual pygmies in this place ought to ask the question: what does it cost the taxpayer for their privilege to exercise their democratic right to waffle on at such length? I cite a few highlights. The member for Schubert supports the Bill—once he sees the second Bill. Amazing, is it not? The baby Minister for Local Government says that if we lose Optima and Port Augusta it will be Labor's fault, and the electorate will be saying, 'How did you let this happen?' The fact remains that in private hands you are far more likely to lose it than you ever would be if it were in public hands. That has not occurred to him.

The member for Elder does make a very interesting point about applied guarantees and explicit guarantees, and it is a point to which I will come back. He has actually focused on a fundamental risk management issue here. However, what I have found with the rest of the members on his side of the House is that they have tended to be locked into a black and white policy position at this stage—all or nothing. What I am observing in the debate to date is that people are trying to justify the pre-determined policy position of their Party. If that is the case, why not let me, the other Independent and the National Party person speak and then vote? Because, if this debate is on about nothing more than air time, I do not see why we should continue with it. I do have some points to make and I will continue, so let me move to a few philosophical underpinnings.

In my maiden speech I talked about principle-centred leadership: what do we actually stand for? One point I want to make is that I do not believe that natural monopolies of essential services should ever be in private hands. I noted in the SA Water debate that nobody sold off the infrastructure. The Party chose to outsource the management, but it was a natural monopoly of an essential service, maintained within public ownership.

Mr Venning interjecting:

Mr McEWEN: I talked a little earlier about your contribution to the debate, and if I were in your shoes I would not wish to add any further to it. The principle I will stand for is that natural monopolies of essential services should not be privately owned. Let us look at risk. Risk is also about reward, and this sale is not simply about risk and reward: there are components within this where there are risk and reward elements, and we may choose in those situations to

manage risk. You can manage risk. You put instruments in place to minimise risk if you so choose. You also minimise your reward. So, you make some decisions within this marketplace about your attitude to risk and, therefore, your protection mechanisms in place to manage risk, and it may mean at the end of the day that some elements within the electricity component of the energy market should be sold; we do not want to carry the risk.

But this is not black and white, an all or nothing thing, so let us get that second principle in place. Let us now move to a third one. I do not accept that footloose global capital should ever control an essential service. Members should think through some of the ramifications involved with global capital, capital without a conscience, which could some day in the future hold a State and a nation to ransom simply because they have complete control over a natural monopoly. Members should think that through. There are significant issues there in relation to our role, in relation to State and national sovereignty. I do not want to see footloose global capital commanding and dictating to me in relation to whether or not to supply an essential service.

So, why are we being spooked about this risk business? I believe that there is more to it than this. I believe that this risk and this \$97 million is just an excuse. But, quite frankly, I cannot see where it leads to, in terms of leadership, in relation to our responsibilities and an essential service, and where we go in 10, 20 and 50 years from now. I cannot see what it is on about.

Let me move from a couple of philosophical underpinnings, so that everyone knows where I am coming from and what I stand for. My electorate knows what I stand for, but in this debate it is important that members know what I stand for. Let us talk about the big picture. Let us work back from the future and ask some questions about the energy market in 20, 30, 50 years from now—because what we are talking about here is a component of an energy market. What does energy look like in the big picture: what is happening there?

Pressures are being placed on energy generation through the global carbon market. That means that those forms of electricity that generate excessive greenhouse gases will have enormous pressures placed on them. This is one of the absurdities about Riverlink—or what is now called Powerlink: it is moving this State away from its carbon budget; it is allowing us to have access to energy which is moving in the other direction; and it is producing more, rather than less, carbon. We will pay the penalty for that. Greenhouse gases and green credits will be part of the energy equation within 10 years. If we lock ourselves into a system where we cannot exploit the opportunity of green credits, we will simply pay more and more for our energy, and we will pay more and more for the privilege of continuing to pollute and continuing to create greenhouse gases.

I want to say a little more about Riverlink-Powerlink. There are two factors involved here. The first is buying an energy source that is not sustainable within that equation; and, secondly, we will be creating competition at a time when we want to create exclusiveness. We are on about devaluing the very asset that we are trying to sell. So, I do not understand why it fits there.

I now move on to the ACCC, COAG, Hilmer and economic rationalism. It so happens that I am not an economic rationalist: I am an economic nationalist—which stands for fair trading amongst people who share the same set of principles, and it says that we will trade in a global market-

place. We are a village within a global village, but the villages that we wish to trade with are villages that stand for what we stand for, which means that we will not load up, on the one hand, unfair competition and, on the other hand, unfair cost burdens for our producers. I will give a couple of examples. We will not have long service leave, paternity leave, superannuation and WorkCover for our employees, but then we say to those people in the global marketplace, 'You will trade with people who have none of these things but people who are happy with child labour.' That is what economic nationalism is on about: it is saying to the world that this is what we stand for, and that we will deal with others who stand for the same thing.

I turn now to the changes in the energy balance, because we are dealing with part of the energy balance, when people are valuing it differently to us, because they are looking at a different balance some 50 years out—because it so happens that, 50 years out, electricity, no matter how it is generated, will be a far more significant component of the energy equation. Our finite liquid hydrocarbon reserves will be far further depleted by then; it will be a far more expensive source of energy. Imagine the implications for rail, and electrified rail. It so happens that electricity will claim a far bigger component of our energy in all its forms, and transport will be one of them.

Members must understand the big picture when we start dealing with electricity as part of the energy equation—and, again, we are talking about national electricity markets. It is interesting to note that the national gas market—another component of the energy market—is not running parallel at this stage, and we ought to bring them all in parallel, otherwise we will get some of the skewed problems we will have with this State underwriting the sale of gas to an energy generator who has to compete in a market which cannot pay for the gas, and so the South Australian taxpayer will then have to make up the difference. So, I am on about having a vision first about the big picture—the energy market—of which electricity is a component.

Within that environment, let me come briefly to the sale of what everyone talks about as Optima-ETSA. It is not one sale: it can be up to seven sales, and it can be staged. It is not a one-off, and it ought not be a one-off. It ought to be approached as having three discrete elements, and that within those elements there are opportunities to sell components. I will describe that in a little more detail. I am saying that, at the generation end, you can decide to aggregate or to disaggregate; at the generation end you can decide to take all of what Optima has at the moment, put with it the generation capacity of ETSA, and make a decision about whether you want to sell that as a one-off opportunity, or whether you want to disaggregate it.

There are some interesting questions to ask there. But, as part of asking those questions, members should also ask whether some or all of that is still a natural monopoly. Because even with the interconnects which we have at the moment, with Riverlink or Powerlink, at best, 30 to 40 per cent of our energy capacity will be contestable: the other 60 per cent will still be a natural monopoly. So, we must ask whether all or part of our generation capacity ought to be put on the market, or whether we ought to be selling some of it, or some percentage of some of it, still noting that, at the end of the day, we have some responsibility on behalf of the voters and the taxpayers of South Australia to guarantee a service.

We must remember that it will not all be contestable: the interlink capacity will always define the percentage that will be contestable. In their submissions to the Economic and Finance Committee, Boral and Sagasco made the point that, at best, between 25 and 35 per cent of that market will be contestable. So, there will always be a percentage of it which is a natural monopoly.

I turn now to the poles and wires business. At the end of the day, the poles and wires business is probably the only bit that has any value, because there is almost no risk in owning it. It is interesting to see what *Envestra* says about that particular business. It states:

However, under the National Access Code, regulators are required to allow reasonable returns to owners and operators of the distribution networks.

The regulators will guarantee a return on that investment: no matter who owns it, the cash flow is guaranteed and, at the end of the day, what we are selling is the cash flow. So, why would you put a regulator in place that guarantees a return after you have sold it? It does not make sense. So, the question about the poles and wires business is not on about risk; it is on about return on investment, whether it is a return to the taxpayer as a one-off in terms of a cash grab, or whether it is a long-term return which adds some security. And security is an issue to regional South Australia in this regard.

We are concerned, outside the cities, about the security of that natural monopoly, which will never be duplicated. And that is an important point. It is a natural monopoly and it will never be duplicated—many witnesses to the inquiry have told us that. Therefore, we have to guarantee that at all times, on behalf of our taxpayers, we have some control. We do not have much control now: by cutting back from something like 6 000 to 2 300 employees, we are letting the whole thing deteriorate rapidly.

I do not care whether the maintenance of it is outsourced. The Government can do what it did with SA Water and outsource the maintenance. However, the fundamental question about long-term ownership of that natural monopoly must be asked, in an environment where electricity will be an ever more important part of the energy equation.

The other component is retail and distribution. Quite frankly, I do not believe that the Government needs to be in retail or distribution to either contestable or franchise customers. I make the point here and now that that can be given the flick. That can be sold off if it has any value because, to other people, the aggregation of services might add some value to it. By aggregation of services, I mean that they might have the opportunity to sell gas, electricity, water and a number of other services and so reduce the costs of managing those services, and thereby hand on a saving to either the contestable or franchise consumer.

Let me return to what I said I would do tonight. I said that I would make 10 statements about where I stand at this time. The first of those statements is that I would consider supporting the sale of the generating capacity in an aggregated or disaggregated form so long as natural monopoly and contestable issues for rural South Australia are addressed in the next Bill which, remember, the member for Schubert will support, although he has not seen it yet. If it is protected in that Bill, I will be quite happy to go down that path.

Mr Venning interjecting:

Mr McEWEN: I am only quoting from *Hansard*. My next point is that I support the sale of the retail operation, noting that the aggregation of services may add some value in the

marketplace. We should retain at least a controlling interest in the ownership of the poles and wires business. A controlling interest at least, but it may be a total interest. Perhaps we can outsource the maintenance of the poles and wires business if that can be shown to be more efficient and effective than it is currently being done.

It must be accepted that there will always be implied guarantees and that we will not accept within any sale or part sale any explicit guarantees. This is important, and the member for Elder spent some time on it. I will not dwell on it, simply to say that, at the end of the day, the implied guarantees cannot be on sold from an essential service and if whoever owns it falls over the State Government, on behalf of the taxpayers, will have to pick it up again. The alternative is no electricity, and it is fundamental to understand that that implied risk or implied guarantee cannot be on sold to anybody. The Auditor-General has made that point.

The next thing I would be looking for is to allow Parliament—not the Government of the day—to be the final arbiter on any structure and sale agreements. We are still talking about gross and net returns, and nobody has truly talked about the potential net return because many of the liabilities that exist in those balance sheets have not been publicly exposed. We have had the privilege of seeing some of them in confidence in the Economic and Finance Committee, and it is not a pretty picture.

We must review immediately the Riverlink power link decision. We must review it in terms of our big picture energy vision. We must ensure that all net returns from the component sale are used for debt reduction and nothing else. One honourable member today wanted to use some of the money to pay for another form of generation for those people who would not have any poles or wires under the sale. That is not on. Any net return from any part or whole sale must be used to retire debt and nothing else.

The final two things that I ask for—and these are the fundamental issues that we should all be asking for on behalf of the State of South Australia—is that we must prepare a long-term vision statement on South Australia's energy outlook. We must make a statement for the next generation, for future opportunities, about what our vision is for energy. Energy will underpin economic growth. Without it we cannot deal with any of this stuff. We ought to put it on hold and champion a vision, an energy outlook, for South Australia. While the energy vision is being developed, we must at best stage very cautiously a managed disposal of non-core assets that are immediately identified outside of the vision. We do not have to sell it all now; we do not have to sell it all at once; and I doubt whether we will ever have to sell any of it.

[Sitting suspended from 5.59 to 7.30 p.m.]

Ms THOMPSON (Reynell): I am disappointed, as are so many members on this side of the House together with those in the community, at the prospect of the sale of ETSA. I certainly do not see it as a *fait accompli*. I expect that a Government that has changed its mind once can change its mind again. I wish all those involved in negotiations with the Government, on seeing some of the wider issues involved in the sale of a natural monopoly, well in their endeavours. I want to touch briefly on two areas that have not been addressed substantially in the debate thus far, although I do acknowledge that the member for Gordon raised some of the issues about which I am concerned.

The member for Kaurna raised the issue of accountability, which is one of the matters of great concern to me. There are many levels of accountability that our community expects, and we in the Parliament have responsibility for putting in place many formal mechanisms through the reports of the Auditor-General and scrutiny by Parliament of the monopolies that operate in the State, usually as part of a State endeavour. We have already experienced the frustration of being told that everything is commercial in confidence once one of these natural monopolies—and in our case it is water—is no longer owned and controlled by the Government and ultimately by the Parliament and the people of South Australia.

My experience in the electorate is that people are increasingly frustrated with being told that something is commercial in confidence and that matters about which they felt a right to accountability are no longer available to their scrutiny, their pressure or their questions. Many constituents have raised with me the issue of service deterioration that has occurred simply since ETSA has been corporatised. The south has experienced many examples of power blackouts well beyond what any long-term resident can recall, and there are many examples where both households and businesses have been affected by the loss of produce when power has been out for six hours.

This is something that really affects business. In one instance a business in my area lost \$30 000 as a result of the power being out for six hours, on for two hours and off again for another two hours. Many ordinary community members have contacted me about the loss of stock in their freezer. Although some people might believe that freezers can withstand these blackouts, it is certainly the experience of people in my area that they cannot. This service deterioration has occurred simply as a result of corporatisation, but people feel that at least they can telephone their MP and complain and that their MP can, at the very least, talk about it.

People do not have the same joy with Woolworths, AMP, Coles or any other private company. Woolworths might offer a money-back guarantee, but it does not enable people effectively to voice their opinion about poor service, inadequacy of provision and the way in which they are treated.

One of the issues that has already been raised with me by constituents in terms of the deterioration of service and their fear about what will happen when ETSA is in private hands relates to the effect that power failures have on people who are dependent on health support equipment. People on various forms of respirators and dialysis units in their own home are extremely vulnerable when the power fails. A constituent told me that in the past ETSA would immediately race out with portable generators to all people in such unfortunate circumstances, but in the past couple of years they have simply been told to buy their own generator. Most of these people are on a supported income because of their illness and they do not have the opportunity to buy their own generator. Otherwise, they must travel to the nearest hospital which, on average, is 20 minutes away, and 20 minutes is a nightmare journey when you are dependent on power for your health and life.

I have brought one instance to the attention of this Parliament where ordinary people, the Swans, experienced difficulty when a light manufacture business started opposite them. This business required a power supply more than could be readily provided so that continual power fluctuations affected the home of Mr and Mrs Swan. They went through considerable trauma, and it took quite sometime—including

my raising the matter in this House—before the matter was addressed with a temporary generator, prior to the provision of a permanent generator. Also, ETSA has fixed up their security alarm, which had been affected by the power fluctuations. The Swans do not feel that they would receive the same treatment from a privatised ETSA. They recognise the need for a Government supplied facility for such an essential utility as power in this day and age.

The member for Gordon mentioned Footloose Global Capital, which is accountable to no-one. It is certainly not accountable to the Swans or any other of my constituents. The number of treaties being developed at the moment, starting with the North American Free Trade Agreement and now moving to the Multilateral Agreement on Investment, is endowing international capital with rights that we as citizens do not have. It is being offered all sorts of protections in terms of rights to invest, and there is considerable impact on the ability of State Governments to indicate the way in which it will perform in our areas.

We cannot demand certain quantities of local employment, for instance. We do not know who will be working the powerlines, or who will be managing an ETSA that is not owned and controlled by the people of South Australia. It is not that I suggest in any way that people overseas may not be competent: what is important is that people here are perfectly competent and, as has been demonstrated with the water situation, they are more competent than many people who might be brought in to manage our facilities. It may seem as though I am drawing a long bow, but to me the loss of our utilities from our control and ownership does in the end affect the sovereignty of the people of South Australia. It certainly affects their ability to control their economic future.

I would like to address some of the opportunity costs of the sale of ETSA. We have had our attention drawn to the risks that we might face if we continue to own ETSA: we have had less attention drawn to the risks that we might face if we do not continue to own it. But we have not had much consideration of the opportunities that we will be losing by not having our major power generator and distributor in our hands. There are many examples of a State or country leaping ahead of its peers as a result of clear planning. One area that will be essential in the future is energy planning.

We will have to seek alternative sources of energy, and we will have to consider how we want to use our energy. Do we want to be a high energy-use State because we have a safe, cheap, reliable supply of energy readily available, or do we want to be a low energy-use State? The strategies in both cases are entirely different. If we chose to be a low energy-use State, we would be looking at State-subsidised insulation on homes and the effectiveness of the energy ratings of the products we use in our homes. We could even do something extremely radical, such as making it easier for people with older, high energy-using equipment to trade it in for some of the more modern, low energy-consuming equipment. These are futures that we could have for ourselves. We have opportunities to explore many forms of power generation in this State. We do not have to rely on fossil fuel. We have all talked about solar power, but we also have access to hot rock energy generation as well as wind and tidal power generation.

What private company will consider which of those methods is the most useful in the long-term for the people of South Australia, and which will consider what will meet our energy needs for industry? The bottom line is that there is only one form of accountability. The market has not shown its ability to identify future needs: it has only shown its ability

to invent for immediate needs. It has not shown its ability to be accountable in more than one dimension. Generally, the market has not shown that it can look to equity issues in terms of distribution of a product. It has not shown that it can look to environmental factors unless a dollar is put on the utility of a clean environment, and it has not shown the ability to work clearly with Government to develop an energy strategy which will suit our industrial needs.

One of the other keys to the future will be recycling, which is something that consumes vast amounts of energy. If we embark on an energy strategy of developing for ourselves whatever unique form of cheap, safe, reliable energy is available to us, we can look at developing clear recycling industries. Without that, we will have the problem we have at the moment where goods that have been collected are stored and waiting to be able to be used because the recycling process itself is far too expensive.

I mentioned briefly the issue of equity in distribution of energy. Again, we like to boast that we are a country where everybody has access to power, but that is not the case. There are many Aboriginal communities that do not have access to a reliable form of power generation. Their power generation is spasmodic and unreliable. There are many families who also do not have power. They may have access to power, but through various circumstances in their lives they find that they no longer are permitted to use power because they are in debt to ETSA. Constituents have contacted me about the fact that in the past they have been able to make many forms of arrangements with ETSA to pay their bills by instalments. They tell me that this is no longer so readily available. ETSA has really cracked down. I do not know what Woolworths, Santos, Esson or any international company will do in relation to allowing people to take time to pay their important energy bills.

The views of the people in my electorate were reflected in a survey that I conducted recently which asked people for their views on ETSA and its sale. As a new member I did not expect to get a very high return. It was only my second newsletter after a Christmas newsletter, and I did not expect that people would very readily identify with a new member. We were absolutely overwhelmed by the many people who not only returned their survey but who took the trouble to come into the office, by either catching buses or driving to the office (which is not very centrally located), to bring in their return in person and tell us of their strong feelings that they want to keep ETSA in their hands, in the community's hands, so that they can be assured of a secure future for electricity and some control over their future.

They recognise the importance of energy in their way of life. So, in the end, we had 132 surveys returned which, as I said for a new member, was most outstanding. Only one of those people thought that ETSA and Optima should be sold. People are also concerned about honesty in government. This was an issue at the last election and it is a matter that was raised frequently in door knocking. Many people told me that I might be honest now but I would not be as soon as I sat on these green benches. I found that quite unfortunate in terms of their view of what happens to people in Parliament. So, we are faced with how we interpret a Government which, at the time of the election, told us it was not going to sell ETSA, compared with an Opposition which said, 'No, we recognise how important ETSA is to you and we will not sell it.'

We are faced with looking at whether the Government is incompetent or simply lying. I have heard members opposite talking many times about what is happening in New South

Wales and Opposition members talking about what is happening in Queensland. For me the most important part of what is happening in New South Wales is that a debate is occurring and involving the community in a genuine manner. The important part is that the debate started in May last year. This was at a time when New South Wales Premier Carr and Treasurer Egan started identifying publicly that there were some risks. I might not agree with their immediate response to the issue, but they did identify that the game had changed and that meant there were new rules and new risks.

What happens with our Government? Our Government apparently did not even think of those risks until they were waved under its nose in triplicate after the election. Why was the Government not identifying those risks in May when there was so much publicity about what was going on in New South Wales? Was the Government asleep or was it busy trying to work out who should be the Leader it would take to the next election, let alone the Deputy?

The incompetence that was involved in not identifying those risks before the election, consulting widely and airing that information with the community hurts in terms of the community's regard of Government and its capacity to trust Government. How can people trust a Government which cannot read the papers to see that the Premier of New South Wales is identifying that there is a problem in this area? How can there be trust if the Government then goes blindly on and says, 'We are not going to sell ETSA,' and then the Government only wakes up in December to the risks that New South Wales was talking about in May, when all the Auditor-General said was that there are risks that need managing? In other words, he said, 'The game has changed and you have to think about the rules.'

Overall, I consider that the possible sale of ETSA—as I said, it is something I will not concede—raises many questions for ordinary people in the community, well beyond what happens to debt, taxes and services. People hear about debt—most of them are a bit sick of it—and what they really want is some security into their future and some security that comes through the Government's ownership and control of one of the important facilities for modern living.

Mrs PENFOLD (Flinders): Unlike members opposite, I believe that governments should not be in enterprises that can be run by private enterprise. Public servants do not have the same drivers as entrepreneurs; they do not risk their own money or have shareholders to account to. Monopolies—public or private—cannot develop the same initiative that is caused by competition, competition which will help to drive prices down and usually provide better service.

If our businesses are to compete on the world scene, they must have the lowest overheads that can be obtained. And compete on the world scene we must, if we are to provide jobs for our children into the future. Our future and that of our children is to export not only our raw materials which our wonderful State has in abundance but also to value add these raw materials and export them. Be they minerals—copper, gold, silver or uranium—our seafood—tuna, prawns or oysters—or our grains—wheat, barley or perhaps canola—value adding them means jobs for South Australians.

It is amazing how hypocritical the Labor members are over the sale of ETSA just to score political points and not, I believe, in the best interests of South Australians. If it were in the best interests of South Australians to own our power supplies, why did they sell the Government's majority shareholding in SAGASCO in 1993 to Boral Energy?

From 1988 to 1993, the South Australian Government held a majority of shares (originally 82 per cent) as a result of the merger of the South Australian Oil and Gas Corporation and SAGASCO. It should be noted that the combination of Boral Energy and Envestra is providing a very high standard of service to South Australian consumers as did, I understand, the company from which it originated, the Gas Company, which was listed on the Australian Stock Exchange in 1861. This clearly illustrates that energy distribution by private companies can work perfectly well and need not be the exclusive province of Government. It is interesting to note that an offshoot of SAGASCO, Envestra Limited, is, according to a letter from its Managing Director, Mr Ollie Clark, 'considering its options as a possible bidder for some of the ETSA assets, principally its poles and wires distribution network'.

We have heard a number of speakers mention Premier Tom Playford being the architect of ETSA and that it is our heritage that we are selling. What rubbish! From what I have heard, Tom Playford was a liberal who believed in private enterprise and a very practical man as farmers usually are. He saw a need at the time to provide power to the State that he believed could be filled only by Government. However, things have changed since then. Now, some 53 years later, this service can and should be provided by private enterprise; perhaps, in part, provided by the South Australian company Envestra Limited, which already owns over 8 800 kilometres of natural gas distribution systems in South Australia, Queensland and the Northern Territory and which has assets valued at about \$900 million and 4 300 South Australian shareholders. I am sure that Tom Playford of all people would be delighted that the Government business could be sold to a South Australian company and provide funds for what Governments are there to provide; that is, services to the people of the State such as education, health, housing, roads, sport and the arts.

However, I am quite sure that he would not have been at all pleased that one of the motivators for the decision to sell was the financial disaster caused by the Labor Government. This does not mean that there is no place for Government in ensuring that all people of the State benefit from lower prices and better services. The Governments are there also to look after the interests of all, including the poor and those who do not live within the city environs. A regulatory system and an independent regulator will be in place to ensure that this happens. The Opposition would better spend its time ensuring that these protections are properly in place than trying to hold back progress.

My electorate is one of the geographically larger electorates in South Australia. The electorate of Flinders covers the majority of Eyre Peninsula and stretches to the boundaries of Ceduna's council in the far west. The problems of reliable, cheap power in my electorate have always been one of my major concerns. However, I believe that the people of Eyre Peninsula's interests are best served by selling ETSA and regulating the pricing provision of power to look after them.

Another South Australian company that has taken on the challenge of competing in the electricity market is Eyre Peninsula's Cowell Electric. As I have stated in the House previously, when Cowell Electric was essentially made obsolete by the town of Cowell becoming connected to the Electricity Trust of South Australia grid it embraced the change as a new challenge. It diversified into the survey, design and construction of the powerlines for the rural electrification of Eyre Peninsula, the Flinders Ranges and the

Peterborough districts. Today, it has expanded into the Northern Territory and Western Australia and is continuing to diversify into other areas of expertise such as industrial radiator manufacture and is exporting its products to Asia. It is yet another South Australian company that will benefit from the niche markets that are becoming available upon the privatisation of ETSA. It already provides meter reading under contract to ETSA.

We cannot forget the crippling legacy of the previous Labor Government. The debt from the State Bank disaster, which nearly bankrupted us as a State, has continued to be reduced through careful and conscientious planning by the Liberal Government. However, the potential sale of the Electricity Trust of South Australia will more quickly improve our financial position with far less pain and will provide jobs and a prosperous future for the people of the State. We should not be paying \$2 million a day in interest on this debt: we should be funding essential services.

If we do not quickly implement a fully competitive model for our electricity assets, South Australia risks losing \$1 billion of Federal funding under the national competition payment scheme, along with possibly devaluing the Optima-ETSA asset by up to 50 per cent. This would be several billion dollars. The latter problem is well understood by the current New South Wales Labor Government.

In addition, it is my belief that Government employees should not be involved in what will be, in effect, playing the futures market in power and risking public money. The young man who bankrupted the Barings Bank by playing the futures market could be one of our public servants buying kilowatt hours at prices that will vary possibly within 24 hours between a few cents and a few thousand dollars. During a heatwave in Melbourne last year, this was from between \$12 and \$15 up to around \$4 000 per kilowatt hour over a period of only three hours. As a State we cannot afford any further losses of any kind, let alone any amounting to billions of dollars.

If we do not sell ETSA, we will have to upgrade our infrastructure and find better sources of power. However, thanks to the debt left by Labor, this State does not have the money to upgrade our facilities to meet the new competition. ETSA facilities, like most other parts of the State's infrastructure, were neglected by the previous Labor administration. There must be some infrastructure that was not neglected, but I cannot think of any in the electorate of Flinders. Roads, schools and hospitals were all left in the same state as the State's coffers: a mess, which we are beginning to clean up.

In addition, our coal is of poor quality and lies a distance from our generators and users. The pollution levels created are much higher than are becoming acceptable to many people.

If we want to compete on the electricity market we should be looking at alternative sources of power. One option that I have been investigating on Eyre Peninsula is the establishment of wind farm technology. This is in its infancy at the moment but, with the right backing and proper management, could result in more jobs and more investment in South Australia. There are private companies in the State that would be delighted to supply the hubs, blades and generators, but we as a Government could not afford to buy them. However, a publicly owned company could.

Another option that we could pursue is that which will produce the most power with a readily available source of fuel. We have one of the largest deposits of uranium in the world at Roxby Downs, yet we use none of it in South

Australia. If we were seriously looking at a power industry that could be owned by South Australians for South Australians, then perhaps the move towards the use of uranium derived power is one way we could go. Western Mining, as a major user of the State's power and a producer of uranium, may help the Government fund such a power plant.

According to Simon Evans in the *Financial Review* of 31 March this year, 'the savings to industry under the new competition scheme are great. The 26 biggest electricity users in South Australia are able to take their power from a supplier of their choice in the first round of contestability, with Western Mining's Olympic Dam project regarded as the plum contract, as it represents about 10 per cent of the entire South Australian electricity market'.

Why would they or should they buy more expensive power from a South Australian Government power provider? If they did, it would be a disaster for both business and employment in this State. The Liberal Party has endured harsh criticism of its plans to get the State back on the right financial track. We have striven to achieve what is best for the State and, in doing so, have had to make some tough and sometimes unpopular decisions. The decision to sell ETSA is one of them, but I believe it must be done.

Ms BREUER (Giles): In the past 24 hours, there has been much debate on this Bill, and I have heard country South Australia mentioned a number of times. As I am the only country Labor member in this House, I want to talk about the impact the decision to sell ETSA will have on country South Australia, both in my region and in the rest of the State. The member for Stuart told us what a wonderful thing this will be for us in the country. The honourable member should spend a little more time in his electorate speaking to his constituents rather than making vicious and dirty accusations in Question Time in this House and find out—

An honourable member interjecting:

Ms BREUER: That's right—what people really feel about the ETSA sale. I would like to know how the 310 people whom we needed to win the seat of Stuart would now feel about his position in this place. My main concern is cost for country customers. Yesterday, the Leader of the Opposition told us that the Treasurer Rob Lucas, in his ETSA briefings, when asked about country subsidies, said that he did not know what would happen to country subsidies. I want to know, for my electorate and for other people in rural South Australia, what sort of guarantees we in the country will have that our prices will not increase.

I know that country people are suspicious about decisions made in Adelaide, particularly in this place, involving them. In my part of the State, we all know about the Gepps Cross syndrome—where people south of Gepps Cross really do not want to know anything about us, do not know anything about us and make decisions that affect our life. We were told that there would be no change in water prices. What has happened? When we sold our water supply, our bills went up. In my electorate, which is the biggest electorate in the State, I have the town of Coober Pedy. Its residents were upset when last year they were sent a pamphlet which was circulated through the rest of South Australia and which talked about uniform water prices throughout South Australia. It stated that people all over South Australia would pay the same price for their water. In Coober Pedy, they pay \$5 per kilolitre for their water compared to about 85¢ in Adelaide.

How can we trust this Government when it tells us that our electricity prices will not go up? It told us before the election

that it would not sell ETSA. I will say not that we were told lies but that our prices would stay the same and that our water prices were the same all over the State. Now we are being told that nothing will happen. I have heard a number of members opposite say that they are satisfied that if we were to sell ETSA country subsidies would stay and that country people would be looked after. Country people are sick of paying more for everything.

I have just spent two weeks in the North of South Australia, travelling through the Pitjantjatjara lands. In my place of residence, Whyalla, we pay between 10¢ and 15¢ more per litre of fuel, on average. While I was up in the Pitjantjatjara lands, in one place I paid \$1.10 per litre for diesel. Country people may make many trips over a year—and I must say that in the past four weeks I have done over 8 500 kilometres—and they pay 10¢ more per litre for their fuel. If one works that out, one sees that the prices are incredible. Gas prices are also very similar: the costs are exorbitant in country areas. In country areas people pay much more for food than their city counterparts; for example, in some places in my electorate one can pay \$4.50 for a lettuce. Imagine people in Adelaide going into their nearest supermarket and paying \$4.50 per lettuce! You do not throw them out at the end of the week. You eat them; it does not matter how black they are.

Further away, the costs are higher. It is not just the cost of the food; it often involves the quality. The quality of the food in a supermarket in the northern part of the State is nothing like the quality that one sees in Adelaide supermarkets. We in the country expect to pay more for clothing—and we certainly spend more on clothing. We have far less variety than people are able to access here in Adelaide. I have always said that in Adelaide no-one really needs to look shabby because of the amount of variety, the cost and the bargains one can look for: if one shops at op shops one has far more variety than do people in country regions. So, anyone can look good in Adelaide. We do not have that sort of access in country South Australia. We expect to pay more, and we have to pay more. People in the country—and I am not knocking the country, because I love country life; I would hate to live in the city—know that their costs will be more. But why should they pay more for essentials?

A lot of people in Adelaide probably feel very angry that they are subsidising country costs for essentials such as water, electricity, telephone, etc. I am sure that they are not too happy about that. But people in the country must have these subsidies to survive. In my electorate office, my telephone bill is probably two or three times higher than that of people in Adelaide electorate offices. I know that my allowance is more than they receive but I certainly spend it. We must be very careful about our calls, because every call we make to Adelaide is a long-distance call. I get an allowance to pay for this: I am not complaining. But people who live in the country who do not get that sort of allowance know that every time they ring Adelaide they pay for a long-distance call, and it costs them far more than it costs people in the city to telephone their local bank head office, the Education Department head office or any other service that is accessed in Adelaide. We pay STD calls when we try to access those people.

There is very limited access to public transport in most country regions. In my city of Whyalla, we have a very adequate bus and taxi service. But when I go to Coober Pedy—as I do, on average, about every four weeks—it is very difficult to access a taxi. There is one taxi in the town, and if

the driver does not feel like working they do not do so. There is no bus service. So, one does not drink and drive; one stays home that night. If one wants to get to Adelaide, once again, in many of those places it is very difficult to access public transport: it costs more and it is expensive.

In relation to medical care, often people need to access public transport to get to Adelaide, because the services are not available in their local town. At present, there is no dentist in Coober Pedy. If people get a toothache, they get in their car or catch the bus to Adelaide—which is at least a six hour trip—to access a dentist, because no dental services are available in Coober Pedy. If one has a major disease, such as a kidney disease, one is not able to access dialysis, as people can in Adelaide. So, one relocates to Adelaide, often with a family member, who may have to give up their job, and they find it very difficult to do this. But if people want to live, this is what they must have to do—and at great personal expense. Most country areas do not have terribly good specialist services. There are often visiting specialist services. Some are available, and some communities have better services than others. However, in most regions, one comes to Adelaide to access medical services. Once again, people either access public transport or pay the extra costs in fuel to get to Adelaide.

Regionalisation is the big buzz word for all sorts of services, and people in Adelaide want to lump together Whyalla, Port Augusta and Port Pirie; Whyalla, Port Augusta, Coober Pedy and Roxby Downs; or Port Lincoln, Kimba and Cowell, without realising the implications of that regionalisation for those country people.

I know how difficult it is and how we tend to lose services. Why cannot people in Whyalla go to Port Augusta for a particular medical service? It is 40 minutes to Port Augusta from Whyalla. Forty minutes by some standards might not be much (it is from South Road to North Adelaide), but other people do not fight kangaroos as we do and do not pay extra fuel costs. It is only 20 kilometres from South Road to North Adelaide but for us it is a round trip of 150 kilometres, with the cost of extra fuel to pay. Regionalisation is another way in which we get lumped together, and people say, 'That is okay, why can't they do that?' without realising how much it affects our lives.

For school children from regional South Australia to visit Parliament House, they have to be put on buses, brought down to Adelaide, and found somewhere to stay probably for two or three nights, because while they are here they are taken to the Museum, to the Art Gallery and somewhere else, so there is the cost of accommodation for two or three nights in Adelaide, the cost of the bus fare and the cost of food, etc. You city members might send your children to camps at Wirrina or some other place—I am not sure where—and it might cost you a little bit for accommodation and transport, but it is nothing compared with what it costs to send country children away.

As I said, I have just spent two weeks up in the lands in the north of South Australia, and they are planning a trip to Sydney for their children. They are looking at something like \$12 000 to get those children from the Pitjantjatjara lands over to Sydney to show them what life is like in the outside world, because they live in a totally different world. While I was there, I took off my watch and forgot about the rest of the world. I did not see a newspaper, hear a news broadcast or make a telephone call for over a week. I was totally isolated. That is how those people live. To send the children

to Sydney will cost about \$12 000, money that they have to raise themselves.

We have been told by the Treasurer that he does not know what will happen to the country subsidy and whether electricity will cost more for country people. We in the country know that life is much more expensive, but why should we pay more for our power, for our water, for our telephone—essential commodities that you people in Adelaide could not imagine life without?

I also want to talk about the potential to lose jobs in country South Australia. Again, the member for Stuart spent most of his time slinging off at members on this side, but he said nothing about the future of workers in his electorate, particularly in Port Augusta and Leigh Creek. He told his electorate before the last State election that there was no danger of ETSA being sold. He told the electors that no jobs would be lost because nobody had considered that ETSA would be sold. These electors were hurting at that time because of the loss of jobs at Port Augusta from the sale of Australian National.

They were hurt by the closure of so many Public Service departments in Port Augusta, and that has happened in other areas of country South Australia. 'Take them back to the city. Let's put the head office there and they can operate by telephone. If they want to access those services we can provide a 008 number that they can ring.' Banks, insurance companies, Government offices and post offices have closed in rural South Australia. What people do not realise is that every job loss in a regional centre affects that community. If five families are lost because Telstra closes its local branch or because the National Bank moves on and puts in an automatic teller machine, it affects the community dramatically. Kids are taken out of school, creating the likelihood that the school will close, families move from the area, and that results in a loss to services and businesses in the community. It has a far greater impact than would be felt by you if the corner deli in your local suburb were to close.

We know that privatisation or tendering out of businesses means job losses. I will take on anybody who tries to tell me that it means anything else but job losses. It is absolute rubbish to say that if companies are tendered out or brought privately jobs will remain. I cite as an example BHP, Whyalla, which very recently announced that it was tendering out its jobs and services to private companies. BHP cut its work force dramatically and we thought, 'Okay, smaller companies will set up and take over the work that BHP is tendering out.' It has not happened. For every two jobs that have been lost we might, if we are lucky, have gained one job. Large numbers of people are leaving Whyalla now. They are moving on. The city is in the doldrums; it is terrible to see. The jobs have disappeared completely.

Do not tell me that by tendering out or selling ETSA we will keep those jobs. If the aim is to make a profit then jobs will be halved and that is all there is to it. It was interesting today to hear a member opposite talking about the creation of a number of jobs. That is rubbish. Those jobs are going. I believe that it is a very real threat to country South Australia. I cannot believe that the country members on the other side of the House, particularly the Independents, do not share these same concerns. I know that I am the only country member on this side of the House. I continually push this barrow to the extent that some of my colleagues are probably sick of hearing about it.

I thought there would be much more support on the other side of the House, yet people, like the member for Stuart, tell

us what a great thing it will be for rural South Australia. I believe that the honourable member's attitude is arrogant. His pension is quite secure; he has nothing to lose. I believe that the honourable member has an obligation to his electors in Port Augusta. I would like to see him visit Port Augusta to talk to those people about what is going on. The member for Stuart does not have to worry about paying his electricity bill—he is very well paid.

As a single mother for 10 years I know what it was like to worry about which bill I would pay: my electricity or telephone bill. One would be cut off if I did not pay it by the following Friday. The member for Stuart has no idea of the implications that that can have on country South Australians where many people are living on benefits. I was not living on a benefit; I was working. Nowadays, it is very difficult to live on a reasonably low income.

My last concern is loss of services in the country. I was interested today to hear the Minister saying that South Australia's water quality has improved since the sale of our water. I would like to know why algae was recently found in Whyalla water. I visited someone who had filled a swimming pool—it was bright green, duck pond green. I was given assurances that nothing was wrong with the water; it was the concern of the person involved—his pool and his problem. It took three or four days to discover that algae was present in that water. The testing procedures were defective and something was wrong with the quality of that water. I was very concerned. Luckily, the algae was harmless but it could have been a major problem and no-one had discovered it. So much for the quality of our water improving. So much for our services keeping a check on these sorts of issues.

There are huge waiting lists for the maintenance of services in country South Australia. If your power breaks down you often wait. If your water supply stops you wait for someone to arrive from the nearest major centre to repair that service. If your telephone breaks down you might wait a week before the technician can fix your telephone. Some obligation to look after these services will remain but will it be profitable to go 400 kilometres into the country to fix your ETSA service? Of course it will not. A private company will not be interested in looking after people in country South Australia.

This Bill gives no guarantees and no safeguards. Everyone says that assurances are being given to country users and that they will not suffer. Assurances are being given but absolutely no guarantees are being given that people living in country South Australia will be looked after. I do not believe that I am stupid, or that most people out there are stupid.

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

Mr HAMILTON-SMITH (Waite): I rise to support the Bill. I do not want simply to regurgitate facts and arguments put forward by previous speakers. However, as a member of the Economic and Finance Committee, which has the future of ETSA and Optima before it as a term of reference, I feel obliged to make several observations. First, I refer to the new environment in which we now live. The ALP seems not to have realised that the world is changing. The eastern bloc communist regimes have collapsed—the wall is down. All over Europe, Asia and the Americas private enterprise is flourishing. The world economy is freeing itself from the shackles of over-regulation, government ownership and socialist enterprise.

Even here in Australia previous Labor Governments have recognised this change. In fact, Labor Governments have brought along Hilmer and his reforms and national competition policies, and they have sold off Qantas and the Commonwealth Bank and disengaged Australia from a range of government ownership enterprises. Telecom has been partly privatised and enthusiastically embraced by the people of Australia. The world is saying that we are open for business. It seems that the Labor Party wants to close the shop. Labor gave us the new national electricity market, and I congratulate it for that, but now we must make it work.

There is a strong argument for selling ETSA and Optima, and it focuses around the monopoly and competition issue. ETSA and Optima have, in effect, enjoyed a monopoly in South Australia for many years. There has been nibbling at the edges in terms of supply, but basically ETSA and Optima can call the shots. All that is changing.

The Auditor-General observed in his report to the Economic and Finance Committee that in March-April 1998 the spot markets in New South Wales and Victoria experienced record low prices. In the week 22 to 28 March 1998 the spot price for electricity in New South Wales fell to \$6.04 per megawatt hour and \$3.92 in Victoria. The time weighted average price for that week was \$10.99 per megawatt hour in New South Wales and \$10.14 in Victoria, but in the week 23 to 29 November 1997 Victoria experienced a record high spot price of \$4 814.05 per megawatt hour with a time weighted average of \$101.23.

In 1996, the separation steering committee also found that the retail operations of ETSA Corporation stand to make substantial losses in the early years of operation under the deregulated newly competitive marketplace but that the position would slowly improve later, so that by 2002 and 2003 the business should become profitable. Well, that is simply not good enough. The Sheridan report observed that the current forward estimates allow annual receipts to the budget from dividends and tax equivalents of about \$215 million, and that in the financial year 1996-97 the State electricity businesses paid the South Australian Government \$212 million in dividends and other contributions.

The report also found that the current dividend targets of about 70 per cent of retained earnings were high by commercial standards and well above the level of 1996-97 and prior years. Dividends in the order of the current targets would be difficult to sustain during periods of capital investment and/or market decline—and that is what we are facing. Consultants have estimated that up to 2002 these market and trading risks could see a loss in earnings by some tens of millions of dollars per annum, implying that the value of the State's electricity business—and this is a critical point—could fall anywhere between 10 per cent and 50 per cent. We are facing a major challenge in respect of what we do with ETSA and Optima.

Other evidence presented by the Under Treasurer, Mr Bradley, to the Economic and Finance Committee, and by Mr Armour and Mr Janes of the ETSA Corporation, and by Optima, quantifies some of the risks we face with continued ownership of these assets. I want to give my explanation of the risks in dollar terms that we may be facing as a consequence of that evidence. As the ALP seems to maintain, all may be very rosy with ETSA and Optima should we retain ownership. The sun will shine, the businesses will remain profitable, and all will be well. But what if it is not? What if we have another State Bank? It is the taxpayers' dollars, and it is the taxpayers' risk.

Let us look at the next five years. We know for a start that \$1 billion of lost revenue in Commonwealth competition payments is at risk. We know from evidence given to the Economic and Finance Committee and to this place that ETSA is currently providing revenue of \$215 million per annum which is at risk. We have heard evidence in the Economic and Finance Committee that that revenue could vanish as a consequence of the new deregulated electricity market. So, over the next five years, we could lose that \$215 million. That gives us a figure of \$1.075 billion in lost revenue over the next five years. We also know from evidence presented that there is \$35 million in revenue from Optima to the State taxpayer, but Mr Ainsworth from Optima has confirmed that it is possible that that figure could be wiped out in the deregulated marketplace. Over five years, that is another \$175 million.

In further evidence given to the committee ETSA and Optima have also confirmed that they need enormous funding for future capital investment—amounts such as \$500 million for ETSA and \$272 million for Optima. That is just to maintain and upgrade the infrastructure and capital investment to ensure that the power keeps flowing. So, the cash risk over the next five years is \$1 billion in lost competition payments from the Commonwealth, \$1.25 billion in lost dividends, and \$.772 billion in capital investment, giving a total of \$3.022 billion in lost revenue and cash liabilities.

On top of this \$3.022 billion is the risk that in five years the value of ETSA could be reduced by up to 50 per cent, according to the advice given to the Economic and Finance Committee. Its present book value is approximately \$2.6 billion, according to Mr Janes, but market value is touted between \$4 billion and \$6 billion. Even if we assume \$5 billion, that means a writedown of \$2.5 billion in the value of those assets five years from now. So, in dollar terms, the risk to the South Australian taxpayer is \$3.022 billion and another \$2.5 billion in depreciated asset value. That is a total of \$5.5 billion. That is the worst case scenario for the taxpayer of South Australia associated with the continued ownership of ETSA and Optima. It could well be another State Bank.

How would South Australian taxpayers like to wake up one morning to be told that, in addition to the more than \$7 billion of State debt we already have, another \$5.5 billion is waiting in the wings! It would be the ultimate irony if in five years a Labor Government was in power (having blocked the sale of ETSA and Optima when in Opposition) and it had to break that fantastic news to families all over this State! Not only would it be shot into oblivion for the latter part of this century but I suggest that we would see the back end of a Labor Government for a significant time in the next millennium, because it will reap the rewards—or the disgrace—associated with blocking this decision, whichever way it goes. So, why is the ALP opposing the sale?

Could one reason be, as many speakers so far during the debate have pointed out, an Opposition based on ideology? We all know that the ALP just loves this inefficient State ownership; it is very good for the union movement; it can over-employ union workers, with plenty of funds flowing into the Labor Party—wonderful stuff! Let us have a massively big and inefficient public sector: let us not have an efficient, vibrant and active export oriented private sector. Of course, public is better; everybody in the Labor Party knows that, and private enterprise is something that we just have to put up with.

Frankly, all that 'solidarity forever', 'manning the barricades', *les miserables* and the great struggle are a load of waffle. I think the taxpayers of South Australia are well aware of that. As one speaker pointed out earlier, we even have New Labour in Britain. If you want to see an even more liberal Government than we have here in Australia, look at New Labour in the UK. The Labor Party in New South Wales is touting privatisation of public assets as the number one saviour for its next term in office. It is about time the Labor Party in South Australia got with the trend and went with its Labor colleagues here in Australia and overseas. Let us throw out that ancient ideology and get on with the future.

Could another reason for the ALP's opposition be based on an effort to stifle this Government's success? As the Leader of the Opposition pointed out during his address, would it not upset the Labor Party if, for example, these assets were sold very successfully, achieving a very good price, and those funds were then spent on people in the year or two running up to an election, with the result that this Government was re-elected? What is the real motivation here: what is best for the people of South Australia or what is best for the Labor Party and its hopes for re-election in this State? I think the people of South Australia are starting to wake up to the answer to that question.

Ms Breuer interjecting:

The DEPUTY SPEAKER: Order! The member for Giles might like to interject from her own place.

Mr HAMILTON-SMITH: Many in the ALP clearly agree with the sale. That is why the debate from the Labor Party is focused on who did what and when. It is a little like reading a comic book. The Economic and Finance Committee has been made into a circus by the three Opposition members on that committee: we have spent hour after hour pursuing the issue of who did what and who knew what and when in 1996, instead of the real issue of whether we should or should not retain ownership of ETSA and Optima. In the committee hearings the members for Hart, Elder and Taylor asked not one question of substance about the real issue but plenty about who knew what and when. Frankly, I suspect that the reason is that those three people—who in my view have some of the sharpest minds on the Opposition front bench—actually quietly agree with the decision. I think they actually realise that selling ETSA and Optima is the way to go.

That is why the Opposition's ferocious, withering attack in the Economic and Finance Committee hearings and in this House over who knew what and when has been a little like a smack in the face with a wet fish. We have the newspapers, the public, the business community and the whole of South Australia saying, 'Stop playing political games; get on with the real issue. We want to know whether we should retain ownership of ETSA and Optima.' What do we hear from the Opposition? We have this hairy chested effort to find out who did what and when. I think people are getting a bit tired of it.

If we want to talk about pre-election promises and who did what and when prior to the last election, I suspect that what is really upsetting members of the Opposition is that they are just coming to terms with the fact that they will be sitting over there for another four years, that they had their second worst primary vote since the Second World War and that they got there only on Democrat preferences. But if our lovely Cheryl Kernot had made her announcement the week before the election, there would probably be another five seats over here and five fewer over there. Everybody knows that. What people in South Australia want from their members of Parliament is more cooperation.

Getting back to election promises, I seem to remember the Leader of the Opposition saying, 'Just pick up the phone. We are here to help you; we want to cooperate. What we would like to do is work together in the best interests of South Australians.' Well, we have not seen a lot of that cooperation! What we have seen is not what is the best decision for South Australia but what is the best decision for the Labor Party. All I have heard about in the last few days is leaks. There must be so many leaks on the second floor that the water and the mud must be rushing down the stairs. It must be making the Italian mud slides look like a sideshow. There are leaks here, leaks there, leaks everywhere. We need to get the maintenance crew up there.

What all South Australians and I would really like to see are fewer leaks and a little bit more constructive cooperation from the Opposition to get to the bottom of this problem about what we will do for the people of South Australia in terms of ETSA and Optima. The Government does not need to own these assets in order to control and secure them for the people of South Australia. What I would like to hear from the Opposition are some alternatives. Let us talk about whether or not the assets could be floated in a public company owned by South Australians. It has worked for Telstra. It has not been ruled out so far, and it is not ruled out by this Bill. Instead, there is this paranoia about sales overseas. Perhaps a privately-owned company or corporation owned by South Australians would enable South Australia to keep ownership of the asset, to control its future and to achieve the goal of capitalising and privatising it. Remember, the Labor Party mortgaged the asset; we do not actually own it any more. In fact, \$3.15 billion of debt mortgaged that asset. We are trying to get out of that hole.

For the remainder of this debate, could we please have some intelligent stimulus from the Opposition about real alternatives, real issues and elements of this debate instead of huff and puff? Selling or floating ETSA is the right decision for South Australia. The Government is showing leadership on this issue. It has made a tough decision. It has taken some flak for it, but it is quite apparent that there is a sea change. The people of South Australia recognise it as a brave decision. I am confident that it will be successful and that it is the best decision for the taxpayer. The Opposition is playing the man and not the issue: we on this side of the House are playing the ball; we are playing the real issue.

South Australia cannot win until all of us in this place focus on the real issues and stop the grandstanding and stuntsmanship. We have seen a bit of that in the last few weeks. The ALP mortgaged it; we will balance the books. We need to invest in people. We cannot continue to keep paying banks. There are people out there, as my colleague pointed out earlier, who are doing it extremely tough. The money needs to be spent on hospitals, people in need, infrastructure, education, the aged and the disabled. The Labor Party has no monopoly on people in need. The Labor Party has no monopoly on people who have lived a tough life or who have been poor. There are plenty of people on this side who were not brought up with a silver spoon in their mouth. There are plenty of people on this side who do not have antique clocks and flash homes in Rushcutters Bay. There are plenty of wealthy people on the Labor Party side. Let us not have any bleating about that.

We are just as aware of how tough people are doing it. That is where the money needs to be spent. That is where we want to spend it. If the ALP has a better plan to pay off State debt and a better plan on what we should be doing with ETSA

and Optima, then, please, let us hear it. If you have a better plan, let us debate it. If you do not have a better plan, can you just get out of the way and let us get on with selling the assets?

Ms WHITE (Taylor): It is always a bit of a giggle to speak after the member for Waite. It is a bit like being spanked with wet or limp lettuce. I think the member for Waite said that the member for Hart, the member for Elder and I had, on the Economic and Finance Committee, displayed the characteristics of being whipped with a dead fish. I am surprised that he even mentioned the Economic and Finance Committee because I really do think that when the Premier took him aside and whipped him it was with a little bit more than a dead fish.

An honourable member interjecting:

Ms WHITE: Only joking, okay. This is a most important Bill. It concerns an asset, a Government owned asset that has been in this State for over 50 years. It is our largest Government owned business in South Australia, one of our largest employers and one of the largest generators of business in this State. So we must deal with this legislation very seriously indeed. There will be other subordinate legislation which deals with a lot of the detail of this sale process. So there will be other opportunities to make more detailed comment. As a member of the Economic and Finance Committee I am involved in the inquiry into the ETSA privatisation issue, so there are lots of opportunities to make further contributions.

This Bill, of course, sets out the conditions for allowing the sale of assets, and it is quite a general Bill, but there are a couple of aspects that are of central concern to me. The first is the aspect of ensuring security of supply of electricity to South Australians. As somebody who lives in Paralowie on the outskirts of metropolitan Adelaide I am quite used to the fact that, when there are overloads in the South Australian metropolitan electricity supply, my power and that of my constituents is turned off first. Of course, that pales into insignificance the further one goes from the metropolitan heart into country and regional districts where security of supply is an even more important issue—and that is for those who are on the electricity grid, because many South Australians are not. So one of the concerns that I have when evaluating this Bill is to look at this issue of security of supply and how privatisation of ETSA and Optima will affect the probability of all South Australians being guaranteed security of supply.

The other aspect which is of major concern to me is the need for a guaranteed control of pricing for consumers. One of the real fears that South Australians have is that, as we have seen in the water experiment, in the privatisation of the management of South Australian water, consumer prices will rise, and we have had the recent evidence of that. The security of supply was also highlighted to me—the local member for the Bolivar region—in another way, and that was in the lead up to the election campaign last year when the whole town got to experience the delights of Bolivar gone wrong. That was two years after that facility had been taken over by private management.

During the election campaign I certainly remember being out at Bolivar campaigning on a water related issue on the day when we as an Opposition started to talk to the people of South Australia about the Liberal's agenda, the then secret Liberal agenda to privatise ETSA. I certainly remember the reaction that we as a Party got from the Liberals, who, of course, denied any intention to privatise ETSA, despite

having run even in the 1985 campaign, as several of my colleagues have probably reminded us, on a privatisation of ETSA proposal. Obviously the Liberals—and everyone in this Parliament, in fact—took to the election the promise that ETSA would not be privatised.

Mr Lewis: I didn't.

Ms WHITE: Everyone except the member for Hammond, who claims he never said that. Perhaps he is the only member who could vote in clear conscience for the privatisation of ETSA if, as he says, he never promised not to sell it. He must be the only member in this Parliament who did not make that promise. Now, only a few months after the election campaign we have the situation where probably more than half the members of the Parliament are going to renege on their promise to their electors.

Ms Breuer interjecting:

Ms WHITE: As the member for Giles reminds me, the member for Stuart promised his electors on many occasions that he would be opposed to the sale of ETSA. Suddenly he has changed his mind. Obviously, there is no mandate from the people of South Australia for the sale and, if anything, it is to the contrary. We have had an absolute torrential flood of evidence supporting the Opposition's case and supporting the Opposition in the facts that the Liberal Party has not only defrauded South Australians by misleading them before the election but that, in Parliament, after the election, the Government did not say, 'We just changed our mind,' or, 'The circumstances have changed and we did not know the risks before, but we do now.' There is now a mountain of evidence to suggest that this is just not so and we have a Government which has bungled the water contract outsourcing process, a Government which has misled the people of South Australia about its intentions and a Government which cannot get its arguments right over such an important issue as the sale of our major asset in South Australia.

What confidence can we have in the Government's ability to go down the path it has chosen in a way that can minimise the damage to South Australians? The answer is that we cannot have faith in this Government. The Government is asking us to pass a piece of legislation which lacks a lot of detail, which has flaws, and it is asking us to do it on a 'trust me' basis which of course the Labor Opposition is unwilling to do. I talked earlier about the two main concerns I had in debating the Bill. First, security of supply and, secondly, the guarantee of control for pricing for consumers.

The effect of privatisation of ETSA and Optima on country regions is a matter that some of my colleagues have raised and it is something that I have had at the forefront of my mind in examining the legislation as well, but it is not only me who has raised this concern. A number of witnesses before the Economic and Finance Committee's ETSA inquiry raised this matter time and again. The National Farmers Federation, an important witness before the committee, gave evidence about its concerns about the effect of privatisation of these assets for country consumers. The federation put out a press release on 24 March which, while in support of a sale, was sceptical and concerned about the effect that such a sale would have on its constituency—country South Australia.

In fact, they put out an eight point demand, I suppose you would call it, to the Government of South Australia underlining that concern. In a letter to the Premier they stipulated that they would require a rural communities' impact statement to consider the impact of foreign ownership, particularly of the State's electricity assets, and that that impact statement be released in sufficient time for public discussion. One of the

Farmers' Federation's other concerns—and it is indeed a concern—was that under a privatised ETSA the arrangements for power supply provided to rural remote area customers who at the moment have access to power at a price equivalent to that of urban consumers—that is, the customer service obligation arrangement that currently exists—must be maintained. That is another concern that I share with the National Farmers' Federation.

Another concern raised by them, which I echo, is the need to include very explicit definitions for the minimum required standards involving the cost of power; the quality of service, including connection times; cost of connection, which is very relevant to rural South Australia; maintenance costs; and the reliability of supply. These need to be enshrined in legislation and framed in such a way as to ensure that any future owners of our privatised electricity asset will be committed to maintaining those standards. There is also a very interesting reference by the National Farmers' Federation to the fact that the revenue generated by the sale of ETSA and Optima should go into reduction of State debt. My colleague the member for Hart and shadow Treasurer has foreshadowed an amendment that the Labor Opposition will be moving to ensure that moneys raised from what looks to be a probable sale of ETSA and Optima are not used to prop up this Government's budgets but that they will be used to retire debt, and I certainly support that.

Another concern that I have particularly surrounds the Government's decisions with regard to the Riverlink connection. It is an aspect of ETSA and Optima that has been explored by the Economic and Finance Committee. A lot of the evidence given to that committee by expert witnesses has indicated that that decision by the Government will devalue the sale price of Optima. That is another concern. It is very worrying that a Government now embarking on such a large scale sale process could expose us to such a mistake, so it seems. Much evidence has been put before the Economic and Finance Committee and in the public arena to suggest that there is considerable documentation in evidence to indicate that the public of South Australia has been misled by the Premier, the Deputy Premier and indeed all of Cabinet.

That has been outlined by my colleagues, so I will not go into detail about all that evidence. However, we know about secret briefings with Schroders by the Premier and the Deputy Premier at the same time as they were stating publicly that they had no intention of privatising ETSA and that no work was going on by the Government on the privatisation of ETSA. That is certainly not correct. Indeed, we now know that in December 1996 there were Cabinet documents that talked about write-downs and trade losses of ETSA that Government Ministers, the Premier and Deputy Premier have denied in this House.

We are being asked to support a Bill that is deficient and to support it on a 'trust me' promise that this Government, which so far has failed dismally on the water privatisation issue, will suddenly be able to manage an electricity privatisation. That is the concern. I have many other concerns about this Bill, but I will pursue them further during the Committee stage.

Mr LEWIS (Hammond): Most of the other members who have spoken before me have picked the bones of the skeleton of this proposition to the point where, in rhetorical terms, there is not much left even for maggots. By that I mean that anything that is to be said or could have been said about one or other aspect of the measure has been pretty well

covered in terms of the consequences of the proposition politically. Notwithstanding that, I want to pay particular tribute to the contribution that I heard made by the member for Gordon.

Mr Conlon: He gave no comfort to anyone.

Mr LEWIS: It wasn't intended to. In my judgment, it was intended to outline what the member for Gordon saw as the basic elements of the proposition. I also believe that the contribution made by the member for Waite was enlightening as a contrast to the dissertation provided by some of the lead speakers for the Opposition, whose contributions from where they stand were not bad; but it is a pity that they were so narrowly focused. It is fair to say that the substance of the legislation has not been addressed in sufficient detail in the second reading speeches that I have heard to date. Before I get to that measure of detail, let me say that I agree with the analysis given by the member for Gordon as to what the proposition comprises.

There are enormous risks in the retailing end of the business. They are risks from which people will suffer if they mismanage those risks and miscalculate; equally, risks from which people will benefit if they properly manage the process of procuring electricity from the wholesalers, paying a fee to the people who own the wires and poles and then on-selling it in the retail market in the same way as in the case of gold mining operations these days which are more sophisticated in their marketing approach. It is not simply a matter of going out, digging up gold and, when you have it in your hand, offering it to someone who will buy it the next day. If you want to be sure that the gold you propose to mine is to be mined profitably, you need to look at the futures market for the commodity.

Once you have found the price at which you are certain—so far as it is possible to be certain, from the quantity of production at your disposal, that you can sell that gold to cover all your costs (that is, the fixed and variable costs, both short and long term)—then you must take that contract and lock in on an exchange rate between the currency in which that offer has been made to you by the person considering the purchase of your gold and the currency in which you incur your risk and liability. Commonly, gold is sold in American dollars. Once you have what you consider to be a good price at an acceptable exchange rate for a given week any time in the future, you should take that and lock in on the price and hedge the contract on the exchange rate.

It is just the same for electricity retailing. When you arrive at the point in time in the future that you want the electricity, you know that you can supply your customers, and you will be able to supply them at a price that makes it profitable for you to do so. Equally, having obtained the demand, you will be able to supply that electricity by procuring it from the generators and suppliers, and you will have done that across time. So it is managing risk after identifying that risk, and doing it in a way which ensures that it is profitable. There is nowhere near the risk owning the wires and poles, because they are to be subject to price regulation, as the member for Gordon has pointed out. That is the proposition we have before us.

Equally, in the process of generation, there are options for the future that are not even in existence at present—not only options in terms of where the electricity can be generated perhaps using existing technologies but also options for new technologies to be put into the equation. Those technologies are wider than the kind of green-green propositions that we hear about so much these days. There is the pressure vessel

nitrogen hydrogen ammonia cycle, where you change the pressure from three atmospheres to seven atmospheres and back again and, in the process of so doing in this closed circuit arrangement using solar energy parabolic lineal mirrors to provide the energy necessary to facilitate it, electricity will be generated (once the capital is invested) at very low recurrent costs, especially during hot weather. That being the case, the opportunity for the more expensive forms of prime energy such as natural gas compared to coal and hydro at the other end of the scale will no longer, for peak loads in the summer, be a profitable investment such as it is now and in the immediate future.

Those changes will occur whether or not we like it. If South Australians, therefore, believe that they can be as secure in the future as they felt in the past by continuing to own the means by which the electricity they consume is generated and reticulated around the State and the communities in which they live, they are very much mistaken. Enormous risk is involved. Therefore, we have no option but to sell it. So the debate ought to have been about the form the sale will take, or at least the form that the ultimate businesses which are to be derived from the sale will take, and the way in which those businesses will be owned.

I have said that we must sell it. Perhaps I ought to underline that further by pointing out that I share the same concerns as the member for Waite. Public servants and people of their ilk in large bureaucratic corporations, such as ETSA has traditionally been, are not people who know how to assess risk or who understand how to get profit out of, if you like, wheeling and dealing, literally, in the power business. They know how to plan for the generation of electricity and to construct the capacity to generate that electricity in sufficient quantity to meet peak demand which they have forecast in the future, leaving themselves a latitude of something like 20 per cent plus or minus.

Notwithstanding their ability to do all that as engineers, and to mine the coal and/or to service the turbines in the power stations, that does not equip them at all to cope with the rigours of a rapidly changing market in the commodity called electricity. It is a part of the total energy equation: the member for Gordon has made that plain.

Notwithstanding the concerns which any of us may have about the way in which the service is then provided, we still cannot afford to remain the guarantors of the risks to which I have just referred, for it will result in exposing ourselves to the more than \$5 billion risks that were detailed by the member for Waite in his remarks earlier this evening. That sum of \$5 billion is more than 1½ times the State Bank debt: \$5 billion, if the worst case scenario were to be realised, would leave us in a position of not having a State Bank to sell to recoup the loss. We would not have a viable business to sell: that would be gone, and nobody would touch it. We would have to find that from revenue. That would bankrupt the State. To allow that, or any part of it, to remain part of the future is silly. Therefore, the model through which the sale is to be effected and the way in which those assets are to be owned is, to my mind, what this debate ought to be about.

The second part of the Bill before us—which is the preparatory action which outlines the options that will be contemplated by the people—will give authorisation, through the Minister, for that analysis to be conducted. If we had looked at that part and contributed our thoughts as to the structure we want to see in place after it is sold, we would have been making a more constructive contribution not only to public understanding but also to the people who have to

our bidding as a Parliament. They would know, from what we say in this debate about that, what the public was thinking.

Before I go any further, I want to declare an interest. I do not have one yet but I plan to. I have no material interest whatever in any company at present that has an interest, or a prospective interest, in power generation, reticulation or retailing. However, I propose to do so, and after this speech is over I will prepare my proposition to put to those other people who currently have an interest. In this context I refer to a company called Central Australian Oil Shale (CAOS) that does have an interest in the mine site at Leigh Creek, where the coal is mined.

No-one in this debate as yet has drawn attention to the legislation which gives Optima Energy (ETSA as it used to be) the right to mine that coal and the conditions under which it is restricted to mining that coal, if it is restricted to mining just the coal, as I believe it is. It is an indenture Bill from this Parliament that authorises that activity. It is not just an ordinary mining licence. CAOS has a legitimate and lawful claim to the other minerals on that location that can be demonstrated in law through a court, if necessary. That is a part, not only of the assets that may be available for sale, depending on how that is clarified, but more particularly the liabilities because, as some members of the Labor Party over recent years have pointed out, oil shale does exist and it is silly to say that it is not there.

Oil shale is the rock that is porous and contains kerogens which are not derived, as coal is, from organic matter of vegetation and multicellular animals that may have lived amongst it. Kerogen comes from algae and pollen that were present at the time the sediments were laid down. In parts, we have some of the richest oil shale deposits in the world. I refer to this because there are grounds for concern about whether or not people who have had to work there, removing that oil shale overburden and, after removing it, working in the vicinity of where it has been stacked, suffer from the effects of it. The volatile fractions are carcinogens.

For the benefit of some members who did not understand what I just said, let me say that the gases that come from the rock that is taken from the coal at Leigh Creek, which is referred to as overburden, are hydrocarbons, which can cause cancer. There is considerable dispute about whether some people have contracted cancer. It is an aside, but it is interesting and relevant in the context that, not only does that deposit potentially form part of the asset, but more particularly it forms part of the liability. No-one has said anything about how that ought to be handled. I believe that there is an elegant and simple way to handle that, and that is to ensure that the State's taxpayers are indemnified by the buyer of any liability and claim beyond the day of sale. We would be wise to do that.

In addition to my interest in and awareness of that matter in particular, let me say that it does not make sense to sell the generating facilities at Torrens Island along with and in the same parcel as the generating facilities elsewhere in the State. They ought to be sold separately so that there is competition within South Australia from the different technologies that already exist to supply the power both as base load and as top up along the way. It makes far more sense to do it in that fashion. One cannot stoke up a coal-fired power station in a matter of minutes, but one can stoke up a gas-fired power station in a matter of minutes. Coal-fired generating capacity must be kept wheeling along, using up electricity, wearing out the plant itself, to be on hand in anticipation of a peak load if one comes.

It is also useful to keep it wheeling along to clean up the power to make sure that its frequency and compliance with the sine curve delivery of impulse is maintained. ETSA's reputation in that respect has been pretty atrocious. I believe that there ought to be several different companies in the energy generating business. My view of the poles and wires business is no different from that of the member for Gordon. It is a natural monopoly that no-one can compete with and it needs to be regulated. We could keep it.

Mr Conlon interjecting:

Mr LEWIS: More particularly, when it comes to retailing, there ought to be far greater flexibility than there is at present. The member for Elder is quite right. I am going to vote with the Government because I cannot countenance a future in which we are exposed to the level of risk to which I have referred, but in no great detail, because others have done that. It is unwise for taxpayers to accept that risk and manage it through a framework of a Public Service type mentality within a corporation.

It is quite inappropriate to do so. It is better to leave that risk and the prospect of profit to those who manage it well and to those people who are willing to take and to get whatever they can for it and go. As a State that is the best way we can do it. You cannot run a risky business through the decisions of a Parliament. It is like trying to train a horse through the decisions of a committee.

Mr Conlon interjecting:

Mr LEWIS: That is not my problem.

Mr Wright interjecting:

Mr LEWIS: He might happen to belong to the same Party and he may sit on this side of the Chamber, but his mind is in no way a derivative of mine or mine of his. Points about those matters compel me to urge the House to give better consideration to the framework through which, finally, we break it up. I believe that public ownership by consumers, at least in part as a public float, would be a good model to follow, with the option of providing also concessional shares to management who might buy into it at the retailing and generation end of the business, but without providing monopolies in two big lumps. There ought to be several separate offerings so that we maximise the benefit and get maximum understanding insight and acceptance from the general public for the proposal.

Mr SNELLING (Playford): I begin this evening with the thoughts of Benjamin Disraeli, the British Tory Prime Minister of the nineteenth century, who said:

I repeat: All power is a trust—that we are accountable for its exercise—that, from the people, and for the people, all springs, and all must exist.

I stand tonight in the presence of a Government that has betrayed the trust of this State. It is true that the power to govern South Australia is a trust given to us by the people. All members of this House are accountable for the exercise of that power, as Disraeli said. That is why I cannot, in good conscience, support the sale of the ETSA Corporation and Optima Energy. I made a promise, as did all members on this side of the House, that I would not and could not vote for the selling of ETSA, and Government members on the other side of the House ought to find themselves in the same position.

The Liberal Government looked South Australia in the eye and said that selling ETSA was not on its agenda, yet we in this session of Parliament are presented with a Bill that seeks to do exactly that. Members of the Government ought, in good conscience, to find themselves unable to support this

legislation. On an issue of fundamental importance to this State, the ownership of an industry that is now a basic necessity, the Government has gone to the people with a promise that cannot be reconciled with its present course.

I return to that statement by Disraeli: all power is a trust. It is fundamental to Westminster democracy that the people have an opportunity to cast judgment on those who represent them. This they do on a regular basis in South Australia every four years. The Government of the day goes to the people standing on the record of its term and setting out its vision for the next term. This the Government and the Premier did on the eleventh day of October last year. The record of the past was not much on which to hang its hat. The chief priority in the previous term of Government would seem to be self-destruction.

The machinations of the Liberal Party room were higher on the agenda than addressing the financial future of South Australia. So, the Government went to the people on its vision of the future of the State. Nowhere in that vision was the sell-off of ETSA. The Government of South Australia went to a general election saying that it would not do something that it now seeks to do. This amounts to betrayal of the trust that has been granted to the Government by the people. Apart from this betrayal of the people's trust, there are other major problems with this proposal, one of which is contained in clause 15.

Clause 15 allows the Government to put funds raised from the sale into consolidated revenue and not, as the Government claims, simply into debt reduction and to retiring debt. One can only wonder why such funds would need to go into consolidated revenue. Perhaps one who is as young and cynical as I would think that such funds might be used to buy off votes in this Parliament or for pork-barrelling at the next election. How wonderful it must be for the Government to think that it should have such a large surplus of funds to throw around shortly before the next election, perhaps to shore up a few marginal seats that it is worried about.

I also ask what guarantees the Government can give that South Australians will have affordable power in the future with a privatised ETSA and privatised power generation. Will it be like the privatisation of the water supply? We all know that water bills have gone up. I need not remind members of the big pong, the smell which drifted over Adelaide shortly after the privatisation of the management of our water supply—a pong which particularly affected the residents of my electorate of Playford, which includes Ingle Farm, Para Hills, Para Hills West and Pooraka, who had to put up with that smell drifting into their house and making them ill. All this followed the great water privatisation which was meant to herald such wonderful news for South Australia and for our water supply.

Sir Thomas Playford is a Liberal icon and, dare I say, a South Australian icon who had the foresight to establish a State-owned electricity supply company to aid development and provide security for South Australians. He saw that continuing private ownership of electricity would not allow South Australia to develop in the way that it should, that it would not allow South Australia to industrialise, that it would mean that Leigh Creek would not be developed as a supplier of coal, and that ordinary South Australians, particularly those in rural areas, would not be guaranteed power, which I am sure all members of this House believe is not a luxury but a necessity of life.

I also point out that there does not exist in South Australia the capital to keep ETSA and Optima in South Australian

hands. It is obvious that a sell-off will probably be to foreign interests or, at the very best, interests from the Eastern States. How will such interests treat South Australia? Will they determine the future of ETSA for the benefit and well being of South Australians? Of course not—they will do so for profit. Their decisions will be made on what looks good on their balance sheets, on what is profitable for them and not on what is good for South Australia or the South Australians who put us here. ETSA will simply become an agenda item for energy conglomerate board meetings in foreign cities.

I also refer to the way that the Government has been running down ETSA and, as an excuse for this ideological sell off, ranting about how South Australian taxpayers are unnecessarily exposed, and how at risk we are of losing millions and millions of dollars. I am not much of a salesman, but I must say that if I was out to sell an asset, whether it be a home or a car, or an electricity corporation, the last thing I would be doing is telling all and sundry how dangerous it is and how much money there is to be lost out of it. I can only wonder whether this is true. If it is true, the Government is obviously incompetent because it is running around telling everyone about it and driving down the price, or it is simply dishonest and trying to cover up for its massive U-turn and for its betrayal of the South Australian public.

Recently I was doorknocking in Para Hills West, and I had the pleasure of meeting an elderly lady who had lived in the area for many years. She remembers the difficulties she faced in helping manage her household and raising her family. When I explained to her that I was the member for Playford, she spoke fondly of the Playford era in South Australia. She spoke of how Sir Thomas understood the need for a program of growth for South Australia. She recalled those exciting days of the past when South Australia seemed destined to be an industrial powerhouse, when Leigh Creek and ETSA captured the imagination of South Australians. She felt betrayed by a Party that once lived up to not only its election promises but also its traditions and heritage. Sadly, she recognises that this Government has betrayed that legacy.

In fact, this Government reminds me of the words of Edmund Burke, as follows:

Nothing turns out to be so oppressive and unjust as a feeble Government.

This Government unfortunately bears out that statement. Beset by internal troubles, scraping home in the recent general election, the Government has turned to selling off the family silver to try to restore its sense of control over this State. I conclude with this quote from a poem by Rudyard Kipling:

I could not dig, I dared not rob,
therefore I lied to please the mob.
Now all my lies are proved untrue,
and I must face the men I slew.
What tale shall serve me here among
mine angry and defrauded young?

The DEPUTY SPEAKER: The member for Hartley.

Mr SCALZI (Hartley): Thank you, Mr Deputy Speaker.

Mr Conlon: Stand up, Joe.

The DEPUTY SPEAKER: Order!

Mr SCALZI: Some members are noticed for being short and some for being tall, and some are not noticed at all. I feel sorry for the honourable member. I will not hold up the House at length in speaking to my support for this Bill, because we have only to look at what the economic commentators write and the columns in the daily newspaper—

Mr Foley interjecting:

Mr SCALZI: The electors of Hartley have also communicated with their member, and I have taken their comments into account. The economic commentators, the experts and the economists will tell us that we have nowhere to go but to be responsible and sell ETSA and Optima for the benefit of South Australia. There are basically two choices. We can choose to sell ETSA and Optima but if we fail to do so we will sell South Australia short not only in the short term but also in the medium and long term. That is the question.

We can go on about the benefits of the sale—and my colleagues, the Premier and the Minister have put them in perspective—or we can believe members opposite when they talk doom and gloom about the sale of ETSA and how they want to hold onto and have become born again supporters of Sir Thomas Playford's vision—a Liberal Government. I agree that Sir Thomas Playford was the greatest Premier this State has had. He had a vision to supply electricity to South Australia and to support local industry, and he did that well. But, just in case members opposite do not know, we are in 1998 and we are heading towards the twenty-first century. In case members opposite do not know, I suggest they acquaint themselves with the changes in time and do not let the millennium bug get them.

Members interjecting:

The DEPUTY SPEAKER: Order! I would suggest that the Opposition cease interjecting and that the member for Hartley return to the provisions of the Bill.

Mr SCALZI: Thank you, Mr Deputy Speaker. The benefits of selling—

Members interjecting:

The DEPUTY SPEAKER: Order!

Mr SCALZI: —ETSA and Optima have been clearly outlined. An industry regulator will ensure that unfair pricing will not occur; these are the sorts of things the Opposition should be concerned about. Prices below the level of inflation have been guaranteed by the Government until the year 2002, and competition over time will further drive down prices. ETSA currently has the highest costs of delivery of any electricity supplier in Australia. We know that we are part of the national electricity grid and that we cannot put this State at risk. Members opposite have not talked about the guarantees they want for South Australians; they have not talked about the specifics: all they have talked about is what was promised at the last next, who said what and when.

Mr Wright interjecting:

Mr SCALZI: Yes, the member for Lee is a former school teacher and can understand the mannerisms of a teacher. I am not embarrassed to say that 18 years of teaching has left its mark on me; it is a noble profession.

Mr Conlon: You'll be enjoying it again soon.

Mr SCALZI: Don't make a career your life but make a career of life. If that was what the good Lord had wanted me to do at the last election, I would happily have gone back to the classroom. The question here is not whether Joe Scalzi should go back to the classroom but what is in the best interests of South Australia in 1998. The Government is making a responsible decision. Economic commentators, the experts and the New South Wales Labor Government are telling us that that is what we should do. If members opposite were dinkum, they would forget the rhetoric and ask, 'What are the best interests of South Australia? Let's stop talking about point scoring.' Today in Question Time it was quite clear; they were not interested in ETSA any more: they were interested in employment.

I applaud members opposite for being interested in employment and for asking questions about employment, because that is what we should be concerned about. Employment and prosperity for South Australia will be achieved if we make the right economic decisions to restructure the State. We have done this in terms of information technology and so on. We have to plan for the twenty-first century. This is essential to get South Australia on its feet, to get rid of our debt and to make us compete adequately with the other States.

Members interjecting:

The DEPUTY SPEAKER: Order! The member for Lee is out of his seat.

Mr SCALZI: All I have heard are arguments and Nostradamus predictions that if ETSA is sold the end of the world will come. It does not add up to me, because the Labor Party in New South Wales says the same thing. It does not add up to me, because the commentators say that that will not happen. The Opposition is a hitchhiker Opposition that has no policies whatsoever. If you watch members opposite during Question Time and at other times, you will see that, from time to time, they pick up an issue—whatever happens to fall off the back of a truck—ask six or seven questions about it and then change tack. Finally, they say, ‘My goodness, someone switched off ETSA; we had better switch it on again’, and then they will talk about ETSA. These are the Opposition’s tactics.

That is not what it should be about. This is an important Bill. It is part of the national competition policy. The State of South Australia, with 1.5 million people, produces electricity from Leigh Creek coal at a higher cost than does the rest of the country. In those circumstances, how will we compete with New South Wales and Victoria as part of the national electricity grid? The Opposition would have us believe that it is better to leave South Australia in a sorry state than to say sorry.

Members interjecting:

The SPEAKER: Order!

Mr SCALZI: They would leave South Australia in a sorry state just as it did before we came into power. The Premier has acknowledged that we have changed because the conditions have changed. We make no apologies for that. The political reality is that you have to assess the circumstances in which you find yourself. It is true that at the time of the election we had no intention of selling ETSA, because the risk was not identified. But, once that risk was identified, it would have been irresponsible for a Government to hang onto a policy which would have put South Australia at risk. As I have said, it is better to say sorry. We have changed the policy because it was necessary to do this rather than leave South Australia in a sorry state.

Comments from members opposite reflect their opportunism in thinking, ‘We can go on about broken election promises, forgetting about the benefits for South Australia’, but meanwhile through their comments and attacks they are reducing the sale price. That is all that the Opposition is doing. It is not acting in the best interests of South Australia. Of course, I would have liked to keep all public utilities in Government hands if that was possible and in the best interests of South Australia. The reality is that it is not in the best interests of South Australia to retain ETSA and Optima in Government hands and to put the Government and, more importantly, South Australians at risk.

Mr De LAINE secured the adjournment of the debate.

APPROPRIATION BILL

The Legislative Council intimated that it had granted leave to the Treasurer (Hon. R.I. Lucas) to attend the House of Assembly on Thursday 28 May 1998 for the purpose of giving a speech in relation to the Appropriation Bill, if he thinks fit.

ADJOURNMENT DEBATE

The Hon. M.H. ARMITAGE (Minister for Government Enterprises): I move:

That the House do now adjourn.

Mr KOUTSANTONIS (Peake): Recently in my electorate there has been a lot of debate about the Adelaide Airport and the curfew surrounding it. It seems that one of the key issues of the campaign for the upcoming Federal election—around July or August—will be whether the curfew should be enforced by a piece of legislation or simply by a gentlemen’s agreement. The Federal sitting member of Parliament, Ms Christine Gallus, has been claiming for the past two years that she has been preparing a private member’s Bill to enshrine the curfew into law. Despite repeated attempts, no-one has been able to see the Bill. I have done some research myself and, whilst I am prepared to correct myself if I am wrong, it seems that in the career of Chris Gallus since entering Parliament in 1990 not once has she made a grievance or other speech on the Adelaide Airport. I find that to be almost disgraceful.

Mr Clarke: Despicable.

Mr KOUTSANTONIS: Despicable.

Mr Conlon: Not very predictable!

Mr KOUTSANTONIS: Not very predictable, says the member for Elder. I was going through Federal *Hansard* trying to find the position of Ms Gallus on the curfew and I was shocked: I did not find one reference whatsoever to Adelaide Airport. Ms Gallus makes much of her concern for residents affected by Adelaide Airport. Ms Gallus is an extremely popular figure within the Liberal Party and has many supporters amongst members opposite, in particular the member for Unley, who is an extremely big supporter of Ms Gallus, as is the Speaker and the member for Colton.

The Hon. M.K. Brindal: They have to have at least one decent member down there.

Mr KOUTSANTONIS: Indeed, they do, but it seems that Ms Christine Gallus has been caught short. In her time in Federal Parliament there has been not one speech or utterance about Adelaide Airport, yet she is running around her electorate saying it is a major issue.

Mr Conlon interjecting:

Mr KOUTSANTONIS: No-one has seen the Bill, which is what concerns me. She went on the 5AA radio program hosted by Father John Fleming, prompted by our excellent candidate in the western suburbs, Mr Steve Georganas. He is an excellent candidate who no doubt will romp it in on election night because of the mismanagement of Ms Gallus in her electorate.

The Hon. M.K. Brindal interjecting:

Mr KOUTSANTONIS: Steve Georganas is an excellent candidate. I know that the member for Colton will be working tirelessly for the member for Hindmarsh to help her re-election because he is a tireless supporter of the member for Hindmarsh, as are many members opposite. The important point is that on talkback radio Ms Gallus claimed that anyone

who wished to see her private member's Bill should simply call. So, my personal assistant decided on the Monday after that program to give Ms Gallus a call to arrange to see the private member's Bill. But, to our shock and surprise the Bill was not there.

The Hon. M.K. Brindal interjecting:

Mr KOUTSANTONIS: We asked whether we could pick it up; we even volunteered to walk over to her office, which is just over the road, to see the Bill; and we even offered to pay for the photocopying of the Bill. Surprise, surprise, there is no Bill; we have not seen it, yet she is claiming on radio and in her newsletter that she has a private member's Bill ready to go straightaway, as soon as she gets an opportunity. We have been waiting for two years. I am about to say what I think is the truth and, if I am wrong, I am willing to withdraw it. I wager to say that Ms Christine Gallus has no private member's Bill and she has no intention of embarrassing her Prime Minister and introducing a private member's Bill which would restrict the new consortium which owns Adelaide Airport in terms of its curfew regulations. She has no intention whatsoever of doing that. If Ms Gallus were legitimate about this, she would distribute her private member's Bill but, surprisingly, she is not doing that.

Mr Conlon interjecting:

Mr KOUTSANTONIS: Steve Georganas is in an interesting position because he is a local resident of the western suburbs who has lived there his entire life. He was born in the western suburbs and understands the needs and concerns of local residents. Indeed, he lives under the flight path.

The Hon. M.H. Armitage: So do I.

Mr KOUTSANTONIS: Please! Our candidate, Mr Georganas, has an interesting point, because he wants to see—

The Hon. M.K. BRINDAL: Mr Deputy Speaker, I rise on a point of order and seek your guidance. This is a grievance debate—

Members interjecting:

The DEPUTY SPEAKER: Order! The member for Ross Smith.

The Hon. M.K. BRINDAL:—and I seek your guidance whether Mr Georganas actually constitutes a grievance under the rules of the Parliament.

The DEPUTY SPEAKER: There is no point of order. That is a frivolous point of order and I suggest that it is inappropriate for the Minister to raise such a point of order.

Mr KOUTSANTONIS: It is indicative of the talent opposite that the Minister would raise such a frivolous point of order. Steve Georganas's position is this: he demands a curfew on Adelaide Airport, as we do, and demands that residents in the western suburbs be protected. He wants to ensure that they have every right, just like residents in Unley and North Adelaide, to sleep quietly at night without being disturbed by 747s. The interesting thing is that, when Adelaide Airport sought an exemption of the curfew regarding certain flights, it is always the same usual suspects who vote 'Yes' to allow the request to go through. Who are those people: I refer to Ms Christine Gallus, my predecessor, Heini Becker, and, of course, Stewart Leggett. These are three people who claim to represent the western suburbs and, on the environmental impact committee formed by Adelaide Airport, they are the same usual suspects who vote always to break the curfew.

Members interjecting:

Mr KOUTSANTONIS: The western suburbs' own worst enemy is Ms Christine Gallus. As I said, I am prepared to withdraw these remarks if I can see a copy of her Bill. It is amazing how Ms Gallus cannot find it. I think she has lost it. Perhaps her luggage got lost at the Qantas Flight Club or was lost in Canberra. I am not sure why, but she cannot find the Bill. I have copies of her newsletter dating back to 1995 in which she claims that at any moment now she will be introducing the Bill, yet time and again we have Ms Gallus filibustering or delaying because she wants to make this an issue at every election. Members on this side of the House do not want to make the curfew an election issue because it is far too important for that. We do not want to take advantage of the situation and we want to see—

The Hon. M.K. Brindal interjecting:

Mr KOUTSANTONIS: The member for Unley laughs and shows his contempt for the western suburbs, but I challenge the member for Unley to run against me in Peake. We can fight about the airport, if he thinks it is so funny.

The Hon. M.K. Brindal: I have no intention of doing that.

Mr KOUTSANTONIS: I did not think you would have. It is too hard for you and you do not have the courage.

The Hon. M.K. Brindal: I visited it once, and that was enough.

Mr KOUTSANTONIS: Yes, Mr Deputy Speaker, the member for Unley said that he visited the western suburbs once. It was probably on the way to the airport to catch a plane to Paris with his mate the member for Mawson—or to study beaches in Hawaii.

Mr Conlon interjecting:

Mr KOUTSANTONIS: That is right. As I said, I think Christine Gallus has fiddled enough. It is time she became honest. It is time Ms Gallus let everyone know where she stands on the issue and presents this Bill for scrutiny. Ms Stephanie Key, the member for Hanson, and I are the two members covering the airport flight path situation, and we have not seen this Bill.

Mr Clarke interjecting:

Mr KOUTSANTONIS: Yes. Yet she claims wide-ranging community consultation. I wonder whether the member for Colton has seen the Bill.

Mr Condous interjecting:

Mr KOUTSANTONIS: The honourable member said 'No'.

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

Mr VENNING (Schubert): I inform the House tonight of a great happening in my electorate; that is, the—

Mr Foley: A road!

Mr VENNING: No, a railway.

The DEPUTY SPEAKER: Order! I request that members of the House treat this matter seriously. I know that members are tired, but, because of the positions we hold in this State, we need to be responsible.

Mr VENNING: Yes, it is a serious matter, Sir, and tonight I have much pleasure in informing the House that the long awaited, the much talked about and the very much needed Barossa passenger rail service is at last a reality.

Mr FOLEY: Mr Deputy Speaker, I rise on a point of order. Having now been in this House for four years, the member for Schubert only ever rises in grievance to talk about railways. Is there some issue about repetition? It is the

only subject matter about which the honourable member ever talks.

The DEPUTY SPEAKER: There is no point of order. The member for Hart will resume his seat. There is no point of order; that is another frivolous point of order.

Mr VENNING: I will be circulating this speech and I am sure the member for Hart will not appreciate that comment in a speech circulated in the Barossa Valley, for which this is a big win. I was pleased to be a passenger on this inaugural service on Thursday 14 May. Members of the Opposition were on the train as well. I remind members opposite, before they get carried away to such a ridiculous degree, that the shadow Minister was also on the train. We boarded the train at the Adelaide Railway Station, platform 9, and we journeyed to the Barossa—Tanunda and Nuriootpa. There were many happy passengers on that train that day, and they were euphoric that at last we have a rail service to the State's premier tourist area. We had a train full of very happy people, particularly from the media. Bob Francis sat next to me for a while and we had a long discussion.

There were journalists and people from the travel industry, including the Barossa Wine and Tourist Association, people from local government and regional development boards, and politicians from both sides. I was very pleased that at long last it was happening. This has been the first regular service operated since a Mr Ron Bannon operated the last service which closed down approximately 15 years ago. This was the service previously owned, operated and instigated by the late John McAvaney until he sold it as a successful venture to Mr Bannon. Mr McAvaney, who died suddenly a couple of years ago—which was a real shock to the community—was the first person to contact me four or five years ago with the strong desire to see the service returned. He was the first to push for the idea of using the historic Bluebird rail cars that we all regard so fondly in this State. I am sure all members at some time in their lives have travelled on the Bluebird, as I did as a school student in the early 1960s.

The Bluebird represents a very important part of this State's history, and I am very pleased that these railcars are being used and did not go to Malaysia. They were sold to Malaysian interests, but I am very pleased that they were on-sold and they are still here. They are ideal for this run because they can be operated as singles, doubles and triples; as many as you like, and they have facilities to set down where there are no platforms. They have been magnificently restored. Mr Barry Martin and his co-directors of Barossa Bluebird Rail Services have 'seized the bird by the horns', and the first full service ran last weekend. I wish to congratulate Mr Martin for taking on this venture. It is a risky one in which he has invested a lot of money, and I am very pleased that he has taken the risk and has the confidence in the Barossa and in South Australian tourism—

Mr Conlon interjecting:

Mr VENNING: I am not aware of any taxpayers' money. I am pleased he had the confidence to take this on and sufficient confidence in our industry to believe that his venture will give him a reasonable return on his capital invested, because I can assure members that he has spent a lot of money. If members opposite doubt that, let them look at one of the cars. The first commercial service ran last weekend and I believe that it was a great success. I also congratulate Barry Martin on taking this venture on, because it has not been easy: it has been a long, hard road over the past three to four years. They bought the Bluebird cars from a Malaysian company, after we all thought that they were lost

to South Australia, but with their persistence and a little luck we now have them and, hopefully, they will be staying here for many a day enabling people to enjoy a magnificent experience in the most wonderful area, the Barossa Valley.

They are now refurbishing more of these cars, having completed three. The first was refurbished in Victoria, but every car since has been refurbished here in South Australia at Islington. In fact, they have now started a very successful side business in refurbishing rolling stock. So, more jobs for South Australians. All we need to do is reward a few risk takers and it has spin-offs. They will probably make more in the first instance restoring railcars than they will make out of the tourist service, as it is winter, but, hopefully, they will support each other, particularly during the slack tourism period. It was a wonderful experience and very nostalgic for me to ride in the car last week, because I first rode in the cars as a young student of 12, and it is great to see them running again.

I also congratulate the Barossa Regional Economic Development Association, particularly its CEO Mr Brian Sincok, whose negotiating skills were to the fore here. As you would expect, he had many disappointments working with the Government and bureaucrats, but he persevered, as did Mr Martin. I also must pay great credit to the Hon. Diana Laidlaw, who from the very start had a personal belief in this service, and her involvement personally rather than just Government backing had a lot to do with it. However, we now need to upgrade the rail line from Nuriootpa, the middle station of the three towns, to Angaston, because they cannot use the service since the sleepers have deteriorated to a degree at which it is not safe for a passenger service. We hope that that can be arranged.

I noted the discussions taking place between the Minister (Hon. Graham Ingerson) and the Mayor of the Barossa council (His Worship Brian Hurn). I would encourage a joint venture there to do anything we can to make sure we upgrade that track so that the experience can be a total one for our travelling and tourist public. The platforms also need to be upgraded, because only a few months before the first trains ran some of the platforms were pulled away, having been seen as being unsafe. Two of the railway stations are in good condition, having been restored, and two are not, so we also need to address that matter. I hope that these stations can be upgraded—at public cost, because I do not believe the venturer should be expected to pay that as well.

I commend the venturers and wish them all the best with their endeavours. I will use this service and I hope that the public will do so as well, because it is a magnificent experience to ride in one of these carriages. It is something quite different, particularly when the carriages are sponsored by different wine companies. It is indeed a total experience. I also encourage members of Parliament to use the service and to take their constituents there. If they need to reward some of their Party workers, they should take them for the day. It starts at approximately \$35 return.

Depending what you have on the other end, it goes up accordingly. It is a great success, and I hope that one day it will be a daily service. It should be sufficiently viable to enable that to happen. What we need to do now is put in the interlinking services. We have excellent accommodation on the way into the Valley. We have Chateau Tanunda, which has changed hands and which will be developed. It has magnificent accommodation. We also have the Kinsmen project at Rowland Flat, as well as the magnificent Barossa Convention Centre, which I visited last week. We saw *My*

Fair Lady, which was magnificent. I certainly congratulate the students at Faith School for putting on a magnificent performance. Tonight I wish to tell members that it is all go in the Barossa, and I hope that members will get aboard to share a wonderful rail experience to the Barossa.

Motion carried.

At 10.1 p.m. the House adjourned until Thursday 28 May at 10.30 a.m.