# HOUSE OF ASSEMBLY

**Wednesday 8 November 2000**

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

### STAMP DUTIES (LAND RICH ENTITIES AND REDEMPTION) AMENDMENT BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts of money as might be required for the purposes mentioned in the bill.

### ALDINGA POLICE STATION

A petition signed by 1 175 residents of South Australia, requesting that the House ensure that the Aldinga Police Station is open 24 hours a day, was presented by Mr Hill.

Petition received.

### NOARLUNGA HOSPITAL

A petition signed by 979 residents of South Australia, requesting that the House urge the Government to fund intensive care facilities at the Noarlunga Hospital, was presented by Mr Hill.

Petition received.

### DENTAL SERVICES

A petition signed by 55 residents of South Australia, requesting that the House urge the Government to fund dental services to ensure the timely treatment of patients, was presented by Ms Rankine.

Petition received.

### GOLDEN GROVE ROAD

A petition signed by 153 residents of South Australia, requesting that the House urge the Government to consult with the local community and consider projected traffic flows when assessing the need to upgrade Golden Grove Road, was presented by Ms Rankine.

Petition received.

### POLICE, TEA TREE GULLY

A petition signed by 282 residents of South Australia, requesting that the House urge the Government to establish a police patrol base to service the Tea Tree Gully area, was presented by Ms Rankine.

Petition received.

### NUCLEAR WASTE

A petition signed by 42 residents of South Australia, requesting that the House prohibit the establishment of a national radioactive waste storage facility in South Australia, was presented by Ms Rankine.

Petition received.

### DOGS, MUZZLING

A petition signed by 3 269 residents of South Australia, requesting that the House ensure that certain breeds of dogs are muzzled in public, was presented by Mr Scalzi.

Petition received.

### DOGS, LEADS

A petition signed by 4 229 residents of South Australia, requesting that the House ensure that all dogs on streets and in parks are on leads, was presented by Mr Scalzi.

Petition received.

### LEGISLATIVE REVIEW COMMITTEE

**Mr CONDOUS (Colton):** I bring up the fourth report of the committee and move:

That the report be received.

Motion carried.

# QUESTION TIME

### WATER CONTRACT

**Mr CONLON (Elder):** I direct my question to the Premier. Given that the Premier said that one of the main purposes of signing a contract with United Water in 1995 was to get it to develop an international water industry without risk to the taxpayer, will the Premier explain why the government has committed $10 million of taxpayers' money to a risk commercial water venture in West Java instead of the private company United Water being involved? So far—

*Members interjecting:*

**Mr CONLON:** Yes, I can count, and I will keep counting. So far, the government has committed $10 million of taxpayers' money to a West Java water venture in which SA Water is seeking to manage West Java's water on a commercial basis. Thus far there have been no financial returns.

**The Hon. M.H. ARMITAGE (Minister for Government Enterprises):** We need to put on the record a number of important facts in response to what I must say is a completely predictable and understandably overdrawn question from the member for Elder. The facts are these—and indeed, I have previously spoken about this in the House. Very pleasingly, SA Water has won a contract to be the systems manager in Bandung. That is a government to government contract, and that is the level at which SA Water has been involved. The project is backed by the World Bank—

*Members interjecting:*

**The SPEAKER:** Order! The member for Elder has asked his question.

*Mr Conlon interjecting:*

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

**The Hon. M.H. ARMITAGE:** The project of improving the water supply in West Java is backed by the World Bank and a number of aid agencies. Recently through the Premier SA Water has presented an MOU, which is the strategy for SA Water being the systems manager in Bandung. This will mean that SA Water will be the organisation which helps to write the contract and, I am informed, which helps to shortlist the people who are likely to get those contracts.

I am very pleased that the member for Elder has asked this question. What will then happen is that, quite appropriately, SA Water will be able to make suggestions, because international players such as the major shareholders in United Water and Riverland Water are completely appropriate people to be on the short list. That is exactly what will happen, so the South Australian private sector will benefit from the work which SA Water has been doing.

I am thrilled to see that the member for Elder has indicated that there is a $10 million cost. I have just been informed that the cost to the end of the financial year 1999-2000 is about $4.8 million. So it has been overstated just by 50 per cent! I am also told that the break even point is in 12 to 18 months for the stand alone project. If one looks at the whole of the project, including all the government to government costs which have prepared the way for the private sector investments in the Philippines, China and so on, one sees that it will be a two to three year time frame.

It is also extremely important to identify that SA Water, in working up its systems management skills, has learnt a number of good things that will enable those skills and knowledge to be transferable to other projects internationally. It may not be pleasing for the opposition to acknowledge that we now have international players in the South Australian water industry who can, in the vernacular, strut the international stage with pride and can do the job. It is a simple fact that they would not have been able to do that under the previous government, because the SA Water industry as a whole was insular looking and was not focused on exports.

We now have a number of key international players who are technologically competent in a world scenario and whom SA Water can confidentially recommend to do the job. In doing that, they will bring back to South Australia private revenue, in addition to the revenue the government will get. They will create jobs for South Australian people in the water industry, and I know that the opposition does not like that. It does not like success other than when there is success in another state run by a Labor government. The facts are that the South Australian water industry is becoming internationally competitive, and it is doing a marvellous job. Through the water industry alliance that has been formed directly as a result of bringing international players into South Australia, a large group of companies now do all sorts of things to support themselves in providing economic growth internationally, and that means that the South Australian economy and South Australian families will benefit through the money that comes back.

It does not surprise me that the opposition would try to portray this as a shock, horror exercise. Frankly, it points out all the dilemmas of the insular way the opposition was running the water industry when it was in government. Factually it also points out that they have learnt absolutely nothing. They are not saying, ‘Under us, the EWS was costing taxpayers about $50 million a year on top of what they were paying for water; why was that so and why are we asking the taxpayer to pay twice for water when they did not have to?’ and ‘How can we fix that?’ They are not saying, ‘Isn’t good that we now have international players with international prestige who are developing a water industry that will bring back private sector capital following the government to government contact made internationally?’ Instead, they are saying, ‘We wish we were back in the bad old days.’ I can assure the House that the taxpayers of South Australia do not want that and neither do all the people who work in the water industry since the international companies came here; they think that the water industry is thriving. I am absolutely sure that all the members in the water industry alliance—small companies who have grown and who are enthusiastic to be part of this internationally focused industry—would suggest that your attitude is laughable.

## NUCLEAR WASTE

**Mr VENNING (Schubert):** Will the Minister for Environment and Heritage advise the House as to the nature and extent of discussions between the state and commonwealth governments on the issue of disposal of radioactive waste in South Australia?

**The Hon. I.F. EVANS (Minister for Environment and Heritage):** Anyone visiting South Australia for the first time over the last few months and listening to the carry-on of the ALP would be under the impression that the ALP has stood up on every occasion in relation to the nuclear waste debate. Indeed, they would be under the impression that ‘Media Mike’ would have been out there single-handedly cleaning up Maralinga. ALP members have given the impression that they are the only ones who have introduced bills in this House in relation to nuclear waste.

Yesterday, members opposite spent some time trying to muddy the waters in relation to consultation about nuclear waste. So, I think it is important that we take the chance to clarify for the House the long consultation history in relation to this topic. In fact, the consultation has gone on for some 20 years—as the member for Hart will know, being a former adviser to Premier Arnold.

*Mr Foley interjecting:*

**The Hon. I.F. EVANS:** We will come to that point in a minute: I am glad that the member has interjected. So, for 20 years there has been consultation between the commonwealth and state governments in relation to nuclear waste. In fact, in 1980 a consultative committee was established between the commonwealth and state governments—

*An honourable member interjecting:*

**The Hon. I.F. EVANS:** Some 20 years ago—1980, yes. In 1985, the consultative committee recommended that a national program be initiated to identify potential sites for near surface radioactive waste repositories. In 1986, the committee reported that a number of regions were likely to contain suitable repository sites. I do not recall any Labor press releases at that time; I do not recall any legislation at that time; I do not recall any petitions—

*The Hon. M.D. Rann interjecting:*

**The Hon. I.F. EVANS:** It was 1986—and I certainly do not recall a referendum. In fact, there was not a whimper, to my knowledge, at that time. So, federal and state Labor governments have certainly been tick-tacking on this matter for some time.

Why would members of the Labor Party spend so much time trying to muddy the waters yesterday? Perhaps they are scared that the voters will understand that it was the Australian Labor Party that kicked this whole show off, in effect. In fact, the then ALP Deputy Premier, Don Hopgood, wrote to the then federal Minister for Energy, Simon Crean, in October 1991. I will quote to the House what then Minister Don Hopgood wrote to the Labor minister, Simon Crean:

> Dear Simon,
> The South Australian government acknowledges the need for disposal facilities for radioactive waste to be established in Australia. Together with all other states and territories and the commonwealth, South Australia has radioactive wastes arising from medical, scientific and industrial uses of radionuclides awaiting disposal.

South Australian government officials have participated from the outset in a collaborative development of proposals for national radioactive waste facilities through the commonwealth-state consultative committee, and they took part in the desk study completed in 1986. . .

*An honourable member interjecting:*

**The Hon. I.F. EVANS:** In 1986. Further, Don Hopgood wrote:

*An honourable member interjecting:*

**The Hon. I.F. EVANS:** I will come to you in a minute. Further, the then Labor Deputy Premier wrote:

I agree that South Australian officials should continue to take part in the desk study process with a view to preparing a short list of suitable sites for further discussion between the commonwealth and state governments.

So, Don Hopgood endorsed continuation of the process. I do not recall a press release then; I do not recall a petition then; I do not recall a referendum then; I do not recall legislation then. The Labor Party has simply been playing short-term popular politics—nothing else—with respect to the nuclear waste issue. It is a fact that successive state and federal Labor governments had been negotiating on this issue for many years before this government came to power. As I have said, in 1986 the federal government was certainly having consultations with the state Labor government.

In April 1992, the federal Labor minister, Simon Crean, wrote back to the South Australian Premier and said:

The commonwealth government strongly supports the prospects of radioactive waste disposal at Olympic Dam and would welcome South Australia's support for the study.

*Members interjecting:*

**The SPEAKER:** Order on my right!

**The Hon. I.F. EVANS:** I do not recall a public campaign then or legislation in the House. I do not recall a petition. I do not recall a call for a referendum. When they are in government none of that occurs; it is two-faced hypocrisy. Then, in December 1992 the then former South Australian Minister for Health, Martyn Evans, prepared a detailed summary for cabinet in regard to developments in the study on the proposed Olympic Dam site. Before they were interjecting saying that they rejected it, but six or eight months later Martyn Evans as a cabinet minister was walking in further developments on the proposal. But, again, there was no petition, no legislation and no referendum.

Then we get to the member for Hart. I am sure that the honourable member will recall, when he was the adviser to Premier Lynn Arnold in September 1993—only about six or eight weeks before the state election (and we needed some help in 1993)—that Lynn Arnold went to cabinet and briefed it on the latest developments in relation to radioactive waste, including proposals about storage of the radioactive waste at the rangehead near Woomera. We had the leader in cabinet, the member for Hart as an adviser and, if my memory serves me correctly, the member for Kaurna may have been the Labor State Secretary at the time. In any event, he was certainly around the place in the Labor Party hierarchy.

*Members interjecting:*

**The SPEAKER:** Order! I ask members on my right to settle down.

**The Hon. I.F. EVANS:** We did not get a petition or legislation then. We did not get a referendum—because they were in government. Then we get to 1994-95, when the then Labor federal government transported, from memory, about 10 000 drums of radioactive waste into Woomera. Premier Brown and then minister Wotton opposed it and put out press releases to that effect. It was 10 000 drums. Did we get a press release, a referendum or legislation from the ALP? We get deafening silence.

But, in fairness to the ALP, let us congratulate it for being consistent. When in government the silence from members opposite was deafening. But when in opposition they automatically oppose. They are consistently hypocritical and they consistently have no policy.

## WATER CONTRACT

**Mr CONLON (Elder):** My question is again directed to the Premier. Given that there is a presidential decree in Indonesia known as Keppress 7, which does not allow any preferential treatment to be given to companies bidding for water contracts in Indonesia but which demands open, competitive tendering, why did the Premier sign a deal with the Governor of West Java in 1998 which he claimed would give South Australian companies first right of refusal on lucrative water and waste water projects in Indonesia? They may not like it, but the government's own agent said this. In his evidence to the Economic and Finance Committee today, the head of SA Water's International Division confirmed that Keppress 7 would prevent any preferential treatment, such as that just claimed by the minister, being given to SA companies.

**The Hon. M.H. ARMITAGE (Minister for Government Enterprises):** Let us be quite frank about this. Let us all do one thing: let us all go and examine the *Hansard* for my last answer and see where I said that they would get preferential treatment. That is what the member for Elder just claimed. In the previous question, the $4.8 million mysteriously became $10 million, just as there was 100 per cent inflation between the Economic and Finance Committee at 11 am and parliament's sitting here at 2.30 p.m. That is not a bad inflation rate—100 per cent. But, just as that is fallacious, so is the member for Elder's claim that I said there would be preferential treatment. I did not. What I said was—

*Mr Conlon interjecting:*

**The SPEAKER:** Order! I suggest that the member for Elder start to contain himself.

**The Hon. M.H. ARMITAGE:** What I said, quite categorically, was that SA Water was working at a government to government level and, if the Labor Party opposition does not know that, particularly in Asia—and in other areas as well—governments like working government to government, they are in exactly the right place in parliament—

*Mr Foley interjecting:*

**The SPEAKER:** Order, the member for Hart, for disrupting the House!

**The Hon. M.H. ARMITAGE:** —and that place is on the left of the Speaker, because that is just common or garden knowledge of every single business person. So if they do not know that it is a good deal for South Australia to have government to government collaboration, I would be surprised. So that is number one.

What I said was that SA Water is working at a government to government level with the government of Java to help write the contracts, at which stage the tenderers will need to be technologically competent and, accordingly, international players are appropriate people to be there, and SA Water will help to draw up the short list. I did not say they would determine who was going to get the contract. Of course—

*Mr Conlon interjecting:*

**The Hon. M.H. ARMITAGE:** What I am saying is that the member for Elder, just as he had 100 per cent inflation in the space of two hours because it might make a good story, chooses to completely misrepresent what I said not even 10 minutes ago.

But let us look at *Hansard* and see how much regard the member for Elder has, when making up these fanciful stories, for what was said. SA Water will help the government draw up the short list. Obviously, the major players in the South Australian water industry will be on that short list. Why would we not put them on that short list, because we know they are technologically competent, we know that they are actually internationally focused and we know that they will do our international reputation a lot of good.

There is another benefit—surprise, surprise! We know that if they win the contract they will actually bring money back into South Australia and will employ South Australians. That is not a bad outcome. I would be quite pleased to report that to parliament: I would be delighted, in fact, dare I say it, to come back in a few months' time or a few years' time, whenever it might be—in fact, on every occasion—to say, 'Whacko, we have got more money coming into South Australia because of Pola Induk.' Once that occurs, we are the beneficiaries.

The whole question revolves around the fact that the decision by the World Bank will be based on the master plan known as Pola Induk, prepared by SA Water. They are not going out to some vague strategy that no-one in South Australia knows anything about, that has no relevance and that will not work. The World Bank is basing its strategy to help West Java in the water industry on Pola Induk.

What does the next step mean for South Australia? What it means is that the Vice-Governor of West Java, with all the political clout that that might have in Indonesia, took our strategy—Pola Induk—on a road show over the various areas of the Bandung area to say, 'This is something we should be supporting, and this is how we are going to be managing our water.' The Governor extolled the virtues of Pola Induk to all the federal ministers in Indonesia. From the opposition's perspective, that may be a bad thing. I think it is terrific: I think it is marvellous that something that has been developed in South Australia, which has the potential to bring work, jobs and money into South Australia, is being taken around with the support of the highest officials in West Java.

If the opposition does not want that, that is fine. Let them tell us, because that is the conclusion we are drawing from the questions. We are drawing the inference that there is no support from the opposition for this process of having our water industry supported by an international contract. If that is the case, sad it may be; nevertheless you will be the ones who come to wear the odium when the contract succeeds.

## URANIUM MINING

**The Hon. G.M. GUNN (Stuart):** I direct my question to the Minister for Minerals and Energy. Can the minister advise the House of the importance of uranium to the state and particularly the contribution made by the developments at Roxby Downs?

**The Hon. W.A. MATTHEW (Minister for Minerals and Energy):** Members of this House know full well that during his time in this chamber the member for Stuart has been a strident advocate of the mining opportunities at Roxby Downs. He has championed the cause and has had the delight in seeing Roxby Downs township become the reality that it is today and the Olympic Dam mining opportunities become the reality that they are today. The member for Stuart has had the opportunity to see that despite the actions of the Labor Party to stop that operation from going ahead. Notably, a strident critic of Roxby Downs, a person who fought actively against the creation of the Roxby Downs township, who fought stridently against the mining operation from starting, was none other than the Leader of the Opposition, Mike Rann. The Leader of the Opposition fought hard in the 1970s to prevent Roxby Downs from becoming the reality that it is today.

Perhaps the Labor Party, with the lack of attention they pay to the mining industry, felt that they might be onto a winner because, remembering back in 1975, only two of the 10 drill holes at Olympic Dam identified the potential that was there. They seized the odds, seized the opportunity—not understanding the geology of the terrain, not understanding the mining industry, having criticised it for many years—and determined that it would be a mirage in the desert. That was the claim by former Premier Bannon: a mirage in the desert. That is what they saw would happen.

In 1975 the company employed four people to explore the Olympic Dam prospect: one driller, one assistant, two geologists—a very small start. So, Labor in its blind optimism, thought that four people would make a mirage in the desert. However, the mine now employs 1 380 people and supports the township of Roxby Downs with more than 4 000 residents. Some mirage in the desert! The mine is a testament to what can be achieved in this state, despite opposition by the Labor Party, by people with determination, commitment and goodwill. Such world-class operations often are not built without political sacrifice.

It was obvious that the Labor Party as a whole was not going to make any political sacrifice and would not back down on its comments or actions in relation to the potential at Olympic Dam. It is important that time and time again we pay tribute to the commitment of Norm Foster to cross the floor and vote against the Labor Party. That man goes down in history as a person who was instrumental, despite the views of his colleagues in the Labor Party, in ensuring that that mining establishment became a success. So, Olympic Dam is a wonderful example of what South Australians can do despite Labor opposition if one or more of them have the guts to say no to the party, cross the floor and make sure it happens.

The member for Stuart also asked about the importance of uranium mining at that locale, and I can advise that in the last financial year (1999-2000) Roxby Downs produced 4 300 tonnes of yellowcake. That made a significant contribution toward the government royalties and, as members know, the mine is in itself not simply a uranium mine: in fact, it is a copper, uranium and silver mine. That money made by the company is important in terms of contributions of royalties to the government. I can share with the House that in 1999-2000 Western Mining Corporation paid $76 million in royalties. That is not bad from a mirage in the desert, and that is certainly being put to good use in this state.

Unfortunately, the Labor Party is wont to criticise and block such operations without thinking carefully about it. My colleague the Minister for Environment and Heritage said he would like to see some leadership, some policy direction and some consistency from the Labor Party. I wonder whether my colleague might be mistaken in his assumptions because he was referring to sets of quotes that could not possibly belong to the same person. I think there might be two Mike Ranns

in the Labor Party: one who wanders in and out of this parliament during question time and another one, because I have some information that I would like to share with the House that, I would have thought, could not possibly come from the same person.

I note with interest in looking at the activities that surrounded the establishment of the Olympic Dam mine and the Roxby Downs township that there was a chairperson of the Labor Party's nuclear hazards committee in the 1970s, and that chairperson's name was Mike Rann. The same Mike Rann actually wrote a letter saying—

*Members interjecting:*

**The SPEAKER:** Order! The chair is having trouble hearing the minister.

**The Hon. W.A. MATTHEW:** He wrote a letter to a paper called the *Labor Herald*. It is important to share part of that letter with this House because the letter was headed 'Campaign says boycott BP'. In part, the letter states:

> South Australia's campaign against nuclear energy is trying to persuade British Petroleum to pull out of the Roxby Downs venture. BP has a 49 per cent stake in this uranium associated venture.

He goes on to say why Roxby Downs should not proceed, and the letter is signed by Mike Rann. So, in the 1970s, he was advocating that people should boycott BP because it was involved in this venture and this venture should not go ahead. Here we have someone who today purports to be a supporter of the mining activity in this state. If there are not two Mike Ranns, it means that the Mike Rann who is here at the moment in another life has campaigned actively against mining. But, in actual fact, the Mike Rann who is here—

*Members interjecting:*

**The Hon. W.A. MATTHEW:** The 1970s are back there, so it is in the past—perhaps so far in the past that that is why the current Mike Rann says it never happened, because in this House on 16 February 1988 the *Hansard* report reads as follows:

> I have never been a member of the Campaign Against Nuclear Energy.

That is what Mike Rann said in this place on 16 February 1988. Those were his words: 'I have never been a member of the Campaign Against Nuclear Energy.' If that is the case, then it must be a different Mike Rann who chaired the Labor Party's nuclear hazards committee, and it must be a different Mike Rann who wrote to the *Labor Herald*—it could not possibly be the same person.

**Mr CONLON:** Mr Speaker, I rise on a point of order. The minister is plainly debating the matter, and I have important questions to ask. If he could come back to the point—

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

**The Hon. W.A. MATTHEW:** Thank you, Mr Speaker, and I must say that the frivolous point of order does not surprise me because the Labor Party is the party which is running on a campaign cry of 'Labor listens', and I can understand that the member for Elder does not want to listen to this. I would imagine it is that sort of antic that was frustrating to the now infamous former member of the Labor Party, Mr Bill Hender, who had a few things to say quite publicly, and of relevance on 26—

**The SPEAKER:** The minister will come back to the substance of the question in relation to uranium. I think mentioning Mr Hender is straying from the point.

**The Hon. W.A. MATTHEW:** Thank you for your guidance, sir. Of course, the relevance of this is that the member for Stuart has asked his question in relation to uranium mining, Roxby Downs and the import of regional development and regional jobs. That is what this issue is about: jobs in regional South Australia. Mr Hender said:

> They are not taking on a whole heap of issues, or country people for that matter, seriously at all. They patronise us, they feed us a bit of rhetoric—

**The SPEAKER:** Order! The minister will come back to the substance of the question or I will be forced to withdraw leave.

**The Hon. W.A. MATTHEW:** At the end of it all the important thing is that this parliament commits itself to supporting the benefits of mining in this state. If people such as the Leader of the Opposition are going to have two bob each way, a yes on the one hand and a no on the other, we can only hope there are a few others such as Norm Foster, Terry Cameron and Trevor Crothers who are prepared to stand up for their convictions and cross the floor to make things happen in spite of this bunch.

## WATER CONTRACT

**Mr CONLON (Elder):** Did the Minister for Government Enterprises or the board of SA Water at any time receive advice from any senior SA Water official that the corporation's commitment to the West Java venture should be reviewed as a result of the Indonesian government's 'Keppress 7' decree preventing provision of first right of refusal for water and waste water contracts to South Australian companies; and, if so, who provided that warning?

**The Hon. M.H. ARMITAGE (Minister for Government Enterprises):** In relation to the questions about whether I got or sought advice, the answer is no to both. In relation to the name which I did not understand, the answer is no. However, on two occasions in my regular meetings with the chair of the board of SA Water and with the CEO, now the former CEO of SA Water, I did seek information about the success and the future for our Indonesian investment and the strategies into the future. It is fair to say that the former CEO, Mr Sean Sullivan, had a glowing view of the future of the SA Water contract. Indeed, it was he who was so enthusiastic in progressing this, on the basis that it would allow the government to government contact with the contracts to flow from that to the private sector. Yes, I was briefed on the general strategies and way forward, and on each occasion it was a positive briefing from Mr Sullivan.

## INTERNET CENSORSHIP

**Mr SCALZI (Hartley):** Will the Minister for Police, Correctional Services and Emergency Services outline to the House how proposed new laws to be introduced to parliament today will tighten up laws related to the classification of films, publications and computer games?

**The Hon. R.L. BROKENSHIRE (Minister for Police, Correctional Services and Emergency Services):** I thank the member for Hartley for raising this important social fabric issue. We all know how committed the member for Hartley is to the social fabric and community issues, as we can see today by the fact that he has followed me in being scout for a good cause and has raised over $5 000 for research into cancer. Not only are the member for Hartley and I am sure all members of this House interested in rebuilding social fabric and community spirit, but we are also interested in ensuring that those people who want to work against the best

interests of our community have every point of legislation thrust before them.

Today new laws will be introduced by our Attorney-General into the state parliament. They are aimed at making it illegal to make offensive material available on the internet. They will also strengthen the existing classification system for films, publications and computer games. The Attorney-General will be introducing these laws today to enhance the system of classifications with new enforcement measures, including internet content laws. The bill will make a number of changes to the act to improve the enforcement of offences related to the classification of publications, films and computer games and, importantly, it will create new offences related to internet content. Many distributors in South Australia and sellers of classifiable items are taking a very responsible approach to their legal obligation, and the government commends those people. Unfortunately, as is always the case, some persistently fail to comply with the law, and we cannot allow that to occur. Therefore, this bill will put in place measures to deal with offensive material on the internet. This bill complements commonwealth laws passed last year which allow—

**Mr LEWIS:** I rise on a point of order, Mr Speaker. Does this question not presuppose that there will be debate on this measure, given the answer that the minister is already providing to the House?

**The SPEAKER:** Order! The chair has been listening carefully to the minister. I think that the question before the chair really is: does the government intend introducing the relevant legislation in another place, or has it been introduced in another place? I understand that the government intends introducing it in another place but has not yet introduced it. As such, it is not yet out of order to debate it here.

*An honourable member interjecting:*

**The Hon. R.L. BROKENSHIRE:** The member for Elder makes the comment that it is a waste of time. I wonder what the member for Elder's constituents will think when their young children gain access to these sorts of publications and are subject to this sort of abuse on the internet with respect to computer games and other publications. I know what my own constituents say about some of these classification and pornography issues and other criminal-inciting activity. I thought that everyone would support anything we can do in this parliament to further protect our young people and, indeed, the community. As I have said, the bill complements the commonwealth laws passed last year and allows concerned members of the public now to complain about offensive internet sites.

Objectionable material includes items classified as 'X' or 'RC'—such as child pornography, as I have already said—instructing or inciting criminal activity. While I acknowledge and accept that it cannot be a complete solution to a very serious problem of offensive internet content, much of which originates overseas and is very difficult to control, it is important that South Australia does what it can to address the content that originates from our own state. That is what this is all about. As I have said, I know that many South Australians are concerned about the sale or exhibition of offensive material and are particularly concerned about encountering this material when they do not wish their children and families to have this material available to them. I know that this will address a lot of concerns and send a message to any of those people in South Australia who try to rip apart the social fabric that we are committed to maintaining.

## WATER CONTRACT

**Mr CONLON (Elder):** Will the Minister for Government Enterprises explain what probity processes were employed to ensure that selection of Mr Nuriaman as a policy adviser to SA Water International's West Java operations was appropriate and beyond reproach, given that Mr Nuriaman is the brother of the Governor of West Java, with whom the Premier signed the in-principle agreement, and how much was Mr Nuriaman paid?

**The Hon. M.H. ARMITAGE (Minister for Government Enterprises):** I will come back with details of the exact process, but I am informed that there was nothing of concern in relation to the appointment. There were a number of matters—

*Members interjecting:*

**The Hon. M.H. ARMITAGE:** The member for Hart seems to express some concern about that. If this person, in fact—

*An honourable member interjecting:*

**The Hon. M.H. ARMITAGE:** Correct, as the member for Waite says, completely unsubstantiated concern. If this person is able as the right person in the most appropriate appointment to do things for the South Australian economy, is it not appropriate that he be appointed? Does the fact that this man happens to be the brother of the Governor exclude him from being the right person?

*Members interjecting:*

**The Hon. M.H. ARMITAGE:** The member for Hart has said that that probably would. That is a totally ridiculous statement. Why would anyone's relationships preclude them from being involved in something or other that was good for South Australia?

*Mr Foley interjecting:*

**The SPEAKER:** Order, the member for Hart!

**The Hon. M.H. ARMITAGE:** That is a silly response, and I take it as mere political banter. I am sure that the member for Hart did not actually mean it and that, when he comes to lie awake at 2 o'clock tomorrow morning, he will go cold when he thinks of it. I will get back to the member for Elder about this matter. I have inquired about the figure—and I will have to check on that—but I believe that it was the princely sum of $16 000. I will get back to that—

*An honourable member interjecting:*

**The Hon. M.H. ARMITAGE:** Talking about trucks, shall we talk about security trucks? I will get back to the member for Elder with the exact figures. But, as I identified, the simple fact that this person happens to be the brother of someone, in our view, ought not necessarily exclude that person from being appointed, provided that they are the right person to do the job.

*Members interjecting:*

**The SPEAKER:** Order, the member for Bragg!

## GOODS AND SERVICES TAX

**Mr WILLIAMS (MacKillop):** Will the Minister for Education and Children's Services provide the House with details of items in the schools materials and services charge that will attract GST?

**The Hon. M.R. BUCKBY (Minister for Education and Children's Services):** I thank the member for MacKillop for his question, because GST provides us with another example, albeit embarrassing for the opposition, of where the shadow education minister is completely out of her depth in trying to

grasp new concepts. Time and again she gets it horribly wrong in terms of the GST. During questioning earlier this year, she showed a complete lack of understanding about the goods and services tax and how it relates to education. On 29 March this year, in a question about GST and tuition fees, the honourable member showed a complete inability to comprehend the issue.

The issue is quite clear: the federal government said that GST would not apply to those courses of education that were directly related to the curriculum. So, education courses would be GST free. And it goes on further. Remember the stunt of the cake that was cut up, involving the 'gunna be' education minister? She got it wrong again. The questions that were asked following that during question time were straight out of the Australian Taxation Office booklet. If the member had bothered to read another couple of paragraphs, the answer to her questions would quite easily have been found. So, her understanding is very shallow. Indeed, I would have to say that it is completely lacking.

Again, in last weekend's press, we see a complete lack of understanding in terms of—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. M.R. BUCKBY:** —what is a compulsory and what is a voluntary school charge. We have always said that GST would not apply to that area of the curriculum that was directly related. For instance, any areas in terms of technology courses, where you had wood for a woodwork course or crayons for an art course, or anything directly related to education courses, would not attract GST. I have always said that those sectors which were voluntary or which were not directly related to the curriculum would attract GST.

For instance, if a school goes on an excursion that might be related to, say, biology, the excursion is GST free, although the food that is consumed by the students on that excursion attracts GST. That has been set out by the Australian Taxation Office. We have always been very clear about that. It is a pity that members opposite do not understand what is the compulsory part of the schools materials and services charge and what is the voluntary part. The discussion and material sent out by the department last week makes it very clear to schools the maximum amount that can be charged and what does and does not qualify as a GST free item in the curriculum. It is a pity that the member opposite does not take the time to read and understand the material before she goes out and makes hideous press releases.

## WATER CONTRACT

**Mr CONLON (Elder):** My question is to the Minister for Government Enterprises. Given that Mr Caporn today confirmed to the Economic and Finance Committee that there was no formal independent auditing of SA Water's operations in West Java, will the minister now ensure that these operations are fully audited and accounted for, including all the transactions of Mr Peter Von Steigler, who, it was today revealed, makes all payments to his employees in cash, while armed to the teeth, I am told.

**The Hon. M.H. ARMITAGE (Minister for Government Enterprises):** My information is that all the processes of the international division of SA Water have been through the completely standard and appropriate internal audit processes and have proved to have no dilemma and concern, as the member for Elder would appear to be trying to insinuate from his questions.

## GAMBLING

**Mr MEIER (Goyder):** Will the Minister for Human Services advise the House of how the government is helping people and their families with gambling problems and how the government is making the general community—

*Mr Foley interjecting:*

**The SPEAKER:** Order! The member for Hart will stop disrupting the House.

**Mr Foley:** How about the minister as well?

**The SPEAKER:** Order! I hope the honourable member is not reflecting on the chair. The chair can clearly hear the member for Hart consistently, almost serially, disrupting the House. The chair is getting very tired of it.

**Mr MEIER:** Will the Minister advise the House how the government is helping people and their families with gambling problems? How is the government making the community generally more aware of the adverse effects of problem gambling?

**The Hon. DEAN BROWN (Minister for Human Services):** Today we have launched a $200 000 education program aimed very specifically at those people with a gambling addiction—not just poker machines, but any form of gambling addiction. It is aimed out there to ensure that, if people are accessing any gambling facility, information is readily available about the gambling help line. Our concern is, as particularly expressed through the Gamblers Rehabilitation Fund and those people in our community who are out there trying to counsel those with a gambling addiction, that, whilst the number of people is relatively small compared to the entire population, about 2.5 per cent of those who play poker machines have a serious gambling addiction. Up to about 40 per cent of those people are at risk and have at least a mild addiction. Our concern in social terms is the huge impact this has on the family, particularly the children of people with a gambling addiction.

I spoke a couple of weeks ago to one of the counsellors who related to me a couple of the stories of people with a gambling addiction. Collectively his clients had stolen more than $1 million fraudulently from their employers and another $1.2 million from relatives and their own families, although it was not being pursued legally because it related to their own families. It was found that the average debt for people with a gambling addiction is about $13 500 and on average they have six credit cards and three personal loans each.

That raises a separate issue and some serious questions about the fact that banks so readily issue credit cards without bothering to check the credit status of the people involved, and by being so willing to issue those credit cards, simply fuel the gambling addictions of these people. I am also concerned to see the social impact, particularly on children. For instance, a woman with three very young children gambled all the money they had, and for six weeks the entire family lived without electricity and the children suffered accordingly, simply because the woman in question was unwilling to seek help. The aim of the education program is not to pass judgment on people with an addiction but to warn them and to get them to recognise an addiction at a very early stage and, as a result, to seek appropriate help.

Through the Gamblers' Rehabilitation Fund, we fund a gamblers' help line—the number is 1800 060 757—and we would urge those people who have a problem, or who believe that gambling addiction is becoming a problem for them, to seek help as quickly as possible. Something like 40 per cent of poker machine revenue comes from people who have a

mild addiction: they are the people at risk and the people we are now trying to target.

I received a very interesting letter the other day from a woman who had blown all the family's income. The children had to go without food and they were in dire trouble. She recognised the problem and went to the five hotels where she had been gambling. Three of the hotels I commend because, when she asked them to ensure that she was banned from their gambling room in future if she ever went there, they gave her absolutely full support. One of the other two hotels refused even to talk to her about her gambling addiction, and the other hotel, in fact, refused to take her name or take any responsibility at all.

I am pleased with the extent to which the hotel industry is now, on a voluntary basis, working in a way that will help identify those with gambling addictions and ensure that they seek help where help is available. They are part of the campaign that has been launched today, together with clubs and certain other facilities. It is important that we as a community, and particularly community leaders, ensure that gambling facilities within the community make available suitable information and encourage people with a gambling problem to identify it at a very early stage indeed.

## WATER CONTRACT

**Mr CONLON (Elder):** My question is directed to the Minister for Government Enterprises. What was the cost to the SA Water Corporation and the taxpayer of the port of Tanjung Priok project, given that the venture has failed: and has United Water contributed any money to this failed project?

**The Hon. M.H. ARMITAGE (Minister for Government Enterprises):** I will have to get back to the member for Elder with that answer because I am unclear about it. However, let me again stress the fact that in a lot of countries around the world, particularly Asia, governments seek government to government interrelationships and they will, in fact, often not deal with companies unless that company is seen to have the support of its government in its home country. The opposition may choose not to acknowledge those facts, but they are the facts.

SA Water has recognised this and taken its own initiative—and I understand that the funding is its own funding—to establish those government to government contacts across Indonesia, the Philippines, China and so on, with the express purpose of opening up opportunities for the South Australian private sector to be seen to be supported by the South Australian government in undertaking those contracts.

Not only are they the facts, but it is very sensible. It is, in fact, the way in which major private sector companies in South Australia will be able to get the work to flow back into our economy. It is the way in which people will be employed in the South Australian water industries. If our companies which are based here had gone internationally without that government to government contract the harsh reality is that they would frequently miss out.

There are two schools of thought in addressing every question: there is idealism and realism. Idealism would have the position that these companies may have gone over as a small South Australian company or in partnership with a larger international company in the South Australian water industry. They would have put their case and, because they had such a good case, they would have won. That is the idealistic view, and would it not be great if that happened? Realistically, it is an unlikely scenario because, as I have said before, governments in Asia like to see these companies with a firm base in support of the government in their home country. That is what SA Water has provided. What that means quite deliberately and clearly is that these companies will be able to be, if you like, leap-frogged into contracts in West Java and in other places around the world, and the benefits will flow back to the South Australian economy. They will flow back to the individual workers who are employed; they will then flow quite clearly into the South Australian economy; and that is a great good.

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## PASSENGER TRANSPORT ACT

**The Hon. DEAN BROWN (Minister for Human Services):** On behalf of the Minister for Transport and Urban Planning, I lay on the table a ministerial statement made in another place.

## PUBLIC WORKS COMMITTEE REPORTS

**Mr LEWIS (Hammond):** I bring up the 136th report of the committee, on the Lyell McEwin Health Service Redevelopment, final report, and move:

That the report be received.

Motion carried.

**Mr LEWIS:** I bring up the 137th report of the committee, on the Salisbury Industrial Park, stage 1, final report, and move:

That the report be received.

Motion carried.

**Mr LEWIS:** I bring up the 138th report of the committee, on the Queen Elizabeth Hospital Redevelopment, final report, and move:

That the report be received.

Motion carried.

**Mr LEWIS:** I bring up the 139th report of the committee, on the Gomersal Road Upgrade, Sturt Highway to Barossa Valley Way, final report, and move:

That the report be received.

Motion carried.

**The Hon. R.G. KERIN (Deputy Premier):**

That the foregoing reports be published.

Motion carried.

## GRIEVANCE DEBATE

**Mrs GERAGHTY (Torrens):** Yesterday I raised the issue of a poor fellow who passed away because of the care that he received in a hospital, and today I want to raise an issue that follows on from that. Everyone accepts that we are an aging population and, given that, another area of great concern is the lack of facilities for aged folk who suffer from dementia or related disorders when they need to go into hospital for treatment.

Our public hospitals are not able to cater properly for folk who suffer from these conditions. Whilst we are not complaining, in the main, about the general services that they receive, we are concerned about the issues relating to the control and supervision of family members who suffer from dementia.

Dementia sufferers become disoriented with any change of living circumstance, and when they are taken from a nursing home to a hospital for surgery or ongoing treatment they find that change a very frightening experience. They do not understand where they are and why they are there. They often become very agitated and, in many cases, try to escape from what they see as a fearful situation. Quite often their behaviour changes and they can become extremely difficult to deal with simply because they are scared.

Most of our public and private hospitals simply do not have the facilities or the personnel to cope with the added demands of dementia patients. On many occasions these folks require a secure ward with experienced staff who know how to care for the aged folk in this condition. Not only are these people ill, but they may have had surgery; they need a special kind of nursing care, the kind that caters for their needs and ensures that they are turned properly.

I have had several constituent cases where the patients have wandered from the hospital. In one case the person wandered from the RAH out into the community late at night, fell over and injured herself. In another case the person became so confused and frightened because of the change from her secure nursing home environment to a public hospital that she had to be taken back to the nursing home where the specialised care that aged folk need could be provided for her. In that particular case there was certainly no complaint about the treatment that she received in the hospital, because my understanding from the family is that it was very good care, but there was simply a general lack of suitable services for aged people suffering from dementia.

The fact that the hospitals do not have facilities to cater for dementia sufferers has been acknowledged within the public and certainly within the private sector as well. I have received a letter from a private hospital indicating that they do not have the facilities to provide for folk with dementia. As I said, we are an ageing population and therefore the number of elderly folk suffering dementia will increase dramatically and it is essential that we look at this issue of providing proper care. After a short stay in hospital, many of these folk can go back to nursing homes or other care facilities, but those requiring long-term care in public and private hospitals need to be given much better service than they are getting now.

The doctors and some of the nurses who have spoken to me, and particularly carers, recognise that there is a real need to provide better facilities for dementia sufferers. While the Minister for Human Services recognises the need for more beds, it appears the government certainly does not recognise that our health sector needs more money put into it so that we can improve the conditions not only for the generally ill people but also to cater for dementia sufferers.

Another area that I want to raise is the concern about the lack of respite care for people who are caring for their ill and disabled children. A young lady who suffers from diabetes and many other illnesses rang me to ask whether I could find somewhere for her to go so she can give her mum a break. Her mum cares for her 24 hours a day. It has to be in the home because she is on dialysis and she cannot find anyone to help to give her mum a break.

Time expired.

**Mr SCALZI (Hartley):** Today I wish to bring to members' attention the continuing problems with dog attacks in our community. Members would be aware that today I presented two petitions on behalf of Bill and Caren May who live in my electorate. Members would be aware that they are the parents of the two girls who suffered that dog attack earlier this year in the parklands. I am sure that many members would be aware of stories of children who have been attacked by dogs, and the elderly for that matter. It is important that we deal with this very important issue.

We have to deal with the problem of the safety of children, the elderly and the public in general, but in so doing not deny the rights of responsible dog owners. We must look at this issue, so I commend Bill and Caren May for taking up their time collecting those signatures and ensuring that we are aware of the continuing problem. I refer to a letter that they wrote to me after collecting the signatures on the petitions. The letter states:

> We would like to take this opportunity to thank you for not only agreeing to present two petitions to parliament on our behalf, but also for the efforts of your office staff in preparing and photocopying the petition. We were heartened by the positive response from the community. The petitions were signed not only by people who do not own dogs but also by dog owners. We received many letters and phone calls from people requesting the petitions and there are still many petitions outstanding.
>
> We are handing to you—

as I presented today—

> 3 269 signatures supporting that certain breeds of dogs should be muzzled in public places and 4 229 signatures supporting that dogs should be kept on leads in public places, with the exception of specific designated areas. We are also including 16 written requests that these people's signatures be included on the petitions.
>
> Bearing in mind that we have only targeted a very small percentage of Adelaide, we feel that the support has been wonderful. We have been very appreciative of this support from people and we hope our efforts and those of the people who took the time to sign the petitions will be worthwhile assisting parliament and the government to come to some responsible and positive resolution to the debate.
>
> We wish you all the best in your efforts.

As I said, I really believe that this cannot be ignored. As a member of parliament responsible for the area of Bill and Caren May, I will put the debate into perspective.

The idea of the petitions—and I know I speak on behalf of the Mays—is not aimed at responsible dog owners. They are very much aware, as we are, that many responsible dog owners do the right thing by their pets by taking them to dog obedience and looking after them in a responsible way. The problem is that there is a danger and we must have a balance between the rights of parents of children to be able to go to parks in safety and without the fear of being attacked and for people to be able to exercise their dogs responsibly.

Whilst I can understand the concern of some dog lovers regarding muzzling, let us remember that certain breeds of dogs, for example, greyhounds, have been muzzled for a long time. I do not support the muzzling of dogs in general, as falsely interpreted by some, and I know that the Mays do not support the muzzling of dogs in general, but we must look at the danger and where there is a danger we must deal with it; we cannot ignore it. The purpose of presenting the petitions today and my representation to the government is to prompt genuine debate about the safety of children and the public in general and rights of responsible pet owners.

It will be up to the parliament and the government to decide how we can genuinely protect the interest of both the

public, and in particular children, and the rights of responsible doing owners. That cannot be done unless there is a genuine, objective debate. I believe petitions and letters have instigated that genuine debate.

**The SPEAKER:** Order!

**Mr SCALZI:** I would like to personally thank Mr and Mrs May for their time and efforts—

**The SPEAKER:** Order! I ask members to respect the fact that when they are called to order they do not persist in continuing with their speeches. The honourable member's time has expired.

**Ms STEVENS (Elizabeth):** Early Monday morning the Minister for Human Services announced his intention to open 65 more beds in our metropolitan hospitals to cope with the crisis that has been overwhelming them for the last couple of months. I thought that I would perhaps try to put some of that crisis into human terms by sharing with the parliament some of the comments that have been rung through to my office over the last few weeks from people who have suffered as a result of the lack of resources in our public hospitals.

For instance, a woman who went to Flinders Medical Centre on 23 October told me that she had gone there as a result of her doctor coming to her home to examine her for a sore throat. When the doctor came to her home he checked her for angina, found that she had an irregular heart beat, called Flinders Medical Centre and got an ambulance to take her to casualty. She was left in casualty for over 24 hours, and she told me that that was the most excruciating and distressing experience. She says that in casualty she was exposed to people vomiting, crying and distressed. She said that the whole situation was horrific. She is 74 years old. She mentioned that in all the time she was in the casualty area of Flinders Medical Centre—24 hours—she got a sandwich at 1 p.m. and another sandwich for tea. The whole situation is totally unsatisfactory.

On 31 October another person advised that she went to the Flinders Medical Centre on Sunday 22 October at 4 p.m. and was finally admitted to a ward at 9.15 p.m. She believed that her circumstances, although appalling, were better than those of other patients who had had to wait up to 24 hours before being admitted. She considered herself lucky. She said that when she was there 17 people were on beds in the waiting room being shuffled from one place to another. She also said that some people had been there for 24 hours before being admitted; patients were being turned away, and there was not enough staff. Ambulances were being turned away to go to other hospitals, as no more assistance could be given at Flinders Medical Centre.

The final matter to which I refer relates to the Queen Elizabeth Hospital. A 92 year old grandmother fell at home last Wednesday night, broke her arm, spent hours in emergency and was finally admitted. Her family were with her all day waiting for her to go to surgery. The family went home for one hour to take a break. The grandmother was taken to theatre. However, when they got to theatre they discovered that no consent form had been signed by the family for that woman, who was therefore taken back to the ward. When she called my office on Friday (two days later) she was still waiting in the ward to go to surgery with a broken harm. The patient had not been washed. She was upset and distressed.

That is the sort of thing that has been coming into my office thick and fast, day by day. I was pleased to see that 65 beds were finally to be released and put into our hospitals, but I would like to make the point that it did not have to come to this. I draw the attention of the House to the fact that in the state budget for the year before last the sum of $30 million was set aside to account for growth funding to cope with increased demand in our hospitals over coming years. That money was cut from that budget, and what we have seen over recent weeks and months is the inevitable result of that.

So, while I welcome the belated announcement and while I am pleased to see that the Minister for Human Services has finally acknowledged his and the government's responsibility to take action in all this, people must understand that it did not need to happen. It happened in this state, because health and health care for ordinary South Australians have not been a priority, and the government has been prepared to allow things to get to such a crisis point that we have had the outpourings that we have witnessed in recent weeks. This is a government that deserves to lose at the next election because of its record in health.

Time expired.

**Mrs PENFOLD (Flinders):** The issue of daylight saving is again being debated in South Australia, with some people wanting to go to eastern standard time at the end of this daylight saving period, to which suggestion I am absolutely opposed. However, there are two issues in the debate on time: daylight saving and time zones. From east to west Australia covers about the same distance as the United States of America. The United States of America has four time zones. It has a much greater volume of business and industry than Australia, yet operates successfully with a greater variety of time zones. The argument that South Australia needs to be on the same time zone as the eastern states for business reasons is a fallacy. The fallacy is further exposed because Queensland does not have daylight saving, thus negating the argument that the same clock time is essential for business purposes.

Time is calculated from Greenwich in England; each 15 degrees of longitude east of Greenwich amounts to one hour of time. Thus, it takes 24 hours or one day to circumnavigate the 360 degrees of the earth. Clock time on a longitude is the same on both sides of the equator from north to south. Looking at Australia as a whole, it makes sense to have three time zones differing by one hour, that is, eastern states one hour ahead of South Australia and South Australia on true central standard time, one hour ahead of Western Australia. It is also easier for travellers to understand and fairer to all South Australians, especially those who live in my electorate of Flinders on Eyre Peninsula, and better for trade.

South Australia is on the same longitude as our principal Asian trading partners, including the biggest one, Japan. Adopting true central standard time gives this state a trading advantage, especially in the lucrative export markets. This fact will become increasingly important and advantageous with the completion of the Darwin rail link. Australia is ahead of these nations in the implementation of information technology. Thus, being on the same time line is an advantage for them doing business with us, as phone and fax are still major means of communication. Information technology and ecommerce also make the physical position of a business of less account.

The argument that it is necessary for business to be on the same clock time as the eastern states is demolished also by the existence of Broken Hill in New South Wales. When mining at Broken Hill was started the company wanted the New South Wales government to build a rail line for transport

of ore. However, the government refused. The South Australian government built a line from Broken Hill to Port Pirie; hence, the whole of Broken Hill operates as an adjunct to South Australia, including being on the same clock time as South Australia. The success of the Big Australian is due more to South Australia than to New South Wales, and it has managed very well on our time.

In addition, to me and many others it is a matter of state pride to be independent from the eastern states. South Australia is an entity. Our state is derided and ignored by the eastern states. We do not have to support the eastern states in their annihilation of our state. An example of this desire to detract from South Australia and to take away everything that might make South Australia more of a force in the Commonwealth of Australia is the Adelaide-Darwin rail link. The eastern states have not been concerned about this link for the past 100 years. However, as soon as South Australia put in place concrete steps to make this railway a reality, the eastern states proposed a railway from Melbourne through New South Wales and Queensland to Darwin to squeeze South Australia out of the action—obtaining, of course, the economic, social and population benefits that will flow from that action.

South Australia offers the best quality of life available. We need to acknowledge our advantages with pride and build on them, not throw them away in a cringing crawl to the eastern states power brokers. South Australia's future does not lie as a no-account, forgotten appendage to the eastern states. Let us grasp the advantages that change (including information technology) has brought and continues to bring, to make South Australia with its wonderful environment and standard of living an entity to be reckoned with.

Currently South Australia's time zone runs approximately through Warrnambool in Victoria. Adding daylight saving puts South Australia's time zone into the sea off Australia's east coast. South Australians are thus permanently on daylight saving under the present conditions. Adopting true central standard time would benefit all South Australians. Daylight saving means that children in the west of the state get up in the dark and catch school buses in the dark. This is dangerous on unlit country roads and especially dangerous on highways such as the Eyre Highway, the main east-west highway across Australia. Daylight saving has an adverse incremental effect on health. By the end of daylight saving each year, children are sickly, inattentive at school, tired and lacking initiative.

Time expired.

**Ms BEDFORD (Florey):** I would like to give that honourable member an extra two minutes of my time, because I was enjoying her argument. I am waiting like the rest of the House to hear the result of the US elections.

**Mr Atkinson:** George W. is up.

**Ms BEDFORD:** George W. is up? Over the full period of a year and in concentrated bursts over past months we have daily been subjected to campaigning across that nation for what is arguably the most powerful position in the world. Watching the campaigns of the two candidates who have offered themselves for such a high and high profile public office, it became apparent to me that our own electoral system is much like democracy itself—not perfect but much better than the alternative. Of course, a feature of both the United States and Australian political systems is the two party system.

*An honourable member interjecting:*

**Ms BEDFORD:** Well, that too. On nightly news broadcasts we have seen the candidates for the Democrats and the Republicans campaigning hard in states all around and across the United States in order to win the votes necessary to become President. While we may think that the policy level of debate in Australia is superficial, I have not really heard a great deal in Australia at all about policy debates in the American grabs. It is very much baby kissing and handshaking—something that I never want to see as the total feature of the Australian political landscape.

*An honourable member interjecting:*

**Ms BEDFORD:** I'm very good at shaking hands and kissing babies, but I do not think that will necessarily give people jobs or supply education and health. In Australia a year has past since we grappled with the process that we might have used to elect a president of our own, and it occurs to me that we have much for which to be grateful in our system, because it is compulsory. The Electoral Commission tells us about compulsory voting, and it is defined as:

> Every Australian citizen 18 years or older being required by law to vote.

*An honourable member interjecting:*

**Ms BEDFORD:** I'm quoting from its web site. The definition continues:

> Every citizen who can provide a valid or sufficient reason can be excused from voting.

As the member for Spence has so rightly pointed out, by 'compulsory voting' we really mean that a citizen must attend the polling booth.

The history of voting in Australia is that compulsory voting was advocated by Alfred Deakin at the turn of the last century, and was introduced in 1911. Compulsory voting was first adopted in Queensland in 1915 and federally it was introduced in 1924 as a result of a private member's bill. Some of the arguments put forward for compulsory voting include that it is a civic duty which contributes to the smooth running and wellbeing of communities and the nation as a whole. It is much like paying taxation—while it is not our favourite pastime, it contributes to the country's wellbeing.

The educative benefits of political participation mean that people realise that they must take some notice if they are to have an informed vote. Parliament then reflects more accurately the will of the electorate. Governments must consider the total electorate in policy formulation, and candidates can concentrate their campaigning energies on issues rather than encouraging voters to attend the poll.

We could concentrate on the fact that the criticism of the two major parties could be the key to the ways in which we might improve and strengthen our political system. Voting within party structures is voluntary and, while we see problems within political parties, we might say this is because of voluntary voting within those parties. It is the lack of goodwill in these systems within the parties that can produce difficulties. A lack of openness and accountability might be the reason why we see political parties having their internal decisions challenged. While we might argue about the calibre of a candidate produced by a system such as this, the people within the parties and then the community can exercise judgment and produce a better result; for instance, it is no mistake that upper houses around the nation are often now hostile. Voters have worked out these opportunities and have cast their votes accordingly.

It also requires discipline within parties to ensure that policy is successfully introduced. So, when a candidate

becomes an endorsed candidate, they undertake to ensure that the party policy is upheld. As I said earlier, the reality is that we have a system that is not perfect, but we can certainly all work within it to improve it.

Time expired.

**Mr MEIER (Goyder):** Members will recall that yesterday I highlighted an article from the Sunday *Age* of 5 November where it had the issue about Premier 'Brackward's' employment policy starting to pay off for local furniture removalists, namely, that everyone was relocating to South Australia. I want to continue on with that general trend today. It is heartening to see how South Australia is going from strength to strength, and it is little wonder that we are attracting new industries all the time.

I highlight to the House a few specific statistics that will be of interest to everyone. First, we are well aware of the massive debt that we had in this state when we came into office. It was in excess of $9 billion, and it is now down to $3 billion, and that translates into a net debt—

**Mr Atkinson:** What about unfunded superannuation liabilities?

**Mr MEIER:** Thank you, honourable member. We inherited not only the $9 billion but also a huge unfunded superannuation liability on top of that. We have started to pay a little off that, but we were attacked for having not put it all into payment of the total dealt. What are we supposed to do—pay off everything at once? No, we cannot do so. The net burden has now been reduced from $6 500 for every man, woman and child in this state to about $2 000 for every man, woman and child. That is a huge reduction. The net debt peaked at 28.6 per cent of our gross state product. Now it is down to 7 per cent. Again, that is a massive reduction, and it is something that has required a lot of hard work on this government's part.

Let us consider export growth. South Australia's exports grew by 14.1 per cent in the 1999 calendar year, whereas during that same year national exports fell by 2.3 per cent. Export growth has accelerated even further since then. The 12 months up to August 2000 saw South Australian exports increase by 17.2 per cent. As the Deputy Premier is in the House at present, I want to compliment him for all he has done with the Food for the Future program and the agriculture program generally, let alone aquaculture and our food generally. It all goes towards increasing our export growth.

Since this government came to power in 1993, the value of South Australia's overseas exports has increased by 59 per cent. That is truly spectacular. Likewise, South Australia is now enjoying its lowest unemployment rate since July 1990. Our rate is below 7 per cent. If we compare that to when we took office—

*An honourable member interjecting:*

**Mr MEIER:** Sorry, below 8 per cent—between 7 and 8 per cent.

**An honourable member:** There's a bit of difference!

**Mr MEIER:** It is a huge difference; in fact, it is a 5 per cent difference because, when we took office, member for Hart (and you would remember it), unemployment had reached a maximum of 12 per cent. Now the figure is just over 7 per cent. I am still amazed that the member for Hart does not get up in this House every day and apologise. It might occur in the next six to 12 months, but I will not hold my breath on that. It has been a phenomenal growth in that respect.

A recent job survey conducted by Morgan and Banks has again predicted strong jobs growth within the South Australian economy, and a net result of 30.6 per cent of employers surveyed indicated that they intended to increase permanent staff over the next quarter. Again, it shows the confidence in this state, and what a turnaround it has been. South Australia was the only mainland state to record an increase in job advertisements over the past year, according to the ANZ job advertisement survey. Again, we are leading Australia.

In state final demand, which is a measure of growth within the economy, it was up 8.5 per cent in the June quarter compared to the same quarter in 1999. It was the highest of all states and, again, it was well ahead of the national average of 5.9 per cent. Figure after figure that I have put forward are all positive figures, which show that our state has made the turnaround and is going well.

## PUBLIC WORKS COMMITTEE: COOPERS BREWERY

**Mr LEWIS (Hammond):** I move:

That the 135th report of the committee, on the Coopers Brewery relocation, final report, be noted.

The Public Works Committee understands that Coopers Brewery is under pressure to vacate its Leabrook and Norwood sites. The company's operating capacity cannot be increased due to the emphasis on urban consolidation in the inner city area, property size constraints and objections from local residents and the Burnside council—pity about that. In order to address these constraints, Coopers purchased the former State Transport Authority depot at Regency Park and has relocated its Norwood distribution centre to those premises already. However, the brewing operations remain at Leabrook. This creates significant inefficiencies and dampens, if not prevents, company growth.

If it is forced to rely on its own finances and existing sources of loan funds, Coopers could relocate in two stages over a four year period. However, that would cost the company an extra $5 million; limit its production by $28 million, with the resulting loss of $20 million in the value added component of sales; an average of 80 jobs would be forgone in the economy; and it would delay the economic contribution of some of the investment phase. It would also, I suggest, put its market share in serious jeopardy—that is a personal observation.

In order to complete a single stage relocation of its remaining facilities, Coopers asked the government for commercial building construction finance in the form of a loan through the ICPC—the Industrial and Commercial Premises Corporation.

The government has agreed to provide $8 million as a loan towards a total project cost of $33.5 million. Special loan conditions ensure that the company must repay the loan if any of the following things happen: if it relocates; if it becomes insolvent; or if it significantly reduces existing employment levels. The ICPC will progressively finance the land acquisition and building construction costs of a brew house and lager cellar. Prior to full repayment over a 10 year period, the government will own the land and the loan will be secured by the property and the buildings located on it.

The committee understands that the Department of Industry and Trade has assessed that the company will be able to comfortably service both the bank and the ICPC loans, and the total development to be financed by the agreement

includes: first, the purchase of the eastern portion of the former State Transport Authority bus depot site from Coopers for reconstruction of the brew house, lager cellar, and room for future expansion; secondly, purchase of an additional parcel of land on Regency Road from Transport SA for location of essential services, possible future access to Regency Road and future expansion; thirdly, security and external lighting for the new brew house and lager cellar; fourthly, construction of improvements to site works and essential services; fifthly, a new access bridge to Gallipoli Grove for heavy vehicle access into and out of the site to avoid heavy vehicle access from and onto South Road; sixthly, consultants' design fees; and, seventhly, financing and capitalised interest rate charges for the duration of the construction phase.

Against that background, Coopers will utilise the existing SA Water domestic supply and the waste water disposal system. However, alternative ground water supply and disposal systems are being investigated, with the assistance of SA Water and PIRSA. This work will involve the use of the T2 aquifer, so-called, for water supply, and using the highly saline T4 aquifer (which is a deeper aquifer) to discharge the waste water.

AGL (Australian Gas Light) will build, own and operate a four to five megawatt co-generation plant at Regency Park, which will supply electricity and steam requirements to the site. Excess generated power will be sold off to the local grid.

This proposal will enable Coopers to, in the first instance, more speedily upgrade its equipment and redevelopment of its production line so that it can improve its competitiveness through the efficiencies and lower production costs that will come as a consequence. In fact, it is shifting to a new short run and long run cost curve, in economists' terms, by doing that. The second point is that it will achieve immediate increased production, leading to a higher level of activity for the company in South Australia, thus making it more viable. The third point is that it will maximise the company's capacity to respond to unfulfilled demand for its products. The fourth point is to secure the employment of its current staff and also increase its employment levels in responding to the current unfulfilled demand for its products.

The fifth point is to bring about a general higher level of economic activity in South Australia in consequence of the work undertaken. The sixth point is to return its Leabrook site to residential and/or nursing home development. And the seventh point is to contribute to tourism and heritage preservation by promoting tours of a brewery in full operation and constructing a display of the historical equipment which it still holds.

The public benefits of the project also include the flow-on effects for the additional employment with suppliers and the service providers to Coopers. They include the chance to improve water usage and efficiency and disposal through use of the ground water supply in lieu of mains water and aquifer recharge as an alternative to the sewage system. Significant improvements also will arise in trade waste disposal and the control of stack emissions. There will be reduced greenhouse gas emissions. There also will be on site co-generation, as I have already pointed out, and that will reduce demand on existing power generation plant and enable access of the grid to the excess capacity, boosting the available power by a small margin within the state.

There also will be reduced truck traffic on public roads, particularly around Leabrook. Furthermore, there will be removal of an industrial facility of concern to neighbours in the residential area. Frankly, when I lived there, I enjoyed the smell of the brewery. However, other people do not share my interest in the nose for yeast.

Finally, there is an opportunity to promote tourism within the food industry in a unique way. No other brewery in this country can offer what Coopers will be offering in that regard. Coopers is famous already in the niche markets that it penetrates overseas for the quality of its home brew kits as well as its honey, and will naturally be the focus of interest of those people from overseas who have enjoyed its products—or, what is more, could be encouraged to enjoy them.

The Public Works Committee understands that an economic analysis has indicated that a two-stage move would cause $5 million in extra costs to the company and would limit that company's production by $28 million over four years with the resulting loss of the $20 million in the value added component of sales and an average of 80 jobs per year forgone in South Australia. It would further delay the economic contribution of some of the investment phase that is to take place.

The estimated completion date of the project is 9 March next year, allowing commissioning of the plant for beer production in time for the following summer of 2001-02. Naturally the ICPC will act primarily as a financier only and the deferred purchase agreement will be modified so that the ICPC will not have a direct involvement in the project's delivery and management. The ICPC will largely restrict its role to that of a risk-cum-project manager for the financial assistance package, but it will hold Coopers and its consultants for the technical management of the design and contract administration. Accordingly, pursuant to section 12C of the Parliamentary Committees Act, the Public Works Committee recommends the proposed public work.

**Ms THOMPSON (Reynell):** It gives me great pleasure to support this project, which seems to be a rare example of sensible support for industry from this government. It is enabling a South Australian business to develop in a cost effective manner. The only surprising thing about this whole development was that the finance industry could not see its way clear to supporting it. We had to rely to some extent on financial information attested to by the Department of Industry and Trade, which had had access to Coopers' books and assured us that Coopers was in a very sound position to repay both the loans that it is taking out from the finance sector to finance its redevelopment and the loan effectively from the ICPC. So why the finance industry could not come up with the full money was left for everybody to ponder. I was quite happy to accept the word of DIT.

So, we had the government finding a way to support a wellknown South Australian industry and an icon to continue its development, to expand its export markets both interstate and overseas and to develop in particular the export of malt extract, which is a fairly useful product to export overseas because it does not have the volume constraints of exporting beer. The other major item which Coopers exports is home brew kits: it is a major supplier of home brew kits around the world.

In looking at some of the issues that came up in this proposal and in wondering why other projects are not subject to the same scrutiny, I will go through a bit of the process. This proposal was scrutinised by both the Industries Development Committee of cabinet and the Public Works Committee. It is underpinned by contracts requiring the return of real assets to the state in the unlikely event that Coopers does get

into difficulty. I am sure that a few of us around here, if Coopers are heard to get into difficulty, would be willing to contribute a little towards the market share. A range of community benefits will come out of this project. Jobs will eventuate from this project, and we can be fairly confident about the development of those jobs. They will be long-term well paying jobs that will not pick up tomorrow and go to some call centre in the Philippines if there is a Philippine language school that enables people to speak with a reasonable English-Australian accent. These jobs will stay here and not fly off as soon as somebody offers a better deal to the providers of what are too often temporary jobs bought by this state government.

There are considerable benefits to the environment in many different ways. The residents of Leabrook apparently will find it much nicer not to have the aromas, but in particular they will not have heavy transport moving in and out of what are mainly suburban roads not designed for heavy transport. Without the support of the state government on this project, Coopers would have to undertake the move in two stages. For four years it would have half the process happening at Leabrook and half at Regency Park. They would have to be trucking things backwards and forwards between Leabrook and Regency Park all the time. They would be not only failing to relieve the congestion and traffic hazards around the Coopers plant at Leabrook at the moment but in fact would be increasing them in that temporary period. So, this sensible support for industry is reducing the congestion and risk of accidents for the people of Leabrook, decreasing the emissions from the extra transport that would be involved and decreasing Coopers' costs, because they would be running at much increased costs—about $2 million a year, I recollect—by having to split their plant and having to pay for all this transport backwards and forwards.

The project also has long-term environmental benefits. They have looked at new ways of using water. The brewery industry is a heavy user of water and it is looking at using water from the aquifer and disposing of the saline waste water from the product into a separated aquifer which already has a high salinity rating. We are saving our sewage system and our water pumping and filtration system—a highly desirable project with desirable outcomes. That aspect of the project is not 100 per cent certain at the moment, but it is certainly indicated strongly that that will happen, and Coopers is working with PIRSA—thank you minister—to realise these outcomes.

There is also a benefit in the use of electricity in the long-term development of Coopers' plant. Throughout the site tour and submission of evidence both oral and written it was quite clear that Coopers was seeking to be a really responsible committed corporate citizen in this state. It was working with the councils, the community and government agencies to identify the range of benefits that all could derive from this relocation, not just Coopers but the community in many ways. This is the sort of industry support that really does stand up to scrutiny. The people of South Australia have outcomes in many different ways that are beneficial in terms of this example of industry support.

So, it has certainly made me even more concerned about all the other examples of support for industry that we read about in the paper and that is all we see of them. We do not have any information about the package of benefits to the state or information about the commitment of these corporations to the state, and there is no information on the public record and no ability for us to scrutinise the process to see whether the outcomes have been realised. In contrast, this project will be reporting every three months to the Public Works Committee until it is completed. If any issues arise we will be able to pursue them, and all the evidence so far is that Coopers and those groups within the government who have been supporting them will be very ready to put the information on the public record so that the people of this state know what is happening to their money and know what benefits they can expect to get from it.

Therefore, I am very pleased to support this motion. However, as I have indicated, it just makes me increasingly worried about all the other projects, one of which I will refer to later, if we get to it, in order to highlight the difference between what has happened in relation to Coopers and what has happened in other projects. I congratulate Dr Tim Cooper, who has clearly led this project in an extremely responsible manner.

Motion carried.

## ENVIRONMENT, RESOURCES AND DEVELOPMENT COMMITTEE: ANNUAL REPORT

**Mr VENNING (Schubert):** I move:

That the 40th report of the committee, being its annual report, be noted.

The Environment, Resources and Development Committee had a particularly productive year, during which it completed four very important and timely references. The first of these was the 35th report on rail links with the eastern states. Now that the agreement to build the Adelaide to Darwin railway line has been signed, the recommendations of the committee seem to be even more significant.

Of particular importance is the recommendation to develop an Adelaide intermodal terminal. The committee found that the most appropriate location for the terminal is within the vicinity of Dry Creek. If Adelaide is to succeed as a prominent hub of the national transport system, the development of this intermodal terminal is viewed as crucial to Adelaide's success in this area.

The committee recommended that additional funds be allocated to the maintenance and improvement of the rail infrastructure on the Adelaide to Melbourne line. An upgrade of this line will significantly influence the efficiency of rail in terms of cost and transport times. The committee waits with interest to see how developments unfold in both these areas.

The second report tabled by the committee was its thirty-seventh report on mining oil shale at Leigh Creek. I notice the member for Hammond is in the chamber, and he may speak on this matter after me, or later on. Overall, the committee was somewhat disappointed that the—

*Mr Lewis interjecting:*

**Mr VENNING:** I was just stating the obvious—commercial viability of mining the oil shale deposit, or the private venture option of mining a viable deposit, were not examined prior to the sale of Flinders Power.

*Mr Lewis interjecting:*

**Mr VENNING:** 'Hear, hear,' the member for Hammond says: I waited for it. Although the committee was not in a position to determine the economic viability of the resource, it believed that the opportunity should have been taken at least to dispel, once and for all, the speculation that has for many years preoccupied many interested parties.

*Mr Lewis interjecting:*

**Mr VENNING:** As I was about to say, given the current economic climate and the ever-increasing price of oil today, I am confident that the viability of mining that deposit may be revisited by the new owners in the not too distant future. It is a pity that the committee could not address it when we were examining this, because we must now go back and reinvent the wheel. Certainly, it is a very relevant report to re-read.

The committee's inquiry into tuna feed lots at Louth Bay generated considerable controversy and interest from all quarters of the community. That inquiry found numerous deficiencies in the administration and enforcement of legislative requirements and a less than desirable attitude towards social obligations by industry operators and owners. It is interesting that the committee's call for the reform of legislation to regulate agriculture is now taking place with the development of aquaculture legislation well under way. Only this morning the committee was briefed on the progress in this regard. It is hoped that this legislation will provide an orderly framework for the promotion, development and management of aquaculture ventures in South Australia.

The most prominent of the inquiries undertaken by the committee was that of environmental protection in South Australia. More than 70 submissions were taken and well over 80 witnesses appeared before the committee. The inquiry highlighted many difficulties being faced by the Environment Protection Agency in administering provisions of the Environment Protection Act. These are numerous and well documented in the committee's report. I understand that the government's review of the EPA is well under way, and I believe that the committee's report has significantly influenced the direction and progress of that review. We will revisit this subject in mid 2000 in order to monitor the reform process.

It was encouraging to go to the round table conference, which is the annual conference of the Environment Protection Agency, and to hear the accolades that our committee was given for the work we did. I was very pleased to be able to work with the officers of the EPA and to receive their constructive comments right through, and then to applaud the final result. So, certainly, it was a very good exercise in every way.

The committee took further evidence after the report was tabled. This was in response to the committee being informed that one of its recommendations needed to be clarified and appeared at odds with the evidence that was already before the committee. After taking evidence from the state committee on the national plan and consideration of past evidence, it was resolved that responsibility for the investigation and enforcement functions of the Water (Pollution by Oil and Noxious Substances) Act be formally delegated to the EPA and that the operational function of managing marine pollution incidents should remain with the marine group within Transport SA.

It was agreed that recommendation 37 of the committee's 39th report, titled 'Environment Protection in South Australia', be clarified by the inclusion of recommendation 37A, which states:

> The committee recommends that the Minister for Transport and Urban Planning and the Minister for Environment and Heritage formalise, by legislative amendment if necessary, that operational functions of marine pollution incidents remain with the marine group within Transport SA and that the investigation and prosecution functions of marine pollution incidents be passed on to the Environment Protection Agency.

I commend this recommendation to the Minister for Transport and Urban Planning (Hon. Diana Laidlaw) for her consideration.

During the reporting period the committee actively pursued its interest in a number of issues, including the Barcoo Outlet—and I notice that the Public Works Committee has also done a report on that; shipbreaking—and I notice that the member for Hammond has had something to say about that; urban living; and genetically modified foods. A great deal of evidence was taken, and the committee may, at some time in the future, take up these interests as formal references.

The committee considered almost 50 amendments to the development plans. Of these, evidence and clarification was sought on the Waste Disposal PAR; the Barossa Valley Region Industry PAR; and the City of Unley PAR. These investigations resulted in substantial changes to two of these PARs, and I wish to extend the thanks of the committee to the local government officers, officers of Planning SA and the Minister for Transport and Urban Planning for their cooperation in assisting the committee to undertake such an investigation in a timely and professional manner.

I extend my thanks to the members of the committee, particularly Ms Stephanie Key, the member for Hanson. She offers a lot to the committee and, hopefully, when one day the opposition gets into government many years down the track, she will still be young enough to be a key person in that government. Also, Mrs Karlene Maywald, the member for Chaffey, who is the leader of the National Party, has a cool head on her shoulders and is certainly a very valuable member of the committee.

The Hon. John Dawkins MLC offers wisdom and advice and, being the only other government member on the committee, I certainly appreciate his close-in support. I also mention the Hon. Michael Elliott MLC. I need to say no more: he is the Leader of the Australian Democrats. Having two state leaders on the committee certainly gives it an extra profile. Michael Elliott, as always, is very thought-provoking and often leads some of the debate, particularly in environmental matters. The Hon. Terry Roberts MLC is a very experienced member of the committee, who usually asks the longest, but the most thought-provoking, questions. I certainly appreciate the work that these members put in.

I also mention the staff who are appointed to the committee for their commitment to the business before the committee. I particularly want to thank the secretary, Knut Cudarans, who is sitting in the gallery. We get on very well, which is good for a chair and secretary because, in many cases, it does not happen. In this instance it does and I appreciate his skills and, I think, he probably does mine sometimes. I believe he has found his niche in his work on this committee.

During the year we were sad to lose an excellent research officer, Ms Heather Hill, who went on to further her career by accepting a position in water resources. We thought it would be impossible to replace her but I am pleased to report our new research officer, Mr Stephen Yarwood, has started splendidly. Coming from SA Planning, he has already extended members into much more in depth analysis of this very important area of our work, that is, planning. We welcome him and we hope he has a long and successful future with us.

As I said before, to be chair of this committee is not so much a challenge but a delight. All politics and personalities aside, we get on very well. I remind the House this committee has not had one dissenting report since I have been the chair:

since 1996. How many committees could say that? When you consider the make up of the committee I think that is a pretty successful story.

I want to thank again various ministers who regularly deal with this committee, in particular, the Hon. Diana Laidlaw in transport and planning, the Hon. Iain Evans in environment, and the Deputy Premier, the Hon. Rob Kerin as Minister for Primary Industries and Resources. I believe to serve on a senior committee such as the ERD is essential for members of parliament. I also believe the work of our committees really does enhance the effective operation of the parliament in South Australia.

**Ms KEY (Hanson):** I support our chair's comments with regard to the Environment, Resources and Development Committee and say that I think under his chairmanship we do very well. We can only say we hope he does not become a minister too soon because we would hate to lose him from our committee. I would also like to congratulate our colleagues. As the member for Schubert said, we have a very good working relationship and have some very interesting debates but in the end usually come to a consensus view on issues of importance.

Knut Cudarans, as the chair has mentioned, is an excellent secretary. We will miss Heather Hill, our research officer, but we as a committee are sure that Stephen Yarwood will be a very good replacement for her.

Without going over what the chair has said already (because there have been a number of interesting and important inquiries the committee has done this year), I would like to address my comments today to one of the areas we looked at and that is, with no surprise to the chair or perhaps you, Mr Speaker, the issue of the Barcoo Outlet.

This coincides with the petition that I tabled yesterday, 7 November, with regard to polluted storm water entering the Barcoo Outlet and subsequently being discharged into the Gulf St. Vincent. Certainly in the petitioners' view, and mine as well, it has a deleterious effect on the marine life and ecology of the gulf and the health and well-being of all South Australians using the Gulf St. Vincent for recreational purposes.

I think that petition summarises my views on what I consider to be a disastrous environmental development project—the Barcoo Outlet. Following the Adelaide shores boat harbour I believe we will have big problems in the Gulf St. Vincent as a result of these proposals. In my view, and reflected in the motion I moved in the last session of parliament, the emphasis by the government should be on water cleansing by the implementation of the total catchment management plan; the acquisition of land for the construction of wetlands at Oaklands Park, Morphettville and West Beach; and the upgrading of the Heathfield Waste Water Treatment Works.

In addition, I would like to urge the government to reconsider the whole issue of the north-south flushing system for the Patawalonga and the West Torrens Council proposal for water recycling and reuse. As I understand from evidence I read from *Hansard* from the Public Works Committee we are talking about waste water with a value of about $140 million. We are not talking about small projects here.

I understand that one of the ERD committee's witnesses on the Barcoo Outlet, his worship Harold Anderson from the Charles Sturt Council, has proposed a forum of seaside councils with a view of developing an integrated coastal plan. I would like to congratulate Harold Anderson on his views. He was a witness to our committee and also facilitated a tour for our committee to Adelaide Shores so we could see first hand what was happening with regard to the coast and, in particular, the degradation caused through the Adelaide Shores boat harbour and the sand replenishment program—which I think is not only quite disgraceful, but quite costly to the taxpayers of South Australia and, as I understand it, potentially the ratepayers of not only the Charles Sturt Council but the West Torrens Council and maybe even the Holdfast Shores Council.

I would also like to note that the West Beach Trust (or I do not know whether it is called the Adelaide Shores Trust now) has just launched a draft Adelaide Shores master plan and engaged consultants Hassell and Partners to work through the land use options and plans for that area.

While I am talking about the Barcoo Outlet and that whole area I would like to take the opportunity to commend the work of the Henley and Grange Residents Association (both the member for Schubert and myself are members); the Charles Sturt Council and in particular its mayor; the West Torrens Council; and also, to a lesser extent, the Holdfast Shores Council because I think that they are one of the winners in the Barcoo Outlet proposal.

Lastly, I commend the work done by my colleague the member for Peake, Tom Koutsantonis; Paul Caica, who is the Labor candidate for Colton; and Steve Georganas, who is the federal Labor candidate for Hindmarsh. They have been involved with the community in trying to save the coastline and ensuring that our children and our grandchildren have an opportunity to use that beach and that people can go to the beach in safety.

In closing, I commend the Environment, Resources and Development Committee and say that, in my time here, the ERD Committee has been one of the more important parts of the work that occurs in this place. I think we come up with sensible and proper recommendations in the work that we do, and I commend the report.

**Mr LEWIS (Hammond):** Mr Acting Speaker, I commend you as Chairman of the committee for the work which the report just presented to the House canvasses. One of the issues with which I wish to deal concerns the oil shale resources in South Australia. They are not just available in Leigh Creek: there are other similar locations which may not have much coal in them but they certainly have substantial oil shale. They were formed in direct consequence of precisely the same geological phenomena occurring in the development of the extant area of the Adelaide geosyncline.

My interest in them was more particularly generated in consequence of what I came to understand about what was happening at Leigh Creek. As you said, sir, when you were delivering the report, at current world prices unquestionably the oil shale deposits in this state are not only viable but quite substantially profitable enterprises in which we could be engaging. Had we the whit to allow commercial interests wishing to assess them to do so, we would have been eight to 10 years down the track—at least that much—on what we are now.

In the short run I do not see that, in relative terms, we will ever get back to a situation where the light crude oil price per barrel will be around $12 to $13, yet on my own assessment of information which I have seen but of which I have not been given copies and the other evidence that was presented both to your committee and to the committee which I have the honour and responsibility to chair, we could be producing

oil shale in South Australia for less than $10 a barrel all-up cost. There would be additional benefits from producing that oil shale, since the wash heat left after the essential combustion required for the destructive distillation—that is an aerobic of that—of the shale to get the volatile fractions that are of commercial value from it would generate quite considerable quantities of electricity, and that could be sold into our grid this side of the border, wherever and whichever border we are looking at. But, no, it seems that bloody-mindedness on the part of government over the years—that is, government either or both within cabinet and within the bureaucracy—has prevented those commercial interests which have wished to risk their own money in the assessment of that deposit from so doing.

The cheapest and most readily accessible deposit (or deposits) are those at Leigh Creek. I do not think that it is appropriate for government to presume that it has within cabinet or from within bureaucracy the necessary commercial gumption to assess whether or not such deposits are viable commercially, nor should they presume they have the gumption and wisdom to assess what technology could be applied. From what I saw of the assessments that were made and what I understand from the evidence given to the Public Works Committee, the assumptions made about the technology to be used are not appropriate in the context of the oil shales we have in South Australia, because they are applicable to deposits which are far more viscous and heavier in molecular size than the deposits which we have in South Australia.

Clearly that is the case, because when these deposits are broken open mechanically to mine—in the case of Leigh Creek, the underlying coal—they spontaneously burst into flame: they are spontaneously combustible. No other shale deposits are anything like as rich in those light volatile fractions which are the most valuable of the fractions. The lighter the fraction the more valuable it is. As I have told the House previously, other deposits vary in consistency and form to something similar to wet, unrefined sugar or sandsoap—very heavy—which cannot be cracked easily, whereas the South Australian oil shales, particularly at Leigh Creek, we know will self mill—automill—because they are so brittle.

They will not just bruise and bound around inside a milling tumbler: they will fall on each other and break the boulders, if you like—the bits and lumps of the stuff—into smaller fractions and release the gas that is there to emerge spontaneously and could be trapped immediately in an environment where there is a complete absence of oxygen. They will not burst into flame until they are commercially secured.

The other problem with the oil shale—I know that the member for Hanson who preceded me has pointed this out, sir, and I know privately that you have expressed concern—is the effect of inhaling those volatile substances and their downstream derivatives once partial or complete combustion has occurred. There is evidence on the file now that, if you sniff petrol, you scramble your brains and you do an enormous amount of damage to your other organs. If you inhale diesel fumes, you do the same thing. Not everyone is affected, but a substantial majority of the population is affected, and a small minority are so adversely affected that clearly it kills them in fairly short order.

I do not think it is fair and legitimate for the government, whether cabinet ministers, bureaucrats or anyone else, to say that it does not happen: we know that it does. Just because the volatile hydrocarbons came out of the oil shale does not mean that they would not have the same effect as they would if they were obtained from another source. That is an outrageous nonsense and anyone who relies on that argument has to be a dill or has something to hide. That is what I disliked intensely about the people who were associated with ETSA: they tried to cover it up and deny that it was there.

I turn to another matter now; that is, to suggest to you, sir, and the rest of the members of that committee that right now you ought to be doing site visits to look at what is happening with the control measures being taken. You ought to have been out looking at the plague locust egg beds to see what quantities were hatching and then examine the techniques being used to control them now. We are using literally kilolitre upon kilolitre of insecticides to control them.

We have no other choice at this time, but there will be another plague another day, and we ought to be using methods such as those that are used to control insect pests of the brassica crops (cauliflowers, brussels sprouts and so on) where they now drive over the crop and, from above, literally suck the insects out of the crop with a vacuum cleaner. The leaves all lift up and the moths and even caterpillars are drawn off the leaves with a draft of air into the vacuum cleaner, and the insect, in larval or adult form, drops into what is called a cyclone. There is no question at all that that ought to be monitored by a committee of parliament to ensure that innovations of one kind or another of the type of which I have just spoken are considered as a way of controlling it in the future and, further, that the control measures being undertaken now are adequate for the purpose. We ought to be satisfying ourselves as a parliament in the public interest that what we are doing involves the least damage possible being done to the broader environment and other species and getting the maximum bang for our buck in knocking out the hoppers that are such a risk to us in our rural enterprises.

Motion carried.

## ECONOMIC AND FINANCE COMMITTEE: INDUSTRY ASSISTANCE

Adjourned debate on motion of Hon. G.M. Gunn:

That the 31st report of the committee, on South Australian government assistance to industry, be noted.

(Continued from 25 October. Page 240.)

**Mr LEWIS (Hammond):** I rise to speak on this matter because I thought at the time that the Presiding Member of the Economic and Finance Committee was summarily dismissive of the responsibilities that he has under the legislation by simply saying, 'Here is a report; go and read it'—at bedtime or otherwise. It struck me that there must have been something in there to which the government would have preferred us not to pay much attention. I therefore chose to adjourn the debate to enable further and more proper evaluation of what the committee had done during the course of its work in preparation for the report, or as part of what the report covers.

I am pleased with the work that the committee does in the public interest. I know that on occasions members of the committee, regardless of their political persuasion, find that there are matters which they would rather have more carefully considered and examined and on which they would like to have been able to obtain further and better information, whatever that issue may have been; or, on other fronts, that time might have been better spent doing other things.

So, I think there is a healthy tension within the committee that it is doing the essential job of inquiry, as determined by the act establishing it and, through those inquiries, getting a better understanding for the parliament of the matters which state government administration could do more effectively or better in the public interest.

I thank the member for Fisher, who is a member of that committee, for his assistance in drawing attention to the recommendations. In the limited time available to me, I would point out that those recommendations to the state government are to clarify its strategic framework for economic development through broad consultations with all the stakeholders, which would include both industry associations and unions, and that the state government adopt an alternative, more strategic approach to the provision of industry assistance comprising a redirection of funds to support accredited training infrastructure, industry networks or clusters, research and development.

The committee has properly determined that the only way for our industry to thrive is through innovation, quality and service. That is my own view. The only way businesses survive is if they get two of three things right, namely, price, service and the quality of their articles. If you cannot get all three right you will go broke. You must get two right, or you will also go broke. It recommends that the state government evaluate the benefits of introducing competitive tendering arrangements for recipients, in order to access a limited pool of funds that are available for industry assistance.

The fourth of the committee's 12 recommendations is that the government consider establishing incubators jointly funded by government, the private sector and universities for start-up biotechnological and other knowledge based companies. Those are the four matters that I wish to address collectively right now, because that is the way to get new firms going—and I would suggest doing that in conjunction with volunteers throughout the community who have formed themselves into business councils and chambers of commerce under the umbrella of the Council for International Trade and Commerce.

Then, when establishing new businesses, we in South Australia should not only look at our local market but also recognise that we cannot compete on the national market where there are existing businesses, in the eastern states markets in particular, because of the cost of transport to get into those matters. However, we must recognise that we can compete on world markets with them and with businesses from other countries on those world markets for such products and/or services. We ought to be using those four recommendations—particularly the fourth, regarding the incubator—in conjunction with the Council for International Trade and Commerce.

Members know that in the early 1990s I was an instigator of the policy to establish that council—as it is now known—in order to give us that edge and provide us with the means by which we could use the skills possessed by the people who have come to live in South Australia from other countries that have a different culture of doing business, enabling us to enter the markets in those countries for any products which we can make here and sell to ourselves, to them jointly or to them exclusively. We do not have to need the product that we are making for a South Australian market. All we have to do is identify that there is a market and get access to it.

I urge the government to make better use of those tens of thousands of hours of work that is done every year by the volunteers who belong to the Council for International Trade, the business councils or the chambers of commerce that are affiliated with it and, in making use of those talents and abilities that are available, enable the firms that are at present not in existence to come into existence through the incubator process and get into those markets or, if they are in existence, to expand their production base, shift their short run cost curve to another position on the long run cost curve, and thereby establish more head offices in South Australia. If we do not do that, this state will go out backwards.

In my judgment, we must continue to do that aggressively, effectively and successfully for at least the next 10 years if we are to survive. Otherwise, we are seen as a branch office of head office operations which have gone to the eastern states as a result of the disastrous economic policies of the 1980s and early 1990s. We have lost that head office base and the means by which we can provide the most talented South Australians—our youth—with a career opportunity here in South Australia, without the need for them to contemplate leaving the state and working not just for a few years to get experience, but forever, because there are no immediate prospects of jobs in South Australia at the beginning of their career and, further down the track, there are no prospects of CEO positions for them if they are the most talented people in business.

For those reasons, I want to draw attention to these 12 recommendations. I will leave others to address all of them, except the one which recommends that the Department of Industry and Trade enhance the implementation of actions to fully address issues raised by the Auditor-General regarding both the adequacy of internal controls and the reliability of financial assistance receivables that are presented in the department's financial statements. Clearly that needs to be done in a way which ensures that there is sufficient accountability. There are 12 such recommendations, and the last one is the one which ensures that the government introduces amendments to that Industries Act which do those things and other things. I believe the committee has got it right in those recommendations, and I commend the chairman but regret the fact that he did not see fit to further elaborate on the contents of the report himself in the course of introducing the report.

**The Hon. R.B. SUCH (Fisher):** I would like to make some remarks regarding the report of the Economic and Finance Committee on government assistance to industry. Without reflecting on any other committee or any other time in the history of this committee, this is one of the most important reports ever to come before the parliament. I say that because, as a government, in excess of $100 million a year has been spent on industry assistance. The committee was not able to find out the exact amount because government departments were not all that cooperative. They did not want us to know how much was spent. At a rough guess, the quantum is between $100 million and $200 million, and we believe it is greater than, for example, the New South Wales government expends. I am not against industry assistance, but I am concerned about the process which exists here and which has existed under previous governments. It is time it was substantially improved. The committee heard from some eminent people in our community. We had Professor Cliff Walsh, Emeritus Professor Richard Blandy, John Spoehr, what is now called Business SA, the Vice Chancellors, and so it went on. We had some of the more enlightened and capable thinkers in our community making presentations. It

is fair to say that there are serious deficiencies in the current approach to industry assistance in this state.

The point was made to the committee that there is inadequate methodology. There is no way at present of knowing whether we are getting the best value for the industry assistance provided. Clearly, it is done in secret, but the whole process seems to reek of adhockery. When we questioned people from the department, it seemed to be lost in the mists of time as to how amounts were allocated to various industries. We noted that some companies have had more than one industry assistance package over time. The details that were supplied by the Treasurer relate only to those who had received in excess of $200 000. We hear of amounts that have been given to various companies, but we do not know the individual amounts. What I believe can happen—and, indeed, the committee recommended this—is that, once an agreement is concluded with a company, the general information should be provided via parliament. This is done in many parts of the United States, and that economy is hardly falling apart. Legislatures such as in the state of Maine require these sorts of industry assistance packages to be tabled.

**The Hon. R.B. SUCH** secured the adjournment of the debate.

## STAMP DUTIES (LAND RICH ENTITIES AND REDEMPTION) AMENDMENT BILL

**The Hon. M.R. BUCKBY (Minister for Education and Children's Services)** obtained leave and introduced a bill for an act to amend the Stamp Duties Act 1923. Read a first time.

**The Hon. M.R. BUCKBY:** I move:

*That this bill be now read a second time.*

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

Leave granted.

This bill seeks to amend the *Stamp Duties Act 1923* ("the Act") in respect of five measures.

The first proposal seeks to amend the Act to ensure that the current stamp duty exemption for the "Conveyance or transfer of a mortgage or an interest in a mortgage" includes the conveyance of a debt associated with a transfer of the mortgage.

The act currently states that an instrument containing or relating to several distinct matters must be separately and distinctly charged as if they were separate instruments, with duty assessed in respect of each of the matters. Hence if two distinct classes of property are being transferred (the mortgage and the debt), they must be regarded as distinct matters.

The Crown Solicitor has advised that in order to determine the question of distinguishing between a mortgage document and the underlying debt, each case must be determined on its facts and necessarily involves questions of impression and degree.

This interpretation has resulted in some taxpayers being liable for *ad valorem* conveyance duty, when other taxpayers undertaking very similar transactions will not have to pay any stamp duty, with the outcome dependent on the technicalities of the drafting of the relevant instruments.

The proposed amendment seeks to put beyond doubt, that the transfer of the mortgage and any underlying debt are exempt from duty, which will satisfy the original intention of the exemption.

The second proposal seeks to ensure that instruments that operate to disclaim, transfer or assign interests in real or personal property under a will or intestacy are chargeable with *ad valorem* stamp duty.

In the South Australian Supreme Court Case of *Probert v Commissioner of State Taxation [1998] 9 October 1998* it was held that a certain Deed of Disclaimer was not assessable with *ad valorem* conveyance duty.

The result of this judgment is that it is arguable that Deeds of Disclaimer and Deeds of Family Arrangement may not be chargeable with *ad valorem* duty until the administration of the deceased's estate is completed. This argument is due to the fact that the exact quantum that a disclaiming beneficiary is entitled to under a will or an intestacy, cannot be ascertained until the administration is complete, at which point all assets and liabilities of the estate are known.

The amendment seeks to reverse the potential effects of this case to ensure the status quo is maintained in order for RevenueSA to continue to assess Deeds of Disclaimer and Arrangement with *ad valorem* conveyance duty and to thereby protect the revenue base.

The third amendment relates to the provision in the Act which operates to exempt from duty any transfer of property for nominal consideration (not being land subject to the provisions of the *Real Property Act 1886*) for the purpose of securing the repayment of an advance or loan.

Such transfers occur in situations whereby a person who provides an advance or loan will require that the borrower transfer property of value to them as security for the sum being borrowed, and in the case of a default would retain possession of the transferred property. Such transactions are generally referred to as common law mortgages.

It is proposed that the exemption be repealed and be replaced with a charging and refund provision to prevent identified avoidance whereby property is transferred pursuant to a common law mortgage free of stamp duty, and never transferred back, due to the mortgagor deliberately defaulting on the loan. This avoidance opportunity creates inequity and particular problems in relation to the land rich provisions of the Act.

The proposed amendment requires parties to pay stamp duty at conveyance rates when the property is initially transferred pursuant to the mortgage, but will provide a full refund of this duty if the property is transferred back to the mortgagor once the mortgage has been discharged.

The amendment also extends the scope of the new provision to include the conveyance of property pursuant to guarantees and indemnities as requested by industry bodies.

The fourth amendment operates to restore the stamp duty base to that existing prior to the High Court decision in the case of *MSP Nominees Pty Ltd vs Commissioner of Stamps* (1999) 166 ALR 149 ("the MSP Case").

In the decision in the MSP case handed down on 30 September 1999, the High Court decided that a redemption of units in a unit trust is not liable to duty under the Act, as a redemption does not constitute a release or surrender of a beneficial interest in the trust fund or in the underlying property of the trust. Previously it had been long standing and accepted interpretation and practice, that such transactions were liable to *ad valorem* conveyance duty.

After receiving advice from the Crown Solicitor in relation to the High Court's decision, it became apparent that if no action was taken to protect the revenue base as a result of the decision, a significant amount of revenue would be lost, which will have a significant impact on the Government's budgetary situation.

The proposed amendments operate to ensure that the transfer, issue and redemption of units in unit trusts that own (through the trustee) South Australian property are liable to *ad valorem* conveyance duty based on the value of the South Australian property "conveyed" as a result of the transfer, issue or redemption.

This is achieved by amending the definition of what constitutes a transfer in the Act, clarifying the types of transactions that are deemed to be voluntary dispositions *inter-vivos* and inserting new territorial provisions which will ensure that RevenueSA can continue taxing the transactions that were considered to be dutiable prior to the MSP case.

The bill treats as a voluntary disposition *inter-vivos*, the redemption, cancellation or extinguishment of an interest in property subject to a trust.

The territorial provisions of the bill ensure that in relation to unit trusts that are set up outside South Australia and where the units are transferred, issued or redeemed outside South Australia, the transfer, issue and redemption of such units will remain dutiable based on the value of South Australian property owned by the trust and the percentage of such interest transferred.

The levying of duty in relation to property in South Australia vis-a-vis property outside South Australia necessitates apportionment provisions being included in the bill. These provisions do no more than confirm the current assessing practices adopted by RevenueSA.

The Crown Solicitor is of the view that the provisions of the bill effectively counter the decision by the High Court in the MSP case to re-instate the pre-existing status quo.

The bill was initially drafted to operate retrospectively to validate all *ad valorem* assessments issued prior to the decision in the MSP case in relation to the redemption provisions. However after wide

consultation was undertaken with industry bodies the view was strongly put forward by these bodies that the provisions as drafted were inequitable. A compromise position has therefore been reached.

The provisions will now operate retrospectively prior to 30 September 1999 except in situations where valid objections or appeals (that are yet to be determined) have been lodged within 60 days of the assessment. The provisions will also operate from the date of introduction of the bill into Parliament.

This compromise provision will significantly protect the revenue base (although it does involve some repayment of stamp duty to taxpayers), whilst at the same time accommodating many of the concerns raised by industry bodies.

The fifth group of amendments deal with Part 4 of the Act.

In 1990, Part 4 was enacted to counter an avoidance scheme whereby revenue was being lost as a result of the practice of placing land in highly leveraged companies or unit trusts for the purposes of transferring the shares (or units) to prospective purchasers rather than the land itself. These provisions are known colloquially as the land rich provisions.

Various schemes have been identified by RevenueSA whereby through the use of trusts and other interposed entities, taxpayers are able to circumvent the 80 per cent test and the majority interest test found in the original provisions, and to take themselves outside of the land rich provisions, notwithstanding that they end up controlling land, the market value of which may significantly exceed the $1 million threshold.

The proposed bill therefore implements significant changes to the land rich provisions in order to remove the identified opportunities for tax avoidance. Specifically, amendments have been made to capture third party and passive acquisitions whereby a person gains control of a land rich entity.

Given the substantial difference in quantum between marketable security duty (0.6 per cent) and conveyance duty (up to 5 per cent of the value), particularly where the value of land attracts duty at upper marginal rates, and after taking into account similar concerns raised by industry bodies in the consultation phase, it is considered that there should be a phasing in of land rich duty.

Where the value of land owned by a land rich entity is over $1 million but does not exceed $1.5 million, relief based on a sliding scale is proposed. The purpose of this approach is to prevent a sudden jump in duty from a rate of 0.6 per cent at $999 999 to an effective rate of approximately 5 per cent at $1 million. Maximum relief based on a sliding scale is proposed when the value of land is $1 million and this relief reduces proportionately as the land value nears $1.5 million. There is to be no relief once the value of land exceeds $1.5 million. The phasing in is achieved by means of a complex formula.

This approach will bring South Australia in line with Victoria, New South Wales, Western Australia and Tasmania.

In drafting the provisions the Parliamentary Counsel has taken the opportunity to ensure that they more accurately reflect current business practices and bring the provisions into line with equivalent legislation applying in other jurisdictions, which will prevent the abuse of the provisions that has been occurring.

I commend this bill to honourable members.

Explanation of Clauses

*Clause 1: Short title*

*Clause 2: Commencement*

These clauses are formal.

*Clause 3: Insertion of heading*

This clause adds a divisional heading to the short title provision before section 1 of the Act.

DIVISION 1—SHORT TITLE

*Clause 4: Insertion of heading*

This clause adds a divisional heading to the interpretative provisions (sections 2 and 3) of the Act.

DIVISION 2—INTERPRETATIVE PROVISIONS

*Clause 5: Amendment of s. 2—Interpretation*

This clause inserts definitions necessary for the amendments contained in this measure.

*Clause 6: Insertion of Division 3*

Clause 6 inserts new Division 3 in the Act dealing with the territorial application of the Act. Division 3 sets out a new framework for determining whether or not liability for stamp duty exists under the South Australian *Stamp Duties Act 1921*.

DIVISION 3—TERRITORIAL APPLICATION OF ACT

*3A. Principles for determining territorial relationship*

This section sets out the principles for determining which jurisdiction's stamp duty laws apply to certain instruments. Subsections (2) and (3) deal with jurisdictional and other matters relating to potential, contingent, expectant or other inchoate interests. Subsection (4) specifies that an interest in property is taken to be situated in the jurisdiction in which the property to which the interest relates is situated.

*3B. Territorial application of Act*

This section provides that if property (to which an instrument relates) is situated in South Australia, or a matter or thing to be done (to which an instrument relates) is done in South Australia, regardless of where the instrument exists or was executed, the South Australian *Stamp Duties Act 1921* applies. Subsections (2) and (3) provide for the calculation of duty on such instruments.

*3C. Special rules for determining location of certain forms of intangible property*

This section sets out principles for determining where certain forms of intangible property (business or product goodwill, intellectual property and rights conferred under franchise agreements or certain types of licences) are situated for the purposes of ascertaining which jurisdiction's stamp duty laws apply to an instrument in respect of that property.

*3D. Statutory licence*

This section provides that the property in a statutory licence granted under a South Australian law and in any rights deriving from such a licence is taken to be situated in South Australia. The effect of this provision is that instruments relating to such property will be dutiable under the South Australian *Stamp Duties Act 1921*.

*Clause 7: Repeal of s. 5*

This clause repeals section 5 of the Act, obviated by the provisions of new Division 3.

*Clause 8: Amendment of s. 60—Interpretation*

This clause removes from the definition of conveyance in section 60 of the Act, 'the surrender to the Crown of any lease or other interest in land, in order that the Crown may grant to a person other than the surrenderor a lease of, or other interest in, the same land or any part thereof', thus exempting such a transaction from duty under the Act.

*Clause 9: Amendment of s. 60A—Value of property conveyed or transferred*

This clause removes the definition of spouse from section 60A of the Act—the definition will now be found at section 2.

*Clause 10: Insertion of s. 60C*

*60C. Refund of duty on reconveyance of property subject to a common law mortgage*

Section 60C provides that where property that is subject to a common law mortgage is reconveyed, that is, conveyed back to the previous owner who had conveyed it in the first place to secure a liability under a loan, indemnity or guarantee, duty is not payable, or if duty has been paid upon reconveyance, it must be refunded by the Commissioner.

*Clause 11: Insertion of s. 62*

*62. Land use entitlements*

This section expressly recognises that a person who acquires a right to possession in land by a transaction that results in the person either—

- acquiring a share in a company or an interest under a trust; or
- becoming entitled, as the owner of a share in a company or an interest under a trust, to the possession of the land,

is taken to acquire a notional interest in the land and an instrument giving effect etc. to such a transaction is dutiable as a conveyance of a notional interest in land. The section further sets out the method of determining the value of the notional interest.

*Clause 12: Amendment of s. 71—Instruments chargeable as conveyances operation as voluntary dispositions inter vivos*

Clause 12 amends section 71 by providing *inter alia* that an instrument effecting etc. the surrender, renunciation, redemption, cancellation or extinguishment of an interest in property subject to a trust will attract duty as a conveyance operating as a voluntary disposition *inter vivos*. For example, an instrument effecting the redemption of units in a unit trust scheme will attract duty under the Act.

Paragraph *(c)* of this clause strikes out paragraph *(a)* of section 71(5), obviated by the insertion by clause 10 of new section 60C in the Act. Paragraph *(f)* of this clause has the effect of exempting from duty transactions under which there is a *pro rata* increase or diminution of the number of units held by the unitholders in a unit trust resulting in each unitholder's holding, expressed as a proportion of the aggregate number of units, remaining the same.

*Clause 13: Insertion of s. 71AA*

*71AA. Instruments disclaiming etc. an interest in the estate of a deceased person*

This section provides that an instrument under which a person who is or may be entitled to share in the distribution of the estate of a deceased person disclaims an interest in the estate of a deceased person or assigns or transfers an interest in the estate to another is to be treated as a conveyance of property operating as a voluntary disposition *inter vivos* (whether or not consideration is given for the transaction).

*Clause 14: Amendment of s. 71CC—Exemption from duty in respect of conveyance of a family farm*

This clause removes the definition of 'spouse' from section 71CC of the Act—the definition will now be found at section 2.

*Clause 15: Amendment of s. 71E—Transactions otherwise than by dutiable instrument*

This clause removes paragraph *(d)* from section 71E(2).

*Clause 16: Amendment of s. 90A—Interpretation*

This clause removes the definition of 'recognised stock exchange' from Part 3A of the Act—the definition will now be found at section 2.

*Clause 17: Amendment of s. 90V—Proclaimed countries*

This clause provides that section 90V of the Act does not operate to exempt a transaction from duty under the land rich provisions in Part 4. This is relevant in the context of new section 101.

*Clause 18: Substitution of Part 4*

PART 4
LAND RICH ENTITIES
DIVISION 1—PRELIMINARY

*91. Interpretation*

This section sets out the definitions and other interpretative provisions for Part 4.

*92. Direct interests*

This section defines the term 'direct interest'. It provides that a person has a direct interest in a private entity if the person holds a share or unit in the private entity. The section further provides that the direct interest is to be expressed as a 'proportionate interest'. The section sets out how the proportionate interest is determined.

*92A. Related entities*

This section defines the terms 'related entities' and 'intermediate entities'.

*92B. Indirect interests*

This section gives definition to 'indirect interest'. It provides that a person has an indirect interest in a private entity if it has a direct interest in another entity that is related to the first-mentioned entity. The section further provides that the direct interest is to be expressed as a 'proportionate interest' and sets out how the proportionate interest is calculated.

*93. Notional interest in assets of related entity*

This section sets out what a 'notional interest' is when held by a private entity. The section also provides for the calculation of the value of the notional interest.

DIVISION 2—LAND RICH ENTITY

*94. Land-rich entity*

This section sets out what a 'land rich entity' is. It provides that a private entity is a land rich entity if—

- the unencumbered value of the underlying local land assets of the private entity and associated private entities is $1m or more; and
- the unencumbered value of the entity's underlying land assets comprises 80 per cent or more of the unencumbered value of the entity's total underlying assets.

The section further sets out several classes of assets that are to be excluded from consideration in determining the private entity's total underlying assets.

DIVISION 3—DUTIABLE TRANSACTIONS

*95. General principle of liability to duty*

This section sets out the liability to duty that is the central provision of Part 4. It provides that a person or group that acquires a notional interest in the underlying local land assets of a land rich entity is liable to duty. The section further details the types of transactions that are dutiable under Part 4.

*96. Value of notional interest acquired as a result of dutiable transaction*

This sets out, as a preliminary step in determining the amount of duty to which a person or group is liable, the formulae for calculating the value of the notional interest acquired as a result of either of the dutiable transactions set out at section 95(2).

*97. Calculation of duty*

This section sets out the formulae for calculating duty in respect of—

- an acquisition of a majority interest in a land rich entity that has underlying local land assets of $1.5m or more;
- an acquisition of a majority interest in a land rich entity that has underlying local land assets of less than $1.5m;
- an increase of a majority interest in a land rich entity.

DIVISION 4—PAYMENT AND RECOVERY OF DUTY

*98. Acquisition statement*

This section provides that if a dutiable transaction occurs, the person or group acquiring or increasing its majority interest in the land rich entity must, within 2 months after the date of the transaction, lodge a return with the Commissioner and pay the appropriate duty. The section outlines the information to be included in the return.

*99. Recovery from entity*

This section gives the Commissioner the power to recover duty remaining unpaid by a person or group as a debt from the relevant private entity as well as registering a charge on any of the entity's land. If the duty remains unpaid 6 months after the charge (if any) is registered, the Commissioner may apply to the District Court for an order for the sale of the land. The section further sets out how the proceeds of a sale by auction of such land are to be applied. Subsection (6) sets out the entity's right to recover the amount from the person or persons principally liable for the duty.

DIVISION 5—MISCELLANEOUS

*100. Valuation of interest under contract or option to purchase land*

This section provides for the valuation of an interest in land consisting of an interest arising under a contract or option to purchase the land.

*101. Exempt transactions*

This section exempts from duty under Part 4 an acquisition of an interest in a land rich entity if a conveyance of any interest in the underlying local land assets would not attract *ad valorem* duty. An example is provided to illustrate the operation of this section. The section also provides for a regulation-making power to deal with any further exemptions that may be considered necessary in this area.

*102. Multiple incidences of duty*

This section provides that where different assessments of duty may be arrived at under Part 4 in respect of the same transaction, the assessment providing the maximum return to the revenue will apply. The section also provides the Commissioner with the power to exempt acquisitions from duty under Part 4 in certain circumstances.

*Clause 19: Amendment of Sched. 2*

Paragraphs *(a)* and *(b)* of clause 19 amend Schedule 2 of the principal Act with the effect of exempting from duty a conveyance or transfer of a mortgage or an interest in a mortgage under which a chose in action consisting of the debt secured by that mortgage or part of that debt is also conveyed or transferred.

Paragraph *(c)* of clause 19 amends Schedule 2 by exempting from stamp duty a transaction carried out by a trustee of a regulated superannuation fund in the ordinary course of business creating an interest in the fund in favour of a beneficiary of the superannuation scheme or redeeming, cancelling or extinguishing such an interest.

*Clause 20: Amendments relating to redemption to operate retrospectively and prospectively*

Clause 20 provides that the 'MSP' amendments (ie. the amendments made by sections 5, 6, 7 and 12 of the measure that are applicable to the redemption, cancellation or extinguishment of an interest in a unit trust scheme) operate both prospectively and retrospectively. The measure will apply to instruments or transactions made or occurring before 30 September 1999 where either—

(i) no assessment of duty was made before the relevant date; or

(ii) an assessment of duty had been made before the relevant date but—
- no objection was made within 60 days; or
- an objection was made and disallowed.

('Relevant date' is defined as the date of introduction of the bill for the Act into the Parliament.) The effect of this amendment in respect of those instruments or transactions as well as instruments or transactions made or occurring after the relevant date will be to nullify the effect of the High Court judgment in the case of *MSP Nominees Pty Ltd and another v Commissioner of Stamps* (1999 166

ALR 149), however clause 20*(c)* expressly preserves the decision made in that case.

**Ms KEY** secured the adjournment of the debate.

## ROAD TRAFFIC (ALCOHOL INTERLOCK SCHEME) AMENDMENT BILL

Second reading.

**The Hon. DEAN BROWN (Minister for Human Services):** I move:

*That this bill be now read a second time.*

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

Leave granted.

This Bill to amend the *Road Traffic Act* and *Motor Vehicles Act* provides for the introduction of an Alcohol Interlock Scheme, as a further measure to address drink-driving offences in South Australia.

Each year more offenders enter the Magistrates Court in South Australia for drink-driving offences than for any other single offence. Over the 10 years from 1985 to 1995 an average of 7 000 persons a year were convicted of such offences. In addition, the cost of alcohol related crashes in terms of avoidable human tragedy and suffering, diversion of health care resources, particularly for long term rehabilitation and lost production is increasing.

- almost 30 per cent of all injury crashes involve alcohol.
- it is also estimated that one in five recidivist (or repeat) drink drivers are caught driving without a valid licence.

These facts and figures highlight that the present methods of dealing with drink driving offenders have reached a plateau, while longer licence disqualification and or the imposition of higher fines are not the answer to preventing disqualified drivers from continuing to drive.

A new approach is required if road deaths, injuries, and associated costs, are to be reduced—together with the number of unlicensed offenders on our roads. There is also a need to recognise that recidivist drink drivers not only pose a road safety problem, they also have a health problem.

Currently the *Road Traffic Act* provides monetary penalties ranging from a penalty of $700 for driving with a blood alcohol concentration of 0.05 or more (but less than 0.08) to a fine of up to $2 500 for a third or subsequent offence within a five year period, where that third or subsequent offence involves a blood alcohol level of 0.15 or more. The minimum disqualification periods that must be imposed range from six months where the blood alcohol level is 0.08 or more (but less than 0.15) to three years for a third or subsequent offence within a five year period, where that third or subsequent offence involves a blood alcohol level of 0.15 or more.

Alcohol interlocks have been used in Canada, Sweden and parts of the United States for many years. Research in these jurisdictions has shown a moderation in drink driving behaviour, plus a 65 per cent lower rate of re-offending for drivers participating in interlock programs than for drivers who only serve a period of licence suspension.

An alcohol interlock is an electronic breath alcohol analyser with a micro-computer and internal memory which is attached to the ignition and other control systems of a motor vehicle. Its purpose is to measure the blood alcohol concentration (BAC) of the intended driver and to prevent the vehicle from being started or operated if the BAC exceeds a pre-set limit.

Alcohol interlocks are very difficult for a driver to circumvent. They require a driver to provide a breath sample each time an attempt is made to start the vehicle. In addition, a rolling re-test requires the driver to provide a breath sample after the car has been in operation for some time. It is almost impossible to blow in a bogus air sample (eg by a pump), to filter the driver's breath or to operate the vehicle by having a companion provide a sample for the vehicle to start.

In 1998 in line with the National Road Safety Strategy, South Australia conducted the first trial in Australia of alcohol interlocks. Organised through Transport SA, the trial was conducted in Berri over a 6 month period, involving 24 volunteer drivers. The trial identified that

- an interlock allows the offender mobility and therefore the opportunity to maintain employment while at the same time providing an assurance that the offender can only drive while sober;
- an interlock teaches the driver to be more aware of the level of alcohol from a drinking session—that is, the interlock provides educational and behaviour modification benefits; and,
- the interlock separates drinking from driving—thereby providing a means to monitor the behaviour of persons convicted of drink driving offences before they return to the roads without supervision.

Following analysis of the results of the Berri trial, the Government established an inter-agency Reference Group. It was the firm view of the Reference Group that a period of off-road disqualification should continue to be imposed in order to reinforce the importance of a licence—and the Government concurs.

The Reference Group comprised representatives from the Drug and Alcohol Services Council, Royal Automobile Association, Road Accident Research Unit of the University of Adelaide, South Australia Police, Justice Department and Transport SA.

The scheme endorsed by the Government and now presented in this Bill will require the Courts to continue to impose a disqualification period upon conviction for an alcohol related driving offence. At the same time, the Court will impose an interlock order which will allow the offender the option to apply to the Registrar for the issue of an interlock licence when half the disqualification period has been served.

That is, an offender who wishes to participate in the scheme must serve at least half the period of licence disqualification imposed by the Court before becoming eligible for the alcohol interlock scheme. The period for which Scheme participants are then required to drive with an interlock device is calculated as double the period of licence disqualification which will be substituted for an interlock licence. This has the effect of extending the total 'penalty' period by up to one half.

The interlock period will be the duration of the original disqualification period. Thus, if an offender is disqualified for twelve months, an application for an interlock licence can be made after six months. If approved, the interlock licence will be valid for a period of twelve months.

A person already serving a period of disqualification or who is disqualified after receiving an interlock licence, will not be eligible to enter or remain in the interlock program. They would be entitled to enter or re-enter the program once all other disqualification periods have been completed.

Any person convicted by a Court of a drink/drive offence after the proclamation of the legislation is eligible to participate in the alcohol interlock scheme, even if the offence occurred prior to the scheme commencing. A person whose offence has been heard and who has been convicted by a Court before the legislation commences will not be able to participate in the scheme.

Entry to the program will be voluntary. An offender who elects not to join the program will be required to complete the full disqualification period before being eligible to apply for the issue of a licence.

Offenders who are assessed as alcohol dependent and disqualified by the Court until further order will not be eligible to participate in the interlock scheme.

Participation in the interlock program will be funded by the offender. However, in recognition of the difficulties some offenders may experience in meeting the cost, consideration is to be given to the establishment of a scheme that will assist participants to meet the cost.

A specific interlock licence will be issued to participants in the scheme. The licence will include conditions that the licence holder must only drive a nominated vehicle fitted with an approved interlock device; must display 'P' plates; must not interfere with the interlock device or permit it to be interfered with by someone else; must attend at stipulated times and places for the interlock data to be down-loaded and must attend counselling sessions when required.

Breach of these conditions will lead to exclusion from the scheme. Should this occur, a disqualification period equal to the balance of the original disqualification period or six months, whichever is the greater, will be imposed. A person disqualified under this provision will not be eligible to apply for an interlock licence during the period of disqualification.

The Bill includes a provision which secures the confidentiality of information associated with participation in the alcohol interlock scheme.

A review of the scheme after two years of operation is included in the Bill.

The continuing presence of alcohol impaired drivers on our roads unnecessarily increases the risk of death and injury for innocent

people. This risk is unacceptable to the wider community and this Government.

Accordingly I am pleased that South Australia is the first to introduce an Alcohol Interlock Scheme—and the first to introduce an innovative measure to address a problem that is not unique to this State.

I commend the Bill to the House.

Explanation of Clauses

*Clause 1: Short title*

This clause is formal.

*Clause 2: Commencement*

This clause provides for commencement of the measure on a day to be fixed by proclamation.

*Clause 3: Amendment of s. 47—Driving under influence*

This clause amends section 47 of the *Road Traffic Act 1961*. Section 47(1) establishes the offence of driving under the influence of liquor or a drug and provides that where a court convicts a person of that offence, the court must order that the person be disqualified from holding or obtaining a driver's licence for a period determined in accordance with the section. Under this amendment the court must make an order under new Division 5A of Part 3 (permitting the person to apply half-way through the disqualification for a licence on alcohol interlock scheme conditions) if that Division is applicable to the case.

*Clause 4: Amendment of s. 47B—Driving while having prescribed concentration of alcohol in blood*

This clause amends section 47B of the *Road Traffic Act 1961*. Section 47B(1) establishes the offence of driving a motor vehicle while having the prescribed concentration of alcohol in the blood. Where a court convicts a person of certain categories of this offence the court must order that the person be disqualified from holding or obtaining a driver's licence for a period determined in accordance with the section. This amendment provides that the court must make an order under new Division 5A of Part 3 (allowing the person to apply half-way through the disqualification for a licence on alcohol interlock scheme conditions) if that Division is applicable to the case.

*Clause 5: Amendment of s. 47E—Police may require alcotest or breath analysis*

This clause amends section 47E of the *Road Traffic Act 1961*. Section 47E empowers the police to require drivers to undertake an alcotest or breath analysis in certain circumstances. It is an offence under section 47E(3) to refuse or fail to comply. Where a court convicts a person of that offence the court must order that the person be disqualified from holding or obtaining a driver's licence for a period determined in accordance with the section. This amendment provides that the court must make an order under new Division 5A of Part 3 (allowing the person to apply half-way through the disqualification for a licence on alcohol interlock scheme conditions) if that Division is applicable to the case.

*Clause 6: Amendment of s. 47I—Compulsory blood tests*

This clause amends section 47I of the *Road Traffic Act 1961*. Section 47I requires the taking and analysis of blood samples from persons injured in motor vehicle accidents. It is an offence under section 47I(14) to refuse or fail to comply with a request to submit to the taking of such a blood sample. Where a court convicts a driver of that offence the court must order that the person be disqualified from holding or obtaining a driver's licence for a period determined in accordance with the section. This amendment provides that the court must make an order under new Division 5A of Part 3 (allowing the person to apply half-way through the disqualification for a licence on alcohol interlock scheme conditions) if that Division is applicable to the case.

*Clause 7: Insertion of Division 5A of Part 3*

This clause inserts new Division 5A of Part 3 into the *Road Traffic Act 1961*. This new Division establishes the alcohol interlock scheme.

DIVISION 5A—ALCOHOL INTERLOCK SCHEME

*48. Interpretation*

This new section is an interpretation provision, defining a number of terms for the purposes of the Division. In particular—

'alcohol interlock' means a device or system of a kind approved by the Minister by notice in the *Gazette* as an alcohol interlock;

'alcohol interlock scheme conditions' means the conditions listed in new section 51 that are to apply to the driver's licence of a person who enters the scheme;

'approved installer' means a person approved by the Minister by notice in the *Gazette* as an installer of alcohol interlocks for the purposes of the Division;

'nominated vehicle' means a motor vehicle nominated by a person to the Registrar of Motor Vehicles in accordance with new section 51 as the vehicle that he or she will drive under the scheme;

'relevant drink driving offence' means an offence against section 47(1), 47B(1), 47E(3), or 47I(14) of the *Road Traffic Act 1961* of a kind referred to in new section 49(2);

'required period' means the period for which a driver's licence is subject to alcohol interlock scheme conditions, determined in accordance with new section 50(4).

New section 48(2) provides that the Minister may by notice in the *Gazette* approve or revoke an approval of an alcohol interlock, or an installer of alcohol interlocks, for the purposes of the Division.

*49. Cases where Division applies*

New section 49(1) defines the situations in which the alcohol interlock scheme applies. The new Division applies where a court convicts a person who holds a driver's licence (not a learner's permit) of a relevant drink driving offence and orders a period of disqualification for the offence of 6 months or more. It applies whether the offence was committed before or after the commencement of the section.

For this purpose a 'relevant drink driving offence' means (under new section 49(2))—

*(a)* an offence against section 47(1) (driving under the influence of liquor or a drug) that involved driving a motor vehicle while so much under the influence of intoxicating liquor as to be incapable of exercising effective control of the vehicle; or

*(b)* an offence against section 47B(1) (driving with the prescribed concentration of alcohol in the blood) where the concentration of alcohol in the blood was .08 or higher; or

*(c)* an offence against section 47E(3) (refusing an alcotest or breath analysis) or 47I(14) (refusing a blood test).

*50. Order to be made by court if Division applies*

New section 50 specifies the order that a court must make in disqualifying a person if the Division applies. It provides that, where a court convicts a person of a relevant drink driving offence and orders a period of disqualification for the offence of 6 months or more, the court must in addition make an order to the effect that, despite the order of disqualification, the offender will, on application to the Registrar of Motor Vehicles at any time after the half-way point in the period of that disqualification, be entitled to be issued with a driver's licence that is subject to the alcohol interlock scheme conditions for the required period (in addition to any conditions otherwise required). Under subsection (4) the period for which the new licence is required to be subject to the alcohol interlock scheme conditions is a number of days equal to twice the number of days remaining in the period of the offender's disqualification for the relevant drink driving offence immediately before the issuing of the new licence.

The offender is not entitled to be issued with a licence in accordance with an order under the section if the offender does not meet the requirements of the *Motor Vehicles Act 1959* for the issue of the licence or if at the time he or she applies for the licence another disqualification is in force in relation to the offender (or is set to come into force at a later date).

*51. Alcohol interlock scheme conditions*

New section 51 sets out the alcohol interlock scheme conditions that are to apply to a person's driver's licence:

*(a)* the person must not drive a motor vehicle on a road other than a motor vehicle nominated by the person to the Registrar of Motor Vehicles in accordance with this section;

*(b)* the person must not drive the nominated vehicle on a road unless it is fitted with a properly functioning alcohol interlock that has been installed by an approved installer;

*(c)* the nominated vehicle must only be operated in accordance with instructions published by the Minister in the *Gazette*;

*(d)* the person must not interfere with the alcohol interlock (or cause or permit it to be interfered with);

*(e)* the person must carry in the nominated vehicle a certificate issued by an approved installer indicating that the alcohol interlock in the vehicle was functioning properly when last examined by the installer;

*(f)* the person must produce the certificate for a member of the police force if required by the member to do so while

the person is in charge of the nominated vehicle on a road;

*(g)* the person must produce the nominated vehicle for examination by an approved installer at times and places fixed by the Registrar by notice served on the person personally or by post;

*(h)* the person must comply with any requirements as to counselling prescribed by regulation;

*(i)* the person must comply with any other requirements prescribed by regulation.

New section 51 also sets out the requirements for nominating a vehicle for the purposes of the Division. The person must nominate a vehicle in the person's application for the licence, or by written notice to the Registrar of Motor Vehicles. The person must specify the vehicle's registration number and any other details required by the Registrar. A vehicle ceases to be a nominated vehicle if the nomination is withdrawn by the person by written notice to the Registrar. If the person is not the registered owner of the vehicle, the nomination may be withdrawn by the registered owner by written notice to the Registrar.

*52. Circumstances where conditions carry over to subsequently issued licence*

New section 52 provides that if the holder of a driver's licence that is subject to alcohol interlock scheme conditions ceases to hold the licence for any reason before the conditions have applied for the required number of days, any driver's licence subsequently issued to the person will be subject to those conditions until the balance of the required period has been completed.

*53. Offence of contravening conditions*

New section 53 provides that it is an offence for the holder of a driver's licence that is subject to the alcohol interlock scheme conditions to contravene any of those conditions. The maximum penalty is a fine of $1 250. (The licence will also be subject to disqualification in accordance with new subsection (2a) of section 81B of the *Motor Vehicles Act 1959*, inserted by clause 8).

New section 53 also makes it an offence for a person to assist the holder of driver's licence that is subject to the alcohol interlock scheme conditions to operate a motor vehicle, or interfere with an alcohol interlock, in breach of any of the conditions. The maximum fine for the offence is $1 250 and a court can order that the person be disqualified from holding or obtaining a driver's licence for a period not exceeding six months.

New section 53 also contains a number of evidentiary provisions applicable to these offences. In particular, it provides that, in proceedings for an offence against the section, a certificate by the Registrar of Motor Vehicles certifying that—

*(a)* a specified motor vehicle was or was not, or no vehicle was, at a specified time, a nominated vehicle for a specified person; or

*(b)* a written notice was served on a specified person fixing specified times and places at which a specified motor vehicle must be produced for examination by an approved installer; or

*(c)* a specified motor vehicle was not produced for examination by an approved installer at a specified time and place; or

*(d)* a specified person did not attend for counselling at a specified time and place,

will be accepted as proof of the matters stated in the certificate in the absence of proof to the contrary.

In addition, in proceedings for an offence against this section, a certificate by the Registrar of Motor Vehicles certifying that an alcohol interlock fitted to a specified motor vehicle recorded electronically that the vehicle was operated at a specified time in contravention of an instruction published by the Minister by notice in the *Gazette* will be accepted as proof that the vehicle was operated at that time in contravention of that instruction in the absence of proof to the contrary. Reliance on such a certificate will depend on proof that the alcohol interlock was tested before and after the specified time of the vehicle's operation and found to be functioning properly on each occasion. If it is proved (in proceedings for an offence against this section) that a specified motor vehicle was operated at a specified time in contravention of an instruction published by the Minister by notice in the *Gazette* and that the vehicle was a nominated vehicle for a specified person at that time, it will be presumed, in the absence of proof to the contrary, that the vehicle was so operated by that person at that time.

*53AA. Financial assistance for use of interlocks*

New section 53AA requires the Minister to establish a scheme under which persons seeking to gain the use of alcohol interlocks may obtain loans or other assistance for that purpose subject to a means test and conditions determined by the Minister.

*Clause 8: Amendment of Motor Vehicles Act*

This clause makes a number of related amendments to the *Motor Vehicles Act 1959*.

*Amendment of section 81A of the Motor Vehicles Act 1959*

Section 81A of the *Motor Vehicles Act 1959* provides for a provisional licence to be issued to an applicant for a driver's licence in certain circumstances. One such circumstance (which will apply when amendments made by section 50 of the *Motor Vehicles (Miscellaneous) Amendment Act 1999* are brought into operation) is where the applicant has been disqualified from holding or obtaining a licence as a consequence of committing an offence while the holder of a provisional licence and has not held an unconditional licence since the end of that period of disqualification. A provisional licence issued to such an applicant is subject to the following conditions:

*(a)* a condition that the holder of the licence must not drive a motor vehicle on a road while there is any alcohol in his or her blood;

*(b)* a condition that the holder of the licence must not exceed a speed limit by 10 kmh or more;

*(c)* a condition that the holder of the licence must not drive a motor vehicle on a road unless a 'P' plate is affixed to the vehicle.

These conditions are effective for a period of one year (unless the applicant is under the age of 18, in which case they apply until he or she is 19).

This amendment to section 81A provides that where a licence is issued to an applicant referred to above (ie an applicant who has been disqualified from holding or obtaining a licence as a result of committing an offence while the holder of a provisional licence) subject to alcohol interlock scheme conditions in addition to the conditions imposed above, the conditions imposed above are effective for—

*(a)* the period for which the licence is required under Division 5A of Part 3 of the *Road Traffic Act 1961* to be subject to the alcohol interlock scheme conditions (a period equal to twice the number of days that are left in the disqualification period when the new licence is issued); or

*(b)* half of that period plus the normal period for those conditions (one year or until 19),

whichever is the longer period.

*Amendment of section 81AB of the Motor Vehicles Act 1959*

Section 81AB of the *Motor Vehicles Act 1959* (which will apply when amendments made by section 51 of the *Motor Vehicles (Miscellaneous) Amendment Act 1999* are brought into operation) provides for a probationary licence to be issued to a person who applies for a driver's licence following a period of disqualification (except where a provisional licence is required to be issued to such a person). A probationary licence issued in these circumstances is subject to the following conditions:

*(a)* a condition that the holder of the licence must carry the licence at all times while driving a motor vehicle on a road pursuant to the licence;

*(b)* a condition that the holder of the licence must not drive a motor vehicle while there is any alcohol in his or her blood;

*(c)* a condition that the holder of the licence must not incur two or more demerit points.

These conditions are effective for a period of one year (or such longer period as a court may have ordered when the disqualification order was made).

This amendment to section 81AB provides that where a licence is issued to an applicant referred to above (ie an applicant who has been disqualified and is not entitled to a provisional licence) subject to alcohol interlock scheme conditions, the licence is subject to a further condition that the holder of the licence must not drive a motor vehicle on a road without 'P' plates being fixed to the vehicle.

This condition (which does not normally apply to the holder of a probationary licence) applies as long as the licence is subject to the alcohol interlock scheme conditions.

The other conditions referred to above (ie *(a)*, *(b)* and *(c)*) apply to the licence of such an applicant for—

*(a)* the period for which the licence is required under Division 5A of Part 3 of the *Road Traffic Act 1961* to be subject to the alcohol interlock scheme conditions (a period equal to twice the number of days that are left in the disqualification period when the new licence is issued); or

*(b)* half of that period plus the normal period for those conditions (ie one year or the longer period fixed by the court),

whichever is the longer period.

*Amendment of section 81B of the Motor Vehicles Act 1959*

Section 81B of the *Motor Vehicles Act 1959* (as amended by the *Motor Vehicles (Miscellaneous) Amendment Act 1999*) sets out the consequences of the holder of a provisional licence or probationary licence contravening the licence conditions. It provides that if the holder of a provisional or probationary licence commits an offence of contravening a condition of the licence (or in the case of a provisional licence commits an offence that increases his or her demerit points to four or more), the Registrar of Motor Vehicles must notify the person that he or she is disqualified from holding or obtaining a permit or licence for a period of six months.

This amendment provides that if during a period of disqualification for a relevant drink driving offence a person was issued with a permit or licence subject to alcohol interlock scheme conditions and the person commits an offence of contravening—

*(a)* any of those alcohol interlock scheme conditions; or

*(b)* the condition imposed in section 81AB above that the person must not drive a motor vehicle while there is any alcohol in his or her blood,

then the period of disqualification that the person must be given notice of is six months or the number of days that remained in the period of the person's disqualification for the relevant drink driving offence immediately before the permit or licence was issued, whichever is the longer period.

Section 81B permits an appeal against a disqualification imposed under the section, but provides that where such an appeal is granted and the provisional or probationary licence is restored, the licence is subject to the provisional or probationary licence conditions for a further period determined under that section. This amendment provides that the alcohol interlock scheme conditions also apply for that further period.

*Amendment of s. 139D of the Motor Vehicles Act 1959*

Section 139D of the *Motor Vehicles Act 1959* provides that a person engaged or formerly engaged in the administration of the *Motor Vehicles Act* must not divulge or communicate information obtained (whether by that person or otherwise) in the administration of the Act except in certain circumstances specified in that section. This amendment provides that the same restriction applies to persons engaged or formerly engaged in the administration of the *Road Traffic Act 1961*. It also provides that an approved installer within the meaning of Division 5A of Part 3 of the *Road Traffic Act* (inserted by clause 7 above) and persons engaged in the activities of an approved installer for the purposes of that Division, are to be taken to be engaged in the administration of the *Motor Vehicles Act 1959* (and are therefore subject to this confidentiality provision).

*Clause 9: Report on operation of amendments*

This clause provides that the Minister must, within six sitting days after the date of commencement of section 50 of the *Road Traffic Act 1961* as inserted by clause 7 above, cause a report on the operation of the *Road Traffic Act* as amended by this Act and the *Motor Vehicles Act* as amended by this Act to be laid before each House of Parliament.

**Mr ATKINSON** secured the adjournment of the debate.

## SOUTH AUSTRALIAN PORTS (DISPOSAL OF MARITIME ASSETS) BILL

In committee.

(Continued from 7 November. Page 366.)

Schedule 3.

**The Hon. M.H. ARMITAGE:** I move:

Page 52, new clause after clause 6—Insert:

Modifications to Superannuation Act 1988 to continue in operation

7. (1) This section applies to modifications, made under section 5 of the Superannuation Act 1988, to provisions of that act in their application to employees of the corporation.

(2) Subject to a determination to the contrary by the minister, the modifications—

(a) continue to apply to employees of the corporation who are transferred under this act to positions in the Department of Administrative and Information Services while they remain in the Public Service; and

(b) apply for the purpose of determining the superannuation entitlements (if any) under that act of, or relating to, those employees.

Amendment carried; schedule as amended passed.

Title passed.

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

*That this bill be now read a third time.*

I thank members for their quite genuine contributions. I am confident that passage of this legislation in this House and hopefully in another place will see the possibility of the exporting facilities, opportunities and infrastructure in South Australia being greatly increased which will be of enormous benefit to the South Australian community, and I thank members for all their varied contributions.

**Mr VENNING (Schubert):** I again declare my interest in this matter, as I have done on every other occasion in question. I am assured that, as a shareholder of AusBulk, my shareholding will not be affected by the passage of this bill or, indeed, its failure.

What do I say: do I say 'Three cheers', or do I say 'I told you so'? Members would be aware that I have been on a crusade since I entered this place 10 years ago, and 20 years prior to that, to have a grain handling facility built at Outer Harbor. I felt so strongly about it that I even commissioned a report on this whole deep sea port issue in November 1996, where all the options were explored. That report indicated that there was quite a clear advantage in having a grain handling-loading facility at Outer Harbor. The report was prepared by Ms Jodie Donnon, who is now a teacher at Nuriootpa High School. I sent a copy of my report to the Deep Sea Port Investigation Committee for its comment. The committee wrote back and, among other things, said:

> Your report does not seem to appreciate the use of discounted cash flow techniques for evaluation of the long-term cost implications of alternative developments.

I was quite stunned by that. The DSPIC was advocating that inner Port Adelaide should be upgraded to handle panamax vessels, with no opportunity at all to further expand it to cape ship capacity. You just cannot do that: physically, there is not enough room in the inner harbor to manage cape size vessels—either to float them in or even turn them around. What I was recommending was to develop Outer Harbor to panamax capacity so that, in the future, it could be further developed to handle cape ships, if the need arose. But I was pooh-poohed with this supposed advanced accounting practice of long-term cost implications.

One does not have to be Albert Einstein to work out that the cost of having to dredge the full length of the Port River (which is, I remind members, about 10 kilometres long—and we had this debate last night) and deal with the suspected environmental issue of what is to be done with the spoil and the associated costs and then improving the existing infrastructure would be far greater than spending $35 million to

build a new facility at Outer Harbor. The minimum depth of water at Outer Harbor is 11 metres: that is the maximum depth of water in the inner harbor.

I will not gloat, but I feel totally vindicated in my original statements, and I thank the government for again delivering the goods. Another long-term project comes to fruition because of this government. This decision should have been made 30 years ago—in 1970, to be precise—and we would not have had the wasted millions of dollars that have been spent at the Port River facility.

I also want to say thank goodness that this whole drawn out, chewed over, 30 year old saga is coming to an end. I have reports in my office on this matter that were completed by Cameron McNamara , dating back to 1985, 15 years ago—and I even have one that is older than that. This is not a new issue on the agenda; it has been around for years, and finally it has come to an end.

This government has shown real foresight and leadership in making this decision. I remember as if it were just yesterday standing on the jetty at Port Lincoln some 21 years ago with my father, who was chairman of the SACBH company, and Duke Acton, who was the state manager at the time, discussing the merits of upgrading the facility that was there at the time. We see now, because of some bold decisions made and some foresight shown back then, that Port Lincoln's facilities are the envy of the state. It is the only port that has full panamax capability at present. They decided to expand the upgrade, and it cost a lot of money then; people said that we could not justify it. It was expensive then but now, in hindsight, we can see that it was very cheap. This new port will not only save growers up to $10 a tonne in costs but it will also offer other state industries cheaper shipping costs, thus improving their competitiveness, particularly with their interstate rivals.

Without a doubt, this Olsen government delivers. It is willing to make those bold and difficult decisions that previous governments could not, or would not, make—particularly Labor governments. I know privately that members opposite are as glad as I am that this will go ahead but the old dogma and the faceless men on South Terrace once again rule the day. I cannot believe the criticism. Labor is drowning in its own ideology.

I have heard around the traps that country Labor listens but, when country people need it, it is nowhere to be found. I even heard last week that the President of the Country Labor Association, Bill Hender, has chosen to resign. He says that Labor is incompetent and full of dirty tricks.

The member for Hart is screaming, as usual, and I noted the debate last night, but he should be rejoicing. Blind Freddy can see the benefits that an expanded and upgraded port facility would have for the local people, but the member continues to tramp out the old hackneyed dogma. I noted his comments about trains, and last night I spoke to my wife about the trains. We can hardly hear the new train, and it is only 100 metres from our door, because there are no gaps in the rail any more, the tracks are ground and very quiet. As long as the diesels are not accelerating you cannot hear them.

I have a large aerial photograph in my office in Parliament House. The land that we are talking about is largely uninhabited on or near the site; road and rail will be away from the houses, and central Port Adelaide will be relieved of congestion when the new road and rail bridge is built. Furthermore, it will encourage more freight, particularly grain, onto rail and will consequently make our roads safer and reduce the wear and tear on that infrastructure. I have always been an advocate of rail use but that is another story.

I hope that the question of how far the storage will be placed back from the waterfront has been agreed (and that is an ongoing debate), because hundreds of metres of conveyor belt would not be efficient. I agree that, where possible, the wharf should be shared, as long as it does not impinge on a modern, efficient and fast bulk loading facility.

We must remember that this decision also includes the upgrading of the port of Port Giles to panamax capacity and also Wallaroo, as the member for Goyder said last night. I want to pay tribute to the local member for Goyder, John Meier, who has battled hard and joined me in this matter. It is a victory for him as well as for me and every other person living in rural areas and, indeed, for the whole state. John Meier has been a strong advocate for upgrading our ports.

I note that the Grains Council has accepted the position as custodian of the industry in this matter, and I am confident that it will, firstly, know and understand, then enact the industry's wishes.

I must thank many people and organisations for bringing this matter to a successful conclusion. We could name the new facility Port Armitage as a tribute to the minister in pursuing the whole issue. He had an open mind on the matter, and I firmly believe that he has made the correct decision in the end. I would like to thank the Deep Sea Port Investigation Committee, particularly Ian Desborough, chair of the technical committee, even though I did have a dig at them earlier, for their patience while working through the process. They were working within tight cost parameters and so recommendations were slanted on that vein. They have done our industry proud.

I thank the South Australian Farmers Federation, particularly Mr Jeff Arney, the current Chairman of the grains section, for his patience and work on this project. I also recognise the work of the late Allan Glover, who did so much work on this matter over many years. I also would like to thank John Lush, the immediate past president of the South Australian Farmers Federation grains section, and Peter Taylor, the current Chief Executive Officer of the grains section. I also thank the members of the Farmers Federation across the state, the Australian Wheat Board and the Australian Barley Board and John Murray and his team.

However, I believe that the biggest thanks and congratulations should go to this Liberal government, led by the Premier, because I truly believe that his leadership has come to the fore in seeing this issue finally resolved. When we have long gone from this place, this facility will still be serving South Australia, and I will long remember this occasion. I came to this place 10 years ago and I was on a mission. I had a list of things that I wanted to achieve. This was a major project that I had dreamed about, and I hoped to make it a reality.

I am proud of what my late father, Howard Venning, achieved, especially in his time as chairman of the directors of South Australian Cooperative Bulk Handling. I know that he would be proud of us for what we have been able to achieve here today. I know that thousands of South Australians will also be pleased. It has been a big couple of weeks for me: two weeks ago, the announcement about an alternative water resource in the Barossa with the BIL, and now this. The Premier has been involved with both those matters. I am grateful, as are, I know, thousands of South Australians from the city and rural areas. The Olsen government really does deliver.

**Mr CONLON (Elder):** It was not my intention to make a third reading speech until I heard that self-serving drivel from the member for Schubert. That member is proud of his achievement here today because, as I understand it, 30 years ago he set out to have the government build a deep water grain facility. I have some news for the member for Schubert: this bill is not a bill to build a deep water grain facility. I might share his pride if I thought that what we were doing in this House today was adding to the collection of state assets a piece of valuable and productive infrastructure. That would be something in which to take pride.

However, this bill is not about that. This bill is about divesting the state of one of the few remaining productive assets it has. Ivan has been prepared to sell his ports and sell his soul to get a grain terminal. I would not take a lot of pride in that if I were him. I would not call it Port Armitage for a large number of reasons. If I were him I would be a little more honest and call it Port Advantage, because he is a grain grower, he is a shareholder in AusBulk and it is an advantage to him. I would be proud, too. I would be laughing all the way to the bank, so do not give us any of this, Ivan.

One of the first jobs I had when I was 19 years old was on the wharves, and it was a different place. I remember when the wharves actually employed people and were open to the people of South Australia and there was a sense of vibrancy. It was back at the time when this state believed that it was actually big enough and mature enough to own some assets and operate them and have the private sector play its part.

This government has some sort of pathological fear of government-owned assets. I suspect that at some time when John Olsen was a small boy he was frightened by a public utility and he has been averse to them ever since, because he has done everything he can to divest this state of owning any. We in the Labor Party have been supporters of more productive 'adfrastructure' in this state, but we do not believe we achieve it by selling off the infrastructure that we have.

**The Hon. M.H. ARMITAGE** secured the adjournment of the debate.

## MARITIME SERVICES (ACCESS) BILL

Adjourned debate on second reading.
(Continued from 5 October. Page 45.)

**Mr CONLON (Elder):** I am sure the minister will be terribly pleased that I will be mercifully brief. I may just take enough time for him to get the other bill sorted out, which may be convenient for him. We in the ALP recognise that despite our fervently held belief that in a short period, once the minister has sorted out what he was suppose to have done—

**The Hon. M.H. ARMITAGE:** On a point of order, sir, the member for Elder is clearly under some misapprehension that something was not done. I am happy to fill him in, as I did his deputy leader and the member for Hart, in order to identify exactly what was going on in relation to the bill.

**The ACTING SPEAKER (Hon. G.A. Ingerson):** Order, Minister! I am afraid there is no point of order.

**The Hon. M.H. ARMITAGE:** No, but at least I have now told Patrick that it's not my fault.

**The ACTING SPEAKER:** The Minister can do that when he replies.

**Mr CONLON:** They do antagonise you, don't they: the lord of the ports over there. Lord Armitage! Don't they have some sort of honour in England where they make you Lord of the Cinque Ports? Perhaps we could have something like that. I apologise to the minister—I do not believe I should blame him for things he has not done—Lord knows, there are enough things he has done that I can blame him for without resorting to that.

The opposition recognises that in a very short period, despite our best efforts and any sense to the contrary, the disposal of assets bill will pass this House. On that basis, it makes it difficult for us with any sort of rationale to oppose this bill which, as the minister no doubt set out in his second reading speech some 100 years ago, or whenever it was, is a bill to allow access to a privately owned port for new entrants and to do the job that the government should do, because the government should own the ports to regulate the essential maritime services.

Such a reasonable man am I, if it were not for the fact that you had to go into committee to move an amendment to fix your own bill, I would not even require the committee stages at this point. That probably was not the minister's fault, either. I will leave my comments there.

**The Hon. M.H. ARMITAGE (Minister for Government Enterprises):** I thank the member for his contribution and look forward to the committee stage and, hopefully, the bill's eventual passage.

Bill read a second time.

In committee.

Clauses 1 to 45 passed.

Clause 46.

**The Hon. M.H. ARMITAGE:** I move:

Page 21, after line 17—Insert subclauses as follows:

(2) Despite any other law, an agreement entered into before the commencement of this Act between a Minister or instrumentality of the Crown and a user of maritime services under which the user is entitled to maritime services at a concessional rate continues in force (with necessary adaptations and modifications) until the date of its intended expiry as an agreement between the user and the current provider of the relevant maritime services.

(3) A reference in any such agreement to charges fixed under an Act, or by the Minister or an instrumentality of the Crown, for specified services is to be read as a reference to the corresponding prices for the relevant services fixed under a pricing determination.[1]

[1] A pricing determination is made under the Independent Industry Regulator Act 1999. That Act is, in its application to maritime services, modified by sections 6 and 7 of this Act.

This amendment inserts subclauses in relation to the transitional provision.

Amendment carried; clause as amended passed.

Clause 47, schedule and title passed.

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

*That this bill be now read a third time.*

In so doing, I thank the opposition for its contribution.

Bill read a third time and passed.

## HARBORS AND NAVIGATION (CONTROL OF HARBORS) AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 5 October. Page 306.)

**Mr CONLON (Elder):** My last second reading speech was short, and check this one. It is another bill ancillary to the cause we fought and lost. Again, I would not have required the committee stage if the minister had not required it. How is that for a record?

**The Hon. M.H. ARMITAGE (Minister for Government Enterprises):** I thank members for their contribution.

Bill read a second time.

In committee.

Clauses 1 to 12 passed.

Clause 13.

**The Hon. M.H. ARMITAGE:** I move:

Page 8—

Lines 28 to 30—Leave out proposed subparagraph (i).

After line 32—Insert proposed new paragraph as follows:

(ca) may require the port operator to provide access to the port and port facilities for commercial fishing vessels on specified terms and conditions; and

Amendment carried; clause as amended passed.

Clauses 14 to 19 passed.

Clause 20.

**The Hon. M.H. ARMITAGE:** I move:

Page 17, line 6—Leave out 'agrees' and insert:

has first been consulted

Amendment carried; clause as amended passed.

Clause 21 passed.

Title passed.

Bill read a third time and passed.

## BARLEY MARKETING (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 25 October. Page 249.)

**Ms HURLEY (Deputy Leader of the Opposition):** The Barley Marketing (Miscellaneous) Bill is a very important bill about which I have had a great deal of discussion with my counterparts in Victoria and federal counterparts. The current bill seeks to extend the single desk export powers of ABB Grain Export Ltd. We all know that there have been various reviews of grain marketing procedures under national competition policy, and there has been in place between Victoria and South Australia an agreement to market barley through a single authority, which is ABB. The single desk for domestic barley marketing has already been disbanded and that is now completely open to competition.

The issue of export arrangements for barley, though, is a different matter altogether. Currently, this bill seeks to amend an act which extends the single desk for export barley until July next year. The bill now before us would take away that limit permanently: that is, there would be an indefinite continuation of the single desk export for barley through the ABB. As I understand it, there is not a definite decision from the Victorian government at this time but there are indications that the Victorian government may not extend the single desk for export market arrangements. Therefore, this bill also severs that connection with Victoria. South Australia, of course, produces very much the bulk of Australia's export barley production: we have very efficient and expert growers who produce good quality barley for export. The Victorian barley producers have a small amount of export barley and, should they go it alone and not use the single desk export arrangements, undoubtedly there will be some competition for growers as to which organisation they choose to market their barley overseas.

A similar argument is going on as well within the wheat industry and there is a vigorous debate going on about the single desk for the export of wheat. These debates have continued side by side for some time. The Labor opposition in South Australia believes that there are very good reasons for keeping the single desk for the export of barley. It certainly provides a great ability to monitor quality, to assure quantity for clients overseas, and to give security and comfort to growers that there will be a market for their barley and that it is managed and marketed in a very orderly fashion. Indeed, that is exactly why these sorts of marketing arrangements have grown up over the years, because growers have found that to be the most advantageous way to sell their barley—or to sell grain of any description, in fact.

The competition argument, of course, is that growers are perfectly capable of finding their own markets and negotiating the best price and choosing the best broker. That may well be more so for some growers than others, but I think the industry has found it beneficial to use a single cooperative authority to achieve that. The opposition sees no reason to change that arrangement.

Certainly the previous shadow minister for primary industries, the Hon. Paul Holloway, and now myself have been strongly supportive of that view and have talked to our counterparts in Victoria over a long period of time to argue that that should continue to be the case and that it is in the best interests of the industry.

Certainly, we will be voting that way this time in support of this bill. I will indicate, though, that the opposition does have an amendment which would review the operations of ABB after a two year period. This is not a sunset clause for the bill: it does not cut off the bill after that time. It is a review which would be tabled before parliament. The idea of that is that this is a rapidly changing industry both within Australia and world wide. Whereas now the opposition supports the single desk we do not want to be in a position of locking ourselves into a situation which might change quite rapidly. In two years' time the industry should be pretty much aware of what will happen with, for example, a single desk for wheat export. That single desk arrangement is due to expire, I think, in 2004 but there will be a series of reviews up until then and in two years' time there should be a good indication as to whether or not that would continue.

As I mentioned, the federal Labor opposition member, Gavin O'Connor, as the shadow minister for agriculture, is supportive of single desk marketing arrangements for wheat. He says in a media release on 1 November 2000:

> Labor would need to hear compelling reasons before it would consider overturning the fundamentals of the single desk marketing arrangements for wheat.

I think we have not heard those compelling reasons for either wheat or barley. However, should there arise compelling reasons in the next couple of years we would like to see a review tabled in parliament so that parliament would have a chance to reconsider the decision that it will make today. I think it is only sensible that we ensure that ABB is delivering the most efficient, effective and cheapest service to grain growers to ensure that they have the most competitive system available to them.

The barley industry is very important to South Australia, and it is a significant export and an important generator of wealth and economic activity in the regional areas. The opposition would certainly not like to see anything that jeopardises that. The opposition does expect that ABB Grain Export Pty Ltd will indeed continue the efficient operation that it has operated up until now. We have no reason to expect that that will change. However, in an abundance of caution we would prefer to see a review put in place.

Having said that, I will reiterate the opposition's support for this bill as a whole and for the grain industry and, in particular, the barley industry in South Australia.

**Mr VENNING (Schubert):** I rise to support the bill and to again declare my interest (as I seem to do often lately) in this issue as a barley grower. Actually, right at this moment our family is reaping barley. The bill looks to continue the single desks indefinitely, and that gives me much joy because, as the minister knows, I was very concerned some two years ago when we met, when it appeared that the Kennett government of Victoria would pull the rug from under us and we would be forced to follow suit and withdraw our single desk powers as well.

I am very pleased that no sunset clause is included in this legislation. It is an open ended arrangement, so it looks like a move to continue long into the future. Currently there is a joint proposal between Victoria and South Australia because, as members would know, this board is shared by both states. Victoria does not wish to extend the life of its act at this time, but when the minister closes the debate he will probably put us right on the matter concerning Premier Bracks and the Victorian Labor government.

In the future the legislative scheme for marketing barley will be contained only in the South Australian act, about which I am personally very pleased. I would say 90 per cent of our farmers would not support the abolition of the single desks. I know that, and I believe the minister knows that as well. I think the members of the Labor Party also have the same message.

Overseas markets do like dealing with a statutory authority because of surety of supply, guaranteed quality and also accessibility, because they know whom to contact in relation to getting a certain product. That product can be delivered on time and according to the required specifications.

Although the national competition policy has investigated this single desk arrangement, it is encouraging to note that the government can intervene and I am pleased it has. This system has worked so well for our marketers. Most members in this House are too young to remember—as am I—the days in the 1920s when our farmers were just price takers, when they rocked up to their wheat stack with their trucks and their bags in the back and they were just given a price there and then and there was no argument. They just took the price and were at the whim of the big traders. Certainly—

**Mr Hanna:** It happened to the labourers as well.

**Mr VENNING:** I can be accused of being an agrarian socialist in matters such as this. I believe that orderly marketing certainly worked well, and we do not want to go back to those days when the farmers were just used by huge companies that I felt took them down. Issues such as—

*Mr Hanna interjecting:*

**Mr VENNING:** Interventionist—I hear the member for Mitchell. Issues such as social effects, the environment, unemployment and regional impact are all taken into account. So, there could be the loss of the Victorian legislation. Premier Bracks (or Premier 'Brackwoods', as I know the member for Goyder referred to him) did initially support this single desk system during the election period—

*An honourable member interjecting:*

**Mr VENNING:** Yes, and I certainly thought, 'Good on him; he's standing up to Mr Kennett', but I believe that Premier Bracks has now gone to water, and I do not know exactly what his present position is. Maybe the minister knows but I certainly do not. I am pleased now that we do not require that enabling Victorian legislation to keep our single desk marketing system.

Premier Bracks should have the courage, as this government has, to legislate to extend their side of the bargain. Pressure from self-interested parties is enormous. As I have just said, the big international traders hope to come in and they will come in with massive amounts of dollars. They hope to control our market, and they can do so because they trade with an unfair advantage. They know what is going on. They have the world technology at their fingertips, whereas the farmer is usually out there reaping his grain and has to be able to pick the market and sell to the right people to try to maximise the price. They will offer inflated prices, gain control and then divide and conquer the industry.

There has been a slow but steady erosion of the single desk powers over the years. This started in the 1980s, when the domestic wheat market was deregulated, and then the domestic barley market followed suit a couple of years later. First, domestic feed barley was deregulated and then we saw malting barley deregulated. With our domestic market deregulated, I believe that is as far as we should go, because, as soon as we take away the single desk—that is, the ability to market overseas under one identity as one authority—that is when the traders can pick off the farmers. Definitely, while I believe we have gone as far as we want or need to go, the single desk for export wheat and barley must remain.

I believe that Australian Barley Board Grain Export Limited must stay focused on core issues. I send this message out to them because I have always supported them and they are the best at their game in marketing barley, but that is where I believe they should contain their efforts and their focus. They should focus on what they are best at, that is, the marketing and the selling of barley. I feel they should not become involved in the storage and handling of grain because there is conflict there already. Along with the 95 per cent of farmers, I support the continuation of the single desk, and no other option is acceptable.

This government should be commended on its stance. Minister Kerin has been consistent throughout and has remained loyal to his farmers. He has certainly consulted widely and worked hard for them, and they appreciate it. The government has listened to the farming community and has acted accordingly. I wonder whether the ALP would have done the same thing. I heard the comments from the acting shadow minister in this place a while ago. We know what has happened in recent times with country Labor—'Country Labor listens'. Just ask Bill Hender or Ben Brown who were card carrying members of the Labor Party what they think of their country Labor colleagues or lack of them. I am pleased to know that they have agreed. The slogan should be 'Country Liberal listens', because we do listen to our rural communities and we have several country members in this place.

Finally, I pay a tribute to the Australian Barley Board, particularly Mr Michael Iwaniw and his team. Certainly the barley is being reaped right now and they have more than their hands full because so much of the barley that is coming in now is below grade. Most of it is feed grade because of that extended hot weather which we experienced during September, and most of the barley being reaped, even malting barley, is now being reaped as feed two and feed three. That is causing them some concern.

I hope that one day we will have an Australian Grains Marketing Board, in other words, one authority across Australia to market our grain internationally, whether that

grain be wheat, barley, legumes, canola or whatever. I still dream of that, and I believe that we will all be better served. The barley industry, as the previous speaker said, is a very important industry to South Australia. We grow a premium product, and it is appreciated the world over. I pay a tribute to the Australian Barley Board, and again I remind the parliament that the Olsen government does deliver, and delivers the goods on issues such as this.

**Mr MEIER (Goyder):** I support this legislation, and I am very pleased that it is before the House today. As members would be aware, the Barley Marketing Act currently confers on ABB (Australian Barley Board) Grain Export Limited the single export desk marketing arrangements until 30 June 2001. This amendment will allow the Australian Barley Board to continue with those arrangements indefinitely without a sunset clause. I am a little disturbed to hear of a foreshadowed amendment from the opposition that it wants to have a sunset clause. Why interfere with something that is working well? However, we will deal with that in due course.

According to the member for Schubert, during the election campaign Premier Bracks was saying, 'Yes, we will support single desk marketing of barley,' and now he has done a backflip. So, it is not only Premier Backwards: it is also Premier Backflip. Therefore, I am suspicious of there being ulterior motives in any amendment about having a sunset clause.

However, dealing with the facts of this situation, I had the privilege of living opposite Mr Irwin Heinrich when we lived at Maitland, and I remember on more than one occasion Mr Heinrich's discussing with me relevant details about how the organised marketing system of barley came about. Certainly, Mr Heinrich was one of those who was involved in getting the Yorke Peninsula barley growers together. He told me about how they were manipulated and used by the grain merchants before they came together as an organised group. He said, 'John, never let that situation occur again. Do what ever you can to ensure that we have an organised marketing system for barley.'

I have never forgotten the chat that I had with Mr Heinrich and many other farmers. It is something that is so easy to give way to and say, 'Hang on, the world has moved on and we have to move with it, too.' But, why should we do so in this case? Why muck up something that has proved itself over countless number of years to be effective in ensuring the quality of the barley, literally guaranteeing markets (although we can never guarantee markets) and ensuring farmers a fair and reasonable price, no matter what the season.

It is something of which we can be very proud in South Australia. It has taken a lot of time and effort to reach this stage and, in my opinion, to dismantle it would be totally foolish. Therefore, I am fully supportive of our ensuring that single desk marketing of barley continues.

I was interested that a survey conducted by a research team showed that 90 per cent of barley producers were in favour of maintaining the present system. I do not think there is any question that farmers, young or old, are united in wanting to continue the orderly marketing of barley.

It is very clear that the South Australian Farmers Federation Grains Council is strongly supportive of this. We have seen some of their comments in relation to a single desk for wheat marketing, about which much has been said. Unfortunately, we as a state government do not have any control over that, because it is a federal issue. I support the member for Schubert, who hopes that the single desk will be retained for the marketing and selling of wheat.

Most members would be aware that Yorke Peninsula is the site for the barley capital of the world. In fact, in earlier times the District Council of Minlaton had as its official insignia 'Minlaton District Council: Barley Capital of the World'. I do not think there is any doubt about it. I have seen some barley crops in other parts of the world, and we on Yorke Peninsula have the best crops and certainly the quality of our product is second to none.

I want to take this opportunity to thank all the farmers who have sought to keep me informed over a long time now, who have given me information when I have sought it and who have likewise again reassured and supported me in the latter six months to a year, when this issue has again come up for the continuation. It is something that I am pleased that they still see as a key issue and ingredient for their success as barley growers. I am very pleased that we are legislating to protect the single desk here in South Australia, and at the same time I am disappointed that it appears that Victoria is getting wobbly on this issue. It will not make the situation any easier if it does not proceed down this track, but at least South Australia will lead the way in this area, just as we are leading the way in so many other areas at present. This legislation has my full support.

**The Hon. R.G. KERIN (Deputy Premier):** I thank those who spoke on this bill for their support. Obviously, the members for Schubert and Goyder have had a long term interest in barley. I thank the deputy leader for her level of understanding, which exceeds her Victorian counterparts by quite a way, and perhaps some of their Liberal predecessors as well. Industry in South Australia has been very clear as to its attitude to the single desk. Its attitude to the Barley Board over a long time has been that it is a good, sold organisation that has obtained good premiums around the world. Certainly, in the Japanese market those premiums have been well and truly demonstrated in the competition reports that have been done, and over the past couple of years the premiums into the Middle East have also been quite transparent.

Attitudes to single desk are very strong in South Australia compared with the other states. They do vary but, as the member for Goyder said, in South Australia more than 90 per cent support the single desk. A few along the border do not feel that way; some feed lotters and so on have a different point of view in some cases. Certainly, interstate where the domestic market is a bigger slice of the market, the attitude of some of the traders is softer on single desk but, in South Australia, where we are very export focused and export reliant, the benefits of single desk have been well demonstrated over a long time and are well accepted by farmers.

Last time we did something similar we were mirroring Victoria. We had been successful in negotiating with Victoria to get them to June 2001. The Premier of the time in Victoria, Premier Kennett, had somewhat of a counter point of view as to whether or not single desk should be retained. He felt that it could be abolished. No doubt the bureaucrats who were giving the advice at that time are still firmly entrenched in Premier and Cabinet and Treasury in Victoria, because that view remains very strong over there.

The deputy leader has signalled an amendment to conduct a review in two years. I have no problem with that. We have flagged in our speeches that, depending on what happened with the review of the Wheat Board single desk, we would consider conducting a review. There is no harm in conducting

a review in two years. We live in a changing world, and by that time no doubt we will have a clearer idea of what has happened, not only with wheat but also with barley and other grains in other states. I have no problem with that, and indicate that we will support that amendment. I thank those who spoke in support. I thank the opposition for supporting this bill; it makes a lot of sense and it is a very popular move for the grain growers of South Australia.

Bill read a second time.

In committee.

Clauses 1 and 2 passed.

Clause 3.

**Ms HURLEY:** I move:

Page 3, line 9—After 'repealed' insert:
and the following section is substituted:
Review of operation of Part 4
5.(1) The Minister must, at the end of two years from the commencement of this section, review the operation of Part 4.
(2) A report on the review must be prepared and laid before both Houses of Parliament.

As I indicated in my second reading speech, this simply provides for a review initiated by the minister of the day, the report of which review must be laid before both houses of parliament. It is simply a review of the operations of the single desk for wheat export, just to assure the House and the South Australian barley growers that the operation is proceeding as we believe it will; that is, in the most effective and efficient manner, to get our export barley overseas at the best price.

**The Hon. R.G. KERIN:** I reiterate that we are quite happy with the amendment.

Amendment carried; clause as amended passed.

Remaining clauses (4 to 6) and title passed.

Bill read a third time and passed.

## ASSOCIATIONS INCORPORATION (OPPRESSIVE OR UNREASONABLE ACTS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 25 October. Page 255.)

**Mr ATKINSON (Spence):** The bill replaces current section 61 of the Associations Incorporation Act. The old section provided for members of associations to take legal action against their association if it were incorporated under the act and the proposed section provides the same. The main changes in the proposed new section are that actions can now be taken in the Magistrates Court as well as the Supreme Court, and there is an incentive for people to bring their action in the Magistrates Court and settle it there. South Australian associations incorporated under the act that have had members bring actions against them under this section in the past include the Serbian Community Welfare Association, the Adelaide Mosque Islamic Society of South Australia Incorporated and the Italian Assembly of God Pentecostal Church Incorporated.

Should this bill be passed, actions may be taken in the Magistrates Court but not the District Court and will be treated as minor statutory proceedings under the Magistrates Court Act 1991. This represents a cost saving to those who want to bring an action. To lodge such an action in the Supreme Court would cost $488 but to lodge a minor statutory proceeding costs only $56. The upside about this cost change is that it is cheaper for people to bring these actions, but the downside may be that it could encourage more litigation by vexatious members and former members. I note that one of the changes brought in by this bill is that, for the first time, an ex-member can bring an action, provided it is within six months of the membership lapsing—and by 'ex-member' I mean someone who has resigned. Of course, under the existing act, actions can be brought by members and those members who have been expelled as, so often happens in these cases.

The Magistrates Court's power under the bill will not be the same as the Supreme Court. Only the Supreme Court can appoint a receiver or manager over the property of the association or wind up the association. If the Magistrates Court has tried to negotiate a settlement of the matter and it seems like the appointment of a receiver or winding up is the only appropriate course of action, it must transfer the matter to the Supreme Court to make these orders. The Magistrates Court can also transfer matters to the Supreme Court on its own initiative, and I refer to subclause (7). Strangely, the Supreme Court does not have authority under the bill to transfer to the Magistrates Court—only to decline to hear the matter if it is of the view that the matter should not be in the Supreme Court, and I refer to subclause (12). This would mean that the plaintiff would have to start over and pay the fee again in the Magistrates Court.

If the matter gets transferred to the Supreme Court, it is taken to have been commenced in that court and all steps to have occurred in that court. So, that represents a saving in the filing fee and, for people who look at the act, it is an incentive to start in the Magistrates Court, because that plaintiff can always go to the Supreme Court later. I suppose a query about the bill is that, with due respect to the Magistrates Court, it is not usually a bench that has expertise in administrative law or corporations law. However, this probably will not be a problem, because most actions are relatively simple squabbles, where it is clear whether or not a move by the association is oppressive. The intent of the amendment seems to be to get the matters out of the Supreme Court.

The same conduct is actionable under the amendment as is currently actionable, although it is now expressed in a slightly different fashion. The bill limits the conduct giving rise to an application by a member of an association. An application can be made under this amendment if:

the association has engaged, or proposes to engage, in conduct that is oppressive or unreasonable.

The bill then fleshes out that sort of conduct in subclause (15) to avoid the duplication in the parent act. In short, the old subsections (1)(a), (2)(a), (1)(b) and (2)(b) are covered in clause 15(ii); the old subsections (1)(c) and (2)(c) are covered in clause 15(iii); and the old subsections (1)(d) and (2)(d) are covered in clause 15(i). It is likely that courts will continue to interpret the conduct that is actionable in the same manner as before. The opposition supports the bill.

**The Hon. I.F. EVANS (Minister for Environment and Heritage):** I thank the honourable member for his support and accurate summary of the bill.

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

*[Sitting suspended from 5.50 to 7.30 p.m.]*

## SOUTH AUSTRALIAN PORTS (DISPOSAL OF MARITIME ASSETS) BILL

His Excellency the Governor, by message, recommended to the House of Assembly the appropriation of such amounts

of money as might be required for the purposes mentioned in the bill.

Adjourned debate on third reading (resumed on motion).

(Continued from page 393.)

**Mr WILLIAMS (MacKillop):** Allegations have been raised in the House that certain members might, indeed, have a conflict of interest in relation to this matter, and I want to make my personal position perfectly clear. I am part of the grains industry. I am a farmer by trade in another life, I am a member of the South Australian Farmers Federation, and I have, within the last 10 years—only in a very minor way—delivered grain to what was at that time SACBH (South Australian Cooperative Bulk Handling). I want to place that information on the record before we go into the vote on this matter.

**The Hon. M.H. ARMITAGE (Minister for Government Enterprises):** I thank all members for their contribution to the bill which, if progressed in another house, will see a significant increase in the opportunities for export across our wharves and an improvement in South Australia's economy.

The House divided on the third reading:

AYES (20)

| | |
|---|---|
| Armitage, M. H. (teller) | Brokenshire, R. L. |
| Brown, D. C. | Buckby, M. R. |
| Condous, S. G. | Evans, I. F. |
| Gunn, G. M. | Hall, J. L. |
| Hamilton-Smith, M. L. | Ingerson, G. A. |
| Kerin, R. G. | Kotz, D. C. |
| Lewis, I. P. | Matthew, W. A. |
| Maywald, K. A. | Meier, E. J. |
| Penfold, E. M. | Scalzi, G. |
| Venning, I. H. | Williams, M. R. |

NOES (18)

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|---|---|
| Atkinson, M. J. | Bedford, F. E. |
| Breuer, L. R. | Ciccarello, V. |
| Clarke, R. D. | Conlon, P. F. |
| De Laine, M. R. | Foley, K. O. |
| Geraghty, R. K. | Hanna, K. |
| Hill, J. D. | Hurley, A. K. (teller) |
| Key, S. W. | Koutsantonis, T. |
| Rankine, J. M. | Stevens, L. |
| Such, R.B. | Wright, M. J. |

PAIR(S)

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| Wotton, D. C. | White, P. L. |
| Olsen, J. W. | Rann, M. D. |

Majority of 2 for the Ayes.

Question resolved in the affirmative.

**The SPEAKER:** Order! The Chair has before it a substantive motion, moved by the deputy leader and seconded by the member for Florey. I give the matter precedence and call on the mover to move the motion.

**Ms HURLEY (Deputy Leader of the Opposition):** I move:

> That the votes of the members for Stuart, Schubert and MacKillop be disallowed due to a direct pecuniary interest.

Standing order 170 deals with this issue. Standing order 170 is titled 'No member to vote if personally interested' and states:

> A member may not vote in any division on a question in which the member has a direct pecuniary interest, and the vote of the member who has such an interest is disallowed.

All the members I have named—the members for Stuart, Schubert and MacKillop—have stated to this House very directly that they have a direct pecuniary interest in this bill. I will deal first with the member for Schubert who said in his second reading speech that he declared an interest in this bill as a grain grower and as a member of the South Australian Cooperative Bulk Handling, which has now become AusBulk. That was on Tuesday 4 July 2000. Then on the same day, Tuesday 4 July 2000, the member for MacKillop also, in supporting the legislation, declared his interest as both a grain grower and shareholder of SACBH.

On Thursday 26 October the member for Stuart also alluded to his interest in the bill and said that he had an interest in SACBH. His explanation was that at that stage he did not hold shares in SACBH or AusBulk and said that they had not been issued. I understand that that is not the situation. AusBulk is now a privatised company which has issued its shares to its grain growers. The member for Stuart said:

> So to say that we have some pecuniary interest when we do not yet have share certificates is inaccurate.

Presumably now that the share certificates are issued, it is accurate to say that there is a pecuniary interest. I understand that there is some question as to whether being a grain grower and a shareholder in SACBH or AusBulk constitutes having a direct pecuniary interest on the basis that this bill does not necessarily advantage SACBH. That is a nonsense, a very subjective judgment as to whether the bill does or does not effect the pecuniary interest of grain growers and AusBulk shareholders. The bill deals directly with that. The members have a direct pecuniary interest.

In supporting this bill members have acknowledged that grain growers will benefit by reduced freight costs. SACBH will benefit by reduced freight costs. The minister has admitted that government money will be put into developing the infrastructure for the birth which benefits SACBH and grain growers—considerable sums of government money up to $35 million. This seems quite a clear case that all three members have a direct pecuniary interest.

**The SPEAKER:** Order! There is too much audible conversation going on in the chamber. I ask that members be silent as it is a very serious debate.

**Ms HURLEY:** Those three members named have a direct and clear pecuniary interest. They themselves have admitted that in their contributions in this debate. They have declared their interest in this bill. They have declared a pecuniary interest in this bill.

*The Hon. I.F. Evans interjecting:*

**The SPEAKER:** Order! The Minister for the Environment will remain silent, please.

**Ms HURLEY:** Therefore by their own admission they are in breach of standing order 170 in voting for this bill. I ask members of this House to uphold that standing order and to uphold what should be the standards of this House and this parliament. We have already seen a drop in the standards of this House with the statements the Premier has made to this House being found to be misleading. We have seen ministers of the crown allowed to continue shareholdings in areas to which their portfolio directly relates. I ask members of this House to not continue supporting this plummeting in standards and that they support this motion.

**Mr LEWIS (Hammond):** Regardless of what we may think of the general public, what they think of us is far more important. Without question, the remark that has been made by the deputy leader in drawing attention to standing order 170 leaves anyone in this place who has any respect for the institution and who wants to see its standing restored in the public's opinion with no choice but to support the proposition. Standing order 170 says:

> A member may not vote in any division on a question in which the member has a direct pecuniary interest, and the vote of the member who has such an interest is disallowed.

Clearly that is the case in this instance. As painful as it may be for any one of us to be in such circumstances, each of us has the responsibility not just to declare that we have a pecuniary interest but to either divest ourselves or, if we do not divest ourselves of that pecuniary interest, then not vote.

*Mr Venning interjecting:*

**Mr LEWIS:** That is a decision that each of us has to make, in answer to the member for Schubert. The member for Schubert's clear responsibility, in choosing to be somebody with a delegated responsibility here, is to exercise that responsibility first and foremost according to the rules of this place and the constitution that gives us those rules and the authority they provide for us. If their personal interest stands ahead of that obligation to this institution and its role in society in their opinion, they can absent themselves from the vote. They have not done that, so they have brought shame not only on themselves but on the institution. What is more, if we allow it, we do likewise. I cannot.

**Mr FOLEY (Hart):** I want to make this contribution—and the opposition made it last night—as to why this is an extremely important decision tonight, because there is a direct pecuniary interest. We debated it for seven hours yesterday. Under this bill—and we had to have a messenger from the Governor to make this happen—there will be an appropriation, which will allow the government to expend money on the development of the Outer Harbor grain terminal that will mean a significant cost reduction in exporting wheat, which will give a pecuniary interest—

**The SPEAKER:** Order! I am not going to tolerate any more internal conversations on my right. This is a serious debate and the chair is having difficulty enough hearing it. I ask members to remain silent.

**Mr FOLEY:** There will be a pecuniary interest because the direct expenditure of that money will make the shipment of grain cheaper from the port of Adelaide that will affect the value of shares should AusBulk be the operator. As standing order 170 states:

> A member may not vote in any division on a question in which the member has a direct pecuniary interest and the vote of the member who has such an interest is disallowed.

The government clearly was aware of that. We debated it last night, so they have proceeded at their peril. I urge the House to support the deputy leader.

**Mr WILLIAMS (MacKillop):** I have the great privilege of representing the electorate of MacKillop in this place. The electorate of MacKillop—

*Members interjecting:*

**The SPEAKER:** Order!

**Mr WILLIAMS:** I have the great privilege of representing the electors of MacKillop in this place. MacKillop happens to be one of the most productive areas of this state and, along with a lot of other regional areas of this state, relies on exporting produce across the wharves of our ports. I have indicated to the House that I indeed use those wharves. I am a grain grower in a very small way. I am a member of the South Australian Farmers Federation, which has been in my register of interests ever since I have been in this place. There is nothing in this bill—

*Members interjecting:*

**The SPEAKER:** Order!

**Mr WILLIAMS:** There is nothing in this bill about SACBH. For the interest of the House, my family business has delivered a sum total of 120 tonnes of grain to SACBH. Obviously, the bleatings from those opposite indicate that they have lost this before they start, that they have no interest in this matter at all apart from making a few cheap political points out of it—cheap political point scoring. I will quote from Erskine May, which I took the time to read over the last few days to check my position. I quote from the 19th edition of Erskine May at page 407. In relation to votes on—

*The Hon. M.D. Rann interjecting:*

**Mr WILLIAMS:** I would have had that one, but you had already pinched it off the front desk, Michael, and did not return it. In relation to votes on matters affected by personal pecuniary interest, at page 407 Erskine May states:

> This interest must be immediate and personal and not merely of a general or remote character. This interest must be a direct pecuniary interest and separately belonging to the persons whose votes were questioned and not in common with the rest of His Majesty's subjects, or on a matter of state policy.

I stand in this place to represent the people of MacKillop, who I believe, to a man and a woman, would want me to vote as such on this matter, and I intend to cast my vote in that way.

**Mr CONLON (Elder):** We have just heard the member for MacKillop describe how he shipped 120 tonnes of grain in which he does not really have a direct pecuniary interest. There is a difficulty with this argument. We had a meeting with AusBulk and the National Farmers Federation a few weeks ago, and they told us that they had finally decided to support the government's ports sale bill because the promise to build a new deep water port would reduce the cost of shipping grain by $12 a tonne. The member for MacKillop does not have a huge pecuniary interest: the cost of shipping 120 tonnes is only 12 times 120. But let me say this: the member for Schubert and the member for Stuart, on my understanding, shipped considerably more than 120 tonnes.

*Members interjecting:*

**The SPEAKER:** Order, the member for Hart!

*Members interjecting:*

**The SPEAKER:** Order! I suggest that a few members settle down or they may not be here for the vote.

**Mr CONLON:** The reduced cost in shipping grain is only the first element. These people do not have one direct pecuniary interest: they have two pecuniary interests. The first is the reduced cost of shipping grain, and I am interested to find out from the member for Schubert and the member for Stuart that apparently there is no cross-subsidy in that area. But I return—

*Members interjecting:*

**The SPEAKER:** Order, the member for Colton! I include you as well. There are a few people who will not be here for the vote if they are not careful.

**Mr CONLON:** We will all be careful now, I can tell you. The second direct pecuniary interest is that they are shareholders in AusBulk. What does AusBulk do? It ships grain.

What is going to happen? Someone is going to spend $35 million on building them a grain berth. What will that do to the value of the shares that these people own in AusBulk? Unless I am a simpleton—and I have been accused of that before and I do not think I am—the value of their shares will increase. I must say this, too: the members in question, particularly the member for Schubert and the member for Stuart, were not keen on supporting this bill and were not keen on supporting the sale of Ports Corp. When did they become keen on supporting this bill? They became keen when they were going to get a grain terminal built for them; when they were getting a deep water grain berth built for them. That is when they wanted to support it. So why are they now supporting this bill? Because they want to privatise the ports? No!

**The SPEAKER:** Order! The member for Hartley has a point of order.

**Mr SCALZI:** I rise on a point of order. The members at all times should be addressing the Speaker.

**The SPEAKER:** Order! I uphold the point of order and ask the member, for civility of the debate, to address his remarks through the chair.

**Mr CONLON:** I will. The members, as I believe I said—

*Members interjecting:*

**Mr CONLON:** No. I think you will find the standing orders require me to address my comments through the chair, not face him. The member for Stuart and the member for Schubert—

*Members interjecting:*

**The SPEAKER:** Order! I would ask members to treat this as a very serious debate. The member for Elder.

**Mr CONLON:** The member for Stuart and the member for Schubert were not interested in supporting the privatisation of Ports Corp until they got a deep water grain berth. That is why they are voting—

*An honourable member interjecting:*

**Mr CONLON:** No, we know, because you pulled the legislation four months ago and you would not bring it to the chamber because you could not get your back bench to support it. Your friends over there told us, like they tell us everything you do. That is how we know. So I ask, Mr Speaker, if they do not have a direct pecuniary interest, what other devotion to the grain industry and grain shipping did they have when they changed their votes to support the sale of Ports Corp? I have never seen a clearer example of people with a direct pecuniary interest. They should be disqualified from voting.

**The Hon. M.K. BRINDAL (Minister for Water Resources):** Rarely have I seen in this chamber a bigger stunt. There are those who have spoken in this debate—

*Members interjecting:*

**The Hon. M.K. BRINDAL:** If members want to treat it as a debate, I will deal with it chapter and verse. I have heard them in silence, and I would like to be heard in silence.

**Mr Atkinson:** No, you haven't. You have been chatting the whole time.

**The Hon. M.K. BRINDAL:** The member for Spence is well and truly welcome to chatter; that would be an elevation on what he normally does, namely, babble. The fact is, Mr Speaker, that, if we are to ignore your very considered ruling of yesterday, in order to play petty politics in this place about direct pecuniary interest, then let us examine it. There are in this place people who have a direct interest in the mining industry, and not just shareholding—people who run mines and do things like that. Those people have never to my knowledge withdrawn from bills that involve votes on the mining industry. There are in this chamber people—

**Mr Lewis:** No mining companies, I'll tell you, you little weed!

*Members interjecting:*

**The SPEAKER:** Order!

*Members interjecting:*

**The SPEAKER:** Order! The chair observes the remarks made by the member for Hammond, and I do not believe they are in the tenor of the debate. I ask him to withdraw that remark.

**Mr LEWIS:** I am sorry, Mr Speaker, he is not even a little weed.

**The SPEAKER:** I ask the member to withdraw the remark unreservedly.

**Mr Lewis:** Chuck me out.

**The SPEAKER:** I beg your pardon? I am asking the member to withdraw the remark.

**Mr LEWIS:** I will withdraw the remark if he will withdraw—

**The SPEAKER:** Thank you.

**Mr LEWIS:** —his improper imputations under standing order 127—

**The SPEAKER:** Order!

**Mr LEWIS:** —and I take that point of order now.

**The SPEAKER:** Order! The chair has asked the member to withdraw the remark, and then we will get on with the debate.

**Mr LEWIS:** I withdraw the remark.

**The SPEAKER:** Thank you.

**Mr LEWIS:** I take a point of order under standing order 127. At no time have I had a direct pecuniary interest. The member for Unley, under standing order 127, said that I did, and he imputed improper motives to me and made personal reflections on me in the course of making that remark. Everyone in this place knows that I am the only person who has shares in or owns any mines, and I ask you to invite him to withdraw, under standing order 127.

**The SPEAKER:** I do not think that the remarks were as the member actually puts it to the House, but, if the member believes that he has been offended, and the minister did offend him, I ask the minister to withdraw.

**The Hon. M.K. BRINDAL:** I certainly had no intention deliberately to reflect on any member of this chamber. I made a—

**Mr Lewis:** That's a lie!

**The SPEAKER:** Order! It does not help the debate using that sort of terminology. I ask the member to withdraw.

**Mr LEWIS:** I withdraw the remark.

**The SPEAKER:** Thank you. I ask the minister, so that we can get on with the debate, if he would proceed without explanations.

**The Hon. M.K. BRINDAL:** Yes, sir, I will. I was just saying that I withdraw the remark totally if the member took offence by it—

**The SPEAKER:** Thank you. I now call on the Minister for Water Resources to continue.

**The Hon. M.K. BRINDAL:** I was going to go on and also make the point that many others of us in this chamber, by the same rule that the opposition is seeking to invoke, could be held to have a direct pecuniary interest in many matters before this House.

**Mr Atkinson:** Such as?

**The Hon. M.K. BRINDAL:** Well, an involvement, I would put to members opposite, by their very argument—

**Mr Atkinson:** Superannuation?

**The Hon. M.K. BRINDAL:** Yes, superannuation bills. We all have a direct—

*Mr Atkinson interjecting:*

**The Hon. M.K. BRINDAL:** Well, I am sorry, but in my opinion we all have an absolute direct benefit from any superannuation bill we pass, and I do not remember my or any other member saying that I had a conflict of interest on this. I might also be a member of the Australian Education Union. Does that mean that, because a decision might be made that will effect my future earning capacity in here, that I should withdraw?

*Mr Atkinson interjecting:*

**The Hon. M.K. BRINDAL:** Well, the member for Spence, I think, proves the point. Direct pecuniary interest is what they want to define it to be tonight in order to cause embarrassment to the government. There are many, many instances where we have had an interest and where we have not thought it wrong to vote in this house. I put it to you, Mr Speaker, that these members are no more required to withdraw than many of us should have done so in the past had we applied the rule that the opposition now seeks to apply.

**Mr ATKINSON:** I have the advantage of having the latest edition of *Erskine May*, and I apologise to the member for McKillop for depriving him of it. However, on page 361 of the latest edition of *Erskine May* it says:

> No member who has a direct pecuniary interest in a question is allowed to vote upon it, but in order to operate as a disqualification this interest must be immediate and personal and not merely of a general or remote character.

I think both sides of the chamber agree on that. The point is that, being a shareholder of this company, AusBulk, is not merely of a general or a remote character. Only a tiny minority of the people of South Australia are shareholders of AusBulk. To be a shareholder here is not something held in common with the rest of South Australia. And I will be pleased to read on as challenged by the member for Newland. *Erskine May* further states:

> On 17 July 1811, the rule was thus explained by Mr Speaker Abbot: This interest must be a direct pecuniary interest, and separately belonging to the persons whose votes were questioned, and not in common with the rest of His Majesty's subjects.

**Mr Hamilton-Smith:** Read the next bit.

**Mr ATKINSON:** That is the end of the quote. I am sorry, but Speaker Abbot did not say any more than that. The test that the Speaker posited was that the interest not be held in common with the rest of His Majesty's subjects and that is the point. The three members are voting on this. The reason we are challenging their vote is because they have a special interest which is different from the other 44 members and different from the vast majority of the electorate of South Australia.

I remind the House that, 'In all cases that are not provided for in the Standing Orders or by sessional or other orders', Standing Order 1, the first standing order, 'or by the practice of the House, the rules, forms and practice of the Commons House at Westminster are followed as far as they can be applied to proceedings of this House'. A ruling on this very point was given in 1892 and it was a debate regarding a grant in aid for a preliminary survey for a railway from the African coast to Lake Victoria Nyanza, which had been undertaken on behalf of the government by the British East Africa Company. Three members of the Commons were disqualified from voting because two of the members in question were directors and shareholders and the third was merely a shareholder.

Those members of this parliament who drafted Standing Order 170—that is, 'no member to vote if personally interested'—had in contemplation that ruling of the Speaker in 1892. It is pretty clear what it means: if you are a shareholder, you cannot vote.

**The Hon. M.H. ARMITAGE (Minister for Government Enterprises):** The opposition's case is built on flawed logic. The debate in relation to this bill started yesterday evening with the member for Elder identifying with glee the fact that AusBulk was really offside with the government. The reason why he contended AusBulk was offside with the government was that AusBulk might have been, at some stage, labouring under a misconception that it was to be given the right to run the grain terminal, but we have made it quite clear that that is not the case by giving the right to determine who will run the grain terminal to the grain industry. There is absolutely no certainty that AusBulk will run the grain terminal; therefore there is no conflict.

It is further based on flawed logic because the member for Elder said in this debate in an interjection: 'We, the taxpayers, are going to spend $35 million building them (AusBulk) a grain terminal.' Factually incorrect. We are not spending $1 on building anyone a grain terminal. We were at great pains to identify that in the debate last night. So, again, the case is built on flawed logic. We have been quite definitive in saying that the grain industry as an industry will tell the government who they believe can best maximise the site of the grain terminal. It may well be that the Australian Wheat Board Limited (I think it is), or the Australian Barley Board may be interested.

I have been told that it is possible Vicgrain may be interested, because what we have built our whole premise on in relation to the grain terminal is that by building a deeper port, as well as having all the other exports which will be increased, there is a strong possibility we will get more grain from Victoria. Do the members of the opposition think that the grain industry in Victoria is sitting there twiddling its thumbs waiting for that to happen? Of course not. It is possible that Vicgrain may be a bidder. It may be interested in going to the grain industry and saying, 'We will set up a grain terminal and we will give you greatly reduced rates.' It may buy market share.

I have absolutely no idea if that will happen, nor does the member for Hart, the Leader of the Opposition, the member for Lee or anyone, because no-one knows who will be the grain terminal operator and, as such, there is no conflict because we do not know who will be running the grain terminal. As I said, what that means is that the case of the opposition that there is a conflict is built on flawed logic and, frankly, it is incorrect.

I am informed that the people in the grain industry are at best undecided who will be the operator. Not only does the government not know who will run the grain terminal or who will operate it but even the grain industry is uncertain. How can there possibly be a conflict of any member when even the grain industry does not know who will be the terminal operator? As I indicated before, that means the case of the opposition comes down like a house of cards.

Also, in my view, there is no direct interest in this because of the matters that I have said, and indeed Standing Order 170 looks at a direct pecuniary interest. I would contend that, if there is an indirect pecuniary interest—and that is what the

opposition is building its case upon—I would ask each member of the opposition to identify which one of them gets funds for their campaign from the MUA. Tell me which factions—

*Members interjecting:*

**The Hon. M.H. ARMITAGE:** No, not you; it could not possibly be you because, if it was you, you would have exactly the same interest in this as our members do over here which is nil. At the end of the day, there is no conflict of interest because by definition for there to be a conflict of interest there must—

*The Hon. M.D. Rann interjecting:*

**The Hon. M.H. ARMITAGE:** No, the Leader of the Opposition is incorrect and I am more than comfortable in discussing that issue with him. What the Leader of the Opposition has said is that members on this side have identified a conflict of interest. No, what they have done is they have identified their interests, but what they have also identified is that there is no certainty that AusBulk will be the grain terminal operator. There is no certainty about that. As I have indicated, we do not know, no-one in the opposition knows and the grain industry does not know, so how could there possibly be a conflict of interest? I think in their heart of hearts the opposition knows that there is not and that this is a stunt. I would urge the House not to vote for the motion, because it is illogical.

**Mr CLARKE (Ross Smith):** I rise to support the deputy's motion. The government's position is based on one very narrow definition of 'direct pecuniary interest'. I put to you, Mr Speaker, and to the House that it goes far beyond that, namely, the public's confidence in our parliamentary system of democracy and that the decisions that we make in this House, particularly when we are disposing of government assets to the private sector, are in the best interests of the state and not in or perceived to be in the pecuniary interests of some members of this House. That is of fundamental importance to our parliamentary democracy. As was raised in the Reith telecard affair and in other instances involving abuse or alleged abuse of parliamentary privileges in this and other parliaments throughout Australia, the overriding principle is whether the public who vote for the parliamentarians of this state or nationally have faith in their parliamentarians that they will put the state or the nation's interests above their own personal financial interests. That very faith has been corroded successively over the years, and I do not say it is all on one side or in one party of one political colour.

That is of absolutely fundamental importance to the public in the democracy to which we ascribe. Here we are as a nation that will be 100 years old on 1 January next year: one of the newest nations but one of the world's oldest democracies. Democracy takes root in the community only when the community believes that the rule of law exists and that parliamentarians cast their votes in the interests of the community they serve. At the end of the day the public must have faith in that, whatever we decide in this parliament by a majority vote, there could not, in their view, be a scintilla of a suggestion that parliamentarians voted because they may have had a direct or indirect pecuniary interest. Minister Armitage said that there is no guarantee that AusBulk will be successful. There is not a multiplicity of potential bidders. He named perhaps four and, at the very worst, AusBulk is there in the front runners by virtue of the fact that it is a monopoly in this state and is very well positioned.

I make no accusation against any member of this House of seeking to profit personally from their decisions on this matter. I make no accusation, but the people of South Australia are heartily sick of the squabbling that goes on in parliament and of what they believe are parliamentarians of different political persuasions—not just one—taking decisions which suit their own purses. That is fundamental to the corrosion of our democratic society. As Lindsay Tanner, the shadow finance minister, said in the House of Representatives recently on the Peter Reith telecard affair, the issue is not so much the $50 000 that ultimately he had to pay up: it is the corrosion of public confidence in our parliamentary institutions and the principle that parliamentarians are here to serve their own personal interests and not those of the broader community.

It would be far better for the institution of parliament and our democracy for this bill to be defeated because of honourable actions of members opposite, having declared their interest, not to vote for it. They would stand as martyrs and beacons of parliamentary democracy in this state and this country generally. It is a very sad day when members opposite try to narrow the term 'direct pecuniary interest' provided in a standing order that has existed for many decades. The member for Unley spoke about members' superannuation. Well, as we all know, whether we have our own personal superannuation funds or whether we are members of the parliamentary superannuation fund, the investments that are made are not made directly by ourselves personally: they are made by the investment managers of those superannuation funds. Therefore—

*The Hon. I.F. Evans interjecting:*

**Mr CLARKE:** The minister talks about parliamentary wages, and the Deputy Premier talks about parliamentary superannuation. The simple fact is that those investments are made by a group of trustees, and not one of us here has any influence to determine what to invest in or what stock to sell. That decision is made by a group of trustees who are at arm's length and who have very heavy fiduciary duties. That is in marked contrast to private shareholders, who can make an investment decision to invest today or divest themselves of those shares tomorrow. In conclusion, I simply say this to the House—

*Mr Condous interjecting:*

**Mr CLARKE:** The member for Colton says we are all dreamers. Let me tell him that, yes, I am a dreamer. I happen to believe in parliamentary democracy and in the notion that the public of South Australia are entitled to believe that we as a collective group take a decision—yes, we differ, but we take decisions—in the best interests of the state, not on the basis of what profits our own personal pocket. I reiterate: I make no comment or allegation against any member here that they seek to profit personally. I simply say that the perception in the public is that some members of this place may make a decision because they may make a personal profit.

Members of the judiciary have to make these sorts of decisions every time matters are raised before them involving a conflict of interest. They will invariably err on the side of caution, because the members of the judiciary know that the most important part of the rule of law in this nation is that there cannot be any perception of personal gain or conflict of interest, and they will rule themselves out. They do it every day. I call upon those members to do so voluntarily tonight.

**The SPEAKER:** Order! The Minister for Tourism has the call.

*Members interjecting:*

**The SPEAKER:** Order, the member for Spence!

**The Hon. J. HALL (Minister for Tourism):** I seek leave to make a personal explanation.

**The SPEAKER:** We are in the middle of a debate; you may speak to the debate.

**The Hon. J. HALL:** In that case, I would like to make a contribution to the debate. Unfortunately, I missed the earlier part of the debate, and I understand that my colleagues the members for Schubert, Stuart and MacKillop were named by members of the opposition specifically in relation to the passage of this bill. I place on record in this House that I used to have an interest in a farming property in the north of this state. I understand that I am no longer involved with any business activities related to farming. However, following a telephone call a few moments ago, I understand that I may still have a residual interest from a former membership in CBH with a small number of shares that may have been allocated to a family company involving myself and my husband. Therefore, I wish to place it on the record, as my other colleagues have been named and I do not wish to leave myself out when it comes to the love of the Labor Party!

**Mr McEWEN (Gordon):** On 14 January 1986, the then Speaker ruled (and I quote from *Erskine May*):

> Members of Lloyds could vote on an amendment seeking to bring Lloyds within the terms of the Financial Services Bill, since the bill itself was a matter of public policy, and any amendment designed to extend its scope was thus also a matter of public policy.

The problem we have tonight occurs on two fronts. First, I would like now to hear a further explanation as to why this is not captured within public policy in the same way that that decision in relation to Lloyds was captured within public policy. Secondly, to date the opposition has not established a direct relationship between AusBulk and the ports. The minute it does, there is merit in its argument, notwithstanding the quote I have just delivered from *Erskine May*. However, it has not established, and cannot establish, a direct pecuniary interest at this time between AusBulk and all the ports.

Interestingly, some members on this side of the House seem to have argued only about Port Adelaide. They seem to have forgotten that AusBulk has significant infrastructure in the other ports. That notwithstanding, we still have not been shown beyond reasonable doubt that there is a direct financial relationship between AusBulk and the ports at this time. There may be in the future, but there is not at this time. On that ground alone, the rest of the argument does not stand.

*Members interjecting:*

**Mr McEWEN:** They did not. They declared an interest in AusBulk. However, the Minister has quite clearly said that declaring an interest in AusBulk—

*Members interjecting:*

**Mr McEWEN:** I think the honourable member talks too much and listens too little. I am not arguing with the honourable member opposite about the fact that a number of members have confessed an interest in AusBulk—in fact, a fourth one now has stood in this Chamber and done so at a very late hour. I am not arguing about that. That is not the interest between the member and AusBulk. The interest is between AusBulk and that entity which we have agreed tonight to sell. At this time, a direct commercial relationship has not been established between AusBulk and that entity, the ports. Therefore, I cannot support the motion.

**The Hon. R.G. KERIN (Deputy Premier):** I rise with some disappointment that we are even having this debate. We have here a very serious issue that has been made light of by some people who want just to play politics. The motion is a new low. It is a creative interpretation of standing order 170, and it misrepresents what is going with this whole legislation. What they fail to understand is what AusBulk is and what the grain industry is. In reality, the way the government has gone about this may well mean that, if AusBulk does not get 100 per cent ownership of the new terminal at Outer Harbor, it could harm AusBulk shares, and not raise their value. At present, AusBulk basically has all the terminal capacity for export. It absolutely goes around that.

The other thing it totally misrepresents is the way that AusBulk (and I am not sure whether the shares have even gone out yet; this is about the day) distributes its shares. They are distributed without people making any purchases or whatever. They are distributed on the basis of what these people have done, and will continue to do in the future, for the state by producing product. This may break the monopoly that AusBulk has on terminals. So, to say that, because they are shareholders in AusBulk, this is a conflict of interest is absolute rubbish. If this were to get up, it would set a dangerous precedent for this parliament and other parliaments. People ought to have a good think about that.

A superannuation bill has been introduced by the member for Hammond. We will see whether those who are high in standard with this measure leave for the vote on superannuation. The member for Taylor constantly argues about getting out of paying school fees. Anyone with a child at school has a potential pecuniary interest in that happening. I have not seen too many go running out the chamber door because of that. That is a more direct pecuniary interest than the measure before the House. Let us have one standard for absolutely everyone. I will quote from the *House of Representatives Practice*. In 1948 the chair, in ruling on a point of order, stated:

> The honourable members referred to are interested financially in the ownership of certain commercial broadcasting stations but only jointly and severally with other people. Therefore, they are entitled to vote on the measure now before the House.

Of all the quotes that have been given, that one is a lot more relevant to what we face tonight. It is there absolutely in black and white. This move by the opposition and seconded by the member for Hammond is a direct move to rule out the votes of 66 000 rural South Australians—an absolute attack on rural South Australians. It is an absolute attack on rural South Australia. It is a real pity (and the member for Ross Smith will probably listen to this) that Bill Hender and people out of country Labor cannot be sitting there in the gallery to hear the contributions that have been made. This is about city versus country and about exactly what Bill Hender was talking about. You could not give a damn! You would rather come in here and play some games about parliamentary standing, and so on, than look at the basic right of all South Australians to be represented in a bill such as this.

*Members interjecting:*

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

**The Hon. R.G. KERIN:** The people of rural South Australia see the Labor Party and others sit here and vote on things such as buses and institutions on North Terrace—the types of things to which they do not get the access that metropolitan South Australians do, yet you try to remove—

*Members interjecting:*

**The SPEAKER:** Order, the member for Spence and other members! I would ask you just to cool it down for a while and let us get on with this debate.

**The Hon. R.G. KERIN:** They try to remove the rights—

*Mr Atkinson interjecting:*

**The SPEAKER:** Order! I warn the member for Spence.

**The Hon. R.G. KERIN:** They try to remove the right of rural South Australians to have a vote on an issue which is not important just to grain growers: it is also important to the export future—

*The Hon. M.D. Rann interjecting:*

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

**The Hon. R.G. KERIN:** It is important to the economic future of all South Australians that we have decent export ports. This government was left an absolute mess by people over there. Because of the practices of the previous government, this government cannot afford to go out and upgrade ports. Thank you very much! We have entered this sale process in the hope that, through doing this, we can not only pay off debt but also see delivered to the export industries of South Australia the facilities that exporters out of South Australia deserve. It does not just affect the grain industry. You could say that anyone whose husband or wife is employed at Mitsubishi will also gain from that. Every South Australian will gain down there. To say that this is a direct pecuniary interest is absolute rubbish.

People need to have a good think about the precedent that this sets. It sets a precedent: there are several things on a *Notice Paper* at any time that members would want to have a good look at, because we will turn parliaments in Australia into an absolute circus if we take the track that has just been put forward, because this matter is no different from so many others. I repeat my quote, and I ask members to please listen. In 1948, the chair, in ruling on a point of order, in *House of Representatives Practice*, stated:

> The honourable members referred to are interested financially in the ownership of certain commercial broadcasting stations but only jointly and severally with other people. Therefore, they are entitled to vote on the measure now before the House.

I urge the House to vote on this fairly and remember that the actions that they are trying to take are removing a good percentage of the country votes out of South Australia.

**Mr HILL (Kaurna):** I want to make just two points in my contribution. Before I do, I must say that the Deputy Premier referred to Bill Hender and tried to slur the Labor Party by saying that we somehow ignore people in the country. I just say to the government benches that it is not we who have to fear Bill Hender; in fact, it is the member for McKillop who should be most nervous about Mr Hender in his activities in the next year or so. I am sure he will appreciate your comments to this House on his resignation from the chair of the country Labor Party. I want to make two points, the first of which is that, if this bill is passed or it is lost, my income will not change $1 or 1¢. It will be exactly the same this week as it is next week. It will not change $1. I say to the three members opposite—the members for McKillop, Schubert and Stuart, 'Will your income change as a result of this? Will you not get an increase in your income as a result of this change to the Ports Corporation?'

*Members interjecting:*

**Mr HILL:** If they do not, they are lousy farmers, and they are telling lies to the House about the benefits of this bill, because we know that they will have an improvement in their income. None of the rest of us will get an improvement in our income: those three will. That is why there is a conflict of interest, to put it very basically and very simply.

My second point concerns the MUA. It was somehow suggested that the Labor Party, because of contributions by the MUA, might somehow benefit from objecting to this bill. Let me point this out to members. When I was the secretary of the Labor Party, I went with cap in hand to secretaries of a variety of unions, including the MUA, and I said, 'Please, will you give us some money for our campaign?' and they said, 'We will not give you a dollar; we will not give the Labor Party a dollar.' And that is exactly how much we received from the MUA: not one cent.

**The Hon. G.A. INGERSON (Bragg):** I do not normally get involved in this sort of argument, and the reason for that is that this issue ought to be black and white, and it should be seen as that.

*An honourable member interjecting:*

**The Hon. G.A. INGERSON:** You want to read what happened in the House before you make that statement. I think it is important that we calmly look at this because, if there is an issue, clearly, it ought to be dealt with. I do not think that anyone in this House would argue that if a definite interest of any person has not been disclosed, or if there is an issue in terms of outcome with respect to this bill, there is an issue as far as this parliament is concerned. Often in this place we make decisions rapidly and with haste, and we ought to step back for a minute and have a look at some of the decisions that have been made in the past in relation to this issue and see whether, in fact, they apply to the position today.

One of the issues that I understand in relation to law and in terms of effective pecuniary interest is that an individual has to be able to—

*An honourable member interjecting:*

**The Hon. G.A. INGERSON:** Can you hang on a second: you have had your say. What I understand with respect to this issue—

*Mr Williams interjecting:*

**The SPEAKER:** Order! The member for MacKillop is out of order and out of his place.

**The Hon. G.A. INGERSON:** What I understand in relation to any direct influence or any direct effect of pecuniary interest is that the individual who owns the shares can affect an outcome. If you can affect an outcome—in other words, if you have a significant influence individually—you have a significant pecuniary interest to be concerned about. There is plenty of law that backs that up.

*Mr Atkinson interjecting:*

**The Hon. G.A. INGERSON:** I will give the example of a decision that was made (already reported by the deputy leader) in the House of Commons. In 1948, the chair, in a ruling on a point of order, stated:

> The honourable members referred to an interest financially in the ownership of certain commercial broadcasting stations owned jointly and severally with other people; therefore they are entitled to vote on the measure before the House.

What that says very clearly is that, unless an individual has a very significant shareholding in a company, they do not, in fact, have a pecuniary interest, according to that ruling.

Let us have a look at a decision that was made in Australia that brings it into perspective. It relates to standing order 170, which we are discussing. On page 361 in the twenty-second edition of Erskine May it is stated:

This interest must be a direct pecuniary interest and separately belonging to the person whose votes were questioned, and not in common with His Majesty's subjects, or on a matter—

*Members interjecting:*

**The Hon. G.A. INGERSON:** Listen to this—

of state policy.

**Mr McEwen:** Public policy.

**The Hon. G.A. INGERSON:** State policy. It continues:

'State policy' may be equated with 'public policy'.

So, clearly, because a significant number of other people are involved, it is not covered under this rule. Then there is the interpretation by Sir Garfield Barwick in the High Court, who says:

Consequently, it may be said that a person who is no more than a shareholder in a company does not, by reason of that circumstance alone, have a pecuniary interest in any agreement that the company may have with the Public Service.

That is in relation to agreement. Unless I have misread this bill, there is no agreement. There may be an agreement once it passes the other place, but there is no agreement and, as a consequence of that, and in relation to standing order 170, in fact, there is no reason for the members mentioned in this motion not to vote in the House.

I ask the House to consider those learned people, not those of us who are emotional and who, for political reasons, or whatever, want to turn this into a stunt. Let us just have a look at learned people. Often we do look to learned people to give us a direction, and here we have three examples of learned people who have all made decisions in relatively the same area. And they are all saying one fundamental thing: if there is more than one person—in other words, jointly and severally involved—it is not a pecuniary interest, unless you happen to have a 50 per cent plus one and you happen to be one of the three that have that.

I think the issue that I have pointed out can be upheld by the fact that there are, in fact, 18 000 shareholders in AusBulk, not three. The ruling in the House of Commons and the ruling by Sir Garfield Barwick basically came down on the side of severally and jointly involved and, clearly, that is the position that should be upheld in this motion.

**Mr HAMILTON-SMITH (Waite):** I will not be supporting the Deputy Leader of the Opposition's motion. I must say—and I am sure that everyone in this House would agree with me—that taking away the right of a member of parliament to vote is probably one of the most serious steps this House could ever take. Each one of us has been put here by the people we represent to represent their views here in this place on all legislation. The government has taken steps to deepen the port. It will benefit thousands and thousands of farmers across the state and their families. That is good. We happen to have three farmers here who are representing their constituents, many of whom are farmers, and all of whom will benefit, to some extent, by the government's action to deepen the ports.

Somehow or other, we have this silly motion to deny the right for those three members to exercise their vote. I do not think that anyone on the opposition benches seriously believes that there is a conflict here. I think what has happened is that there have been meetings on the other side aimed at simply sledging and knocking people's character, throwing enough mud around in the hope that some of it would stick, trying to create the impression that something is amiss. This is the second time today that I have seen this happen in the parliament. One was in the Economic and Finance Committee this morning. I must say, I do not think it does any of us on any side of the House much good.

I want to add something from the House of Representatives parliamentary practice. Standing order 196 of the federal parliament's standing orders deals with this issue, and it makes it extremely clear that this rule does not apply to a question on a matter of public policy, as follows:

A member's vote can only be challenged by means of substantive motion moved immediately following the completion of a division. The motion is carried, the vote of the member is disallowed. Public policy can be defined as government policy, not identifying any particular person individually and immediately. All legislation which comes before the House deals with matters of public policy and there is no provision in standing orders for private bills.

It goes on:

Therefore, it would seem highly unlikely that a member could become subject to disqualification of voting rights in the House because the House is primarily, if not solely, concerned with matters of public or state interest.

This motion is nonsense. Members opposite know that it is nonsense, and by putting it forward they demean the House, demean the parliament and demean all of us. I suggest that we simply deal with it, get rid of it and get on with the real business of this House, which is what the people expect us to do.

**The Hon. R.B. SUCH (Fisher):** I will make a brief contribution. I speak as someone who voted against the bill because, after surveying my electorate, that is what they wanted me to do and they indicated quite strongly that they were opposed to the sale or lease of the Ports Corp, and as their representative I am very mindful of that. This is a grey area. I do not believe there has been a demonstrated direct, and certainly not an immediate, conflict of interest. There could be down the track, so it comes into the context of a contingent or possible conflict of interest. There is no certainty, as the minister said, that AusBulk will be one of the key players, although it does seem likely that that will be the case.

The members involved should have withdrawn. That would have been the sensible thing to do. I do not say that simply for a cheap point in terms of defeating the bill, but in hindsight that would have been the most appropriate action on their part. The points about the MUA, school fees and kindergarten fees are essentially red herrings. Members have particular financial interests tabled here and that is what we are talking about. I understand that members have, in a sense, inherited these shares as a result of producing and selling grain and they cannot easily divest them as can be done with other shares, so members need to be mindful that we are not talking about shares in the normal context. If members were able to divest themselves, again that would have been a prudent action to take in order to remove any doubt about their behaviour in this place. At the end of the day the electorate will pass judgment. We can make resolutions here and vote, but at the end of the day the electorates of those members and the wider electorate will make a judgment as to whether or not their behaviour has been appropriate.

I make this point after discussion with some of my colleagues that, if we find at the end of the day that there has been any attempt to misrepresent the situation or mislead the House, action will be taken and this issue will be revisited. I make quite clear that I do not believe on the evidence that there is any direct conflict of interest but, if it is shown down

the track that there has been any attempt to pull the wool over the eyes of members here, appropriate action will follow.

**Mr HANNA (Mitchell):** I will speak briefly to a couple of fallacies in the arguments presented this evening. I wanted to particularly focus on the question of disclosure, which government members have made into a mountain—a barrier to the success of this motion. Government members seem to think that, if you disclose an interest in property that you have, that is sufficient and there is no bar to one's voting once you have satisfied that condition. That is not the test at all. The standing order we have is there specifically so that members do not vote on questions in which they have a direct pecuniary interest: in other words, they will benefit directly as a result of a particular measure being passed. We are saying that that is what will happen if the Ports Corp bill is passed. There will be, as the government has said, $35 million spent on infrastructure for the ports, and AusBulk is in a prime position to take advantage of that—the company in which the named members have shares. The evidence, to the extent that it is not here tonight, will be in the newspapers within the next few months once the bill goes through, because the share price will go up. AusBulk is inevitably positioned to take advantage of the $35 million of taxpayers' money that the government will spend on the ports, and the three named members will directly benefit from that increase in their share price.

It is not good enough to say, 'We will get a benefit; we have an interest.' That does not solve the problem. It certainly would not solve the problem if you take a simple example. What if the government said, by way of a contract, that it would buy my house for $1 million—far more than the market value? It would not do for me to come in here and say, 'That's all right because I am letting everyone know that that's what they're doing.' Of course it would be wrong. It would be a direct conflict if I was then to be in a position of making a decision on that deal which would benefit me. It is absolutely irrelevant that I may have made a disclosure. That is not the problem in itself, although we should always make disclosures when there is that kind of interest.

This debate is reminiscent of the debate we had recently about the Minister for Government Enterprises and his Optus shares—the minister responsible for taking a submission to cabinet which approved a huge contract, of the order of $18.5 million, to go to Optus. He had Optus shares at the time. His wife bought and sold Optus shares at around that time. It is not good enough and against cabinet guidelines for the minister simply to say, 'I declare the interest, so there is no problem; there is no problem with my making a profit.' The minister says that anybody who had shares at the time with the knowledge he had and the opportunities he had could have made the same profit. That is not the test. That is not the test in the cabinet guidelines or the test the public expects of members of parliament, and the same applies in this debate.

Secondly, I want to dispel the fallacy created by the example given of some 1948 ruling in another parliament. The reference was to members who had an interest in certain radio stations.

*The Hon. G.A. Ingerson interjecting:*

**The SPEAKER:** Order, the member for Bragg!

**Mr HANNA:** The example is given of members who had an interest jointly and severally with others in certain radio stations. They voted on a measure which affected those radio stations commercially. They stood to benefit from it jointly with other people. Granted the same situation applies here because the three named members will not be alone in benefiting from the leap in the AusBulk share price which will take place after this legislation goes through.

*Mr Williams interjecting:*

**Mr HANNA:** It is true that they own those shares with others, but if you think about that as an excuse for being able to vote on a measure in which you have an interest you will soon see that it is not good enough. To take an example, if the government offers to buy my house for $1 million, far more than its market value, and I happen to own it jointly and severally with my wife or family company and I take part in the decision for that contract to be put into effect, it is obviously wrong. It is no excuse that I happen to hold that property jointly and severally with others and that one or two other people may benefit. In this situation a class of people will benefit; every shareholder of AusBulk will benefit in a pecuniary sense when this legislation goes through, but the difference is that the vast majority of South Australians will not benefit in the same way and that is why it is a problem and why it is wrong for these three members to be involved in making that decision—a decision which, on the government's own promise, will cost taxpayers $35 million.

I make a final point about the nature of the acquisition of the shares, a point that has been made by I think the Deputy Premier and the member for Waite. It does not really matter how the members came to hold the shares. If they are to benefit from a leap in the share price as a result of their own decision in the parliament, it is wrong for them to take part in the decision. It is very similar in some respects to the AMP demutualisation. The people who were AMP policy holders did not begin with AMP shares but after the demutualisation they had the choice of taking AMP shares—

*The Hon. I.F. Evans interjecting:*

**The SPEAKER:** Order, the Minister for Environment and Heritage! The member for Mitchell.

**Mr HANNA:** —or a fat cheque, simply because they were AMP policyholders. It is a similar situation here. I close my remarks and encourage members on the cross benches, in particular—given that, inevitably, the vote will largely be taken on party lines—to look not at the technical data about AusBulk's share price today but at the inevitable commercial reality of the benefit to AusBulk shareholders should this legislation be passed.

**Mr SCALZI (Hartley):** Mr Speaker, I am—

*Members interjecting:*

**The SPEAKER:** Order! The chair would like to draw this debate to a close at some time. The member for Hartley.

**Mr SCALZI:** It is in the interests of my electors that I speak.

*An honourable member interjecting:*

**Mr SCALZI:** The honourable member may laugh. The Independent member for Gordon—not a member of the government—clearly stated that direct conflict of interest could not be established. The minister has outlined clearly that AusBulk is not the operator at this time. The decision that is made is made now, not in the future. I have been trying to listen to this debate, and I find it amazing that members opposite are picking up the crumbs and forgetting the real cost benefit analysis to this state: they are playing political games.

**Mr Atkinson:** Oh, no, not politics in this chamber!

**Mr SCALZI:** The member for Spence interjects and talks about conflict of interest. I remind the member for Spence that at another time, when there was a bill before this place—

*An honourable member interjecting:*

**Mr SCALZI:** Yes, the constitution amendment bill. When the honourable member and other members, having dual citizenship, could get benefits in another country, they never raised the question of conflict of interest. If it does not matter—

*Members interjecting:*

**Mr SCALZI:** The reality is that if I had dual citizenship I would have had to pay 2 000 lira more when I was in Naples, and I did not. It is money. But the member for Spence and other members opposite did not question the conflict of interest in having dual citizenship: they went on and accused some members who supported that bill—saying that members of parliament should have only one citizenship—of being over-reactive and anti-multiculturalist. We live in a global society, it was stated.

But members are forgetting the cost benefit analysis and the benefits that will take place, once this bill passes, for the rural areas of South Australia and the farming community. There will be exports from which we will all benefit as a state. Why? Because they want to play little petty political games. If they were genuine and consistent, I would listen to them, but there has been no establishment of a direct conflict of interest because AusBulk is not the operator at present. We are crystal ball gazing. We are making the decision now.

But last year, when the member for Spence stood up, he clearly had Irish citizenship—and other members had other citizenship—and he still voted on the bill, the result of which was close, and then appealed. I find it hypocritical that they now hold up the House on such an issue tonight.

The House divided on the motion:

AYES (20)

| | |
|---|---|
| Atkinson, M. J. | Bedford, F. E. |
| Breuer, L. R. | Ciccarello, V. |
| Clarke, R. D. | Conlon, P. F. |
| De Laine, M. R. | Foley, K. O. |
| Geraghty, R. K. | Hanna, K. |
| Hill, J. D. | Hurley, A. K. (teller) |
| Key, S. W. | Koutsantonis, T. |
| Lewis, I.P. | Rankine, J. M. |
| Snelling, J. J. | Stevens, L. |
| Thompson, M. G. | Wright, M. J. |

NOES (22)

| | |
|---|---|
| Armitage, M. H. (teller) | Brindal, M. K. |
| Brokenshire, R. L. | Brown, D. C. |
| Buckby, M. R. | Condous, S. G. |
| Evans, I. F. | Gunn, G. M. |
| Hall, J. L. | Hamilton-Smith, M. L. |
| Ingerson, G. A. | Kerin, R. G. |
| Kotz, D. C. | Matthew, W. A. |
| Maywald, K. A. | McEwen, R. J. |
| Meier, E. J. | Penfold, E. M. |
| Scalzi, G. | Such, R. B. |
| Venning, I. H. | Williams, M. R. |

PAIR(S)

| | |
|---|---|
| Rann, M. D. | Olsen, J. W. |
| White, P. L. | Wotton, D. C. |

Majority of 2 for the Noes.

Motion thus negatived.

Bill read a third time and passed.

*Members interjecting:*

**The SPEAKER:** Order! The Clerk is on his feet. I have just called the Clerk.

**Mr Lewis:** I did not hear what the Clerk just said.

**The SPEAKER:** For the benefit of members, the Clerk read the bill for the third time.

**Mr LEWIS (Hammond):** I seek leave to make a personal explanation.

Leave granted.

**Mr LEWIS:** My personal explanation relates to why I voted the way I did on the measure just passed to facilitate the lease or sale of Ports Corp. I had told the House and the public that I would vote against the measure. In the intervening period between when that was said and when the vote was taken I had the opportunity to discuss the provisions contained in the legislation with the minister and received assurances from him that the concerns I had would be addressed. Further, it was a disappointment to me that I could not make these remarks in the third reading speech because the commitment I was given immediately before dinner that this matter would not be debated after dinner prevented me from participating in the third reading speech which was called on immediately after dinner.

**The Hon. M.K. BRINDAL (Minister for Water Resources):** I seek leave to make a personal explanation.

Leave granted.

**The Hon. M.K. BRINDAL:** Immediately following the dinner break I was conducting a tour in the Legislative Council chamber. While the bells do not ring there, I believe in cases of division an audible, visual signal—

**The SPEAKER:** Order! I do not believe that is a personal explanation in terms of our standing orders. It is a matter which can be brought to the attention of the chair by means other than a personal explanation.

## RACING (TRANSITIONAL PROVISIONS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 October. Page 128.)

**Mr WRIGHT (Lee):** The opposition is pleased to support this amendment which, as I understand it, facilitates the provision for bookmakers bonds to be lodged with the gaming supervisory authority. They have previously been lodged with RIDA and obviously as a result of the legislation with which the government was successful back a few weeks ago with the corporatisation of the racing industry there have been those subsequent changes and this is a subsequent change. The opposition has consulted with the bookmakers league who are supportive of this transitional provision being added and we are pleased to support this amendment.

**The Hon. I.F. EVANS (Minister for Environment and Heritage):** I thank the opposition for its support.

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

## RACING (PROPRIETARY BUSINESS LICENSING) BILL

Adjourned debate on second reading.

(Continued from 26 October. Page 304.)

**Mr WRIGHT (Lee):** Proprietary racing is a new concept on the Australian racing landscape. Although proprietary racing, that is racing for profit, does exist in some overseas countries Australian racing is non profit and is run by the club

committee structure. The concept of proprietary racing in Australia has been kicked around for several years, largely by an organisation known as TeleTrak. Their concept centres upon the internet where wagering and the viewing of the product is transmitted on that medium. This is a unique concept conducted—

**Mr LEWIS:** I cannot hear what the member for Lee is saying and it is not just because I am hard of hearing. You just cannot hear in this part of the chamber and it is about time the audio in this chamber was fixed.

**The SPEAKER:** I do not think we can do anything technically to help the honourable member tonight. We have the audio checked every day. I will ensure that the technicians check it again tomorrow morning.

**Mr WRIGHT:** I shall try to speak more loudly. This is a unique concept conducted nowhere else worldwide. It would not be unfair to say that TeleTrak has had some difficulty in selling its concept. TeleTrak's lure has been, first, multimillion dollar investments in racecourse facilities; secondly, the creation of thousands and thousands of jobs; and, thirdly, all of this in regional areas, some of which includes depressed country areas. Indeed, I quote from a letter received from the South Australian Racing Clubs Council earlier this year, as follows:

> TeleTrak has been endeavouring to establish itself in South Australia for over five years and has literally mesmerised local government with its registration of intent to establish proprietary racing at Port Augusta, Waikerie and Millicent for thoroughbred, harness and greyhound racing at each location, which would require significant capital with the claim of employment of between 1 500 to 4 500 persons, an extravagant claim which is yet to be substantiated.

The South Australian Racing Clubs Council is the umbrella body that looks after country racing in South Australia. Also fundamental to this whole debate has been the accepted principle that proprietary racing can go ahead with or without legislation. So, even without this bill, proprietary racing has the green light. However, TeleTrak has wanted legislation licensing proprietary racing as it gives its concept greater status and greater credibility with investors. Without legislation, TeleTrak would be limited in its activities to having to use unregistered horses and dogs and unlicensed trainers, riders, jockeys and so on. As a consequence, TeleTrak has acknowledged that a licence fee would be paid to the state for any licensing. Both the government and TeleTrak are well and truly on the public record to this effect. The government through the Minister for Racing has said:

> Proponents of proprietary racing will need to be licensed. They will need to pay a suitable licence fee.

Further, the minister, when talking to racing industry people, has used a figure of $25 million for the licensing of proprietary racing, and there has also been discussion that the racing industry would receive somewhere in the vicinity of $5 million for compensation as a result of this new concept that would come onto the Australian racing landscape. Also, we have had that acknowledgment from TeleTrak. A news release put out by TeleTrak states:

> Proprietary racing—the new champion of horse racing—is set to take off in Australia and is poised to attract a lucrative worldwide market and to offer great dividends for South Australia in investment, licensing revenue and jobs.

They go on to say that they will be raising development funds and beginning with the construction of three, two kilometre straight tracks to host the innovative proprietary racing near the regional centres of Waikerie, Port Augusta and Millicent. Further, it goes on to say that this concept will bring much needed growth to regional areas with the expectation that 4 500 new jobs will be created in the construction and operation of the three tracks over the full five year development. The recent South Australian government decision to introduce a licensing system for proprietary racing means that TeleTrak can now proceed with its developments, fundraising with investor security and no longer hampered by legal and licensing uncertainty. That is the climate that has been set with respect to the build-up of this new form of gambling that has been proposed by TeleTrak.

Acknowledgment has been given by both TeleTrak and the government that for this particular concept for proprietary racing, a revolutionary concept in Australian racing terms based on the internet, if it is to take place, it will be licensed; there will be a licence fee; thousands of jobs will be created; there will be three sites; and there will be regional development all over the place. A fundamental issue with respect to licensing as a form of gambling activity is to ensure that the state receives an appropriate licence fee, or tax, but there is no licence fee payable in this bill if a corporation contracts with a racing club or a racing controlling authority to conduct events effectively on its behalf, and I will return to this issue later.

The government has shown great reluctance in this matter: it never wanted to bring this bill into the parliament. Its first position was to play along with the concept without ever bringing the bill forward. When things got a bit serious, it threw up a $25 million licence fee, never believing that TeleTrak could come up with that sort of money. Its announcement on 3 August 1999 was followed by the Governor's announcement on 28 September 1999 with respect to the government's legislative program. Over 12 months later, we hear of a bill which mentions a licence and a licence fee, but of course that bill was gutted; the minister caved in.

Two weeks later we have a new bill in this parliament with no licence fee if the controlling authorities effectively conduct these events. This has all happened in a climate in which no other state has been prepared to touch proprietary racing—TeleTrak. Advice received this week from both New South Wales and Victoria is that the file is closed. Their offer to TeleTrak has been straightforward. Firstly, show us your business plan; and, secondly, demonstrate the viability of your concept. Neither has ever been achieved.

After the entire debate and all the sideshows of the past few years, what do we have? Proprietary racing, racing on the internet, is a substantially changed position from the proposal that was put forward. TeleTrak (or its operating company) would operate as a proprietary club. That is what we were told: TeleTrak, or its operating company, would operate as a proprietary club. It was to conduct its own meetings to make a profit, but it will not do that. This is now being done under the umbrella of both harness and greyhound racing.

Secondly, TeleTrak would create thousands of jobs. Well, it will not and cannot. TeleTrak would establish tracks at Waikerie, Port Augusta and Millicent as a minimum, but we now know it is Waikerie only. TeleTrak would pay a licence fee, which it will not. It will operate on all codes, but the biggest code, the thoroughbred racing code, rejects the principle of proprietary racing. What we have in reality is an organisation called Cyber Raceways in which TeleTrak is the major investor. Now it will be conducting not proprietary racing but internet wagering, because the racing will now be put on effectively on their behalf by greyhound and harness—a different concept altogether.

There is a different concept between proprietary racing and putting on internet wagering. Cyber Raceways is interested in receiving a commission from internet wagering turnover, not in conducting race meetings or creating jobs. Cyber Raceways has the following: a 25 year lease on some property at Waikerie and a contract with each of the South Australian Harness Racing Authority, the South Australian Greyhound Racing Authority and the TAB. The codes will get a guaranteed management fee and, we understand, a small percentage of internet turnover.

I want to repeat that point. The codes, that is, harness and greyhound—not thoroughbreds; it is not in it, although that is about 70 per cent of the racing landscape give or take a few per cent, depending on which state you are in and to whom you are talking—will get a guaranteed management fee and a small percentage of internet turnover. Racing will be for the internet, a non-spectator sport. People cannot go to this type of racing. Its market, I am advised, will include Australia, Asia, Europe and perhaps the east coast of America.

Racing will be in a straight line, with a 600 metre track for greyhounds and a 1 600 metre track for harness racing. We understand that the capital so far raised is of a limited nature, and I think it would be fair to say that a lot more work has to be done on the construction at Waikerie. The bill before this parliament is a framework bill for any company to become licensed. If you go to the controlling authority, as Cyber Raceways has done, there is no licence fee. If you do it independently of the controlling authority a fee is struck, but there is no detail of that fee. It could be $1, for example.

Let me summarise clinically and carefully the Opposition's concerns about this bill. Critically, there is no detail in the bill of what proprietary racing will pay. Every other form of gambling, whether it be the Casino, the TAB, poker machines or the traditional racing industry such as TAB tote bookmakers, pays a licence fee and/or a tax on turnover. Every form of gambling in this state and in Australia pays either a licence fee or a tax on turnover. However, there is no detail in this bill about what proprietary racing will pay.

The government is entitled to receive from internet wagering no less than what it would have received had that turnover been through traditional betting. Traditional racing pays tax as a state based wagering tax. If proprietary racing/internet based wagering (and that is what this Cyber Raceways is about—internet based wagering) do not pay tax at least at the equivalent of traditional racing, and if there is a shift in the market share, the state will be net worse off.

I know that a claim is made—and there may be some justice in it, although I am sceptical—by the supporters of proprietary racing that we will tap into a new market. In fairness, it may get a small percentage of a new market or even a big percentage, but presumably it will also get some people from traditional racing, so there will be a shift in market share.

A couple of things will happen as a result of that shift in market share. The same tax will not be paid, because there is no detail about that in the bill—and I will go into more detail about that in a moment. We will also not get what we currently get with traditional racing, and that is 55 per cent going to the racing industry. With proprietary racing, this revolutionary new concept, we will not have 55 per cent going to traditional racing as we currently do with the structure of non-proprietary racing, because the new organisation is racing for profit—and why would it not? The reason it has gone into it is to race for profit. There is a huge change in the dynamics under this new system.

So, we are not clear from the bill what, if anything, proprietary racing will be paying to the state. The fees that are being set are not clear. What has changed is this whole debate about a licence fee. Until two weeks ago there was to be a licence fee—as there should be—but, of course, now there is no licence fee. We do not know why, but we know it has been taken out of the bill. What duty will the state receive from internet wagering? In traditional racing it is a complex formula but, essentially, 55 per cent goes to the racing industry and 45 per cent to government. Despite the lack of any prospects for a private owner of the TAB, the government tells us that its revenue from the TAB after it has been sold will be no worse than it is currently. So, the tax effective rate is 45 per cent of that money which is available after a range of money is taken out.

To give just a broad example with traditional racing, if $100 is bet on the TAB, $85 goes back to the punters, $15 is kept by the TAB and, after costs are taken out, approximately $10 is left. These figures are not exact, but they illustrate the concept. Of that $10 that is left, 55 per cent goes to the racing codes and 45 per cent to the government. That is what I am talking about with respect to an effective tax rate. The effective tax rate with traditional racing is that, after you break it all down and after the moneys are paid back to the punters and the money is taken out for the costs of running the TAB, 55 per cent of the figure that is left goes to the racing industry and 45 per cent to the government.

We want to know the situation with proprietary racing and with internet wagering. It should be no worse than it is for traditional racing. Despite the lack of any prospects of a private owner taking over the TAB, we are advised by the government that from a taxation point of view the government will receive no less than it currently receives. If internet gambling or any future proprietary racing club activity is treated any differently from traditional forms of wagering, it is not an acceptable concept.

This bill implies the government is licensing proprietary racing, but that is not the effect. This organisation will be conducting internet wagering, not putting on proprietary racing. The racing is being put on by the greyhounds and harness racing. We are a long way from the original concept of building tracks and creating jobs and regional development. There has been a quantum change from the TeleTrak proposal over the past few years. No longer do we have a concept of proprietary racing where TeleTrak or whoever set themselves up as a club, build the sites, create the jobs and put money into regional areas. That is not happening under this concept. Under this concept an organisation called Cyber Raceways, in which the major investor is TeleTrak, is performing the task so that people can gamble on the internet. The actual proprietary racing is being put on by the greyhounds and harness racing.

We also want to know whether this government plans to regulate the betting deductions on internet wagering, as it does for traditional racing. There is no talk about that in the bill, either. With respect to traditional wagering, I will use win and place as an example, because the rates vary with win and place, quinellas, doubles, fourtrellas and so forth. For win and place, the government keeps about 14.5 per cent, similar to the figure that I mentioned previously when I said the punters get paid back $85 dollars for every $100 that is invested. What rate will be struck by the government with respect to internet wagering? There is no mention of this in the bill, nor about licence fees, the effective tax rate or the deductions that will be taken out. Will internet wagering

come along and say that it will strike a figure of 30 per cent, rather than 85 per cent going back to the punter? Will Cyber Raceways be able to say that it will give back only 70 per cent? That is not good enough. There is no detail about any of this in the bill.

We have a range of concerns about this bill. Our first concern is the lack of detail about what the effective tax rate will be, why there is now no licence fee and what the state will get from this form of gambling when it gets either a licence fee and/or a percentage of the turnover from any and every other form of gambling. Secondly, we are concerned about the effects on traditional racing—even more so in lieu of the lack of transparent taxing arrangements, which I have just talked about, and what share, if any, proprietary racing clubs would pay or what is derived from internet wagering.

One has to be cognisant of the effects this will have on the racing industry. It is not a reason by itself to oppose a bill of this nature, but it is a factor in our consideration. There has been a whole range of speculation about what effects this concept will have on traditional racing. In total honesty, the verdict is out on that. You could speak to 100 different players in traditional racing whose opinion would vary quite considerably from one end of the spectrum to the other. I also acknowledge that some people in traditional racing will say this is a good thing, particularly owners and breeders, because it increases their potential for stock. I will not deny that that could be a benefit for owners and breeders. Quite clearly—and I will cover this point in more detail—the greyhound and harness racing fraternities have identified some benefit that will come as a result of their putting on this product for cyber raceways, for cyber raceways then to put it on the internet. Of course, there is also the other body of opinion as to what this will do to traditional racing. I have certainly highlighted the lack of transparency of the effective tax rate, what the government will get, what the fees are, what the costs are and what the licence fee is not. I have demonstrated that all of those will have some effect on traditional racing.

I quoted from the South Australian Racing Clubs Council before, and I will do so again. The Chairman of SATRA, Michael Birchall, has expressed his concern about what effects proprietary racing may have upon traditional racing, and as I have said there has been a whole broad range of opinion. By and large, this is not the only organisation one could or should listen to. As I said before, the South Australian Racing Clubs Council is the umbrella body that is representative of all the country areas. It is not normally a group that would share political allegiance with the Labor Party, but nonetheless—

*An honourable member interjecting:*

**Mr WRIGHT:** And certainly didn't on corporatisation. However, on this occasion, it is looking for the support of the Labor Party, and one might say that we are happy to provide it.

*Mrs Maywald interjecting:*

**Mr WRIGHT:** Indeed. The South Australian Racing Clubs Council is an organisation that provides representation to the 25 provincial and country racing clubs across the state. This is what it says about proprietary racing:

> Whilst the South Australian government can rub its hands together at the prospect of gaining a significant licence fee—

obviously it wrote this before the government caved in two weeks ago, gutted its bill and took out the licence fee—

> the loss of ongoing revenue—

You can laugh, and everyone is laughing with you. We will get to the clauses in committee. We do the clauses in committee. It does not matter what clause 10(2) provides—

*The Hon. I.F. Evans interjecting:*

**Mr WRIGHT:** Yes.

*The Hon. I.F. Evans interjecting:*

**Mr WRIGHT:** What is the fee?

*The Hon. I.F. Evans interjecting:*

**Mr WRIGHT:** When they apply. But if they go through a controlling authority or a race club there is no licence fee.

**The Hon. I.F. Evans:** That's right.

**Mr WRIGHT:** That's right. That's the sting in the bill, and that's what you gave ground on. Shrug your shoulders. Why would anybody not—

*An honourable member interjecting:*

**Mr WRIGHT:** Haven't you been listening? I have told you what the issue is. I have told you about the lack of transparency with regard to taxation. That is one issue. Now we are on to the second issue, and that is the effect that this will have on traditional racing.

*An honourable member interjecting:*

**Mr WRIGHT:** If you want to interrupt, I will reply to your interruptions. So don't shrug your shoulders and roll your eyes. You wanted to know our position on this, so here it is: we will give you our position. The South Australian Racing Clubs Council said this:

> Whilst the South Australian government can rub its hand together at the prospect of gaining a significant licence fee from TeleTrak, the loss of ongoing revenue from local racing will be substantial if TeleTrak is permitted to commence operating in South Australia.

Whether it is TeleTrak or cyber raceways, it is does not matter: the concept is the same. The quote continues:

> The introduction of TeleTrak will have devastating consequences upon the very structure and assets of provincial and country racing, particularly the latter racing clubs, which will be decimated and fractured beyond any chance of survival.

That may be a bit over the top. We may not think it will have that sort of ramification. Further, the quote states:

> The downturn in provincial and country racing would also impact upon the South Australian TAB betting turnover—

that is something similar to what I referred to before—

> and a distribution of profits to government and racing clubs.

That is one concern that echoes what I have said about the effects a concept like this may well have on traditional racing. However, we are also unsure of the effects on the broader industry, and I have mentioned that.

We understand that harness and greyhound racing have identified a benefit, and that benefit is primarily to the owners and the breeders, as I have said, but at what expense will this come? For example, if there is a substantial diversion of existing TAB turnover to internet-based turnover, there is potential for a loss to the codes. The potential for loss to the codes is in two respects: first, because we do not know what the effective tax rate will be with internet wagering. However, we know that the effective tax rate with traditional racing is 45 per cent. Of course, the other effect is that with traditional racing we know that 55 per cent of the profit goes back into traditional racing. That 55 per cent will not go back into traditional racing as a result of the gambling that takes place on the internet wagering. What will go back to the greyhounds and to harness racing is a management fee and a small percentage of wagering turnover—not 55 per cent, and nowhere near it.

If this concept goes ahead, we would insist on a fee structure that represents a positive, a real and strong contribution to the state in return for allowing proprietary racing and internet-based wagering to compete with the South Australian based racing industry in terms of the expanding wagering market. TeleTrak has always insisted on offering a substantial annual fee for this right, and we will insist on this fee being paid.

When the minister stands up and points to clause 10 about a licence fee being struck, that is a Pyrrhic clause that means nothing. The critical part of this whole concept is that, if you do it via a club or a controlling authority, you pay no licence fee. It is not that the government wanted the bill to be this way, because this government is like any other government. This government wants to get its hands on whatever taxation revenue it can. That clause is in the bill because two weeks ago the government changed its own concept and changed the thrust of the bill. We have now moved right away from a licence fee.

So, it is no good talking about clause 10, because clause 10 means nothing. Clause 10 means nothing because we know that, if you go via a club or a controlling authority, there is no licence fee. Why would anyone not want to go via a club or a controlling authority if, in fact, they are going to have to pay a licence fee by not going through one of those two organisations?

But, even if that does take place, even if there is someone out there silly enough to go through that process so that they pay a licence fee, this dopey government can come back and say, 'Your licence fee is $1', or 'Your licence is $5.' There is no detail in the bill about what the licence fee will be; there is no detail about the taxation regime; there is no detail about this new concept and what their responsibilities to the taxpayer will be. When you compare it to all other forms of gambling, it appears that they have very limited responsibilities, or maybe even no responsibilities, when it comes to those areas that I have highlighted.

We have already given two very strong major reasons why we are concerned about a concept such as this. The third reason is that this is a vastly changed proposition. This concept about proprietary racing has been bandied about for five years or more and has travelled up and down, whether it be in South Australia or Victoria, primarily in country areas, doing the route around various country locations, going to various councils, talking to various local members and applying political pressure in certain areas where they think that pressure will have maximum effect. That is not a great criticism, because that is the law of the jungle. But what they were all about, what they have been all about for five years, is establishing themselves as a proprietary racing club, and in doing so they would build sites around these various locations—and in South Australia, Waikerie, Port Augusta, Millicent, at a minimum. But, of course, now we have Waikerie only. There might be some cloud in the sky that will suggest to us that, when we get this one off the ground, we will then go to Port Augusta and then we will go to Millicent.

Let me assure members that there is very limited capital, and that is another reason why there is no licence fee in this bill: because they cannot sustain a licence fee. They do not have the capital for a licence fee, just like they do not have the capital to build these sites around South Australia, just like they do not have the capital to be able to pay the effective tax rates that every other form of gambling pays—and rightly pays. So, this is a vastly changed proposition when we talk about the number of sites; incredibly changed when we talk about the number of jobs. A limited number of jobs might be created as a result of some greyhound and harness racing at Waikerie and, quite obviously, everyone on both sides of the House would hope that that would be the case. But there will not be 4 500 jobs, let me assure members, as a result of SAGRA and SAHRA conducting race meetings at Waikerie for Cyber Raceways to put on the internet product. It just does not happen: it just will not stack up. And you will not have the regional development, for the reasons that I have explained.

So, there are three good reasons, three very solid reasons. But there is more. Thoroughbred racing, as I said, basically is about 70 per cent—here in South Australia it gets 73 per cent of the distribution from the TAB. People in the respective codes have been arguing for some time that they should not get that high a percentage, and they may be right. That is not a debate for tonight. However, I only illustrate the point to highlight that thoroughbred racing is, quite clearly—everyone knows it—the biggest area in traditional racing, and it comprises about 70 per cent. You might like to give it a few less or a few more per cent. This concept does not include thoroughbred racing, which greatly diminishes its potential.

*The Hon. I.F. Evans interjecting:*

**Mr WRIGHT:** The minister says, 'Of course it doesn't.'

**The Hon. I.F. Evans:** No, of course it does include thoroughbred—

**Mr WRIGHT:** It does not include thoroughbred racing, because thoroughbred racing will not allow it to operate. The Australian Racing Board has banned it. Where have you blokes been?

*Mr Williams interjecting:*

**Mr WRIGHT:** At least the minister may know something about racing: you know nothing about racing. What you should do is pay your shearers and then you can walk into this House. I saw one of them today, and he asked me to give you his regards: he also wanted to know where the money is.

**The Hon. I.F. EVANS:** Madam Acting Speaker, I rise on a point of order. This is not relevant to the debate.

**Mr WRIGHT:** I will move on. As I was saying, this concept does not include thoroughbred racing. For the minister opposite to say, 'Of course it does', echoed by his colleague, who has switched from being an Independent to joining the Liberal Party without the consent of his electorate, belies the fact that they just do not understand that thoroughbred racing has banned proprietary racing. The Australian Racing Board has banned proprietary racing. There will be no proprietary racing for the time being—

**An honourable member:** For the time being?

**Mr WRIGHT:** Of course. I cannot say that the Australian Racing Board will not in the future—

*Mr Williams interjecting:*

**Mr WRIGHT:** Of course it is for the time being, yes.

*Mr Williams interjecting:*

**Mr WRIGHT:** The member for MacKillop cannot help but interrupt. So, I cannot help going back to my earlier point: why have you not paid your shearers? Why don't you do the right thing and pay your shearers, Mitch?

**The Hon. I.F. EVANS:** Madam Acting Speaker, I rise on a point of order. This is not relevant to the debate.

**Mr WRIGHT:** The minister and the member for MacKillop take great delight in my saying 'for the moment'. Of course, one says that because, in fairness, no-one is to know, for example, in five, 10, 15 years' time what in fact we will be looking at on the racing landscape. But what we do know right now is that the Australian Racing Board has

banned proprietary racing, and what we do know and what we can say and what we can talk about is the present. As it stands right now, and certainly for the foreseeable future, there is no likelihood that thoroughbred racing will change its mind and allow proprietary racing.

We have a whole range of matters that we highlight because of our concern with respect to this bill. We also, of course, have a new concept of internet wagering whereby the punter—the consumer—can sit down and place a bet on the internet (if this proposal gets up and running) and watch that commodity race live. It is important to highlight that people can now bet on the internet; that facility does exist—although I am not too sure why one would do it, but there may be reasons. People, of course, use the telephone for the TAB, but if people so choose they can use the internet to place their bets on the TAB. They cannot watch that race on the computer but would then have to watch it on Sky channel, if they have that service at home. This is a different and new concept where a person can place their bet on the internet and watch this product live. One can speculate that this is gambling of a different, new and more compulsive nature. It would not be unfair to argue that certainly it is a new form of gambling, which is totally foreign to gambling as we now know it. It will, in all probability, attract a new range of punters and, at the same time, may well have people who are currently betting on the TAB switching to this form of gambling.

It is a new concept and a form of gambling which by its very nature is more compulsive than are other forms of traditional gambling when it comes to racing. I will not argue that it is more compulsive than all other forms of gambling, as people can have their own views on that. However, with respect to traditional racing it is a new and different concept. I imagine that with people being able to place a bet on the internet, watch that product live and stay on the internet reinvesting money, it is of a more compulsive nature than are traditional forms of gambling.

In summary, there is a whole range of concerns with respect to this bill. There is no need for me to go through them again. We will speak about them in more detail in committee, and that will give us an opportunity to go through the bill clause by clause to see what effective taxing arrangements have been put in place by this bill for either proprietary racing and/or internet wagering. The concept that we are facing with cyber raceways establishing their commodity via the South Australian Greyhound Racing Authority and the South Australian Harness Racing Authority is a form of internet wagering. We are extremely concerned that there is not a licence fee and that there is no transparency with regard to the effective tax rate. It should be no less than what traditional racing pays.

We are concerned also about the costs and fee structures. We say that clause 10 has no relevance because obviously any organisation will establish itself through a club and/or a controlling authority so that it avoids paying that licence fee. We are concerned about the potential ramifications that this may have for traditional racing, which is a major employer in South Australia. It has been a critical factor in South Australia's economy, as it has a huge turnover in betting both on and off the TAB. The opposition is also concerned that this is a greatly diminished product that we are now seeing.

There is a quantum change in the proposal that is being brought before this House when we were once talking about a concept which had a number of sites, which would create thousands and thousands of jobs and would be a major regional development. That simply cannot take place with a concept of this nature. When members opposite get up and say that it will, they do not understand this concept, which is not about a proprietary racing club whether it be Waikerie or more, building a track but about an organisation creating the facility for internet wagering—no more and no less. It will not be a major area of creating jobs.

This is a nothing bill, which is substantially different from what was contemplated not that long ago. We have a bill that is not for a good sound policy position; it is not a bill in which the government believes; nor is it a concept in which the government believes or which the government believes will succeed or indeed that it wants to succeed. It is not a proposal that sits with the major players in Australian racing; nor is it a bill that is required to enable proprietary racing to go ahead. It is not a bill that has been or is contemplated or supported by any other state around Australia but a bill that has been brought in here for a political reason: to sustain a minority government. This bill gives this parliament no credit whatsoever. We need to explore the bill very closely and go through it clause by clause at least to see whether the minister can allay some of the concerns I have expressed about what the state will get in effective taxation as a result of this internet wagering concept. To say the least, the opposition opposes the bill.

**Mr WILLIAMS (MacKillop):** The shadow spokesman for the racing industry has done not much more than display a gross ignorance of the industry on which he purports to shadow the minister. He shows ignorance not only of the existing industry but also of the concept that has been put before the House today. I do not know whether the shadow minister has read the bill or the minister's second reading explanation, but he has been talking about something which, in the main, has absolutely nothing to do—

*Mr Wright interjecting:*

**Mr WILLIAMS:** You should read it, Michael, because what you said has nothing to do with what the bill is about. The honourable member spent most of the time of his diatribe—and that is probably praising it—talking about internet gambling. This bill has absolutely nothing to do with internet gambling; it is about setting up a licensing regime and a probity scheme for those who would wish to be involved in proprietary racing.

The shadow minister made several outrageous claims with little to back them up. He says that there is no licence fee and that there is nothing in the bill about betting. If he looked at the *Notice Paper*, he would notice another bill on it titled the Authorised Betting Operations Bill. If he looked at that bill, he would realise that that bill handles many of the issues which he raised and which he tried to intermingle with what the minister introduced with this bill. He has tried to implicate a whole range of issues which have nothing to do with this bill but which are dealt with in some other bills, including at least one on the *Notice Paper*. He has tried to implicate them in this bill in an attempt to scare off members from supporting this bill and the concept that it brings forward. That concept is merely to bring some competition into the racing industry, and I will talk about that shortly. But to pick up on a few of the statements that he made, he said that this concept has not been picked up in any of the other states. If he knew a lot about the relevant legislation in the various states throughout Australia, he might understand why. I will explain why to the shadow minister.

Basically, TeleTrak came knocking on the door of South Australia in the first instance because the current legislation in South Australia does not prevent proprietary racing. It is my understanding that the legislation in all other states prevents proprietary racing and governments in other states would be required to pass legislation to allow it. So TeleTrak came to South Australia specifically—

**Mr Wright:** I have been to Victoria; I have been to New South Wales.

**Mr WILLIAMS:** Yes, but the legislation in Victoria and New South Wales specifically prohibits proprietary racing.

**Mr Wright:** You introduce a bill into parliament, that's all you do, just like we are doing. Just put a bill in parliament.

**Mr WILLIAMS:** But they can come to South Australia and, as has been demonstrated with the deals that have been made with at least two of the codes by Cyber Raceways, they do not need any legislation to conduct their business in South Australia. That is why they are in South Australia. That is why it has not been contemplated in any other states. Yes, I fully appreciate what the member has been saying about the rejection of this concept by the thoroughbred racing industry, and I agree that the thoroughbred racing industry in Victoria, New South Wales and the other states certainly has rejected this, because they are afraid of competition. They do not want to stand up to competition. If they were not afraid of competition, they would have, indeed, embraced this concept because it would have helped them drive and improve their own code. So it is not so remarkable. He went on to say that there is very limited capital. I cannot understand how the shadow member would know that there is very limited capital behind this particular concept when he knows nothing else about what they are doing. I do not know where he got that information, because everything else he said was patently wrong.

**Mr Wright:** Like what?

**Mr WILLIAMS:** Like everything—when you talked about the betting. This bill is nothing about betting and it is not about internet racing: it is about allowing proprietary racing.

*Mr Wright interjecting:*

**The ACTING SPEAKER:** Order!

**Mr WILLIAMS:** Thank you, Madam Chair. Another thing the honourable member said which is patently wrong is that the government threw up a $25 million licence fee. That is patently wrong. If you knew what was going on—

**Mr Wright:** Ask the minister.

**Mr WILLIAMS:** I happen to know that the proponents of TeleTrak, when they came to South Australia, offered to pay a $25 million licence fee. That was not the idea of the minister. That was the idea—

*Mr Wright interjecting:*

**Mr WILLIAMS:** Yes, you did. Read *Hansard* tomorrow. You were very misleading in that, and there is a whole heap of other places where you were misleading. Notwithstanding the nonsense that we have heard from the shadow minister, I fully support—

**Mr Wright:** How are the shearers going?

**Mr WILLIAMS:** If you want to know how the shearers are going, Michael, I will tell you how the shearers are going. I am very proud, unlike members opposite, because I can actually go out and employ people and put food on the table of other people in South Australia. That is more than you would have ever done, Michael: that is more than you would have ever done.

*Mr Wright interjecting:*

**The ACTING SPEAKER:** Order!

**Mr WILLIAMS:** Thank you, Madam Chair. I reiterate that the current legislation in South Australia does not prohibit proprietary racing. What the bill does is tighten up the existing law in South Australia; it raises the bar when it comes to issues of probity; and it actually introduces the ability of the minister to set standards in licensing where they do not exist and have not existed previously.

One reason why I support this bill is exactly that—because it actually strengthens the law and it strengthens the position of the minister and the government of the day in controlling this industry. However, one of the other reasons why I support this bill is that TeleTrak has indicated that it is interested in operating part of its business within my electorate. I would be very foolish to go to a company or a business operator who brought a proposition to employ 10 people—let alone a hundred people or hundreds of people—in my electorate and turn them away for no reason other than that I did not like the idea that they had. Having had plenty of time to look through their proposal, I think it is a concept which actually captures the imagination of this century. It is a concept which brings horse racing out of the last century—or, indeed, the century before—and puts it into the modern century. Whether TeleTrak, as a business, is successful has nothing to do with it. This bill allows them, or any other business which wishes to, to come and compete with the codes that are currently racing in a free and open market situation. I have never had a problem with the free market.

TeleTrak is not the only proponent of proprietary racing in South Australia, as the shadow minister well knows. I know that the shadow minister is aware of this because, in fact, last week I emailed him with a briefing paper from the Wattle Range Council, as I did to every other member in the House—and, indeed, the other place. There is another proponent which has been talking with the economic development officer and others involved with the Wattle Range Council in my electorate, based in the towns of Millicent and Penola, about setting up a completely different racing—I will not say code, but it might be just as well to call it a code—project, and that is being sponsored by the Australian Racing Quarter Horse Association. I understand that this association has raced previously in Australia. I understand that they raced in Queensland some years ago under the auspices of the then Minister of Racing, Russ Hinze, and the Premier Joe Bjelke-Petersen.

*Mr Foley interjecting:*

**Mr WILLIAMS:** Exactly, and I will go on to explain. My understanding of what they did was hand the authority to conduct this racing to the thoroughbred racing industry in that state, and the thoroughbred racing industry in that state, again not wanting to have any competition, saw to the undermining of that particular project and it came to a halt.

There are, indeed, many proponents of quarter horse racing in Australia. In fact, I met two families who have just moved to the Millicent district in my electorate who are breeders and trainers of quarter horses. They are very keen to see this operation start up in the South-East of this state. Their proposal would be to build one track—one track only. Quarter horse racing, as the shadow minister should know but probably does not know, is very popular in the United States. It is sprint racing for horses. They race on an all-weather dirt track, and the proposal is to build one all-weather dirt track in Millicent. The track can be raced on time and time again, so there is no need to spell the track or construct more than one track. It is their intention to use that particular facility to sell their product via the various TABs around Australia, all

over Australia, from that one site. They have agreements in principle with the South Australian TAB, agreements in principle with both the Victorian and Queensland TAB and are currently negotiating with the New South Wales TAB.

So they are talking about having 400 horses in work at any one time and that will provide significant benefits to that particular district. I am told that, for every two horses in work, one job is created: that is at least 200 jobs created by conducting the racing. On top of that is all the ancillary support for racing—whether it be the Australian Racing Quarter Horse Association or TeleTrak—such as breeding, training, growing of feed, handling and housing, and it goes on. If we apply the multipliers to it, it is not very difficult to see that if either or indeed both of these proposals get up in the Wattle Range district—and I sincerely hope both of them do and would wish both of them every success and every bit of luck—there is potential for substantial job creation and the creation of substantial economic activity. It would be very unwise of me and I believe any member of this House to deny that regional economy the chance to have this development occur within its boundaries.

The shadow minister also talked about the thoroughbred racing industry and how this bill could be detrimental to it by providing competition. I always thought that competition was a healthy thing, and I will continue to believe that. However, the thoroughbred racing industry has, as we all know, gone through relatively tough times, recently at least, if not for a long time. It is going through particularly tough times in my electorate and the adjoining electorate of Gordon—

*Mr Wright interjecting:*

**Mr WILLIAMS:** All right, thank you. In my electorate and the adjoining electorate of Gordon racing is a very popular sport. We are unfortunately adjacent to the Victorian border, the competition by which the traditional thoroughbred racing industry has been impacted is indeed from its own code across the border. As we all know the stakemoney in Victoria is much higher than it is here in South Australia. The Victorian clubs, as I understand it, pay appearance money to horses that appear at races throughout the western districts and they draw most of the best horses. Most of the best horses seem to be running on race tracks in the western districts of Victoria rather than on the tracks in the South-East. Indeed, it is continually lamented to me by members of the racing industry, and public, in the South-East that they have difficulties even in filling a number of acceptances for a race meeting in the South-East. We are not talking about tiny country town meetings: major South-East race meetings are having difficulty in obtaining enough acceptances to run race meetings.

So, to have either one or hopefully both these proposals get up in that area I believe will provide substantial stimulus to the local thoroughbred racing industry. It will re-create interest in the sport of racing in general and I think will do nothing but good for the racing industry. It will indeed in South Australia grow the racing industry substantially, which will mean all of a sudden that those people who work and are employed in the industry will have the opportunity to have a full-time career in the industry. Certainly, people in country areas and, I believe, probably a lot of the people involved in the industry in the city are not employed in a full-time manner. Very few people in the South-East would be employed in a full-time manner by the racing industry.

If we had some hundreds and hundreds of horses in that area in work, in training, being stabled and fed, I am sure that many full-time jobs would be created and there would be the opportunity for those who wished to be involved in the racing industry to be employed in a full-time manner.

So, it is with great pleasure that I can support this bill. I commend it to the House. I know that it has been a long time coming and has caused quite a bit of anxiety within my electorate. I can assure the House that those people involved in discussions with both these proponents in the South-East, particularly the Wattle Range council and a lot of other people in the South-East, are very supportive of this concept. One would only have to read and listen to the local media to know that this concept is very well supported in the South-East. I commend the bill to the House.

**Mr FOLEY:** I rise tonight to join with my colleague, the shadow Minister for Racing, and indicate my opposition to this piece of legislation. I want to make some comments that ought to be taken in the right spirit. This issue has been with us now for some time. For three years we have been debating issues with proprietary racing in one form or another. I give full credit to the member for Chaffey for the way in which she has pursued an issue that she has felt strongly about; an issue that she is passionate about; an issue that she believes in; a process and an industry that she believes can work, and she has put her heart and soul into this issue. She deserves full credit for that. Her electorate has backed her on that and she is the reason, the major reason—the only reason—this bill is here tonight.

However, that does not mean that those of us in the opposition have to share that passion and those views and have to support her position. That is what democracy is all about. The member for Chaffey and the residents of her electorate know that she has represented their interests extremely well in this House on this issue. I think she does on most issues. I think she is an exceptionally good member of parliament. However, on this issue we differ and separate.

*An honourable member interjecting:*

**Mr FOLEY:** No, the opposition and the member for Chaffey separate on this issue. Let us be realistic and honest about this. Let us not go on with some of the drivel that the member for MacKillop did. We know what this bill is all about. We would not be here tonight if it was not for the fact that this government hangs on but by a thread in a significantly minority government. We would have seen this bill two years ago if this was a government that was passionate about proprietary racing. It would have rushed it in here, offered them money, brought in the proponents, promised them the world, the Premier would have been up there and there would have been TV advertisements and hand-outs.

This government would have backed it in with real commitment because that is what it has done with every other investment in which it has passionately believed. However, this government has fought TeleTrak at every opportunity, frustrated TeleTrak at every opportunity and frustrated the member for Chaffey at every opportunity, but suddenly, in recent times, its minority has become more significant and it has to deal with the real politics of keeping as many members on side to keep it in government. We know that, and that is no criticism of the member for Chaffey. It is all credit to her that she has been able to get it to this position.

However, that does not mean that we have to support this bill. I must say that, on an honest and objective assessment, TeleTrak has not proven its case. It has not done so with any government in Australia. No other government has been prepared to back this. I must say that I am no lover of the thoroughbred racing industry. I probably do not know that

much about it, but I am not a great passionate supporter of the industry. However, on this matter, let us be honest: nowhere in Australia has any government or any racing authority been prepared to support it. That must tell us something. The only political party in Australia that is prepared to back this proposal is the significantly minority Liberal government. I think that says it all.

We have had a lot of promises from TeleTrak. We were promised a prospectus, but I do not think we have seen one. We were promised significant capital raising, but we have not seen that. We were promised tracks in Waikerie, Port Augusta and Millicent, but I understand that the only one to eventuate to date is Waikerie. So, much has been promised but so little delivered. Again, we have to ask why this is so. Why has it not been able to raise the capital that it has promised for so long?

As I said earlier in my contribution, I know that we would not be here tonight if it was not for the political circumstance in which this government finds itself, because I know how so many members opposite feel about this. I have talked to many of them about it. I have been a shadow minister for racing, and I know what the government thinks and I know what its members' feelings are. However, they know that the political imperative is far greater than whether or not they are doing the right thing by racing. I would like to see the parliament take the proper decision tonight. Let us not support this legislation.

My colleague the shadow minister has quite rightly highlighted a number of areas of concerns and deficiencies and the issues of licence fees, taxation and all sorts of issues that are not simply explained. I am concerned that there is not sufficient prudential supervision or regulatory oversight of the operation. Advantages seem to have been provided to TeleTrak that are not necessarily available to other racing codes, and that leaves much to be desired. I want to be honest because many contributors and many people involved with the bill—and I am talking primarily about the minister—will not be calling a spade a spade when it comes to this bill.

It is a political bill that is designed to fix a political problem. We have done enough in this place and seen enough over time. We have enough trouble making good law in this place with the best of intentions, so let us not make bad law with the very worst of intentions. Let us defeat this piece of legislation tonight and, ultimately, if TeleTrak has a product that it wants to offer, it has to do much more to convince many of us before we should give this the time of day.

**The Hon. G.A. INGERSON (Bragg):** I would like to make a reasonably short contribution because most members of this House, if they are able to read *Hansard*, will historically know what my views were—and they have not changed very much—in terms of what needs to be done and how TeleTrak, or, for that matter, any other proprietary racing company, in essence, could deliver their product in South Australia.

This bill is a facade, and it is ridiculous to see it being introduced in this form, because you can walk a truck through it. If the government was serious about ensuring that proprietary racing had a genuine future in this state, it would be doing something far more substantial than this bill.

That is my view and I think people who have been connected with me for a long time know that is the case. I am not at all opposed to proprietary racing. My concern all the way through has been one of probity and, as far as I am concerned, this bill does not go far enough in the areas of probity. Those issues have been around for a long time. The reality is that we do not need this act because cyber racing has already proved that: we do not need it. What you do is set up a deal with existing industry and then you are away.

*Mrs Maywald interjecting:*

**The Hon. G.A. INGERSON:** Well, quarter horsing is an exception, and I understand quarter horsing at one stage was run through the thoroughbred industry in South Australia and, in my view, it can still be done that way. If it has a specific case, we ought to bring in an act specifically relevant to it. It is a new opportunity; there is no question about that. I do not have any problem with any group of people wanting to set up a new idea and developing their industry. I do not have any problem with that at all, but I believe that we need to have consistent rules, and this bill does not do that.

As I said to the member for Chaffey earlier, it is my view that, if we are to have a bill that covers proprietary racing, it ought to cover every corporate body involved therein, whether it is a new group or the existing group. We have, through legislation that has passed this House in recent days, corporate authorities in this state that ought to come under the same set of rules as proprietary racing—if we are fair dinkum. Then we can talk about whether the licensing applies and, if so, how it applies. However, first of all, you must have a fundamental set of guidelines.

As I said, you can walk a truck through this bill. Cyber Raceways has already proved you can do that. I do not think there is anything wrong with what it has done, because it complies with the Racing Act, and there is no hassle with that. If we want it to be licensed and we believe that because corporate racing is new we ought apply probity and a whole set of rules to company directors, that should apply to everyone. This does not do that, and I am concerned about that. I have told the minister that I will support the second reading, but I will maintain the option to oppose it at the third reading, to enable the discussion on the clauses.

The shadow minister made a couple of comments that need to be corrected. I have a lot of respect for the member, but he gets it wrong on a number of occasions. I was not aware until he mentioned in the House a few minutes ago that he had been briefed by Cyber Raceways. He would know that it has a contract with the TAB. If he understands how the TAB works—and I know he does—he would know that, according to some TAB figures in 2000, a gaming tax of 16.3 per cent is imposed on net wagering revenue. So, in fact, every dollar that is bet through Cyber Racing's contract will attract a 16.3 per cent gaming tax through the existing Racing Act, which will license the new TAB, and those areas of gaming tax will not be changed. So, every dollar that is spent through the Cyber Racing contract with the TAB will be taxed. So, it is not correct to say that there is no tax on the wagering dollar through this new system.

In my view, where the honourable member's argument has some validity is that, whether this is structured through existing racing legislation or through this act, a licence fee should be imposed, irrespective of the method in which it is set up. In other words, I do not care if you go through the existing system, but there ought to be a licensing fee. That ought to be in the control of the minister, and when we debate the clauses we will probably ask him whether he intends to do that, but that is something that he could do by regulation under this legislation. I do not have any view on whether he should consider that.

If the issue put by the shadow minister turns out to be true and there is a significant movement away from the traditional

industry and the two codes that are currently set up towards cyber racing and thoroughbreds in the future, then, because there is a licensing fee, if the minister so chooses he could make a distribution or grant through that fund. But, because we will be collecting a tax, he can make that decision in any case. In fact, the government does that right now and has done that since I was minister, where $2 million was taken out of general revenue every year and given to the racing industry to do certain things, such as breeding and so on. If it is a success there is no reason why that tax cannot go back by government decree, because it is going into general revenue and it is up to the minister to argue that case when he goes through the budget process each year.

My first point is that you can walk a truck through this; my second point is that it is not necessary; and my third point is that, if we are to license, everybody should be included. That is the issue. I do not really care whether or not Cyber Raceways is a success. That is its opportunity, and we in this House should not be concerned about that. That is a very different position from when I was minister. When I was minister I had to take a broader position, because as minister I had to take a view that was relative to the whole of the racing industry. But, as a member of parliament my only concern now is to ask whether this act is fair and covers all the conditions of probity we want it to cover. Let those who want to get on with the job make a profit or loss; that is their problem. The question is whether it is capable of being implemented, and I think some issues need to be checked up.

The members for Wright and Hart mentioned another point where I think they are right. This has nothing to do with racing at all: it has to do with gambling and gaming. That is what it is all about. Let us not kid ourselves; that is what it is all about. The quarter horses, harness racing, greyhounds and thoroughbreds are only the facade to make money on gambling. I do not have a problem with that, but let us not kid ourselves. Let us not talk about all the massive numbers of jobs we will get through the industry; unless the gaming side works there will be no jobs. That is the key to it but, again, that should not be our concern. That should be the concern of the company or the individual club that wants to do it. All we have to do in this place is set the rules so we as a community can say that this operation is running according to the rules that we have set, and we are quite happy to have it in our state and say we are proud of what they are doing. That is all this legislation ought to be about.

**Mrs Maywald:** Do the existing racing corporations have to comply?

**The Hon. G.A. INGERSON:** My view is they ought to comply; I said that earlier. The member for Chaffey asked me whether I believe the existing racing corporations ought to comply; if we want proprietary racing and if we corporatise, the answer is obviously yes. We ought to establish now that it applies as of now, and do something to ensure the probity issues. The racing industry may not be too happy about that, but that is not my concern. We are talking about consistency, fairness and honesty.

I want to make one other comment, because I still think it is relevant. It is absolutely critical in this whole new development that the buyer beware. I wrote to the councils about this a long time ago. Knowing a little bit about racing, I am staggered and concerned about the number of instant experts in the country. I honestly believe that a hell of a lot of people need to step back a bit and honestly look at this. I am not suggesting at all that there is anything wrong with what is being done, but there are so many instant experts in an industry that requires a hell of a lot of skill, luck and decent operational knowledge. Very many successful businessmen have gone broke in this industry already. All country councils and everyone who wants to go down this path ought to be aware that they are going into a risk industry, know and accept the risks, go in with their eyes open and get on with the job. I have said that before, and I say it again in this debate, because it is something that needs to be said.

The whole issue of internet racing and internet gambling is a major issue for this state. My personal view is that it is a lot of nonsense, because it is nothing but a different technology for people to choose their gambling options. That is not the case for a whole lot of other people, and that is and will be an issue as we go through the debates on this project in the parliament. I want to make one other comment in this area of wagering. Any person who carries out a business of wagering in this state at the moment is required to be registered; that is, the bookmaker or the TAB. I do not believe that anybody should be exempt from that rule, whether it is Cyber Raceways, TeleTrak, Graham Ingerson Pty Ltd or the Member for Hart Proprietary Company. We all ought to be covered and everybody ought to be registered with the same set of rules. This act does not pick it up as strongly as it should.

*An honourable member interjecting:*

**The Hon. G.A. INGERSON:** It ought to be very tight. The probity issues of ownership ought to apply, irrespective of the process by which it is carried out. I have no problems with cyber racing going through the current authorities of greyhound or harness racing, but it should not be able to get around these probity rules. It should have to register and be licensed under this act. If the minister or the government chooses not to have a licensing fee—

*An honourable member interjecting:*

**The Hon. G.A. INGERSON:** I do not care about that: that is a decision of the minister. The probity rules of licensing ought to be altered, because they apply to the bookmaker—the very person against whom they are competing. They apply to the TAB. We have a bill coming on later—and I know we are not allowed to talk about that—that will provide for probity rules to apply to the new owner. They ought to apply to anyone else who is involved in internet gaming. I will have a look at whether we need to amend this as we go into committee.

When I was minister I put my view on the public record on many occasions. Whilst I had a lot of heated discussions with the TeleTrak corporation, it never stopped talking to me if I was prepared to contact it. I put that on the public record, because it is important. Whilst on many occasions we did not agree on the way things were handled and processed, the reality was that I was always able to talk to Teletrak, even up until the past couple of days when it has supplied information to questions I have asked of it. Let us address all the issues of probity and let the company get on with it if it wishes and is capable of doing so. It is still a buyer beware situation.

**Mrs MAYWALD (Chaffey):** I would first like to get back to talking about the bill, because this bill is not about the merits of TeleTrak, the merits of the cyber racing proposal, the ability of the members for Lee, Hart or Bragg to judge the viability of such proposals or about the member for Lee's assertion that this parliament should pick winners when it comes to commercial proposals: that is for the shareholders to determine. This bill is about establishing a framework that is not currently in place in this state for proprietary racing. In

all the contributions made this evening, no-one has actually mentioned or highlighted the fact that proprietary racing can go ahead now without this bill. If we defeat this bill, it can go ahead unregistered and unregulated. With this bill we are saying that perhaps we do not want that to occur. If racing is going to occur in this state, we want it regulated. If all the issues relating to the proposals were even half true, then the proprietary racing bill would ensure that the probity requirements would be met, and the shareholders who decide to invest their money will be the ones who will make the decision on that risk, not this parliament.

It is unfair to say that the support for these proposals is not within this House. It is unfair to say that it is only because of me that this proprietary racing bill has been brought forward. That actually is a slight on those thousands of people in Port Augusta, Millicent and Waikerie who, for over four years, have been trying to see a fair and equitable resolution to the whole issue of proprietary racing. There has been much talk about whether TeleTrak or Cyber Raceways has the ability to get up and running. Why should we be providing this opportunity for proprietary racing when none of the other states has taken up the opportunity?

It has also been said that all the other states have closed the door on proprietary racing. I have to ask then: why has the Victorian government called for submissions on proprietary racing under the national competition policy review? Why are they still corresponding with different proponents of proprietary racing—by that I mean the Quarter Horse Association and also the TeleTrak proposal?

This bill is about what we want to see in this state in relation to regulating racing. I agree with the member for Bragg: I do not believe that racing should be able to operate in its existing format under the new corporatisation of racing without those directors having to be assessed under appropriate probity standards. Why do we allow one set of standards for the existing racing industry, and why do we support the continuation of that? Probity is vitally important in racing, and that is why I support this bill. Four years ago, when the Waikerie council first suggested that it was interested in looking at the TeleTrak proposal and perhaps putting in a submission to attract it to a site in Waikerie, the proposal was vastly different from what it is proposing now. No-one denies that. No-one denies that over a period of four years things have changed dramatically. No-one denies that the proponents have had to change tack several times. Nobody denies that at every turn more obstacles have been put in their way.

What has not been recognised in this House tonight is that that proposal and the proponents of that proposal are still around; they have not gone away. No matter how many of these obstacles continue to go in the face of the proponents of TeleTrak, they are adamant that they will find a place for TeleTrak to operate. I am suggesting that, if it is going to happen, why not give it the opportunity to happen in South Australia? Why not provide the opportunity for South Australians to benefit from this? Why not offer the opportunity to regional South Australia in three particular sites? Why not offer the opportunity that Cyber Raceways is offering at both Waikerie and Millicent—not just at Waikerie but also at Millicent—in relation to the greyhound and harness racing contracts? Two out of the three codes in South Australia have entered into commercial arrangements with Cyber Raceways. They have entered into commercial arrangements with Cyber Raceways on a fee for service basis to provide racing events on tracks provided by Cyber Raceways.

Cyber Raceways is building the tracks because the existing tracks are not capable of providing the picture quality for the transmission and the broadcasting that Cyber Raceways is proposing. It needs purpose-built tracks, and this is why the tracks are being built in country areas. They are not spectator based; they are not dependent upon population: they are specific to regional areas, because they are basically a television studio; they are a production studio. Cyber Raceways is not operating racing. It has contracted greyhound and harness racing to run its race meetings for it under the existing rules. Under the existing rules—and the member for Bragg has mentioned this—the directors of the newly formed racing corporations operating in this state do not have to comply with these probity standards. Why is that? Why do we support that? That is a question I have to ask.

I would be quite happy for everybody to have to comply with the same probity standards. What I object to is when we impose one set of standards on the sector that is dealing with the existing racing industry and not the other. Clubs are operating race meetings without a licence now, without having to pay a licence fee. If those clubs or corporations then choose to enter into agreements to provide their product on a fee for service basis to a transmission broadcasting company, I do not understand why that changes the provisions. If they need to be licensed for that, why do they not need to be licensed for the other racing they are undertaking? It is my view that the whole issue has become blurred, that people are confusing the issues here.

There are currently four ways that racing can be undertaken in this state as it stands now before this bill is hopefully passed. We have the opportunity to operate races under the existing corporations' codes through the clubs arrangement. We have the opportunity to run picnic race meetings. We also have the opportunity for Sky Channel, for Cyber Raceways, or anyone else who chooses to buy the product from the existing racing industry for transmission purposes.

We then have proprietary racing, with which this bill deals. Proprietary racing should not be unregulated; currently it is in this state. That is the message that I am really trying to home in on tonight. I do not think that message is being clearly understood. This is not about enabling TeleTrak to go ahead: this is about regulating it if it does. There is a big difference.

One of the reasons why we have seen a stop-start approach to the TeleTrak proposal is the obstacles that have been put in its way over the past four years, and this has caused the proponents to have to change direction dramatically. Earlier this year, TeleTrak sought the support of the existing racing industry to help promote the proprietary racing bill and to provide a better opportunity for it to be passed through the parliament. Two out of the three codes saw the merit, did the due diligence, signed off on contracts and had Crown Law check them off to ensure that they were all au fait with the existing Racing Act—and they were. The TAB has done the due diligence to negotiate a contracted position to be the sole wagering service provider for the services that are being offered by Cyber Raceways. That can only be good for this state.

The original TeleTrak proposal, when it came to Waikerie, was that 1 000 horses would be stabled on the site for thoroughbred racing. That is clearly not the same proposal that is before us with Cyber Raceways. Cyber Raceways has never promised thousands of jobs. It has promised an opportunity to expand the existing industries. It has provided opportunities for the existing industries to have another

avenue to sell their product. It has also provided opportunities for the existing industries of greyhound and harness to breed more dogs and horses, to employ more trainers and to have better prize money. Yet we have people standing in this chamber saying that that is a bad thing. I do not understand why the expansion of the existing racing industry, giving it opportunities to enter into a competitive arrangement, where it is not held in a stranglehold by the existing establishment through Sky Channel and other establishments within the existing racing industry—

**Mr Lewis:** And expanding the market internationally.

**Mrs MAYWALD:** The member for Hammond has made a very good point: it is expanding the market internationally. It provides the TAB here in South Australia with an opportunity for a worldwide market. That can only be good for the TAB and for the greyhound and harness racing codes. Proprietary racing will provide an opportunity for a proponent such as TeleTrak, the Quarter Horse Association or anyone else to apply for a licence requiring them to meet the high standards of probity under the Casino legislation, not the dog's breakfast that we have with the existing racing industry.

Corporate entities may not want to enter into agreements with the existing racing industry, for reasons that only they can answer. Maybe they have been negotiating with the existing racing industry for years—that is the existing thoroughbred racing industry, that industry has not been prepared to come to the table and sign an agreement, whereas greyhounds and harness have.

If this bill does not pass then the alternative for a venture such as TeleTrak is to establish unregistered racing, to establish its own probity arrangements maybe, or to go to a different jurisdiction. Why should South Australia miss out? It does not seem to me to be fair that because the existing thoroughbred racing code currently has a problem with looking at this as an opportunity, we as a state should also reject it. That seems to me to be quite an extraordinary approach.

The fact that no other state has taken this up as a reason why we should not do so here in South Australia is just as absurd. South Australia has been a leader in many things in the past. We have not—

**Mr Lewis:** Giving women the vote, and the right to stand for parliament.

**Mrs MAYWALD:** Including giving women the vote. Again, that is a very good point from the member for Hammond. South Australia has led the way with respect to many things. We have not waited for the other states. South Australia also has a unique situation. We are the only state in South Australia that does not prohibit proprietary racing under our existing racing. All other states are reviewing their racing acts because of national competition policy reviews, and they have to look at whether or not the closed shop of the existing racing is sustainable under national competition policy principles. This is why Victoria has called for submissions from proponents of proprietary racing.

The other issue that has been confused tonight is what this bill is about. This bill is about licensing racing: it is not about licensing betting. We have authorised betting legislation that requires anyone who undertakes a wagering business to be registered in this state. If Cyber Raceways wanted to undertake its own wagering provisions, it would have to apply through the other provisions that are in place to register betting operations. It does not choose to do that. It has signed a contract with an existing service provider to provide that service. So, that service and that wagering component is managed under existing legislation. This bill is not about wagering. Rather, it is about racing—and proprietary racing, in fact.

I think we have a long way to go on this bill tonight, and I am sure that a number of issues will be discussed during the committee stage, so I will now conclude my remarks.

**Mr LEWIS (Hammond):** I welcome the commonsense of the member for Chaffey, the eloquent and lucid manner in which she disabused all of us as to what this legislation was about in a way in which not even I would pretend to be capable. She has made it plain and, therefore, not necessary for me to explain but, rather, to simply emphasise that it is about regulating TeleTrak, not facilitating it. It is possible in law now. It is a first for South Australia, and I want to make some mention of that in greater detail than has the member for Chaffey, because we have done things in this parliament in the past 100 or so years that have been taken up by other parliaments around this great nation of ours, as well as by other democracies throughout the world.

I do not know that this will be quite as progressive and effective on the world stage as was, for instance, the bill to give women the right to stand for parliament and the right to vote, which became an act. We were the first place on earth to provide such an opportunity, although not the first place where women voted; that was New Zealand.

This chamber also saw the legislation, making it compulsory for the first time in the history of the governance of Homo sapiens to send all children to school and provide that attendance at school, free of cost to the parents, for their children's basic education. I do not see any reason why we as a parliament should not now take an initiative such as this which others will, no doubt, follow. But they will not receive the benefits that will come to us.

This will grow the market, not just for one code or the three existing codes of regulated racing which are licensed for wagering, but for other forms of racing, and it will provide, therefore, a greater awareness of South Australia on the international market. That can only help our image in tourism. I do not think anyone will come to South Australia in consequence of our having TeleTrak as a regulated racing entity, but I am quite sure thousands of people throughout our region on this planet will come to know of South Australia, who may not have thought much about us previously, once this proposal becomes law and that must underline, reinforce and help what the Minister for Tourism has been trying to do, with some measure of success I do not mind acknowledging, and what her predecessors in recent years have been trying to do since the current government was first elected in 1993. It can only help and will not hinder.

I take the point made by the member for Hart. He was quite correct when he made the observation that if the government was embracing this proposal it would have done it with 1 000 trumpets.

*Mr Foley interjecting:*

**Mr LEWIS:** Draped in it, more like it. I do not see it as controversial in any justifiable way. It may be controversial in people's minds, but it will not be detrimental any more or less than anything else we have done, like introduce poker machines. That has been more detrimental to the existing racing codes than TeleTrak will ever be. I would not be surprised to find that the vast majority of the revenue stream generated from the wagering that will take place will come from outside South Australia; indeed a good deal of it will come from overseas. It will not succeed if that does not

happen. It will not be our fault if it does not succeed. It can go ahead now, as the member for Chaffey pointed out and as I said at the outset, but it would go ahead unregulated. It is better that it be regulated.

What it will do, should it establish itself now with the passage of this legislation in that regulated form, is provide a value adding to the existing product of harness and dog racing and, if the thoroughbred fraternity has any brains, thoroughbred racing as well. It will also facilitate, as other speakers have pointed out—the member for MacKillop as well as the member for Chaffey—the quarter horse fraternity and still others being able to join in so long as they can provide visual excitement in the value adding, which this facility will do.

If you want to understand the concept completely, the member for Chaffey has told you what it is not and explained what it is, but another image of what it is is best summed up as a studio for a virtual audience that will be anywhere. Anybody who chooses to watch eventually will log on and look and be able, I guess, through that mechanism to bet. It is a studio which takes the existing product and adds value to it by providing specialised camera facilities to record and broadcast instantly the action undertaken. In so doing it has signed already a deal with the TAB here and I commend the minister for his prudence in getting the government and the TAB to do that because it adds to the capital value of the TAB one way or the other and also ensures an additional revenue stream to those causes to which revenue from the TAB is directed, namely, the existing three licence racing codes now.

The market for the TAB will grow, rapidly in the first instance and then probably slowly but at a significant rate by comparison with what it would otherwise have grown were it not to have signed this deal with TeleTrak in hopefully the regulated form which this legislation will provide. All in all, I do not wish it ill. I see the determination of the member for Chaffey having won through and provided for South Australia something which was not understood and which the member for Bragg did not like in the first instance and may still not like, but which he is now willing to acknowledge I am sure will provide something that he did not believe was possible when he first contemplated it. I make that remark because it will also be true of the member for Lee in due course and in fairly short order.

I do not think then that we need to worry too much about what the future holds. Let us leave it to the imagination of TeleTrak to get it together in a way that gives the visual excitement that can only be provided by cameras close up to the hooves as well as following the action around on the track at girth height and at the same time taking shots from above just to see the progress of the colours, whatever they may be. Eventually, who knows, we may train camels, bantams and goodness knows what (the kinds of things that spring to mind are endless), but I doubt that we will ever get to find much interest in sleepy lizards, yabbies or frogs.

**The Hon. I.F. EVANS (Minister for Recreation, Sport and Racing):** I thank members for their contributions. I will not hold the House long as we want to finish it by midnight if we can. In relation to the comments by the member for Lee, in particular about there not being a specified licence fee in the bill, I refer him to the Casino Act under clause 17 wherein it talks about a casino duty agreement and sets out the need for a fee or duty but does not actually establish what the fee will be. A similar principle has been adopted here in the proprietary racing bill. We said in our statement back in August last year that we would be adopting similar probity requirements and processes as in the casino bill and we have done it there in the setting of the fee. If the House thinks about it, it makes sense not to have a prescribed fee in the actual bill because, if an organisation comes along and wants to run simply 20 races compared with an organisation such as a proprietary racing business that might want to run 5 000 races, the size of the business will to some extent dictate the size of the fee. We have adopted a similar principle in this bill as we have in a number of other bills as a parliament, in particular the Casino Act.

I also make the point, as did the member for Chaffey, that this is not a bill about one company but a framework bill setting up a system whereby the people who wish to be involved in a full profit way in the racing industry can go to an appropriate probity regime and a licensing system. The member for MacKillop talked about quarter horse racing. The member for Lee may not have a view that quarter horse racing will be that successful as it has been talked about for 30 to 35 years. However, the facts are that in the local media in Millicent this week there was some talk of some $40 million to $45 million project long-term if quarter horse racing got off the ground. Why would you turn your back on private sector investment in the regions and why would you want to turn your back on private sector investment in the racing industry? This bill sets out a framework of how people can become licensed and go to a probity regime in relation to getting involved in the racing industry.

I also make the point that two of the traditional codes have already signed agreements. So, when there is talk of traditional racing not supporting this concept, we need to remember that two out of the three smaller codes—admittedly the smaller codes—have actually formally reached an agreement with one particular company in relation to running races on behalf of that company. If that particular commercial agreement tips more private sector money into the racing industry, why would you discourage that if an appropriate regime was put in place? So there are some points that need to be highlighted in relation to that.

The member for Lee talked about issues of gambling. No doubt this will come up in committee, but I remind the House that the gambling issues relating to this bill and, indeed, future bills are covered in the authorised betting bill, which comes to the House probably tomorrow or early next week—hopefully tomorrow. So, all the gambling issues relating to this concept are dealt with along with other gambling issues under the Authorised Betting Operations Bill. So, if the House gets too tied up in the gambling side of it in committee, I really cannot help too much because it is actually dealt with under that particular bill.

We are talking about investment in the regions. My understanding is that the capital investment touted in the Waikerie area, in relation to the contracts signed there, could be as much as $6 million to $8 million and, as I mentioned, $45 million or so, long term, at Millicent. Why would you turn your back on that sort of money coming into our regions? Even if they pick up 200 or 300 jobs, in those areas that is a significant employment generator and has long term employment benefits for those districts. So, from that point of view, I believe that there is a positive to this particular concept, because it can attract bigger investment to our regions, and that is a good thing.

There has been talk, of course, about the arrangement between Cyber Raceways and the two traditional codes,

greyhound and harness racing. Of course, they are simply paying a fee for service. They are simply saying to the traditional industry, 'We want you to run races to suit our timetable and provide the appropriate probity services. For that, we will pay you a fee.' I have no doubt that the traditional racing authorities have built in a substantial profit—a commercial profit, in their judgment—for that management fee. So the question becomes: why would you not allow them to do that? It is not dissimilar, in a way, to corporations hiring whole racing venues and running a Mitsubishi day or a GMH day, in that they use the traditional racing industry's probity and the TAB's gambling probity to enjoy a racing event. But in this case, rather than doing it for one day, they have essentially done it for a whole season or on a long term basis. So this bill, while it does not touch on the fee for service basis that the contract that Cyber Raceways has with greyhound and harness racing, for those who cannot come to an arrangement with the traditional racing industry it picks up the need for a probity and licensing regime.

I am not surprised that the concept has changed over the last five years since TeleTrak first proposed this sort of concept, because technology has changed. As they have gone around and talked to the different codes, the trainers, the owners and the breeders, they have developed different commercial ideas and different commercial concepts. So, the fact that this idea has changed from four years or five years ago to today I do not think is a reason to vote against the bill. I think we just need to recognise that that is a commercial reality, particularly with the fast-moving changes in information technology these days. To suggest a business concept five years ago and think it is going to be the same today I think is commercially a little naive.

Of course, the Victorian Labor Party supported this concept at the last state election and then, typical of Labor, it has failed to deliver on its promise. The member for Lee, of course, expresses concern about internet betting, and the federal Labor Party fails to support Mr Howard's moratorium on internet gaming itself. So, Labor is 50 cents each way, I guess, which, given the nature of the bill, is probably appropriate.

I come to the point about thoroughbreds, to which the member for Lee says the Australian Racing Board is opposed for the time being. The member for Lee might want to telephone the Australian Racing Board and ask what work it has going on behind the scenes to set up an internet bidding service itself, whether it has a little project team working up the concept of maybe taking the traditional thoroughbred industry, via internet, to certain sites and whether it is actually investigating that concept as an industry; and, if it is, good luck to it. For the Australian Racing Board to say it will not be involved, that is its judgment, but why not set up a framework bill that provides a licensing and probity system so that if it wishes to venture out later on, or commercial opportunity ventures out later on, the framework is in place to take care of the various possibilities that that might present. So, with those few words, I thank members for their contributions.

The House divided on the second reading:

AYES (23)

| | |
|---|---|
| Armitage, M. H. | Brindal, M. K. |
| Brokenshire, R. L. | Brown, D. C. |
| Buckby, M. R. | Condous, S. G. |
| Evans, I. F. (teller) | Gunn, G. M. |
| Hall, J. L. | Hamilton-Smith, M. L. |
| Ingerson, G. A. | Kerin, R. G. |

AYES (cont.)

| | |
|---|---|
| Kotz, D. C. | Lewis, I. P. |
| Matthew, W. A. | Maywald, K. A. |
| McEwen, R. J. | Meier, E. J. |
| Penfold, E. M. | Scalzi, G. |
| Such, R. B. | Venning, I. H. |
| Williams, M. R. | |

NOES (19)

| | |
|---|---|
| Atkinson, M. J. | Bedford, F. E. |
| Breuer, L. R. | Ciccarello, V. |
| Clarke, R. D. | Conlon, P. F. |
| De Laine, M. R. | Foley, K. O. |
| Geraghty, R. K. | Hanna, K. |
| Hill, J. D. | Hurley, A. K. |
| Key, S. W. | Koutsantonis, T. |
| Rankine, J. M. | Snelling, J. J. |
| Stevens, L. | Thompson, M. G. |
| Wright, M. J. (teller) | |

PAIR(S)

| | |
|---|---|
| Olsen, J. W. | Rann, M. D. |
| Wotton, D. C. | White, P. L. |

Majority of 4 for the Ayes.

Second reading thus carried.

In committee.

Clauses 1 and 2 passed.

Clause 3.

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

Page 5, after line 28, insert the following definition:

(1) 'conduct' a race includes arrange for the conduct of the race;

In my second reading contribution I suggested that we should be trying to include all the codes and all the proprietary racing companies under this act so that probity applies to all of them. One of the amendments that one would need to make to introduce that would be to make sure all the clubs that currently conduct a race on behalf of Cyber Raceways or any new proprietary racing company are, in fact, picked up by this act.

We will also need to amend the Racing Act to make sure that the corporations that currently exist also come under the same system. However, because we have only this act before us today, I ask that we proceed with this amendment, which will tighten up this whole act and pick up all the existing authorities that will run the race on behalf of any proprietary company. That is the first step. We will then need to amend the Racing Act, and I would be prepared, if this gets up, to continue to do that. If it does not, it will stay as it is.

**Mrs MAYWALD:** I oppose the amendment, simply because it will not achieve what he hopes. I believe that in principle his intention is good and that he would like to see captured the existing racing industry under the probity arrangements of proprietary racing. I think that is a good principle, and I support that also. However, that is not what the proprietary racing bill is about. The intention that the honourable member is trying to achieve through this amendment would need to be enacted through the Racing Act or that act would need to be repealed and the existing racing industry would need to be brought under the proprietary Racing Act. Then all would be on the same level playing field. I am sure that is what the member for Bragg is trying to achieve. Although I agree with the principle of what he is proposing, I do not believe that this is the right way in which to achieve it.

**The Hon. G.A. INGERSON:** I accept the general comments made by the member for Chaffey. I signal to the committee that I will introduce a private member's bill to amend the Racing Act and the proprietary racing legislation to make sure that we do get the probity issues in line. It will then be up to the House to decide when that comes in. As I said in my first explanation, we are not dealing with the Racing Act now, so I cannot make an amendment to that right now, but I will fix that up by bringing in amendments to both the Racing Act and the proprietary Racing Act under a private member's bill. I will leave the amendment as it is and we can vote on it.

**Mr WRIGHT:** I am sorry, but I did not hear a lot of what the honourable member said the first time. Will the honourable member clarify what his amendment does?

**The Hon. G.A. INGERSON:** This existing act enables an authority to conduct a race meeting on behalf of a proprietary racing company and consequently avoid the probity issues intentionally contained in this act. I accept that we ought to be encouraging existing racing to be involved and, if this amendment is passed, it means that, if cyber racing, as I understand it, enters into a contract with the greyhound authority to conduct a race meeting, it would then be caught by this act and would have to apply for a licence to be part of any corporation that was running proprietary racing. That is the only issue that it would have to deal with.

It would then have to go through the probity check so that it could carry out its agreement with any proprietary company, whatever it happens to be. This is the sort of amendment, which, I understand, if I bring something back at a later date, will come back as an amendment to this act and also a further amendment to the Racing Act so that there is no question about how it gets caught.

The committee divided on the amendment:

AYES (20)

| | |
|---|---|
| Atkinson, M. J. | Bedford, F. E. |
| Breuer, L. R. | Ciccarello, V. |
| Clarke, R. D. | Conlon, P. F. |
| De Laine, M. R. | Foley, K. O. |
| Geraghty, R. K. | Hanna, K. |
| Hill, J. D. | Hurley, A. K. |
| Ingerson, G. A. | Key, S. W. |
| Koutsantonis, T. | Rankine, J. M. |
| Snelling, J. J. | Stevens, L. |
| Thompson, M. G. | Wright, M. J. (teller) |

NOES (22)

| | |
|---|---|
| Armitage, M. H. | Brindal, M. K. |
| Brokenshire, R. L. | Brown, D. C. |
| Buckby, M. R. | Condous, S. G. |
| Evans, I. F. (teller) | Hall, J. L. |
| Hamilton-Smith, M. L. | Kerin, R. G. |
| Kotz, D. C. | Lewis, I. P. |
| Matthew, W. A. | Maywald, K. A. |
| McEwen, R. J. | Meier, E. J. |
| Oswald, J. K. G. | Penfold, E. M. |
| Scalzi, G. | Such, R. B. |
| Venning, I. H. | Williams, M. R. |

PAIR(S)

| | |
|---|---|
| Rann, M. D. | Olsen, J. W. |
| White, P. L. | Wotton, D. C. |

Majority of 2 for the Noes.

Amendment thus negatived.

**Mr WRIGHT:** Clause 3(d) on page 6 provides:

any other race of a kind prescribed by regulation.

**The Hon. I.F. EVANS:** That is to cover the other forms of racing that might appear sometime in the future. For instance, you might have proprietary camel races or things such as that that we are not aware of. That is simply a flexibility line to allow for something which might occur in the future and which we are not aware of tonight.

**Mr WRIGHT:** Could it also mean computer generated racing games?

**The Hon. I.F. EVANS:** The short answer is that that is not the intention; that is not deemed to be a race in the true sense of the word. We will take that on notice, however, and do some work between this House and the other place. If we need to insert the word 'animal' to clarify the issue we might do that, but it is certainly not the intention.

Clause passed.

Clause 4 passed.

Clause 5.

**Mr WRIGHT:** Subclause (2)(b) provides 'to races conducted at a race meeting exempted by proclamation from the application of this section': what does that mean?

**The Hon. I.F. EVANS:** That provides for picnic races and one day events, where, say, the Kimba or Birdsville Apex Club might run one race. It is to cater for that novelty event. That is the only reason why that is there.

**Mr WRIGHT:** Subclause (3) provides that the Governor may by proclamation exempt a specified race meeting.

**The Hon. I.F. EVANS:** That is for the same purpose. The Governor issues the licence in relation to proprietary racing; therefore, the Governor will need to exempt a body to run a picnic race. Subclause (3) simply gives the Governor the power to put into effect the provision in subclause (2)(b).

Clause passed.

Clause 6 passed.

Clause 7.

**Mr WRIGHT:** We made reference to this clause not being exclusive. Is the minister aware of any other interested parties wanting to establish proprietary racing? Have there been any other expressions of interest at this stage?

**The Hon. I.F. EVANS:** Obviously, we have had an expression of interest from TeleTrak and a quarter horse association in Melbourne. I received a telephone call from someone involved in quarter horses in Brisbane, and I do not know whether they are the same quarter horse association as the one in Melbourne. There have certainly been two and possibly three, but they are the only groups that have contacted my office that I am aware of.

**Mr WRIGHT:** I do not want a lot of detail at this stage, because we can talk about it privately if need be. The minister mentioned quarter horses: are the people concerned looking to conduct proprietary racing or internet wagering, or is it a totally different concept?

**The Hon. I.F. EVANS:** Our discussions have not gone into that level of detail as yet. I told them that the government supported the concept of proprietary racing, that we will be introducing a bill, but that we are a minority government in both Houses and cannot guarantee the passage of the bill, so they would have to wait until after the passage of the bill to work out how it would actually work. They have had far more discussions with the Wattle Range council about the day-to-day operations of their racing. I would have to go back to check this, as it would be three or four months since I last spoke to the quarter horse racing people from Melbourne, but my understanding is that it is normal betting through the TAB, not any special form of internet betting. It is the normal betting services through the TAB.

Clause passed.

Clause 8.

**Mr WRIGHT:** Reference is made in subclause (1) to a proprietary racing business licence to be granted for a term fixed under the licensee's approved licensing agreement. What length of time do you envisage for this type of licence?

**The Hon. I.F. EVANS:** We have not established a standard time, whether it be three, four or five years. That would be subject to negotiation with each proponent, given its business plan and what it is proposing. That would vary with each applicant. We have not set in our mind that it should be five or 10 years. One would assume that anyone setting up a commercial business would want a licence for a reasonable length of time. A year licence might be a nonsense, given the amount of capital investment, so one would assume that it would be at least three or four years. Because we do not have an application formally before us, as the bill has not been passed, we have not addressed that question.

Clause passed.

Clause 9 passed.

Clause 10.

**Mr WRIGHT:** This is probably as good a place as any to ask this question. I appreciate that we may need to talk about this again when we address the companion bill regarding the disposal of the TAB, but the minister might be able to give me some information now. I flagged this in my speech. What plans does the government have to regulate betting deductions on internet wagering? As you would be aware, with traditional racing it varies depending on the type of bet. For win and place I think it is 14.5. What sort of betting deductions for internet wagering will be regulated by the government?

**The Hon. I.F. EVANS:** I cannot give an answer for internet wagering, because that is not before us; this is a framework bill. The honourable member knows that the authorised betting bill will probably come before the House tomorrow. I know that the Minister for Government Enterprises, who is handling that bill, has established with you that that is the appropriate place to have that discussion. By way of explanation I will refer to the schedule of this bill, although I know we are not there yet. Under the heading 'Amendment of Racing Act' it refers to section 84J(1)(a) of the Racing Act. That is the provision in the Racing Act that sets out the distribution, so the betting dollar goes through that same provision. That should give the member some comfort. The questions the honourable member asked are more appropriately addressed to Minister Armitage tomorrow during debate on the authorised betting bill.

**Mr WRIGHT:** Clause 10 talks about periodic fees, and so forth. What fees are we talking about?

**The Hon. I.F. EVANS:** Again, I addressed that in my reply to the second reading debate. We do not have a fixed fee in mind. It will vary from proponent to proponent. Clearly, if you have a proponent who will run 20 races compared to a proponent who will run 5 000 races, given the capital investment required, the amount of employment generated and all those sorts of things, and given the differences in the companies that will run those two proposals, the fee will be different. There is no fixed fee. I refer to a section in the Casino Act where there is a casino duty agreement which does not set a fee for the same reasons we do not set a fee here. We just look at each proposal on its merits and then set a fee from there.

**Mr WRIGHT:** Clause 10(2) provides that it is a condition of a proprietary racing business licence that a licensee must pay the fees and any interest and penalties and so forth payable under the agreement. Is this the agreement the minister just referred to?

**The Hon. I.F. EVANS:** The minister negotiates an agreement with the proponent. In that agreement, it sets out a fee. That agreement then goes to the Gaming Supervisory Authority, and it casts its eye over it. Ultimately, it goes to the Governor. The minister negotiates, then it goes to the Gaming Supervisory Authority and, finally, to the Governor for approval.

Clause passed.

Clauses 11 to 13 passed.

Clause 14.

**Mr WRIGHT:** I refer to Clause 14(2). The minister makes reference to this being done within 14 days, and he does that with other parts of the bill as well. They are related to different issues which did not concern me quite as much as this one. Given what this refers to, is 14 days quick enough?

**The Hon. I.F. EVANS:** My understanding is that we have adopted a similar time frame in principle in the Casino Act, so a procedure is already established. The view is that 14 days is certainly time enough. A penalty of $50 000 applies if they do not comply. That is a quite significant penalty, and we think that that is appropriate.

Clause passed.

Clauses 15 to 17 passed.

Clause 18.

**Mr WRIGHT:** Clause 18(1)(b) deals with applications and licensing. What sort of capital does the government envisage is required to run a business of this nature? The easy answer could be, 'We have no idea and it is not our business.' I suppose with business plans and business developments, there may well be some notion of what a government would expect in the way of capital for a business of this nature to operate.

**The Hon. I.F. EVANS:** What nature is the honourable member talking about? Until you see the application, you do not know whether you are talking about a company that will run 20 races or 5 000 races. That is why you need to sit down with the company, go to its proposal and then make a judgment about its capital and what requirements you will put on the agreement. That is why this is a framework bill and not a detailed bill to that extent. Until you see the proposal and get in behind the company and have a look at it, you do not know what conditions to set.

**Mr WRIGHT:** I appreciate that answer, and I do not disagree with it. The minister asked what sort of proposal I was talking about. I dare say that the minister would know what I know; in fact, he would probably know more than I. It is commonly known that Cyber Raceways is the corporation that has a contract with SAGRA, SAHRA and the TAB. The information I received late last week was that initially it would—

*An honourable member interjecting:*

**Mr WRIGHT:** Maybe not, but we all know that they are consequential to this bill, so we are talking about a concept starting on 1 March for greyhounds and 1 May for harness. They talk about once a week at one venue, building up to two or three times a week. With that sort of plan, what sort of capital would be required?

**The Hon. I.F. EVANS:** Until they make an application and I see that application, I cannot make a judgment.

Clause passed.

Clause 19.

**Mr WRIGHT:** Where we are talking about the Gaming Supervisory Authority's taking on additional work and responsibilities as a result of the corporatisation of the racing industry and now, of course, as I understand from this clause, picking up some responsibilities as a result of this bill, what resources does the authority have to deal with those demands?

**The Hon. I.F. EVANS:** They have not been communicated to me but, obviously, if the parliament passes the bill, the authority will be appropriately resourced to enable it to perform the task.

**Mr FOLEY:** What advice has the minister received on the whole issue of proprietary racing, particularly as it relates to this clause and following clauses? Has the minister received advice from his agency that it is not necessarily right for government to be legislating in this way? Does the minister have written advice from his advisers not to proceed with this legislation?

**The Hon. I.F. EVANS:** Not that I recall.

Progress reported; committee to sit again.

## STATUTES AMENDMENT (TRANSPORT PORTFOLIO) BILL

Received from the Legislative Council and read a first time.

## ADJOURNMENT

At 11.56 p.m. the House adjourned until Thursday 9 November at 10.30 a.m.