

**HOUSE OF ASSEMBLY****Tuesday 13 August 2002**

The **SPEAKER (Hon. I.P. Lewis)** took the chair at 2 p.m. and read prayers.

**ASSENT TO BILLS**

Her Excellency the Governor, by message, assented to the following bills:

Agricultural and Veterinary Chemicals (South Australia) (Administrative Actions) Amendment,  
 Child Protection Review (Powers and Immunities),  
 Education (Compulsory Education Age) Amendment,  
 Gaming Machines (Limitation of Exception to Freeze) Amendment,  
 Liquor Licensing (Miscellaneous) Amendment,  
 National Wine Centre (Restructuring and Leasing Arrangements),  
 Seeds Act Repeal.

**STATUTES AMENDMENT (STAMP DUTIES AND OTHER MEASURES) BILL**

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

**STATUTES AMENDMENT (CORPORATIONS—FINANCIAL SERVICES REFORM) BILL**

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

**PAPERS TABLED**

The following papers were laid on the table:

By the Premier (Hon. M.D. Rann)—

Capital City Committee, Review of the Collaborative Arrangements—Report

By the Minister for the Arts (Hon. M.D. Rann)—

Australian Children's Performing Arts Company Charter

By the Treasurer (Hon. K.O. Foley)—

Regulations under the following Acts—  
 Hindmarsh Island Bridge—Exemptions  
 Lottery and Gaming—Mobile Phone Entries  
 Public Corporations—Liabilities Management

By the Attorney-General (Hon. M.J. Atkinson)—

Agreement between the Commissioner of Police and the Police Complaints Authority—Breaches of the Code of Conduct

Regulations under the following Acts—  
 Juries—Remuneration Scale  
 Subordinate Legislation—Publication

Rules of Court—  
 District Court—District Court Act—Master's Assessment of Damages

By the Minister for Consumer Affairs (Hon. M.J. Atkinson)—

Regulations under the following Acts—  
 Building Work Contractors—Exemptions  
 Land and Business (Sale and Conveyancing)—Forms, Inquiries

By the Minister for Environment and Conservation (Hon. J.D. Hill)—

Border Groundwaters Agreement Review Committee—  
 Report to 30 June 2000

South Australian Victoria Border Groundwaters Agreement Review Committee—Report to June 2001

Lake Frome and Strzelecki Regional Reserves, Review 1991—2001.

Regulations under the following Act—  
 Environment Protection—Waste Depots

By the Minister for the River Murray (Hon. J.D. Hill)—

Regulations under the following Act—  
 Ground Water (Qualco-Sunlands) Control—Costs

By the Minister for Transport (Hon. M.J. Wright)—

Port Operating Agreement for Ardrossan between Minister for Transport and Ausbulk Limited.

Regulations under the following Acts—  
 Harbors and Navigation—Speed Limits  
 Road Traffic—Ancillary and Miscellaneous

By the Minister for Tourism (Hon. J.D. Lomax-Smith)—

Citrus Board of South Australia, Report for year ending 30 April 2001

By the Minister for Administrative Services (Hon. J.W. Weatherill)—

Regulations under the following Act—  
 Freedom of Information—Dr George Duncan.

**MEMBERS, BEHAVIOUR**

The **SPEAKER**: I point out to the house that, during the time that the Governor's messenger is present, it is highly disorderly for members to enter or leave the chamber.

**CHILD SEXUAL ABUSE**

A petition signed by 160 residents of South Australia, requesting that the house pass legislation providing for the prosecution of child sexual abuse offences committed before 1982, was presented by the Hon. M.J. Atkinson.

Petition received.

**WIND POWER**

A petition signed by 134 residents of South Australia, requesting that the house support windmill power generation at Sellicks Hill, was presented by the Hon. J.D. Hill.

Petition received.

A petition signed by six residents of South Australia, requesting that the house oppose the construction of wind farms at Sellicks Hill and relocate them where they will not spoil the natural beauty of the area, was presented by the Hon. Dean Brown.

Petition received.

**DEATH BY DANGEROUS DRIVING**

A petition signed by 37 981 electors of South Australia, requesting that the house introduce a minimum penalty for causing death by dangerous driving, introduce grid sentencing, or ensure that judges make sentencing guidelines public for this offence, was presented by Mrs Geraghty.

Petition received.

### LEADER OF THE OPPOSITION, NAMING

**The SPEAKER:** During the last few days and, in particular, this morning, in the course of remarks made by the Leader of the Opposition publicly, the Leader of the Opposition offended against a principle which I have spelled out not on one but on several occasions previously about the necessity for members of parliament to respect the chair—indeed, to respect each other. The Leader of the Opposition said this morning, on radio, that he would question—indeed, in the course of those remarks said:

I'd really question how proper that is. . .

That was, in short, for the Speaker to be able to determine whether or not the minister—in this case the Minister for Health, I think he was referring to—had misled the house. He therefore questions the capacity of the chair to be objective, and indeed—

**The Hon. R.G. Kerin:** But that's out of context, sir.

*Members interjecting:*

**The SPEAKER:** Order! In not every instance is it necessary for the chair to explain reasons for whatever it is the chair sees as having been offensive behaviour by a member to the parliament, or to the standing orders, or to the precedents and practices of the house. In this instance, I am doing so in a way which will ensure that all members of the house, including the Leader of the Opposition, understand why I am saying what I am saying and why I am taking the action I propose to take. The member said:

. . . I think if we were to pursue it we'd have to ask him to. . . stand aside from that particular issue. . . we haven't really made a decision on that. . .

Of course, he was referring to the remarks I was making before he interjected upon me whilst I was my feet, which is highly disorderly, wherein I repeat absolutely:

. . . he's the Speaker. . . he's supposed to be the one who would judge in such matters so when there was an accusation of misleading the house. . . I'd really question how proper that is. . .

Therefore, I say to the house, and report to the house, that I find that offensive against the chair, and I name the Leader of the Opposition. Does the Leader of the Opposition wish to apologise for his offence?

**The Hon. R.G. KERIN (Leader of the Opposition):** No, but I wish to explain the comments, because—

**The SPEAKER:** No.

**The Hon. R.G. KERIN:** —you have not put it into context.

**The SPEAKER:** No. The opportunity is not there for the member—

**The Hon. R.G. KERIN:** There is!

*Members interjecting:*

**The Hon. R.G. KERIN:** Read the rules.

*Members interjecting:*

**The Hon. DEAN BROWN:** Mr Speaker—

**The SPEAKER:** Which one is the leader?

**The Hon. R.G. Kerin:** You're a disgrace!

**The Hon. DEAN BROWN:** Mr Speaker, as I understood it—

**The SPEAKER:** Order! The Leader of the Opposition was heard by me to say that I am a disgrace. He will withdraw that forthwith.

**The Hon. R.G. KERIN:** I withdraw that comment, sir, and I look forward to making an explanation.

**The SPEAKER:** Proceed.

**The Hon. R.G. KERIN:** The comments you have put, sir, you have taken out of context, in that what I was referring to was the fact that the reason you are not in a good position to judge, if in fact we were to say that the Minister for Health had misled the house, when this issue was discussed on ABC radio, I think it was last week—

**The Hon. Dean Brown:** Friday morning.

**The Hon. R.G. KERIN:** —Friday morning, you sir, the impartial Speaker, rang in and attacked the member for Finnis and put clearly your position, which was to attack the opposition and to defend the government, and your comments were not actually correct. I would argue, as I argued on radio this morning, that that puts you in a position where you cannot be impartial. The question that was asked of me on the radio was whether or not we would be moving a motion that the Minister for Health misled the house. In relation to that, what I said—

*Members interjecting:*

**The Hon. R.G. KERIN:** If I can go back to what I was saying before I was interrupted, in answering that question I raised the point that you had rung that radio station and you waded into something and put a point of view which makes you unfit as Speaker to judge on that particular issue. I will stand by that. How can we have confidence in you as Speaker to make a judgment if in fact we move a motion that the Minister for Health had misled the house when you had publicly rung in—you were not rung by the ABC but you rang in—and put a point of view defending the minister before any such case was even put? I think I was totally within my rights to make the comments that I made.

If in fact you want the respect that you demand, then you have to deserve that and you have to earn that. Some of your comments against me and members on this side have not been within the dignity of the position of Speaker. You have constantly gone on the radio and attacked people on this side, accusing us of all sorts of bizarre movements to do with the sale of Shenandoah, and a whole range of other issues.

I would put to you that my job as Leader of the Opposition is to make sure that this government is accountable. You are getting in the way of my doing that. Yet you choose, as the Speaker of this house, to constantly ring radio stations and make comments which are anything but impartial. My explanation to you is that what I said on the radio this morning was totally consistent with what my job should be. I do not reckon that what you did on Friday was consistent with your responsibilities.

**The SPEAKER:** The remarks made by the Leader of the Opposition are factually inaccurate. At no time in the course of the remarks I made on radio on Friday morning did I raise any reflection or allusion to whether or not the minister had misled the house. I am having copied right now transcripts of that interview, a copy of which will be given to the leader and to the Attorney-General, while the original will be given back to me. The leader will see from reading that transcript that at no time did any of my remarks go to the question of whether or not there was even a necessity to consider that the minister had misled the house. For the leader to allege that I did is quite wrong. The leader's proposition is that no Speaker would at any time be able to engage in political debate outside this house in defence of their electors' needs, especially in the light of the fact—

*Members interjecting:*

**The SPEAKER:** I am waiting for order. Once the leader has had an opportunity to read what I said and to further reflect upon the assertions he has made in this house, he will

realise the seriousness of the offence he has committed. I do not accept any explanation. I heard absolutely no apology.

**The Hon. DEAN BROWN (Deputy Leader of the Opposition):** I move:

That the explanation of the Leader of the Opposition be accepted.

**The SPEAKER:** Is the motion seconded?

**An honourable member:** Yes, sir.

**The SPEAKER:** Does the mover wish to speak in favour of the proposition? Before he starts, let me make it plain to the deputy leader that I will not tolerate his further misrepresentation of what I said or did not say on Friday, other than by factual reference to it. The matters to which I drew attention were related to the political debate on the subject, not as to whether anybody had misled this place. The first time that was mentioned in public, as far as I am aware, was when it was raised by the Leader of the Opposition himself on radio this morning.

**The Hon. R.G. Kerin:** You are misrepresenting.

**The SPEAKER:** Does the leader wish to be named twice?

**The Hon. DEAN BROWN:** On a point of order, Mr Speaker, I have moved that the explanation of the Leader of the Opposition be accepted.

**The SPEAKER:** And I have warned the Deputy Leader of the Opposition to stick to the substance of that and not debate whether or not I said anything about misleading the house, as I know I did not do so. The Deputy Leader of the Opposition.

**The Hon. DEAN BROWN:** In moving that I and this house accept the explanation of the Leader of the Opposition, I believe that the leader this afternoon has given a very clear statement indeed as to what he—

*Members interjecting:*

**The SPEAKER:** Order!

**The Hon. DEAN BROWN:** —was questioning on radio this morning. Mr Speaker, I highlight the fact that, in reading out what the leader had said this morning, you used the words 'he questioned'. One must ask whether we live in a democracy with free speech, or whether what the member for Hammond has said on radio can even be questioned.

It is another thing between questioning and then specifically reflecting on the role of the Speaker. He did not specifically reflect on the role of the Speaker: rather, he questioned the power of the Speaker having been involved in a particular issue on radio. In fact, let me highlight the very point that the Speaker (the member for Hammond) made on radio. This is an exact quote from the radio:

What's happening here? Dean wants to score a point off Lea.

There it is: a very political statement indeed against a member of this house. That is not passing a view in terms of the issue: it is passing a view about the members of this house, so the point raised by the Leader of the Opposition this morning is a very valid point indeed, that is, in a democracy, how can you have a position where not even the Leader of the Opposition can come out and say that this raises a question about the independence of the Speaker—not reflects on the Speaker but raises a point about the independence of the Speaker—as it relates to this issue?

I think it is very clear that the Leader of the Opposition did not reflect on the Speaker or the position of the Speaker. The Leader of the Opposition raised a point about the role the Speaker had played in this particular issue. I heard both interviews. I heard the interview last Friday—I was sitting on the other end of the telephone and heard every word of it. I heard the Leader of the Opposition this morning and I thought

that it was a very fair and reasonable comment. I therefore believe that this house should accept the explanation of the Leader of the Opposition and I move that way.

**The Hon. K.O. FOLEY (Deputy Premier):** I was prepared, during the Speaker's contribution and at the outset of the Leader of the Opposition's remarks, for the government to accept the leader's explanation. That was my starting point. Indeed, my view is quite simple. I have read the transcript of what was said on radio this morning. The Leader of the Opposition made a very serious accusation. However, if the Leader of the Opposition was prepared to apologise in his explanation—give his explanation but apologise—the government would have been prepared to accept that. But there was no apology and there was no acknowledgment that he went too far.

I say to members opposite—and to some members on this side of the house who sat in opposition for eight years—that I remember that the then deputy leader of the opposition was suspended by Speaker Gunn for a comment he made that appeared in the *Transcontinental Newspaper* in Port Augusta. To the best of my recollection, Ralph Clarke said words to the effect that the Speaker of the House of Assembly was in love with his wig and gown. From memory, Ralph Clarke said words to that effect and he was named and suspended by the Liberal government. Members opposite supported that. The Leader of the Opposition supported it; the Hon. Dean Brown supported it; the front bench supported it—all the members opposite supported the suspension of Ralph Clarke for those comments.

I also have a recollection of another time that Ralph Clarke was suspended from this parliament. From memory, he raised his eyebrow during a debate and he was chucked out. So, members opposite should not come in here with their crocodile tears about being picked on by this Speaker. It is absolute arrant nonsense. I remember the tactics and behaviour of former Liberal Speakers—and in no way do I reflect on the last Speaker (John Oswald), who was a fine Speaker, notwithstanding the odd run-ins I had with him.

**The Hon. I.F. Evans:** You didn't ring in and interject during the interview.

**The Hon. K.O. FOLEY:** No, but I tell the honourable member that if a deputy leader of the opposition goes into print and says that the Speaker is in love with his wig and gown and gets suspended then that is the precedent. I have read the transcript and it is quite clear. The Leader of the Opposition said on radio this morning, 'I would have to question how proper that is.' Quite clearly the impartiality of the Speaker was called into question by the Leader of the Opposition.

*Members interjecting:*

**The Hon. K.O. FOLEY:** The point is that the leader made those statements. He could have simply apologised. Those of us on the government side of the house would not have been churlish like the Liberal government that chucked out Ralph Clarke for saying that the former Speaker was in love with his wig and gown. I would have accepted that apology but members opposite want confrontation with the Speaker. They want conflict with the Speaker. They have been undermining the Speaker of the House of Assembly from day one. They have been putting rumours out into the marketplace; they have had the Hon. Rob Lucas digging up dirt; they have been doing all sorts of things to undermine the Speaker.

**Mr BRINDAL:** I rise on a point of order, sir.

*Members interjecting:*

**The SPEAKER:** Order! There is a point of order.

**Mr BRINDAL:** Mr Speaker, what has this got to do with the substance of debate that the leader's explanation be heard?

**The SPEAKER:** The point of order is taken. I will ask the Deputy Premier to come back to whether or not the question of the leader's explanation be accepted.

**The Hon. K.O. FOLEY:** I have made it very clear, but I just make the point that, if the member for Schubert, Ivan Venning, wants to consort with criminals—

*Members interjecting:*

**The Hon. K.O. FOLEY:** If you want to play the tactics that you have, you do it, but at the end of the day—

**Mr Venning:** You are as low as you can go.

**The Hon. K.O. FOLEY:** At the end of the day—

**The SPEAKER:** Order!

*Mr Venning interjecting:*

**The Hon. K.O. FOLEY:** Well, you were on the phone to Terry Stephens—but I will say this—that we were prepared to accept an apology; you weren't prepared to give it; and the government does not accept the apology.

The house divided on the motion:

AYES (19)

|                       |                    |
|-----------------------|--------------------|
| Brindal, M. K.        | Brokenshire, R. L. |
| Brown, D. C. (teller) | Buckby, M. R.      |
| Chapman, V. A.        | Evans, I. F.       |
| Hall, J. L.           | Kerin, R. G.       |
| Kotz, D. C.           | Matthew, W. A.     |
| Maywald, K. A.        | McEwen, R. J.      |
| McFetridge, D.        | Meier, E. J.       |
| Redmond, I. M.        | Scalzi, G.         |
| Such, R. B.           | Venning, I. H.     |
| Williams, M. R.       |                    |

NOES (19)

|                   |                       |
|-------------------|-----------------------|
| Bedford, F. E.    | Breuer, L. R.         |
| Caica, P.         | Foley, K. O. (teller) |
| Geraghty, R. K.   | Hanna, K.             |
| Hill, J. D.       | Key, S. W.            |
| Koutsantonis, T.  | Lomax-Smith, J. D.    |
| O'Brien, M. F.    | Rann, M. D.           |
| Rau, J. R.        | Snelling, J. J.       |
| Stevens, L.       | Thompson, M. G.       |
| Weatherill, J. N. | White, P. L.          |
| Wright, M. J.     |                       |

PAIR(S)

|                          |                 |
|--------------------------|-----------------|
| Goldsworthy, R. M.       | Atkinson, M. J. |
| Gunn, G. M.              | Conlon, P. F.   |
| Hamilton-Smith, M. L. J. | Rankine, J. M.  |
| Penfold, E. M.           | Ciccarello, V.  |

**The SPEAKER:** There being 19 ayes and 19 noes, it is left to me to decide the question. In order to save time, I will not read it for the record, but I refer all members to standing order 139. I also refer them to Erskine May and the remarks I made earlier. In order to further help members understand why I choose to vote in the way in which I will, I say quite plainly that it is one thing to engage in debate of an issue: it is another entirely to engage in questioning the competence of the Speaker. Let me say that the Leader of the Opposition, in questioning the competence of the Speaker to rule in relation to any matter of privilege, which may arise out of any issue, is based on a premise that confuses the Speaker's right to have and express a view about the events with his obliga-

tion and ability to make a separate judgment: not that there is or is not a breach of privilege but whether or not any matters raised do or do not touch on privilege and therefore whether precedence is given to a motion to deal with it. I refer honourable members—not that I need to, but I will as I am happy to be accountable for my decisions—to the advice given to the house by Speaker Oswald as recently as 4 November 1998, as follows:

Under standing order 132, which is specific to the South Australian House of Assembly, my role—

that is, the role of the Speaker—

is only to identify whether a matter raised touches on privilege, under the historic definition of the word 'privilege' and, if so, then allow the matter to be referred to the house by way of a motion so that the house can decide on the course of action it wishes to pursue.

In adopting this course, the chair would express no view on whether a breach of privilege has taken place but, rather, acknowledges that a matter has been raised under standing order 110 and standing order 132 which touch on the issue of privilege.

Against that and the remarks that were made, my vote is for the noes.

Motion thus negatived.

**Mr VENNING:** Mr Speaker, I wish to raise a point of order under standing orders 125 and 127. In the preceding debate the Treasurer made a very personal reflection on me. I ask that he withdraw that comment and apologise.

**The SPEAKER:** Under those standing orders, the member for Schubert knows very well what his rights are. Let me also tell him what his obligations are: he can deal with that matter as soon as this matter has been dealt with. This matter is not yet dispossessed of the house.

**The Hon. K.O. FOLEY (Deputy Premier):** I move:

That the Leader of the Opposition be suspended from the service of the house.

The house divided on the motion:

*While the division bells were ringing:*

**Mr BRINDAL:** I rise on a point of order, Mr Speaker. I thought that when the bells rang nobody was allowed to leave the chamber. I have seen three people leave the chamber during the ringing of the bells.

**The SPEAKER:** For the benefit of the member for Unley, I point out that it is only in circumstances where a quorum is called and once the bells start ringing that nobody may leave.

AYES (19)

|                   |                       |
|-------------------|-----------------------|
| Bedford, F. E.    | Breuer, L. R.         |
| Caica, P.         | Foley, K. O. (teller) |
| Geraghty, R. K.   | Hanna, K.             |
| Hill, J. D.       | Key, S. W.            |
| Koutsantonis, T.  | Lomax-Smith, J. D.    |
| O'Brien, M. F.    | Rann, M. D.           |
| Rau, J. R.        | Snelling, J. J.       |
| Stevens, L.       | Thompson, M. G.       |
| Weatherill, J. N. | White, P. L.          |
| Wright, M. J.     |                       |

NOES (19)

|                       |                    |
|-----------------------|--------------------|
| Brindal, M. K.        | Brokenshire, R. L. |
| Brown, D. C. (teller) | Buckby, M. R.      |
| Chapman, V. A.        | Evans, I. F.       |
| Hall, J. L.           | Kerin, R. G.       |
| Kotz, D. C.           | Matthew, W. A.     |
| Maywald, K. A.        | McEwen, R. J.      |
| McFetridge, D.        | Meier, E. J.       |
| Redmond, I. M.        | Scalzi, G.         |
| Such, R. B.           | Venning, I. H.     |

NOES (cont.)

Williams, M. R.

PAIR(S)

|                          |                 |
|--------------------------|-----------------|
| Goldsworthy, R. M.       | Atkinson, M. J. |
| Gunn, G. M.              | Conlon, P. F.   |
| Hamilton-Smith, M. L. J. | Rankine, J. M.  |
| Penfold, E. M.           | Ciccarello, V.  |

**The SPEAKER:** Order! The member for Bright will not seek to address the chamber during the course of a division, nor make displays of anything. Any further misdemeanours by any member of the opposition in that manner will result in their sharing the same fate that I presume awaits the leader. There being 19 ayes and 19 noes, I cast my vote in favour of the ayes.

Motion thus carried.

**The SPEAKER:** The Leader of the Opposition will now leave the chamber.

The honourable Leader of the Opposition having withdrawn from the chamber:

**Mr VENNING:** I take a point of order under standing orders 125 and 127. In the preceding debate the Deputy Premier made a very personal reflection on me. I ask that he withdraw the comment and apologise.

**The SPEAKER:** Can the member for Schubert tell me what were the words used by the Deputy Premier to which the member takes offence?

**Mr VENNING:** I believe the words were ‘consorting with criminals’.

**The SPEAKER:** If the Deputy Premier used the words ‘consorting with criminals’, then they are unparliamentary and must be withdrawn.

**The Hon. K.O. FOLEY:** I am happy to withdraw and apologise to the member. I am not sure what the nature of his relationship with Mr Stephens was. If I have offended him, I apologise and withdraw.

**Mr VENNING:** Mr Speaker, on a point of order, standing order 132 provides—and you would know:

Consideration of other question suspended (161)

All points of order and matters of privilege, whenever they arise, suspend the consideration of the question under discussion until they are decided. The Speaker may, with the concurrence of the House, defer a decision on the point of order or matter of privilege.

Sir, I would like your ruling because you did rule me out of order when I raised it initially.

**The SPEAKER:** There is no point of order.

QUESTION ON NOTICE

**The SPEAKER:** I direct that the written answer to question No. 3 on the *Notice Paper* be distributed and printed in *Hansard*.

PORT ADELAIDE REDEVELOPMENT

**The SPEAKER** laid on the table the interim report of the Auditor-General on the Port Adelaide Waterfront Redevelopment: Misdirection of Bid Documents.

Ordered to be published.

REGISTER OF MEMBERS' INTERESTS

**The SPEAKER** laid on the table the Register of Members' Interests—Registrar's Statement, July 2002.

Ordered to be published.

LIDDY, Mr P.

**The Hon. M.J. ATKINSON (Attorney-General):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. M.J. ATKINSON:** On 22 July 2002 the *Today Tonight* program broadcast a number of allegations relating to the sale of a house at Kapunda owned by former magistrate Peter Liddy. Given the publicity the allegations received, there is obvious public interest in informing the house and the public about what has been done to investigate these allegations. After the broadcast, I instructed the Solicitor-General to conduct an investigation into the allegations. The Solicitor-General conducted an investigation, during which he was provided with information and material by persons involved in the *Today Tonight* program.

The Solicitor-General's report identifies two sets of individuals. First, some outrageous allegations for which there was no evidence were made about certain obviously innocent individuals. In my view it would be unfair to repeat such allegations to the house. Secondly, during the course of the investigation the Solicitor-General reached conclusions about the creditworthiness of other persons. That question may be at issue in legal proceedings that have already been instituted. The Solicitor-General advises, therefore, that it is not appropriate to name those people. I have also been advised by the Commissioner for Police that releasing the report of the Solicitor-General would not be in the public interest. I accept this advice but nevertheless believe that it is appropriate to put before the house most matters dealt with in the Solicitor-General's report.

Two broad allegations are said to be based upon the material provided: firstly, that Liddy and others, including lawyers and maybe the District Court, conspired together to ensure that Liddy's assets were hidden or sold at an undervalued price to Liddy's friends. The reasons for, and effect of, doing so was to ensure that the victims of Liddy's crimes would not be properly compensated; and, secondly, that a motorcycle gang conspired with or, alternatively, blackmailed Liddy and others (including the District Court) to obtain Liddy's house at Kapunda for the purpose of obtaining access to photographs and videotapes in that house for the purpose of further blackmailing judges and others.

The Solicitor-General discussed the allegations with persons involved in the *Today Tonight* program. He reviewed their material. Where possible, he attempted to verify the truth of the material and the information provided. The Solicitor-General advises that the allegations suffer from fundamental flaws. His reasons for this include, firstly, that there are two primary sources for these allegations. The first comprises some of Liddy's victims. These are generally disaffected by the legal proceedings in which they have been involved. There is no reason to doubt their credibility, but they have little to add to the allegations, apart from the obvious fact that Liddy's assets seem to have been dissipated.

The second and primary source of these allegations is person X and his associates. Where information from them has been able to be checked, it is false. This includes information about what occurred in the various District Court cases in which they have been involved. Information from them is not reliable.

Secondly, the two allegations are mutually inconsistent. For example, the first allegation necessarily involves person X as a party to the conspiracy (although why he should be

involved in such a conspiracy is not clear). In the second allegation, person X is the victim.

Thirdly, the core assumptions of the allegations are not supported by the material said to support them. For example, the first allegation is that Liddy's assets were worth a much greater value than the \$500 000 they were sold for—probably in excess of \$2 million. There is simply no evidence to support this, apart from information given by person X which is unreliable. It is inconsistent with considerable other evidence from various sources, some of which was in the material provided by Channel 7. The price of \$500 000 may have been reasonably cheap, but it was within the range that might have been expected. Similarly, the core assumption of the second allegation is that there were videotapes in the house at the time of its sale. Again, there is no evidence of this apart from the information given by person X, which is both inconsistent and unreliable.

Fourthly, integral steps in the reasoning said to support the allegations are false or in error. For example, the first allegation claims that the District Court and the lawyers appearing before it should have been aware that the sale of some of the assets belonging to Liddy (particularly some firearms) was illegal. Even if this were true, it misunderstands the role of the court in a case where the parties are in agreement. The first allegation also overstates the extent to which a judge is expected to be omniscient. The court does not investigate or oversee the transaction. The court had previously made an order preventing the disposal of Mr Liddy's assets. The court merely relaxed this restriction to enable Mr Liddy to defend himself in criminal proceedings. In any event, inspection of the evidence reveals that these allegations are simply not true.

Similarly, it is an integral step in making out the second allegation to show that person X received favourable treatment from the District Court. The relevant hearing was in open court and the press was present. It is clear from the transcript that person X's account of what occurred is false and that he did not receive any special treatment from the court.

The Solicitor-General has advised that both sets of allegations are, in substance, untrue. His investigation reveals that the allegations do not even give rise to a reasonable suspicion. In my view then, there is no reason or basis for the further investigation. In particular, there is no substance to allegations of corruption or criminal behaviour in either the District Court or the judiciary.

Mr Speaker, where wrongdoing, corruption or maladministration are exposed it will be investigated and pursued by the government. We encourage all those with evidence of criminal behaviour to come forward. However, on the basis of the evidence presented to the Solicitor-General, the significant expense of a royal commission or other judicial inquiry cannot be justified. Notwithstanding that the major allegations themselves do not require further investigation, there are important incidental issues that will be pursued in other arenas.

I had intended to make one further statement about additional action being explored by the government. However, on advice, neither I nor other government ministers will comment further at this time. In conclusion, Mr Speaker, you have my assurance that where allegations of serious wrongdoing are made they will be investigated and where such allegations are found to be of substance they will be pursued with all vigour.

## HOSPITALS, QUEEN ELIZABETH

**The Hon. L. STEVENS (Minister for Health):** I seek leave to make a ministerial statement.

Leave granted.

**The Hon. L. STEVENS:** This statement deals with the purchase of a magnetic resonance imaging machine by the Queen Elizabeth Hospital and how a hospital which is not authorised to order any equipment worth more than \$5 000 committed itself to the purchase of a machine valued at \$2.4 million when it did not have the authority or the approval to do so.

I wish to correct the large amount of misinformation which has been publicly circulated about this topic and explain to the house why I ordered an internal audit of the processes by the Department of Human Services and why I have asked the Auditor-General to conduct his own investigation. I want to restate this government's commitment to rebuilding our health services and specifically to point out that we have delivered on our election promise to support the purchase of MRIs at both the Lyell McEwin Hospital and the Queen Elizabeth Hospital. In the recent budget round, \$1.5 million in capital funds and \$250 000 in recurrent funds was committed for the 2003-04 year to support the MRI initiatives.

On top of that commitment, additional money was set aside in the budget process for the training of more nurses, an increase in the number of elective surgical procedures and the opening of more beds. Specifically, an extra \$4.4 million was allocated to the Queen Elizabeth Hospital to wipe out its accumulated debt from the previous year's budget overrun. On top of that again, \$41.6 million in capital works funding for stages 2 and 3 has been locked into forward budget so that, finally, after many delays and false hopes, rebuilding of the Queen Elizabeth Hospital can go ahead with confidence.

I raise these initiatives to point out to the house that this government has bent over backwards, in light of the tight overall budgetary position previously outlined by the Treasurer, to provide our hospitals with adequate funding, and we have been particularly concerned to restore the Queen Elizabeth Hospital to a sound footing.

I now wish to inform the house of the complex details of this issue and how both my department and I were given inaccurate and misleading information by the hospital. In March, after the outcome of the election was settled, the Premier and I repeated our election pledges on health, including the MRI initiatives at both the Lyell McEwin and the Queen Elizabeth hospitals. I invited the chief executives of both hospitals to submit new business plans to the government for consideration. No new submission was received from the Lyell McEwin. A new business plan was received from the Queen Elizabeth Hospital and, in late May, after consultation with the DHS Chief Executive, my chief of staff noted a minute that the business plan, together with the department's recommendations, should be submitted to me after the budget. I was informed of their decision. It was made clear to my department—

*The Hon. W.A. Matthew interjecting:*

**The SPEAKER:** The member for Bright knows that leave has been granted. I have indicated to him by looking in his direction that his conduct is not acceptable, and the member for Bright knows what the consequences are should he be found to be guilty of misdemeanour, yet again, this session. The minister.

**The Hon. L. STEVENS:** Thank you, Mr Speaker. As I was saying, I was informed of their decision. It was made clear to my department that no decision would be made on the new business plan until after the state budget was handed down. Approval for purchases of expensive equipment such as MRI machines involves a number of checks and balances to ensure proper expenditure of funds. The usual procedure can involve a business plan, an acquisition plan approved by the accredited purchasing panel, endorsement by the State Supply Board, a formal tender process and, finally, after all those steps, approval by cabinet itself. A business plan is not an approval to purchase, especially when my office made it clear that a final decision would have to wait until after the budget was brought down. This process, leading to the decision to consider the business plan after the state budget, comprises the negotiations that I referred to in a statement on 7 June, when I denied that I had delayed the purchase of both MRIs.

This is the first opportunity that I have had since estimates to clarify to the house a statement I made to the estimates committee, when I said:

One of these two machines has been delivered and is now being installed at the Lyell McEwin hospital. For some reason, the machine on offer to the Queen Elizabeth Hospital was not purchased as approved by cabinet.

I then added:

Instead of the approved machine, the Queen Elizabeth Hospital had in storage a new MRI with a strength of 1.5 tesla.

I made those comments in the context that, because the government's election promise of \$1.5 million was directed at both hospitals, I did not know why one purchase order issued on 19 November 2001 proceeded as approved by the previous government, while the other order, issued on the same day, was deferred and then changed without authority to a more powerful and more expensive machine.

I did not intend to suggest, nor should it be construed that I suggested, that Labor had not offered funding for the MRIs, nor did I suggest that I had not invited both hospitals to prepare and submit business cases for new MRIs. I stress that at no time did I say or indicate that I was not aware that the Queen Elizabeth Hospital had drafted a new business plan. With hindsight, I should have explained this more fully to the estimates committee. However, my comments reflected my department's advice that a key issue was why only the Queen Elizabeth Hospital deferred the purchase order for a half-Tesla MRI and proceeded without authority to purchase a 1.5 Tesla MRI. The department argued that if the government—

*Members interjecting:*

**The Hon. L. STEVENS:** Just listen. The department argued that—

**The Hon. D.C. Kotz:** You listen yourself; don't instruct us on whom we should listen to.

*Members interjecting:*

**The SPEAKER:** Order!

*Members interjecting:*

**The Hon. L. STEVENS:** Calm down.

**The SPEAKER:** The minister has the leave of the house and my protection. Please proceed.

**The Hon. L. STEVENS:** Thank you, Mr Speaker. The department argued that, if the government were to approve any upgraded MRI capacity for cardiac research capability, this more powerful MRI should be located at the Lyell McEwin hospital to support the clinical services plan development in cardiac services. As I have already pointed

out, the Lyell McEwin hospital was happy to proceed with the purchase of the half-tesla machine and did not submit a new business plan. The department also said that another key issue related to the purchase process and specifically to a complaint from another supplier that 'if they knew there was a 1.5 tesla to be purchased, they would have offered one'.

I turn now to the Queen Elizabeth Hospital and the inconsistent and incorrect advice given to me on the status of the MRI machine delivered to that hospital. On 25 July I was informed by my department that this MRI machine was 'in storage' at the Queen Elizabeth Hospital. On 29 July I ordered my department to conduct an internal audit inquiry. On Tuesday 6 August (during estimates) I requested further advice and my department informed me that the Chief Executive of the Queen Elizabeth Hospital confirmed that, whilst some pieces of the MRI had been taken 'out of the box', the machine was not installed.

As a consequence of my request, I learnt for the first time that \$216 000 had been spent on building modifications. I ordered an inspection, which was carried out on the next day (Wednesday 7 August), and photographs shown to me proved that, contrary to the earlier advice from the hospital, installation of that MRI was well advanced. That is the day on which I called in the Auditor-General to investigate what was going on, because not only had I been misled about just how much was 'out of the box' but also by then I was in possession of a report from the Crown Solicitor's Office which indicated that the Queen Elizabeth Hospital had made a binding deal with Philips for the supply of a \$2.4 million machine which had not been authorised by my department or by me and certainly not by cabinet.

Last Friday the Chairman of the board of the North Western Adelaide Health Service informed me that the board had also not approved the purchase of the machine which was, by then, substantially installed at the hospital. The report from the Crown Solicitor outlines the process in some detail and, to save the time of the house, I table that report so that members can read it for themselves. I will, however, point out that in July last year the previous government withdrew the Queen Elizabeth Hospital's delegated authority to make any equipment purchases worth more than \$5000. This purchase was worth \$2.4 million.

It would appear that at no time did anyone at the Queen Elizabeth Hospital inform Philips that they had no authority or right to sign off on such an expensive piece of equipment. After consultation with the Premier and my cabinet colleagues, and after receiving advice that withdrawing the machine would require further unnecessary expenditure, I made a decision that the MRI could stay.

Mr Speaker, we are totally committed to rebuilding our hospitals and our health services to a standard of which all South Australians can be proud. But, sir, we are also committed to honest, open and accountable government where the rules governing expenditure of funds are clearly defined and enforced. I await with great interest the report of the Auditor-General.

## PERPETUAL LEASES

**The Hon. J.D. HILL (Minister for Environment and Conservation):** I seek leave to make a ministerial statement.  
Leave granted.

**The Hon. J.D. HILL:** On 15 and 16 July the member for Davenport asked questions in this house about the income derived by the state government from rents received from

perpetual leases and the costs associated with administering those leases. I said at the time that the income from perpetual leases was approximately \$500 000 a year, and that it cost the state around \$1 million to administer. Specifically in reply to the member for Davenport's question on 16 July, I stated in the house that 'I was advised that we collect about \$500 000 in perpetual leases and licences under the Crown Lands Act.' At that time I also gave an undertaking that I would check the figures and get back to the honourable member with a full answer. I can now provide the honourable member with further information.

Officers within Crown Lands have advised me that there are 15 062 perpetual leases in South Australia. In the last financial year, Crown Lands collected rents totalling \$462 000. They also advised that \$1 million in costs included approximately \$700 000 to administer the leases and a further \$300 000 for investigation and remediation works on a heavily contaminated perpetual lease site at Jamestown.

Since I made my original comments, parliament has established a select committee to further examine issues surrounding perpetual leases. Members of the select committee last week received an extensive briefing on perpetual leases from officers within Crown Lands and will receive further briefings in coming weeks. For the benefit of other members, I can also inform the house that the total cost of administering the full range of the activities of Crown Lands, including leases, is approximately \$2.8 million a year. The total income for Crown Lands is around \$2.3 million per year, a shortfall of \$500 000. Beyond the \$462 000 collected for perpetual leases, Crown Lands receives \$555 000 for miscellaneous leases and \$569 000 for annual licences.

## QUESTION TIME

### HOSPITALS, QUEEN ELIZABETH

**The Hon. DEAN BROWN (Deputy Leader of the Opposition):** My question is directed to the Minister for Health. Did the minister authorise senior staff of the Department of Human Services to advise the board of the Women's and Children's Hospital on Tuesday night of last week (that is, the night after the issue had become a public issue) that the larger MRI machine purchased by the Queen Elizabeth Hospital would be pulled out and either returned to the manufacturer in Holland or transferred to the Women's and Children's Hospital?

**The Hon. L. STEVENS (Minister for Health):** I have just made a very detailed ministerial statement, and I will stand by that statement.

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

**The SPEAKER:** Order! The member for Davenport will remain silent during the remainder of question time.

### NATIONAL COMPETITION COUNCIL

**Mr SNELLING (Playford):** My question is directed to the Treasurer. Is he concerned about the potential impact of the recently announced reforms to retail trading hours on commonwealth government competition payments to the state?

**The Hon. K.O. FOLEY (Treasurer):** Shortly after coming to government, I was advised of the normal procedure involved in the commonwealth compensation payments made to each state as a result of the introduction of competition policy by Australian governments (state and federal) over the

past few years. In a lead-up to a meeting with Graham Samuel, the chair of the National Competition Council, I received various briefings on various issues. I will very quickly highlight a number of the issues that the commonwealth government through the National Competition Council is requiring us to address. The marketing of barley in South Australia is one issue. The availability of and various issues relating to taxi licences is another. Water is a very big issue that the council is requiring states to address. Then, of course, the ever present issue of shopping hours is probably one of the more politically sensitive issues.

What the NCC requires from the state government is dialogue and a plan to address what it sees as the major issues that it wants addressed. The reason for that, I am advised, is that every year it provides a report to the federal Treasurer, Peter Costello, as to the state's compliance with or efforts to address the issues that the National Competition Council is required to oversee. In a number of meetings with Graham Samuel, together with the Minister for Transport and Industrial Relations and, on one occasion, the Premier, I was able to discuss these various issues. They were very constructive and productive meetings. Graham Samuel is someone with whom I had met previously and about whom I had read and heard much and someone of whom—how would I put it nicely and appropriately—governments have tended to be wary in terms of the relationship between the NCC and state governments.

Whilst governments here have not necessarily had run-ins with the NCC it would be fair to say that perhaps one or two other states have. What I found with Mr Samuel, though, was that his approach to this task was extremely constructive, extremely productive and extremely professional. Clearly, with someone of his standing and experience you would expect nothing else. But we had good meetings, and it would be fair to say that we have advanced a number of issues, one of which is shopping hours.

As late as last Friday my office had discussions with Mr Samuel on a range of matters and, while I am not prepared at this point to give any specific details of the nature of those discussions as they were confidential pending his report to the commonwealth government, it would be fair to say at this point that, on the information provided to us by Mr Samuel on Friday, we as a government are comfortable with the way this issue of his report to the commonwealth Treasurer is travelling. We are satisfied that we have done what we think is appropriate, and we are hopeful and, indeed, confident that we will meet the test of Mr Samuel and the National Competition Council not just on shopping hours but on a whole raft of these important issues. So I compliment Mr Samuel. No doubt, from time to time we may not agree and we may be forced into a situation where there is a stand-off, but at this stage that does not appear to be on the horizon. That is good, because it is the best way to deal with such important issues.

For the information of the house, I advise that \$57 million is the amount of money we are waiting upon this year for recommendation by Mr Samuel to Peter Costello. If Mr Samuel recommends that we do not get that \$57 million or, indeed, if the federal Treasurer decides not to give it to us based on Mr Samuel's report we are down the tube, I am advised, by potentially up to some \$57 million.

**Mr Brindal:** That will cut your surplus, won't it?

**The Hon. K.O. FOLEY:** Yes, it would cut our surplus, and I am glad the member for Unley has acknowledged the surplus. Yes, it would not be good for the state, absolutely.



But, as I have said, nothing that has been communicated between Mr Samuel and my office gives me any concern that we will not achieve the \$57 million. That is why I was a bit stunned, quite frankly, to read in the *Advertiser* this morning the following remarks from a Liberal member of the federal government, somebody close to Peter Costello:

South Australia should be denied competition payments of up to \$57 million if full Sunday trading is not introduced, federal MP Chris Gallus said yesterday.

**An honourable member:** Did she?

**The Hon. K.O. FOLEY:** Yes, she did. She went on to say:

If the State Government doesn't take action within three months to extend Sunday trading, they should lose it (the payments)

That is, \$57 million. So Chris Gallus says that if we do not totally deregulate, if we do not open up trading all day every Sunday, we could lose the \$57 million.

**An honourable member:** She says we should?

**The Hon. K.O. FOLEY:** Yes, that we should lose the \$57 million. Again, on radio this morning, Ms Gallus made the following comment. The reporter, who I understand was Leon Byner, said:

So you're saying as the elected member for Hindmarsh you would go to Peter Costello and say that the state of South Australia or the government is not being competitive as was agreed in 1995. . . please use your rod as you believe appropriate.

Chris Gallus said: 'That's right.' So we have Christine Gallus, a senior member—

*Mr Koutsantonis interjecting:*

**The SPEAKER:** Order! I advise the member for West Torrens that the Treasurer and Deputy Premier is quite adequate in his capacity to answer the question asked by the member for Playford.

**The Hon. K.O. FOLEY:** Here we have a senior member of the federal Liberal government, a senior South Australian representative, saying that we should not as a state receive \$57 million. That is a disgrace. She is saying that she wants full shopping hours deregulation on Sunday. She is entitled to her view. I am not going to begrudge her having that view.

*An honourable member interjecting:*

**The Hon. K.O. FOLEY:** I would like to know what the opposition thinks of that view. I assume by that comment that the opposition supports full deregulation on Sundays. I assume that that will be your position. If it is not, could somebody tell Ms Gallus to butt out of South Australian politics? I think it is a disgrace—

*Members interjecting:*

**The Hon. K.O. FOLEY:** I think a few members opposite agree with me on that one.

*Members interjecting:*

**The SPEAKER:** Order!

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

**The Hon. K.O. FOLEY:** Because I have a soft spot for the member for Davenport, I will not repeat what was just said by way of comment. It was quite funny. I know that Chris Gallus may not enjoy the complete support of members opposite, but I think it is appalling that anyone would suggest that we should be denied \$57 million, particularly given that the issue of shop trading hours is not something that the Liberal Party in government was prepared to address in any substantive way. It is not something for which she has responsibility.

We are progressing. The Minister for Industrial Relations has put together a fine package of reform. The National Competition Council, whilst not able to give us an immediate

answer, has certainly engaged constructively with us in our dialogue on the matter. I am confident that we will get the \$57 million. I do not know whether that is the case. We will not know for a few more days yet. But I say to members opposite: if anyone has any influence on Christine Gallus, could you tell her to butt out?

*An honourable member interjecting:*

**The Hon. K.O. FOLEY:** I am going to put that interjection on the record. Members opposite said no, they do not have any influence on Christine Gallus. At least they are honest enough to admit that, when it comes to Christine Gallus, nobody seems to have much control over her—more's the pity.

## HOSPITALS, QUEEN ELIZABETH

**The Hon. DEAN BROWN (Deputy Leader of the Opposition):** Does the Minister for Health stand by her statement that she made to the estimates committee on 6 August that it was on 25 July 2002 that she first became aware of the purchase of the larger MRI machine at the Queen Elizabeth Hospital?

*Ms Ciccarello interjecting:*

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

**The Hon. L. STEVENS (Minister for Health):** Yes. In response to the first question, I would like to add a few comments. I would like to be very clear to the house and to the deputy leader that last Tuesday after estimates I did not give any instruction for the MRI machine to be moved anywhere. But certainly last Friday I announced that it would stay at the Queen Elizabeth Hospital.

## MURRAY MOUTH

**Ms BEDFORD (Florey):** Can the Minister for the River Murray advise the house of the current condition of the Murray River Mouth and what action he is taking to ensure that the mouth remains open?

**Mr Brindal:** What a dorothy dixer!

**The Hon. J.D. HILL (Minister for the River Murray):** Well, I have to resort to getting my own backbenchers to ask these questions so I can get the information on the record.

*Mr Brindal interjecting:*

**The SPEAKER:** The member for Unley will come to order.

**The Hon. J.D. HILL:** I acknowledge the bipartisan support of the member for Unley. I am sure that is what he was saying, but I did not really understand it. Honourable members will be aware of a report released just last week describing what will happen if the Murray Mouth closes. The report, entitled 'Implications of Murray Mouth closure,' was commissioned by the Murray Darling Basin Commission and compiled by the Department of Water, Land and Biodiversity Conservation. That report highlights the serious environmental implications, the impact on industry reliant on this area as well as the degradation of a significant cultural area.

Sadly, last week I also received advice regarding the increasingly critical condition of the Murray Mouth and that full closure is imminent. When I say 'imminent', it could be a matter of days. The condition of the mouth is constantly monitored and, although the problem has been around for some years, as you, sir, would well know, it is now clear that constriction at the river mouth has increased alarmingly over the past two months.

The deterioration in conditions at the river mouth over the past few weeks has been particularly severe and exacerbated by recent intense storm events. There is now almost no tidal influence in the Coorong and there is a high risk of major environmental damage occurring if corrective action is not taken quickly. Already these conditions are causing concern with respect to the habitat of the migratory wading birds that visit the area each summer.

Closure of the mouth has occurred once in recorded history—in 1981. At that time action was taken to cut a new channel. However, constriction of the mouth has commonly occurred when low or no river flow has been available to counteract the beach building cycle of the coastal processes. Over 1 million cubic tonnes of sand has built up over the past 10 years. General drought conditions have prevailed in the Murray-Darling Basin since 1996, with only short periods of respite.

From March 1998 until now, the Murray Mouth has generally been restricted. Regular monitoring confirms that the volume of sand that clogs the central area of the Murray Mouth has continued to grow. At present, both the Goolwa and Coorong channels are severely restricted, and very few boats are able to navigate through the area. Currently, boats are unable to get within 400 metres of the mouth from either side. If the mouth closes, it is unlikely that sufficient river flow will be available to maintain a new opening until the winter flows in 2003. This is a whole of basin issue, and I have therefore asked the Murray-Darling Basin Commission to take urgent action to try to keep the mouth open.

On Thursday or Friday of last week, I spoke with the commission's Chief Executive, Mr Don Blackmore. I have also written to my colleagues in the Murray-Darling Ministerial Council asking that all necessary steps be taken to keep the mouth and associated channels open if at all possible during the time of low flows to South Australia. In particular, I have asked that the possibility of establishing a maintenance dredging operation to combat the sand being brought into the Coorong by the tidal flows be included in the options investigated. Such a proposal is likely to cost in the order of \$2 million. However, it is not yet agreed that this is the most appropriate course of action. For example, we are not sure whether the conditions of the mouth are such that any dredged opening would fill up and close over as fast as it were dredged, although I believe we have no option but to keep the channels open at all costs.

My officers are now working closely with the officers of the Murray-Darling Basin Commission and Environment Australia to develop a detailed proposal and to seek the necessary approvals to proceed as soon as possible. Nonetheless, even if all this was done as quickly as possible, it is likely to be two or three months before on-site work could commence.

In November this year the Murray-Darling Basin Ministerial Council will meet in South Australia. This is the first time for more than three years that the council has visited South Australia, and I will arrange a tour of the mouth for ministers and their senior advisers so that they can see at first hand the parlous state of the mouth.

The imminent closure of the mouth is an indictment of the management of the River Murray over many years. The long-term solution is more water flowing down the river, and that is why I will continue to work with our partners to ensure that we do see more water flowing into South Australia and, ultimately, through the Murray Mouth.

## HOSPITALS, QUEEN ELIZABETH

**The Hon. DEAN BROWN (Deputy Leader of the Opposition):** Will the Minister for Health advise the house of the intention of the revised business plans to buy and install the larger MRI machines that were announced in the government press release dated 22 March this year? Why did the minister not inform the estimates committee last week that she had instructed the Chief Executive Officer of the Queen Elizabeth Hospital to prepare such a business plan?

**The Hon. L. STEVENS (Minister for Health):** I have just made a very detailed ministerial statement, in which I informed the house that, in hindsight, my comments could have been clearer. I have been very clear in outlining the whole process to the house in a very long ministerial statement. I want to follow up on the previous question to give the house a little more information.

The deputy leader asked whether I received the information on 25 July. I want to be absolutely clear with the house: I received the information officially on 25 July. The minute was dated 24 July, but I received it officially in my office on 25 July. There had been rumours for a week or so before, but the date of the official receipt of that minute was 25 July.

## WORKCOVER

**Ms RANKINE (Wright):** Can the Minister for Industrial Relations advise the house of WorkCover's investment outcome for the 2001-02 financial year and of further details about the progress of the review initiated by the government?

**The Hon. M.J. WRIGHT (Minister for Industrial Relations):** Investment returns for superannuation funds and the like have experienced a deterioration from the consistently high levels that have been achieved over recent years. As has been suggested in the *Advertiser* recently, WorkCover has not been immune. As members will recall, previously I made a ministerial statement advising the house that a report is being prepared at my request by the Office for Government Enterprises regarding financial reporting, corporate governance and other practices critical to the financial management of WorkCover.

This report will feed into the broader reviews of workers' compensation and occupational health, safety and welfare. As we are dealing with financial matters relating to WorkCover and the progress of the review of workers' compensation and occupational health, safety and welfare, it is convenient to deal briefly with the matter of interest that was raised during the estimates: the budget for the review of workers' compensation and occupational health, safety and welfare. A range of figures has been bandied around. At the time of the estimates committee I had not approved a budget for the review, and I said so during the estimates.

Negotiations between WorkCover and the Chief Executive Officer of DAIS (who had been negotiating on behalf of the government) have continued; and I can now advise that I have approved a budget of \$374 000. The review is timely. It is almost 20 years since the present system of workers' compensation and occupational health, safety and welfare was put in place. Given the significance of improving workers' compensation and occupational health and safety for all South Australians, the budget that I have just approved is both fair and reasonable.

In terms of the progress, I can also advise that a series of meetings have taken place with key stakeholders, including Business SA, the UTLC, the Work Injured Resources

Connection, the Law Society, the Occupational Health, Safety and Welfare Advisory Committee, the Workers' Rehabilitation and Compensation Advisory Committee and many other important groups. I am advised that the discussion paper, which will provide a framework for written submissions by stakeholders, will be released in the next week. In terms of WorkCover's investment outcomes for 2001-02, I can advise that, in round figures, the preliminary unaudited nominal investment return for 2001-02 is a negative result of 3.9 per cent.

This represents a loss of \$29 million in the context of a budgeted return of \$53 million. As such, the investment returns were \$82 million below budget. As I said, many institutional investors have seen a deterioration in their investment return, as has been the case with WorkCover. A recent report by Towers Perrin indicates that the average benchmark investment return on balanced funds for 2001-02 was a loss of 4.5 per cent. WorkCover's unaudited performance compares favourably to that benchmark.

### HOSPITALS, QUEEN ELIZABETH

**The Hon. DEAN BROWN (Deputy Leader of the Opposition):** Why did the Minister for Health say last week that she was shocked that the Queen Elizabeth Hospital had not purchased the MRI machine as approved by the previous government in November 2001 when she had already instructed the chief executives of both hospitals to prepare business plans to buy and install larger machines rather than the MRI machines approved by the former government? Last week, the minister publicly stated that she was shocked to discover that the Queen Elizabeth Hospital had not purchased the MRI machine, which was approved by the previous government in November 2001. However, a press release issued by the Premier (dated 22 March this year) clearly states that the Minister for Health had asked the chief executive officers of both hospitals immediately—and I stress that word which appeared in the press release—to prepare business plans to buy and install new machines rather than machines approved by the former government.

**The Hon. L. STEVENS (Minister for Health):** I must say that, since I have been health minister, I have been shocked a number of times. I was shocked when I discovered that the reserves had all gone. I was shocked when I discovered that the enterprise bargaining agreement had not been funded and was about to be broken as a result of the former government's negligence. I was shocked that we did not have a plan for our work force and our medical work force, so there have been quite a few shocks. But I was particularly shocked to learn that the Queen Elizabeth Hospital had apparently spent \$2.4 million and purchased an MRI without approval because I knew that I had not approved a business plan, nor had I put a submission to cabinet for that approval. And, in relation to those business plans, I have never even read the business plans from the Queen Elizabeth Hospital, never considered them and certainly not approved them.

### CORPORATE RESTRUCTURING

**Mr O'BRIEN (Napier):** Will the Treasurer inform the house of the details of the recently released stamp duty relief guidelines for corporate reconstruction?

**The Hon. K.O. FOLEY (Treasurer):** I am happy to answer the very important question from the member for Napier, and it would be fair to say that I have been a little

disappointed that I have not received a lot of interest and a lot of inquiries about my release of stamp duty relief guidelines for corporate restructuring; I would have thought that everyone would have been keen to know more about that issue.

**The Hon. D.C. Kotz:** Raising more taxes? I am very interested in your raising more new taxes.

**The Hon. K.O. FOLEY:** Well, thank you. I thank the member opposite for her endorsement of my budget. But I suspect at the end of the day it probably was not—

**The Hon. D.C. KOTZ:** A point of order, Mr Speaker: the Deputy Premier has made a comment which is incorrect, untrue, and he knows it, and I ask him to make sure that he withdraws. I am not endorsing any of his budget measures at this point.

**The SPEAKER:** Order! If the member objects to words used by the Deputy Premier, will she state what those words are; otherwise, write them down and bring them to the chair.

**The Hon. D.C. KOTZ:** I am quite happy to have my point of order recorded in *Hansard*, sir.

**The SPEAKER:** Well, I am not. I can only treat the member as taking a vexatious point of order, that is not really covered in standing orders, in order to interrupt the proceedings of the house. If the member does not have a specific complaint, then—

**The Hon. D.C. KOTZ:** The Deputy Premier's words were approximately: he thanked me for endorsing his budget measures. I have not done that and I have not said that.

**The SPEAKER:** Order!

**The Hon. D.C. KOTZ:** That is misrepresentation of my words.

**The SPEAKER:** Order! The member for Newland will come to order. If the member is aggrieved by the imputation of statements made by the member she can make a personal explanation at the conclusion of question time. I see nothing unparliamentary in the words used by the Treasurer, to which she has just drawn attention, nor in any other words that he has used in the course of the answer to this question. The Deputy Premier.

**The Hon. K.O. FOLEY:** Thank you, sir. I can understand the member for Schubert not being happy with what I said earlier, and I apologised, but I think that the member for Newland is being a tad sensitive if she takes offence at my remarks. I assume that you are going to vote for the budget? Are you going to support the budget or is this a revelation that the opposition is not going to support the government's budget? Will you be voting against the government's budget?

*Members interjecting:*

**The Hon. D.C. Kotz:** I am very interested to hear all about your tax rises for this state, Mr Deputy Premier. Keep telling us.

**The SPEAKER:** Order!

**The Hon. K.O. FOLEY:** You are free not to vote for the budget. That is your call. I know that you are sticking up for the hotel operators, but never mind. As I said, I am talking about a very important policy matter that I know is of enormous interest to many—it is just that no-one has shown very much interest in it to me—and that is the issue of corporate restructuring. A corporate restructuring ordinarily applies where a corporation transfers substantially all property, at least 90 per cent, from one corporate entity to another within the same wholly-owned corporate group. The aim of the reconstruction is to make the group more efficient, effective or competitive. In such a circumstance stamp duty would ordinarily be applied to such transfers.

Most state and territory governments provide stamp duty relief for corporate restructurings on the basis that there is no underlying change in ownership of the property but merely a transfer in the legal ownership between corporate members of the same group. And I am pleased that at least the member for Mawson is paying me the courtesy of listening intently to what I am saying, because not too many on my side are doing it, I have to say. Whether or not you like it, sir, this is important information that must be brought to the attention of the house.

**The SPEAKER:** I understand the importance of it, and I like it.

**The Hon. K.O. FOLEY:** Thank you, Mr Speaker. I will not go there. That is two. Following numerous submissions made to the former Treasurer (Hon. Rob Lucas) in 2000-01 from industry groups, approval was given for the preparation and confidential consultation of public guidelines for corporate reconstruction relief. It would be wrong of me not to acknowledge that this work was begun in large part by the former Treasurer. I do not need to do anything other than to appropriately acknowledge the work of the former Treasurer, be it good work or bad work. I have been pretty heavy on acknowledging the bad work; occasionally I should acknowledge—where I can find it, at least, as hard as it is—some good work.

**The SPEAKER:** Yes, and as often as possible.

**The Hon. K.O. FOLEY:** Thank you, sir. The consultation period ended on 29 March 2002. Maybe this is why the former Treasurer is so angry about losing office—because he did not get the chance to complete this important piece of policy reform. Maybe that is the reason he is taking the loss so badly—although I doubt that it is the reason. Following in-depth consideration of the need to establish guidelines, I gave my approval to a set of guidelines. I took much advice and thought about it over a long and extensive period, and I came down with a decision. I think I have just lost the member for Mawson, sir, but I take it that you are still listening.

**The SPEAKER:** Yes.

**The Hon. K.O. FOLEY:** In my capacity as Treasurer, I approved the release of circular 227—and I ask all members to take note of this—stamp duty—

*An honourable member interjecting:*

**The Hon. K.O. FOLEY:** I now have the member for Mawson interjecting. He has gone from listening to interjecting.

**The SPEAKER:** Order! The Deputy Premier will wind up his answer.

**The Hon. K.O. FOLEY:** I clearly have now lost the Speaker. Sir, you are a very hard Speaker, if I may say so, but I will finish my answer. The guidelines are not entrenched in legislation, because one of the options was that I put them in legislation. However, I felt that treasurers—both present and future—may still want to have the powers themselves. Of course, this allows for implementation to occur in a timely fashion.

*An honourable member interjecting:*

**The Hon. K.O. FOLEY:** Yes, never trust a parliament when the Treasurer can do it. The guidelines will provide greater certainty, consistency and, in keeping with the government, transparency for taxpayers, and allow South Australian businesses to position themselves in an efficient and competitive manner relative to their interstate counterparts. That is about all I have to say on the matter, and I am pleased that members opposite and members on my side of

the house found something useful to do over the past 10 minutes as I gave my answer.

### HOSPITALS, QUEEN ELIZABETH

**The Hon. M.R. BUCKBY (Light):** Has the Minister for Health made any inquiries to ascertain when members of the minister's staff received the business plans for the purchase and installation of larger MRI machines which were announced in a government press release dated 22 March this year?

**The Hon. L. STEVENS (Minister for Health):** My Chief of Staff first received a copy of a business plan by email on 19 March. The email said that the business plan was 'currently moving through the usual process of consideration and recommendation'. On this advice—

*An honourable member interjecting:*

**The Hon. L. STEVENS:** Just be quiet!—the Chief of Staff—

*Members interjecting:*

**The SPEAKER:** Order! Honourable members will be quiet.

**The Hon. L. STEVENS:** Thank you, Mr Speaker. On this advice the Chief of Staff waited for the plan to be submitted through the correct channels. The business plan was then officially forwarded to the DHS by the CEO of the Queen Elizabeth Hospital on 12 April 2002. This was forwarded to my office by the chief executive of the department on 26 April 2002. Yes, copy it down. It was received on 6 May 2002, just one day, as I have now learnt, before the new machine was signed for.

*Members interjecting:*

**The Hon. L. STEVENS:** No, you're not listening; that's the problem. I will repeat that, because it is just breathtaking.

**The SPEAKER:** Order! There is no necessity to repeat it.

**The Hon. L. STEVENS:** Fine. Thank you, sir, I will go on. The Department of Human Services did not support the purchase of an MRI of this strength for the Queen Elizabeth Hospital. Not knowing that the machine had in effect already been purchased, my Chief of Staff consulted with the Chief Executive Officer of the Department of Human Services and minuted on 28 May 2002 that the matter would be considered after the state budget. I was informed of this decision to wait until after the budget to consider the business plan.

**The Hon. DEAN BROWN (Deputy Leader of the Opposition):** Will the Minister for Health advise the house whose 'head will roll' as a result of the government's mishandling of the purchase of the MRI machine for the Queen Elizabeth Hospital?

**The Hon. L. STEVENS:** This is getting rather tedious. I have made a very detailed ministerial statement. I have answered the questions that have been put to me, and this matter and everything in relation to it is now in the hands of the Auditor-General. As I said, I am looking forward to the report of the Auditor-General, and then we will see what needs to be done in terms of people being accountable for their actions.

### PASSENGER TRANSPORT BOARD

**The Hon. M.R. BUCKBY (Light):** Will the Minister for Transport advise the house of the progress of the current review of the Passenger Transport Board and provide details

of the planned restructuring of the board, including any plans that would see the board disbanded?

**The Hon. M.J. WRIGHT (Minister for Transport):** I am not quite sure what the honourable member is talking about in regard to a review. In the lead-up to the last election, our policy on the Passenger Transport Board was very clearly articulated and the government is proceeding. It will be coming forward in the near future with its legislation with respect to the Passenger Transport Board.

### BUSES, REPLACEMENT

**Ms THOMPSON (Reynell):** Will the Minister for Transport advise the house about the proposed future of the bus replacement strategy for the metropolitan public transport fleet?

**The Hon. M.J. WRIGHT (Minister for Transport):** I am pleased to announce that the state government will provide \$92.4 million over the next five years to modernise and improve the public transport bus fleet. The bus replacement program will ensure that the Adelaide metropolitan bus system is rejuvenated and meets the needs of an increasing number of public transport users, with around one new bus rolling off the production line each week. The final distribution of these buses has yet to be determined. However, buses approaching 24 years old in the north-south depot at Morphettville, the outer north depot at Elizabeth and the outer south depot at Lonsdale will be a key consideration.

Nonetheless, the initial priority for new buses this financial year will be in the outer south, where SouthLink services routes from Lonsdale. It is estimated that a total of 38 new buses will be supplied to SouthLink by the end of June 2003, with another 12 buses destined for the east-west contract area operated by Torrens Transit. The buses will be a mix of articulated and rigid buses with varying seating capacities, designed to meet the requirements of Adelaide's different public transport areas and customer needs.

All new buses will be fully accessible with air-conditioned buses and will exceed the latest environmental emissions performance requirements. By June 2008 fully accessible buses will make up two-thirds of the total bus fleet and around 82 per cent of the fleet will be air-conditioned. This government is serious about improving the public transport system, which has been demonstrated by committing funds for the next five years until 2008. In contrast, the previous government could only see fit—

*Mr Brindal interjecting:*

**The Hon. M.J. WRIGHT:** You have not heard what I am about to say. In contrast the previous government could only see fit to fund replacement buses up to and including this financial year, which indicates their lack of longer term vision for public transport infrastructure in this state. Contrast that with the Rann Labor government's policy of allocating \$92.4 million over five years to modernise and improve South Australia's public transport bus fleet. That is the difference between Labor and Liberal.

### DRUGS

**Mrs GERAGHTY (Torrens):** My question is directed to the Minister for Education and Children's Services. School drug education and intervention was explored as part of the recent Drugs Summit. Will the minister explain the extent of the drug problem in our schools and detail the summit's

outcomes and how they will influence drug education in government schools?

**The Hon. P.L. WHITE (Minister for Education and Children's Services):** Unfortunately, our schools are not always untouched by the presence of drugs in the wider community because this social problem occasionally spills over into the schoolyard. Illicit and unsanctioned drugs have no place in South Australian public schools or non-government schools—schools generally. Schools are required to take appropriate action to deal with drug related incidents, including informing police. Until now we have never had a clear system-wide picture about the extent of drug related incidents in our schools, and for the first time last year data was collected on suspension and exclusion for drug involvement. That data shows that in term 2 last year there were 210 reported incidents where involvement with an illicit or unsanctioned drug led to a suspension or exclusion from school attendance. Less than half the cases involved possession of drugs.

We need to remember that there were 5 053 suspensions and 256 exclusions during that term, meaning that drug related incidents accounted for less than 4 per cent of all suspensions and exclusions, which equates to about .1 per cent of the student population or an incidence rate of 1 in 750 students in that term. While the data suggests that the incidence of drugs in schools is not proportionally high, schools are acutely aware that there is never room for complacency. For the past 2½ years drug education specialists have been working with schools to develop their own whole school drug strategies, with an emphasis on harm minimisation. Those strategies look at drug education across the curriculum, managing drug related incidents, providing a supportive and responsive school environment and working in partnership with parents and communities to deal with drug issues.

Drug strategies are also put in place at the local individual school level. The department's drug strategy team is also working on a new set of guidelines around drugs in schools, updating the current administrative instructions and guidelines in place. These will outline a general approach to how schools should manage drug incidents. There will be scope for schools to adapt the guidelines to their individual environments as well as examples of good practice in relation to the management of drug incidents in schools. The aim of drug incident management is to ensure student welfare and continued connection to schooling. The recommendations of the Drugs Summit working group on school drug education and intervention strengthened and affirmed the approach being taken by the department.

There was a strong focus on whole of school approaches as well as the need for a framework for drug incident management in schools, work force development, targeted strategies and making drug education part of the core curriculum. We are now looking at strengthening the place of drug education in the curriculum, and all schools have teaching materials that can be used to deliver drug education in the classroom. The drug strategy web site provides information about drugs, resources, professional development opportunities and links for student use. A program where prominent sports people visit schools to deliver healthy lifestyle messages to students is also gaining some momentum in our schools. The Power Community Youth program involves footballers, netballers and wheelchair athletes working with people to encourage and inspire them to make healthy lifestyle choices, and that is an ongoing program.

Drug use is a complex issue, and schools will continue to work closely with parents, community bodies, health agencies and police to deal with it.

**The DEPUTY SPEAKER:** I ask members not to obstruct the floor.

### SOLAR ECLIPSE

**Mr VENNING (Schubert):** Will the Minister for Tourism advise the house of the progress of the government's assessment of Ceduna council's application for financial assistance to cater for this year's total solar eclipse, and when will the council be informed of the government's decision? The Ceduna council has requested financial assistance to cope with the expected influx of up to 20 000 people for the total solar eclipse in December. I have been informed that a recent risk assessment has emphasised the urgent need to upgrade the effluent system and that work should begin within the next couple of weeks for it to be completed in time for the event. I am also informed that, without this work, the raw effluent could run into the bay, where 50 per cent of the state's oysters are grown. I am further informed that the funding application has been with the state agencies for two to three months now. The matter has now become urgent, and work must begin.

**The Hon. J.D. LOMAX-SMITH (Minister for Tourism):** The matter has been under active discussion now for two years. The solar eclipse is not something that comes out of the blue: it is something that is planned for on an astronomical basis for many years. The fact that there would be a total eclipse was recognised even by the last government some years ago, and it was indeed part of its Year of the Outback strategy. As members would know, a solar eclipse might be expected on our continent perhaps once in a decade, but a total eclipse is even rarer, and the arc where the visibility will be best goes from Ceduna and Lyndhurst through to the Queensland border. It was one of the projects that the committee thought would be worth promoting locally but, as it happened, there was almost no need to advertise or give any publicity internationally, because a well versed body of travellers around the world seeks out this event. I understand that some of the stations had maximum bookings as long as a year ago, when shearing sheds were already booked out by travellers coming from North America.

I understand that Ceduna was one of the places which the last government perceived to have the greatest potential for an influx of visitors. In addition, it was particularly attractive because of its coastal location and the timing of the eclipse. Members will understand that this year the eclipse will occur in late afternoon, at a time when it will be most attractive to observe over the sea, and this will therefore be a better observation point than most of the inland areas, which will be hotter, dustier and less able to cope. There is already infrastructure in the area, and the local council, together with the SATC, employs a project officer to work on developing the required risk analysis and infrastructure business plan to deal with the food and water outlets that are necessary in the city, and to deal with transport and the number of visitors that we understand are booked to visit. In fact, interestingly, many of the Japanese tourists appear to be booking drive in and drive out visits, and I understand that nearly all the available coaches already have been booked to leave from Adelaide, in what appears to be a very tight time frame for driving up and returning.

The member for Schubert's understanding of the request for additional funding does not coincide with my memory, and I will be happy to take on notice the question with respect to the exact date when an application was received by fax. I believe it was about two weeks ago, but I will inform the member exactly when the application for funding was received. The amount of work which was suggested might be required, or which the Ceduna council requested was required, was fairly large. We are talking about a sum of money in excess of \$600 000, which includes a considerable amount of mechanical equipment, pumps, staff and employment opportunities.

I admire the council's claims, because it would have obviously produced major job opportunities for the community. But, clearly, with a sum of money of that size being requested, it was only proper that we should investigate it fully. I know that the risk analysis and the assessment have now been carried out, and I expect to discuss the matter with the SATC and the Chief Executive Officer within the next day.

### LOWER MURRAY SWAMPLANDS

*Members interjecting:*

**The DEPUTY SPEAKER:** Order! The member for Unley.

**An honourable member:** That's you.

**Mr BRINDAL (Unley):** Yes, I know it is me. Thank you, but you do not need to tell me that. Will the Minister for Environment and Conservation advise the house when dairy farmers on the Lower Murray can expect to be provided with funds to begin work on programs to reduce pollution run-off entering the Lower Murray swamplands? This question was partly addressed by the minister in questions before the estimates committee.

In June this year, the minister announced a \$30 million program to address run-off pollution. This followed the previous government's \$40 million commitment on this important issue and, interestingly, it follows quite strident criticism by the then leader of the opposition in the last parliament on this area, which I think he described as a black spot and which was reported nationally as a black mark against South Australia. Well over a month later, the opposition has been informed that, despite the community's eagerness to get on with what needs to be done, the committed funds have not yet been provided, so work has not been able to begin. When will it begin?

**The Hon. J.D. HILL (Minister for Environment and Conservation):** I thank the member for his maiden question to me as Minister for the River Murray—

**Mr Brindal:** That's not true.

**The Hon. J.D. HILL:** Yes, it is.

**Mr Brindal:** I asked lots of questions in estimates.

**The Hon. J.D. HILL:** Normally by way of interjection. This is the first formal question the member has asked of me in question time. But I do appreciate the opportunity of letting the house know what is happening with respect to the Lower Murray irrigation swamps. As the member said, this is a blight on South Australia's performance. It is an area of the state that has been pointed to by the eastern states for some time, and they have said, 'Do not lecture us: look what you are doing down there.'

**Mr Brindal:** And the Premier said that as well.

**The Hon. J.D. HILL:** The Premier said it, and I certainly said it in opposition. As the member would know, I made a

statement six or eight weeks ago in relation to this matter, and I said that money would be found to help fix up this problem. In fact, just before question time, I received a briefing from my officers, who have done a considerable amount of work in relation to this issue. They have carried out a detailed costing of the various elements in an attempt to work out how much is public good, how much is private good and where the balance of costs should go. I am expecting that to go to cabinet very shortly, and then I will be able to make some public comments and also let the irrigators in the South-East know what the proposition is.

As the member would know, we have to negotiate this with our commonwealth colleagues, because the money is a joint fund—both state and federal funds are involved through the NAP arrangements. We have done a lot of the work. We need to go to cabinet, we need to talk to the irrigators about their contribution, and we need to get the commonwealth on side. However, I anticipate a plan of action relatively quickly. There have been no untoward delays. We want to get it done, and we intend to get it done.

### DRIVERS' LICENCES

**The Hon. M.R. BUCKBY (Light):** Will the Minister for Transport advise the house whether he is considering more stringent medical examinations for seniors who wish to keep their driver's licence? I have been approached by a number of senior citizens who have expressed concern because they have heard that the government is about to introduce more stringent medical tests for people wishing to retain their driver's licences. As many senior citizens rely on their licences to undertake volunteer work, they are afraid that they may not be able to continue this service to the community.

**The Hon. M.J. WRIGHT (Minister for Transport):** I thank the shadow minister for his question. To the best of my knowledge, I have not received advice from the department on that subject but, in the true spirit of bipartisanship, I will check that, because perhaps something is floating around or something has come across my desk that I do not recall. It is not something which I have initiated or of which I am aware, but I think, in fairness to the shadow minister, I need to check the detail of what he has put before the house. I will come back with the information.

### BUILDING MAINTENANCE

**The Hon. D.C. KOTZ (Newland):** Will the Minister for Administrative Services advise the house whether it is the government's intention to close regional building maintenance services or to downsize the current services and reduce staff members in regional areas of the state? I am advised that Building Maintenance Services is a section of the Department for Administrative and Information Services which has nine regional offices based in Mount Gambier, Berri, Murray Bridge, Nuriootpa, Clare, Port Pirie, Port Augusta, Whyalla and Port Lincoln. The government has cut funding in this area by \$2.753 million.

**The Hon. J.W. WEATHERILL (Minister for Administrative Services):** I thank the honourable member for her question. It was one of my pleasant duties in the very first days after being sworn into office to visit Building Maintenance Services at Netley and explain to them that—

**An honourable member:** Did you say that was one of the highlights?

**The Hon. J.W. WEATHERILL:** It was. I took it very seriously. I tried to meet as many people within the departments under my responsibility as quickly as I could. I was armed with a very important memorandum from the Premier that made it clear that under this government there would be no further privatisations or outsourcings of the sort that had gone on under the former government. So, those people in Building Maintenance Services who managed to survive—those who clung on—during what were, I think it is fair to say, the lean years were very happy to receive that news. They are very happy with the incoming Labor government. We restated our commitment to retain Building Maintenance Services. It comprises a tremendous group of people who have done a fantastic job maintaining public buildings around the state and in the metropolitan area. We support their work in the regions.

Of course, we have had to make some difficult decisions in the budget. We have had to make cuts—there is no doubt about that—but, as far as possible, we have tried to confine to goods and services those cuts within the Department of Administrative and Information Services. We have attempted to save as much as possible and to protect those essential services which maintain employment and provide very important services in the regions. I am unaware of any decisions that will be made to cut particular officers or services in those regions. I will, however, undertake to analyse in detail the proposals to implement the budget and to bring back a detailed answer to the member.

### FINE EVASION

**The Hon. M.R. BUCKBY (Light):** Will the Treasurer advise the house of the number of evaders of traffic and other court imposed fines that have been pursued and the amount of money that has been recovered since he announced the crackdown on evaders in May? On 5 May this year, the Treasurer announced a crackdown on fine evaders. He announced that there is \$86 million in outstanding fines and that he had not ruled out deducting outstanding fines from evaders' bank accounts.

**The Hon. K.O. FOLEY (Treasurer):** I noticed that the member for Unley sat bolt upright when that question was asked. I hope that the honourable member has paid his fine. If not, we may have to come after his bank account.

*Members interjecting:*

**The Hon. K.O. FOLEY:** You just can't get used to not having that white car, can you?

**Mr Brindal:** I can't get used to driving.

**The Hon. K.O. FOLEY:** If anyone sees Brindal on the road, change lanes very quickly!

*Mr Brindal interjecting:*

**The DEPUTY SPEAKER:** Order!

**The Hon. K.O. FOLEY:** My apologies, Mr Deputy Speaker. This is a serious question. What concerned me was that there were a large number of outstanding fines. The former government, in a very good program, put some fairly extensive media advertising into an attempt to claw back some of the money, which had some positive effect because there was a good return on the money that was put into it. I was then advised of some work being done in New South Wales to try to address this issue. From memory, one of the points put to me concerned whether it is feasible or worth the effort to try to claw back some of the money via measures such as accessing the income of people who do not pay, which is probably not dissimilar to the models used by the

commonwealth government with family payments. I will get a detailed answer for the member to see what work has been undertaken and what effect it may have had.

## GRIEVANCE DEBATE

### HOSPITALS, QUEEN ELIZABETH

**The Hon. DEAN BROWN (Deputy Leader of the Opposition):** I wish to deal with what is now called the MRI affair, which could be known as the 'Minister for Real Incompetence' affair or the 'Must Resign Immediately' affair, because for the last week we have seen an incredible saga about the purchase of the MRI machine at the Queen Elizabeth Hospital. I am fascinated to note that the Minister for Health is heading to the door in one hell of a hurry. Today we have had answers to further questions and I highlight the absolute incompetence of the minister in handling this right from last week—in fact, going back well before that. It has been a public issue that she has mishandled since Tuesday.

Today the minister acknowledged that the business case was sent to her office unofficially on 19 March. She has also acknowledged today that she still has not read that business case. Almost five months after it was sent to her office, we find that the minister has not read the business case for the purchase of the MRI. Yet the government's press release, issued on 27 March this year, states that the minister has asked the chief executive officers of both hospitals to immediately, not as soon as possible, prepare business plans to buy and install the new machines, instead of the second-hand machines promised by the former government.

One would have to say that any minister who allows a business plan for the purchase of what is seen as an important piece of equipment to sit in her office for almost five months without reading it, as the minister has today acknowledged, is highly incompetent. She even acknowledged last Friday that she has not even seen the business plan, even though it has been sitting in her office for almost five months. It is clear that she has made no decision about it, but the other incredible thing in this issue is that, last Tuesday, in the estimates committee, the minister clearly stated that she was surprised that the Queen Elizabeth Hospital had not purchased the MRI machine as approved by the previous government in November last year. Indeed, she said in the media (not in the parliament) that she was shocked about that.

The minister said that even though she knew that her own party had allocated funds to buy a larger machine and that, on 22 March this year, an instruction had been issued to prepare a business plan to buy a larger machine. Even though the CEO of the hospital sent her a copy of that business plan in early April this year, the minister sits there for almost five months without even bothering to read the business case on the MRI.

How could she be shocked? Why did she ask for a business case to be prepared immediately if she intended to allow these hospitals to purchase the MRI machines approved by the previous government? Surely the very statement that this needed to be done immediately—not just to prepare a business plan but to prepare a business plan to purchase and install an MRI—clearly indicates that the minister believed

that the MRI ordered by the previous government should not be purchased and that a different machine should be purchased.

That is clearly the intent of what the minister said at the press conference of 22 March and it is clearly what she was thinking when she talked to the CEOs at the hospital about the immediate preparation of a business plan. What was the minister suggesting: that they buy an MRI approved by the previous government and 12 months later buy two larger MRIs? That would appear to be the case—

Time expired.

**The DEPUTY SPEAKER:** Order! The chair allows members to finish a sentence but not to make an enlarged statement.

### NAIDOC WEEK

**Ms BEDFORD (Florey):** I want to report to the house a summary of events involving the indigenous community following NAIDOC Week last month. In particular, I want to talk about the awards that were made during NAIDOC Week. Aboriginal Person of the Year is Coral Wilson, who, amazingly, is a partner, a wife, a mother and a grandmother, and a supportive, loved comrade and friend to many Aboriginal and non-Aboriginal people throughout this state. Coral is a tireless worker for the community. She has had many roles: in the Remand Centre; with local government; in reconciliation policies and practice; in working with young people; and in the area of community arts and education for anti-racism and cultural exchange. I am sure that we all congratulate Coral on being recognised and today we honour her in the house.

Other awards during NAIDOC Week are as follows: Male Elder of the Year, Reverend Syd Graham; Joint Female Elder of the Year, Charlotte Sumner and Lorraine Wilson; Youth of the Year, Luke Trevorrow; Scholar of the Year, Jason Wanganeen; Artist of the Year, John Packham; Sports person of the Year, Garth Dodd; Disabled Employee of the Year, Claudette Bates; Indigenous Apprentice of the Year, Vida Sumner; Non-Indigenous Community Worker of the Year, Mike Gray of Tauondi College at Port Adelaide; Country Community Program of the Year, Camp Coorong at Menin-gie; Organisation of the Year, Nunkuwarrin Yunti; Culture/Language Worker of the Year, Stephanie Gollan; Miss NAIDOC 2002, Gina Rings; and Mr NAIDOC 2002, Jardine Kiwat.

I would also like to put on the record that, in the interim since we last had a chance to grieve, an election was held in Tasmania and the first Aboriginal person was elected to the Tasmanian parliament. Kathryn Hay's election to the House of Assembly is encouraging for indigenous people and another positive step towards reconciliation. Of course, we are yet to have our first indigenous member in the South Australian parliament, and I am sure that it will only be a matter of time. Ms Hay's historic win shows that the Tasmanian people are prepared to accept change and recognise that Aboriginal people make a valuable contribution to their state and also to the nation. Ms Hay has proved her worth in the public arena in many roles. In fact, she has been a Miss Tasmania and a Miss Australia, and I have no doubt that she will be equally productive as a member of the state government in Tasmania.

I would also like to talk about the launch of the Legal Awareness Program for Aboriginal People in South Australia. It is called 'know your rights in SA' and it is an initiative of



the Aboriginal Advancement League. It is particularly timely given that on 31 July we had a March for Justice here in South Australia. It was a show of strength and support for the families of Anthony Wilson and Robert Harradine, two young men who were killed in an accident. Unfortunately there will be no prosecution. The Director of Public Prosecutions will not, I understand, be pressing charges. It is a tragedy that two young men have died in such awful circumstances and that there will be no justice sought for their families or for them.

I had the pleasure to represent the Hon. Terry Roberts at the planning meeting for the program on Wednesday 7 August. The program aims to create awareness among members of the Aboriginal community of their rights under the laws of this state and the legal services that are available to Aboriginal people. A series of workshops on dealing with the police, the courts, the range of legal services available and imprisonment and rehabilitation services will be held, with the first series of workshops to be conducted in the Salisbury/Elizabeth area.

I congratulate those involved in this important project, and not only those presenting the workshops but all those who will be participating. It is certainly an important project to help address the over-representation of Aboriginal people in our prison system. A recent Adelaide conference on indigenous substance misuse heard some very alarming statistics: Aboriginal people comprise 2.1 per cent of the Australian population yet account for 29 per cent of those arrested, and they make up 19 per cent of the prison population. The 1996 census showed that 41 per cent of juveniles in detention were indigenous.

These statistics and the question of how the justice system as a whole relates to indigenous people are issues that all governments in Australia need to address, and initiatives such as the Legal Awareness Program are essential and will help provide a better understanding for those who have contact with the justice system set up by white Australians. It is timely that this program was launched last week, because Friday was the United Nations International Day of the World's Indigenous People.

### ANIMAL WELFARE

**Dr McFETRIDGE (Morphett):** I would like to talk about an idea which was floated in the *Sunday Mail* and which raised the issue of the need to use microchips to identify dogs and cats. With the current review of the Dog and Cat Management Act that is underway, there is certainly the need for some positive input to help people who are responsible owners of dogs and cats to permanently identify their pets.

Before coming to this place, I had in my veterinary practice more than 17 000 animals on file. There were some 8 000 cats, and I think you could probably triple that number to account for all the cats in the Happy Valley/Aberfoyle Park area. There are thousands and thousands of cats. Another interesting statistic is that, out in the Australian bush and in the gullies of the Adelaide Hills, it is estimated that there are between eight million and 20 million feral cats at any one time. There is a definite need to control the cat population and, certainly, identifying dogs and cats by a permanent method is something that we all need to encourage.

Microchips in the form of tiny little rice-grain size transducers are popped under the skin just on one side of the neck in a fairly painless procedure. It appears that a fairly large bore needle is used to insert the microchip. It can be

done by any competently trained operator: vet nurses are doing it and vets are certainly doing it on a more regular basis nowadays. I encourage this government to look at compulsory microchipping for all dogs and all cats. To say that you cannot control your cat and that your cat will wander is all the more reason to have your cat microchipped.

The current regulation in respect of the identification of dogs provides for just a collar with the local council registration tag on it, and cats need to have some kind of ID, whether that is a microchip or some kind of collar with a tag on it. The microchip is a more permanent form of identification, and it is a one-off cost. I believe that in some states—and I would certainly encourage it in South Australia—microchips are used in place of registration discs for dogs, and they are used as a form of registration for cats.

I am sure that I will get some opposition from some cat owners but, if they are responsible cat owners and if they really love their cats as they profess to, then they, like many of my clients, would be very relieved to have their pets returned when they have been lost. There will be a few bleating individuals who complain about the cost, but the responsibility that goes along with owning a pet is something that should be considered when you first buy the pet, and some costs will be involved, no matter whether it is for feeding, desexing, vaccinations or, in this case, the use of microchips.

I was alarmed to read in the article in the *Sunday Mail* that veterinarians will have to be accredited by the Dog and Cat Management Board before they can perform microchipping. I should perhaps let that board know that vets have been microchipping in this state for many years now, so we are already accredited to do it. That is not to be in any way discouraging or disparaging towards the members of the Dog and Cat Management Board: it certainly is doing the right thing. The number of dog attacks, stray dogs and cats, and particularly dogs and cats that are being euthanased because they are not being returned to their owners is a serious problem for the community.

I believe that the Marion City Council is now having vets register dogs, and that is something that I would like to see happen with cats. Dr Peter Hammond at Marion Small Animal Hospital said that Marion has a system under which all the vets in the Marion council area are able to register dogs as they come into their clinic. It is not a way for vets to make money: it is an efficiency program which the council has evolved and which certainly is being implemented. I certainly encourage the government and the minister to continue their endeavours to improve dog and cat management in the state, and I certainly will be more than willing to give them any assistance I can.

Identifying pets with microchips is something that I would strongly encourage. Vets have been doing it for a long time, they do not need any special accreditation to do it now, and I can see no reason for them to have any special accreditation in the future. It is the most positive way of identifying new pets.

### REAL ESTATE SALES

**Mr RAU (Enfield):** I say again that it is a privilege for me to speak either before or after the member for Morphett—they seem to be in a tag team arrangement. I am happy to say that today's contribution from the member is one with which I wholeheartedly agree, and I think his great personal know-

ledge and whatnot on this subject is something of which we in this chamber should all take great notice.

However, I rise today to say something more than simply to congratulate the member for Morphett. I want to draw members' attention to a matter that I think is of quite significant importance for South Australians, that is, the conduct of certain operators in the real estate business in South Australia at present.

I would like parliament to consider that, traditionally, there are three ways in which real property might be offered for sale. Those ways are, first, sale at a nominated price; for example, \$200 000 will buy you a house. The second option is an auction at which the highest bidder above the reserve price is able to secure the property; and the third alternative is sale by tender. There are good reasons why each one of those is a quite separate arrangement; that is, they all involve very difficult legal situations and they all involve very different obligations, rights and duties as far as the purchasers and vendors are concerned.

In the case of a sale, for example, unless you are a person who is exempted from the cooling off period, you have a period during which you are able to decide whether you wish to proceed with the sale. That entitles you to certain rights, during which time, for example, you might arrange for an inspection of the property—a building inspection, a title inspection or some other inspection. You might arrange for any number of things or you might simply get sick of it. In any event, you have a chance to get out of it. That is a very important right that you have as a purchaser under a sale arrangement.

However, if you happen to be a purchaser at an auction, you know that you are purchasing under auction conditions and you have certain rights as far as that is concerned. You know that there is no cooling-off period, and you also realise that the relevant material has to be displayed by the auctioneer; and, hopefully, you are bidding in a circumstance where, although you know there may be bids up to the reserve price offered by trees, dogs or passing pedestrians, at the end of the day the highest price above the reserve price gets the sale and it is in public.

The third situation, of course, is a tender, which does not usually apply to domestic dwellings. Unfortunately, what has been happening, presumably as a result of the large amount of money floating around the real estate business in this state and others, is that properties are not being offered for sale at a nominated price (which, in legal parlance, is an offer) but they are being offered for sale, for example, in the range of \$500 000 to \$600 000, above \$200 000, or from \$200 000 to \$300 000, or whatever. In legal terms, that is not an offer but what is called an invitation to treat. It is inviting someone to make an offer to you and not making an offer that someone can accept.

Of course, the significance of this is that I believe that the real estate industry is now covertly moving to a system of effective Dutch auctions, whereby members of the public are bidding off against themselves. Agents will tell you, 'Oh, yes, but if a bid is made that is in the range, we will notify everyone else who is interested.' Well, it is hardly transparent. It might work in the case of a highly reputable agent but, Mr Deputy Speaker, how do you or I know which agent is highly reputable until we have had the unfortunate experience of finding out that they are not? We do not know. There is no list of disreputable agents out there to be found. This process is wrong, because it avoids the security that is presently there for purchasers of real estate.

It would be very useful for the government to move quickly to regulate and investigate this proposition so that properties are either offered for sale at a nominated purchase price with no questions asked or they are offered for public auction, rather than having this intermediate Dutch auction which, in my opinion, is ripping off consumers and placing real estate people in the position of being at risk of being dishonest or unlawful.

### SHOP TRADING HOURS

**Mr KOUTSANTONIS (West Torrens):** I rise to attack the federal member of parliament the Hon. Chris Gallus, who has shown today where her loyalties lie. She has abandoned the western suburbs; she has abandoned the people of South Australia and put herself in the camp of Peter Costello and every other state. First, for the member for Hindmarsh, whose electorate includes Glenelg, one of the busiest Sunday trading districts in South Australia, to call for a total deregulation of trading hours across the board—which would hurt Glenelg traders—is a disgrace, and I am sure it is something that she has not discussed with traders at Glenelg.

I know that the member for Hindmarsh has different positions on a number of different things. I would like to know what the member for Morphett thinks about the member for Hindmarsh's outburst. I believe that her outburst means that she is about to retire. I think that either she has completely abandoned her political antenna and the people she represents or she is about to retire and is finally saying what she really believes. For a member of parliament representing South Australia in the federal parliament to say that the people of this state should be denied \$57 million simply because, to her liking—and not according to what the National Competition Council says—there has not been a sufficient level of deregulation is a disgrace. I think that members opposite would agree with me when I say that the member for Hindmarsh has well and truly gone a bit loopy.

**The Hon. M.R. Buckby:** You're not reading that, are you?

**Mr KOUTSANTONIS:** No, I am just reading what she has said, and I will let the member for Light know. As the elected member for Hindmarsh, she was asked whether she would go to Peter Costello and say that the South Australian government was not being competitive and that the \$57 million should be stopped, and she replied yes. That is disgraceful.

*The Hon. M.R. Buckby interjecting:*

**Mr KOUTSANTONIS:** It is good to see that the member for Light agrees with me. She said it not only on radio but also in print when she spoke to political reporter Leanne Craig, whom I am sure is an excellent reporter and would not misrepresent the facts. Chris Gallus might have been going temporarily insane for a while, and that is why she has said these things. But put aside the fact that she is temporarily insane and that she has come out and means everything she has said here, she is reported as follows:

If the state government [meaning this government] does not take action within three months to extend Sunday trading, they shall lose it [the payment], Ms Gallus said.

I wonder what the member for Morphett will say to his retailers on Jetty Road about the comments of the member for Hindmarsh. Let us not forget that the member for Hindmarsh, at great expense to the taxpayers, moved her office away from Torrensville and into Glenelg because it was a better booth for her and she wanted to shore up her votes and be

closer to the traders. I think she is a member of the Chamber of Commerce down there. I used to be a member of the Chamber of Commerce on Jetty Road, but I am not sure whether the member for Morphett is a member also. I would like to know whether or not the member for Hindmarsh is a member. For her to go along to those traders and say, 'I want you to compete with the rest of the state with Sunday trading.'

*Dr McFetridge interjecting:*

**Mr KOUTSANTONIS:** The member for Morphett is saying the same thing? He wants deregulation of trading hours as well so that the retailers of Glenelg have to compete with the retailers at the Marion shopping centre—is that what he is saying?

*Dr McFetridge interjecting:*

**Mr KOUTSANTONIS:** Well, the member for Morphett has said it in this place—and I invite him to get up now and say the same thing—that he wants to see competition with the Sunday traders on Jetty Road—

*Dr McFetridge interjecting:*

**Mr KOUTSANTONIS:** Yes, you did—with Westfield at Marion. Well done, member for Morphett! Talk about selling out twice in the first six months those people whom he claims to represent. I am glad now that the member for Hindmarsh and the member for Morphett have their offices in such close proximity, so when they go temporarily insane and start talking about the deregulation of trading hours to attack the people they represent, the people of Glenelg will finally realise that they are not getting good representation at either federal or state level, and that they will turn to the Labor Party at the next state election.

I just cannot believe that any federal member of parliament would call on the federal government to take away \$57 million. I can guarantee to this house that if Steve Georgianis had been the member for Hindmarsh, he would not have been calling on the federal government to take away the \$57 million.

*Mr Brokenshire interjecting:*

**Mr KOUTSANTONIS:** It was close, but I look forward to his contesting that seat at the next federal election.

## COUNCIL RATES

**The Hon. M.R. BUCKBY (Light):** I rise today to talk about an issue which is fairly hot in my electorate at the moment, and that is the one of Valuer-General's valuations, and particularly in terms of its linkage to council rates. This is a system which has been in operation for some time, and one which I believe is now in dire need of review and assessment. What is happening in Gawler in particular is that house valuations are increasing in some instances by 50 per cent. As a result of that, with respect to the council's using capital valuations for council rates, it means that council rates have the potential this year to increase very significantly. Could I give to the house just a couple of examples of this situation?

We have an area in Gawler called Church Hill, an historic heritage area. Two constituents who have already been to see me have had the valuations on their residences increase from \$175 000 and \$185 000 to \$280 000 and \$290 000 respectively in one year. Last year these people paid around \$1 100 to \$1 200 for their council rates, and this year, with this increase in capital valuation, I estimate that they will be up to approximately \$2 000, because the rate in the dollar has not increased by any large amount to compensate for that.

**The Hon. P.F. Conlon:** Where is this?

**The Hon. M.R. BUCKBY:** In the Gawler council area. Last year when I doorknocked, it happened to coincide with the day they received their council rates. The valuation system last year changed over to capital valuation, and many residents told me that they had increases of something between \$200 and \$500. These people were quite distraught because they could not work out how they would pay their rates. In the end, after a series of public meetings, some reductions were made that helped them. However, it comes back to the linkage between council rates and the valuation of the Valuer-General and the fact that they do not bear any relation to the services that are provided not just by the Gawler council but by any local council.

If capital values rise, unless the council reduces the rate in the dollar to collect the same amount of rate income, people who have a property will see their rates rise very significantly—as in these two examples—through no fault of their own, so to speak, apart from the location of their property. I have seen other valuations of the Valuer-General that have risen by \$30 000 and \$40 000, and those people will be paying significantly higher rates, too.

I intend to undertake some investigation of this area and the type of linkage other states in Australia or other countries—particularly those that have a local government system—have with capital valuation to rate revenue; how local council rates are calculated; and whether there is a link for the service provided, rather than, as in this case, it being a wealth tax. If I live in a house which is worth \$300 000 in Gawler, I will pay significantly higher rates than someone who lives in a house that is valued at \$100 000, and yet we both receive exactly the same service. There is no connection with the service received, which is quite different to any other user pays or private enterprise service that I might purchase. It is quite different and it is certainly worthy of investigation.

I believe that in Britain this system was unhitched some time ago. Certainly, given their local government authorities, I will be looking at Britain and at the United States to see how their council rates are collected and determined. This area needs significant investigation.

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## ESSENTIAL SERVICES COMMISSION BILL

Adjourned debate on second reading.  
(Continued from 10 July. Page 707.)

**The Hon. W.A. MATTHEW (Bright):** I rise to support the bill, as lead speaker for the opposition, but it will not be supported without an extensive rebuttal of many of the aspects of the second reading explanation, which was one of the most politically based (if not the most politically based) second reading explanations I have heard during my 13 years in this chamber. There are many aspects of the second reading explanation that are incorrect and that need to be corrected for the record. I am sure that the minister will enjoy the joust, as indeed he always does.

Further, a number of aspects of the bill will require clarification during the committee stage, when we will have an opportunity to question the minister in more detail. In order to cover all aspects of this bill I will refer frequently to the minister's second reading explanation and, in so doing,

I will present a series of facts. Because of the way in which the minister has drafted his second reading explanation, it is necessary that I refer to the past, the present and then refer to future projections in relation to electricity. I commence with the first page of the minister's second reading explanation, in which he makes a number of statements that need to be redressed in this forum. The minister said:

Privatisation has failed South Australians. For example, the impact of privatisation on electricity prices was clearly apparent from 1 July 2001, when nearly 3 000 consumers faced power price increases averaging 35 per cent, with some increases as much as 100 per cent. Over the past few years South Australia has experienced numerous instances of electricity blackouts that have caused severe disruption to the community. There have also been supply shortfalls of gas affecting some of South Australia's largest businesses.

Many statements in those sentences are simply incorrect, and I suspect that the minister knows it. If he did not know it, I would be more concerned than I am already about the Labor Party's being in power. I suspect that the minister knows that his statements are incorrect. Let me work through those few sentences one at a time.

In relation to the minister's claim that business power price increases related to privatisation, the minister should know that that is simply untrue. In looking at exactly what resulted in those increases, it is necessary to look at the creation of the national electricity market. Those increases had nothing to do—not one bit—with privatisation, for those same increases were felt in New South Wales and Victoria.

In New South Wales, where businesses received increases, the minister well knows that the electricity generation capacity is owned by the government. Those increases were not the product of privatisation, and it is important that, as we work through this national electricity market, we look carefully at the history of how the national market was created and where its supporters and detractors were so that we have on the record in this chamber once and for all how this market came to be.

The minister knows full well that the national market was not initially the product of Liberal governments—it certainly was not the product of a state Liberal government. In fact, the national power market was the creation of the minister's own federal Labor Party colleagues. That is where the national power market started. It started with the Labor leader, upon whom the Labor members of this parliament in the past have often heaped fond praise. I will refresh the memory of members. The conception of the national electricity market originated at a special premiers' conference in October 1990. The Prime Minister of Australia in October 1990 was Paul Keating, and the Premier of South Australia was John Bannon—perhaps Labor members will remember that he was the same fellow who was premier in South Australia when the State Bank lost millions of dollars.

That is what occurred then. What has occurred since is that Liberal governments have continued to support the implementation of the national electricity market, and they have been supported by Labor oppositions, including the Labor opposition in South Australia, with the current Premier, Mike Rann, as the then leader of the Labor opposition. The creation of the national electricity market was supported by Labor, whether it was in government or in opposition. The market development progressed to the extent that a COAG meeting was held in Melbourne in June 1993. That meeting issued a communique entitled, 'Electricity Industry Reform' which, in part, states:

Since the National Grid Management Council was established in July 1991, relevant heads of government have extensively considered the arrangements necessary to give effect to their decision to implement a competitive electricity supply industry in eastern and southern Australia.

The communique further states:

The Prime Minister, the Premiers of New South Wales, Victoria, Queensland and South Australia and the Chief Minister of the ACT agreed to have the necessary structural changes put in place to allow a competitive electricity market to commence as recommended by the NGMC (National Grid Management Council) from 1 July 1995.

This was in June 1993, and I just want to remind members of that. It was before the election of a Liberal government in South Australia. The June 1993 COAG communique also noted that the premiers had:

reconfirmed the objective of competitive generation as envisaged in the national grid protocol noting this will involve merit or dispatch of individual generators to ensure the most cost effective generation is despatched and to enable the private sector generation to compete on equal terms.

This principle remains a fundamental plank of the national electricity market as it exists today. This was set in place in June 1993. In June 1993, the State Bank had fallen over, Labor had changed its leader and Lynn Arnold had become premier. A senior minister in the Arnold government was Mike Rann, who is now Premier of South Australia, and Lynn Arnold's senior policy adviser was Kevin Foley, who is the present Treasurer. So, people who are within this government today (the Premier and the Treasurer) were intimately involved in this decision.

Labor cannot have it both ways. They cannot have a history of being involved in the creation of the national electricity market and now say, 'Well, it's not the national electricity market that has caused this; we'll blame the Liberals for it because they happened to be there when the assets were leased. They prefer to use the reference of privatisation, but when the assets were leased they claim that prices went through the roof because of that, and only that.' They also made a lot of statements about prices, I might add, which simply did not stand up to scrutiny; but I will come to that in a minute.

**Mrs Geraghty:** Are you going to tell us what your government did?

**The Hon. W.A. MATTHEW:** I am happy to go back through that history as well, and if the member is patient she will also hear that. The minister also referred in his second reading speech to electricity blackouts. Again, Labor tried to suggest that electricity blackouts were somehow something to do with privatisation. Well, again, the minister should know full well by now, if he did not before, that that is simply not the case, but I suspect he probably knew all along.

He knows that blackouts had nothing to do with privatisation. Blackouts are all about being able to meet the peakiness of the market—and I have heard the minister publicly talk about South Australia's peaky market. He now recognises that we have a market that has a particular summer peak, and he is talking there about the distribution system. There were problems with the distribution system at the minor end of the system. There is no doubt that there were transformers that were not up to the job—no doubt about that at all. And why were those transformers not up to the job? Quite simply because when they were within government ownership and control across the board they were not maintained properly. That was the product of government ownership and control—they were not maintained properly.

Many of these transformers installed in some areas had survived quite nicely since the 1940s. Regrettably, in part of the electorate I represent, I have had my own experiences with power outages in suburbs like Brighton, Seacliff, Hove and South Brighton. Many areas that were developed strongly in the 1940s post-war were developed with houses on the standard quarter acre block, with electricity usage of the day being recognised. They were developed before the time of airconditioning and before the time of smaller allotments.

What has happened since, of course, is that seaside suburbs have become attractive, the developers have moved in and where one house once stood there are now three or four on the allotment. Where there was no airconditioning in a house there are now big systems in each house, and the transformer units could not cope; and, because they could not cope, they gave up and there were outages. That is all about an organisation failing to keep up with a changing electricity market demand at the household consumer end and upgrading its infrastructure accordingly; that is where the problems were. So, what did ETSA Utilities end up having to do? When the heat was put on them they put \$12 million more into transformer infrastructure and they largely resolved the problems for those that could be projected as at last summer. It is also fair to say that they were not tested to their fullest extent last summer, because it was a fairly cool summer compared to the previous one.

Frankly, during my time as minister I had hoped that the system would be fully tested. I was looking forward to hot days so that we could demonstrate that we had the system in tact. But that opportunity was not there to the fullest because the system was not put to its most extreme of tests. The other dilemma with electricity supply was one of generation. During this debate I want to spend some time looking at the generation capacity of the state, and where that has changed over time, particularly under our government. I know that is something that the member for Torrens is sitting gripped to her seat in order to hear!

It is important to look at what happened in the last three years in electricity generation in South Australia. For over the past three years—that is the last three years of the Liberal government and not including this first almost six months of Labor government—the generating capacity in South Australia increased by almost 40 per cent. The reason that capacity increased by almost 40 per cent is that we had private sector investment of more than \$700 million over that three years. That private sector investment of \$700 million plus added another 850 megawatts of power to South Australia's capacity. That occurred not with government expenditure but with private sector expenditure.

The Labor Party has made much of what it called the privatisation of our power assets but what in reality is the lease of our power assets. Do the minister and his colleagues in this Labor government seriously suggest that the taxpayer should have spent \$700 million for that new infrastructure? Is that what they are saying? Are they also saying that in future they expect the taxpayer to have to pay out for more electricity generating capacity because, as I will detail later in my remarks, we will need more electricity? We do not have enough for the state's future needs. More generators have to be built, and it will cost hundreds of millions of dollars. I am sure, Madam Acting Speaker, that many of the projects that you would like to see occur in your electorate would be threatened if your government were to spend hundreds of millions of dollars of taxpayers' money on new

generating capacity. But, as I will detail later, that capacity will be needed.

So, the Liberal government spent its time not doing nothing—as the energy minister often likes to try to trump up—but attracting that extra capacity in South Australia. It worked. It ensured that we now have enough electricity to satisfy our needs, but not for an extended period of time, and certainly not beyond the next three to four years. Effectively, I have been able to show through this that Labor would have kept the ownership of the infrastructure. It would have paid out \$700 million plus of taxpayers' money to put in new generating capacity, and schools, hospitals, and law and order would have had to suffer. That is the only other way it could have been. You cannot have it both ways. You cannot fork out \$700 million for power generation and, at the same time, put money into transport, health, law and order, and so on.

In his second reading contribution, the minister also said a bit about power prices. He said, in part:

Some reports have estimated that electricity prices to households could increase by as much as 30 per cent from 1 January 2003.

'As much as 30 per cent'—that is the most moderate language I have seen used for some time by the minister, by his colleague the Treasurer, or by his colleague the Premier in relation to electricity price increases. It was only 12 months ago in this chamber, during the address in reply to the budget—an address we will have later today—that the Treasurer, the minister and the Premier all used the same speech script in relation to electricity and said that power for householders would go up by between 30 and 90 per cent. That is what they were saying just 12 months ago. How things change.

At least, the minister has the good grace to smile about it. But the minister knows full well that 90 per cent was never in the ball park of feasibility for price increases. In fact, he is using the same language that I used as minister: he is talking about prices of below 30 per cent. Those are exactly the same terms in which I used to speak of potential electricity price hikes—below 30 per cent. We are finally starting to get a bit of focus on reality and truth, at least in that part of the minister's address, if not in the opening portion of it. One of the reasons why South Australia is better placed in electricity terms is that additional capacity. It is important that I put on the record where that extra capacity, more than 850 megawatts of power, came from.

Part of that was through the Osborne Cogeneration Plant, which opened in December 1998 and injected 175 megawatts into South Australia's capacity. Origin Energy opened its Ladbroke Road plant in December 1999, adding a further 72 megawatts. Then we come to Pelican Point. Australian National Power had two stages of boosting the operation of that plant. Pelican Point, I might add, was an installation vehemently opposed by the Labor government, particularly by the Treasurer. The Treasurer sits there pointing to himself: it was strongly opposed, particularly by the Treasurer.

**The Hon. K.O. Foley:** An excellent power station.

**The Hon. W.A. MATTHEW:** I am pleased to hear that the Treasurer has now changed his attitude to Pelican Point, but he strongly opposed it. Pelican Point added 165 megawatts to our capacity in November 2000 and a further 285 megawatts on top of that in March 2001. So, Pelican Point in that period contributed an additional 450 megawatts of power generation capacity, which is, I might add, a significant amount of power and a far better proposition than the one floated by Labor—its 250 megawatt Riverlink link. That is

what it was proposing. That was the solution to the power problems according to Labor: build Riverlink.

We were always going to do that, anyway, but that would have given only 250 megawatts. Riverlink is only added capacity, and nothing more than that; it is certainly not a saviour of our power needs. AGL put in a new installation at Hallett in January this year, which added 45 megawatts. Also, in January this year, a small installation at Cummins added a further 20 megawatts, and a further 95 megawatts was added by Origin Energy at its quarantine station on Torrens Island. In total, that is 857 megawatts of power generating capacity, which took our total generating capacity as at January this year to 9 163 megawatts—an increase in just three years of 37 per cent. I put to the minister that a 37 per cent increase in our power generating capacity in that time is hardly sitting back and doing nothing.

Labor members also made much of what happened with power over a number of years. They were always saying, 'Power's skyrocketing, consumers are paying more and, by the way, you're going to pay 30 to 90 per cent more.' That was the message they were sending to South Australians in this parliament, to the electronic media, to the newspapers and in the brochures they put out in the lead-up to the last state election and during that electoral period. Let us look at the facts, at what actually did occur over the past two years.

Their claim over the past two years was that electricity charges have risen dramatically, well above inflation. If we look at those last two years of our government, a number of factors came into play. The GST came in, which had a one-off effect of 9.3 per cent. Prices increased in 1999-2000 by 2.79 per cent, based on the CPI March 1999 quarter, and in 2000-01 by 2.9 per cent, which was less than inflation. Without the one-off impact of the introduction of the GST, electricity prices for householders would have fallen compared to the CPI.

So, electricity prices for householders would have fallen compared with CPI. That is hardly the run-away prices Labor was suggesting that people had already experienced. It is also hardly the threat to their future economic wellbeing that they claim people were already experiencing. Labor well knows that it is very easy to get people scared about an important commodity like electricity. They depend upon it and are using it in increasing volumes because they are demanding greater electronic convenience through airconditioning and other electronic gadgetry of import in their homes. So, their very usage is increasing, and that in itself is enough to lift the electricity bill. So, the market was right for a good old-fashioned Labor Party scare campaign, and scare away they endeavoured to do.

The reasons why we went down the path of leasing have been well established and have been repeated in this chamber time and again. I think it important to reflect on the words of wisdom of the Auditor-General—a much quoted authority by members of the Labor Party. It is appropriate that again parliament is reminded of some of his key findings. I refer to the findings of the Auditor-General in 1997. It is important to refer to those findings because the Auditor-General's 1997 finding was one of the most influential factors in the then Liberal government's decision to lease our electricity assets. He said in part in his report:

The need for appropriate risk management strategies and oversight is compelling. Not only did the ETSA corporations and Optima represent a significant proportion of public capital in South Australia—capital which should be preserved—but the downside for

the South Australian public is significant as they, through the government, stand behind the financial viability of these entities.

That was an important point. The South Australian public, the Auditor-General said, stands behind the financial viability of these entities. The risk was for South Australians. The entities lost money, South Australians lost money. South Australians had already lost a lot of money through the State Bank. The Auditor-General went further and said:

The conferral of government guarantees on publicly owned commercial businesses places a greater obligation on the shareholder, the government and its representatives for effective performance.

We saw the effect of the collapse of the State Bank. We saw what it did to South Australia. Indeed, when we came to government we inherited an indebtedness of \$9.4 billion. That was Labor's legacy for South Australia—\$9.4 billion or, if members prefer to work with rounded numbers, by the time we take into account the inflation factor that occurred between December 1993 and now, it is pretty close to around \$10 billion in debt. That is what Labor left us with: that was our welcome as an incoming Liberal government from that mob and their economic incompetence and mismanagement. That is what they left us with.

Clearly, we could not take the risk of exposing taxpayers further to yet another nightmare, particularly with an evolving market. We saw a lot of changes starting to occur in the market. Electricity was being traded as a commodity. I was quite surprised the first time I saw, for want of a better expression, an electricity trading room, with staff sitting around a computer screen not dissimilar to a share market situation, trading in electricity that moved massively in price over a short period of time—maybe anywhere from \$25 to \$5 000 a megawatt hour—and trading in money for electricity at the government's expense. I for one was not prepared to sit around a cabinet table that would allow that situation to continue. I say to anyone in South Australia that it was unacceptable to have their money risked in that way. Indeed, they found that in New South Wales.

In New South Wales they are already finding hundreds of millions of dollars of their taxpayers' money at risk because they continue to own their generating capacity. The day will come when the people of New South Wales regret having a Labor government (they will regret having a Labor government, regardless) that would not sell or lease the state's power assets when those processes were under way in other states such as Victoria and South Australia. So, we inherited a dire financial situation, not a dire financial situation such as the one that the Labor Party is trying to concoct and have us believe exists—its fictitious \$300 million-plus black hole that was simply manipulated—

**The Hon. P.F. Conlon:** What do you reckon we did with the money? Hid it down the back of the couch?

**The Hon. W.A. MATTHEW:** The minister well knows how they created the black hole, because I am sure he was part of the accountancy exercise which simply manipulated money from what we used to refer to as the Bad Bank. Perhaps the minister remembers what the Bad Bank was—the South Australian Asset Management Corporation that we had to create to take care of the State Bank's mess, to pick up the companies it had all over the place and to try to restructure those companies, sell them off and get money back for the South Australian taxpayer. The minister well knows that money was coming across from that in the budget. All they had to do was delay the transfer of moneys from 30 June to 1 July and, voilà, an artificial black hole! They artificially

created a black hole by delaying the transfer of moneys. If members of this so-called Labor government stand up in this place and tell us they inherited a financial mess, they should have been here when we had to sit around that cabinet table and work with a \$9.4 billion debt created by the Labor Party through appalling mismanagement and incompetence, and had to redress that mess as well as the mess it had started with electricity. I will come back to more of that in a second. That is the reality of what we face.

Let us look at the financial situation we faced then against the electricity situation. It was state and federal Labor policy that created the national electricity market; that is indisputable fact. It was a Labor government that built the Victorian interconnector and created an umbilical dependence with South Australia relying on Victoria for our generating capacity.

**The Hon. P.F. Conlon:** You're joking! We drove the price down. You're kidding!

**The Hon. W.A. MATTHEW:** The minister interjects that they drove our price down, but he is not letting me finish. I would not decry that decision if it had not been made in isolation. That decision should have been accompanied by an increased capacity in our state. That is where Labor messed up. If it had made a decision to build an interconnector and at the same time encourage greater generating capacity in this state, then we would have started driving down prices properly. What happened in its 11 years in government between 1982 and 1993? It did very little in relation to building extra power capacity in South Australia; it simply relied upon that one interconnector. Then, when South Australia again had electricity generating problems, members of that government could not get their minds around the fact that extra generators built in South Australia generating electricity would be a good way of solving the problem: they decided to build another interconnector instead.

Interconnectors are a fabulous thing to build to increase competition, but you cannot simply rely on interconnectors for your electricity capacity. That has already been proven, and I would hope that this minister would realise that. I would hope that this minister will not simply say that MurrayLink—a project encouraged by the Liberal government—built cross the border, another interconnector and also SNI, previously known as Riverlink, will suffice for our future power needs because, quite simply, it will not, and the minister should be aware of that. I will wait with interest to hear his reply and hear whether he at least acknowledges that that will not be sufficient to meet the state's future power needs. Far from it.

I think it is also important, as well as talking about capacity and the importance of involving the private sector in the process, to again refer to the other facts that resulted from our leasing of the assets—this leasing that the Labor Party claimed publicly to be so repugnant. I use the words 'claimed publicly' because, on this side of the house, we know the private view of many members of the Labor Party. It is fair to say that a number of members of the Labor Party are philosophically opposed to privatisation or long-term lease; a number of them consistently oppose it. They always have and, probably for philosophical reasons, they are likely to always be in that position. But that is not the case with respect to all the members of the Labor Party. One notable member, whose name has regularly been raised on this side, is none other than the Treasurer. The Treasurer encouraged us with our program to lease ETSA. He always used to say to us, 'For God's sake, do it, because my mob won't.' He

knew that it had to be done—and he is one of a number who knew that it had to be done.

**The Hon. P.F. Conlon:** Don't tell stories out of school, or I'll tell some too, Wayne.

**The Hon. W.A. MATTHEW:** It is no secret: it has been raised by members in this chamber before, and the Treasurer is quite happy to have these things raised in the house. The Treasurer does not mind, because he is now in a position where he reaps the dividend. And what is the dividend that he is reaping from this? I refer to the \$9.4 billion debt that we inherited—or, for those members who like round numbers, with CPI factors added to it, getting close to about \$10 billion, in 2002 dollars. The gross proceeds from the lease were about \$5.3 billion. That included the new operators taking over a number of existing liabilities, such as superannuation. So, there was a further bonus there. All the net proceeds (which were just under \$5 billion) went towards reducing the state debt. So that, plus other areas of government restructuring, other areas of government cutback, other areas of government refinancing, other areas of government asset sale and other areas of government lease, all undertaken during the period of Liberal government, reduced the state debt to just over \$3 billion. I ask the minister: where would he prefer to be? Would he prefer to be in a government—

**The Hon. P.F. Conlon:** I'd prefer to be over here.

**The Hon. W.A. MATTHEW:** He would prefer to be on that side, on the end, but would he prefer to be in a government that is facing the repayment of a debt of just over \$3 billion, or paying a debt of just over \$10 billion? That is the reality of it. Every single member of this parliament will be able to derive benefit for their electorates as a result of the lease of the electricity assets: \$5.3 billion—with some \$5 billion now paid back from electricity assets alone, wiping off the debt, or a significant portion of it. The result of that action was not only to reduce the state's debt but it also improved the state's credit rating. In fact, Standard & Poor's increased our credit rating from AA to AA+. That has further repercussions to the benefit of our state. It means that the rate at which we can borrow moneys as a state reduces. That reduces outgoings, and it means that you can do more with your money. So, again, there is some direct benefit.

Effectively, the estimated net benefit to the budget through the leasing of ETSA is about \$100 million a year and growing. That will be a higher net benefit if we are to enter again another period of high interest rates. That is a net benefit at a time of low interest, and a net benefit that will probably increase significantly over time. The claims by the Labor Party that privatisation (as they call it) has caused the state problems, has forced up electricity prices, has reduced the state's ability to cope, was a disastrous process and was a mismanaged process are just baloney, and provably so, and the minister full well knows that. He full well knows that, if we had not gone down this path, he would have been in a position today of having to make the same decisions—and I dare say the minister would have had great difficulty in convincing his caucus of the benefits of going down the path that he full well knows was necessary.

It was not just a matter of leasing assets and introducing extra capacity. Indeed, we provided a legislative and regulatory process for overseeing the management of our electricity system, and it is fair to say that that process was evolving and needed some amendment—and that was acknowledged before the election—and that was provided by the Independent Industry Regulator. Our government passed through parliament the Independent Industry Regulator Act 1999 that

came into effect on 19 August 1999. On 28 October 1999 Lew Owens was appointed to the position of South Australian Independent Industry Regulator for six years, commencing from 1 January 2000.

The organisation—or the individual—was charged with a number of responsibilities, and they are responsibilities that will continue in form regardless of the passage of this bill. I progressively draw these to the attention of the house. Essentially, the industry regulator at this time oversees three main areas. Pursuant to the Electricity (Miscellaneous) Amendment Act 1999, the electricity supply industry in South Australia is declared to be a regulated industry for the purpose of the Independent Industry Regulator Act. The second area of responsibility is pursuant to the AustralAsia Railway (Third Party Access) Act 1999, and the industry regulator has a role under that act to regulate third party access to the Tarcoola to Darwin railway line. That railway line is set to commence operation by, hopefully, mid 2003.

**The Hon. P.F. Conlon:** It hasn't been an onerous job just yet.

**The Hon. W.A. MATTHEW:** Indeed, as the minister interjects, it has not been an onerous job just yet, but the framework is in place for that work to be undertaken. His third area of responsibility at present is through the Maritime Services (Access) Act 2000 which provides access to South Australian ports and maritime services on fair commercial terms and regulates the price of essential maritime services. The essential maritime industries are declared to be regulated industries for the purpose of the Independent Industry Regulator Act 1999.

I note that in the bill that we are debating today those same functions will come under an Essential Services Commission. So, effectively, as I see it, we are debating a rebadged independent industry regulator. The organisation has a new name—Essential Services Commission—which is taken from Victoria, which already has an Essential Services Commission. It picks up the existing responsibilities and, indeed, the bill provides for the existing responsibilities of the Independent Industry Regulator to be encompassed. Indeed, when the government announced that it would put together an essential services commission I put out a press statement on the same day to say, 'This is not necessary. You are replicating the role of the Independent Industry Regulator.'

On coming into government, the Labor Party realised that and, rather than use the proposal that we had in place to keep the regulator and strengthen his powers—and, as I said, his powers needed to be strengthened and there was a need for further legislation and regulation, and we announced that before the election and it is not disputed—it has stuck with the name that it announced during the election campaign, the one it copied from Victoria, and it is calling it the Essential Services Commission. I respect the minister's right to give it whatever name he likes and, certainly, we will not quibble about that. In terms of comparability across state borders, it puts the minister on a similar footing with a colleague interstate and allows him to talk on similar terms, and there are some network sharing benefits in that. So, if that is the name that the minister wants to give the body, so be it, and certainly we will not quibble about it.

However, in recognising that our approach was okay, the minister did something that I believe is commendable: he has already announced, subject to the passage of this bill, Lew Owens as the chair of the commission. I welcome that appointment and I believe that Lew Owens has done a fine job as the Independent Industry Regulator. He will ensure a

seamless transition to the new rebadged role with the extra responsibilities that he is allocated by this bill and which will be debated tomorrow in this place. The current functions of the Independent Industry Regulator are:

- to regulate prices and perform licensing functions under relevant industry regulation acts;
- to monitor and enforce compliance with and promote improvement in standards and conditions of service and supply under relevant industry regulation acts;
- to make, monitor the operation of, and review from time to time codes and rules relating to the conduct or operations of regulated industry or licensed entities;
- to provide and require consumer consultation and processes in regulated industries;
- to assist consumers and others with information in other services; and
- to advise the minister on any matter referred by the minister.

As I understand the bill that is before us, all those things will be picked up through the bill—status quo. The Independent Industry Regulator presently has regulatory independence and is not subject to the direction or control of the minister with respect to regulatory functions. Again, I have noted in this bill that that same arm's length independence is to be preserved, and that is as the opposition would expect it to be. So, on those points there is clearly no dispute. The government has picked up those things that were happening, it has given it a new name and it is continuing with some of the functions.

The opposition has looked carefully at the strengthening of powers that the government has also made part of this review. I commend the government and the Independent Industry Regulator for putting out in June this year a position paper establishing the Essential Services Commission, and I think it is a useful way of advising all members of the public, be they householders, business owners or people involved in the industry, of impending changes, and giving them an opportunity to comment. That process was used during our time in government. The Independent Industry Regulator has regularly done that and, on this occasion, it was a good way of providing advance notice of some of the aspects of this bill. The paper made clear again that the intent was to assume the current role of the regulator into the new Essential Services Commission.

I note that, under this bill, the three things that the regulator presently does will be the starting point and then, at a future point, amendments will be made to the act or there will be regulatory changes that will also incorporate gas regulation and, further, water and sewerage services.

In relation to the gas industry, there is presently a separate industry regulator, and an academic is the present regulator. The gas regulator's role is one that will inevitably need to be amalgamated. In fact, when I reappointed the present gas industry regulator, I had a meeting with him prior to taking his extended appointment to cabinet, and advised him of a discussion that I had already had with Lew Owens, as the electricity regulator. I put to him that it was our ultimate intention to amalgamate his role into that of the Independent Industry Regulator, and therefore it was unlikely that his term would run to its full extent. He accepted his reappointment on the understanding that there were likely to be changes ahead.

So, the opposition has no problem with the government's floating as a possibility the amalgamation of the role of gas regulation with the functions of the Essential Services



Commission. That equates with our amalgamation of that role with the functions of the Independent Industry Regulator. Another role for amalgamation which has been floated—one which the opposition has not previously considered, certainly not within my portfolio—is water and sewerage services. My colleague the shadow minister for government enterprises will need to consider that proposal but, on the surface, it seems to be worth while. The opposition awaits with interest further details from the government but, apart from names, so far we do not have any major areas of diversion.

The government indicates that a major element of this bill is the introduction of a primary new objective, that is, that the commission must protect the long-term interests of South Australian consumers with respect to price, quality and reliability of essential services. I do not think any member of parliament or of the public would disagree with that statement—it is a reasonable objective. In fact, this objective mirrors almost word for word one of our policy objectives (put out in the press statement at the time of release of our policy before the election) which referred to strengthening the powers of the Independent Industry Regulator. Again, in this respect, we do not have any area of significant diversion. With reference to increasing penalties, the minister states:

In this bill, the maximum penalty for breach of a pricing determination by the commission is \$1 million.

He states further that enforcement powers will include warning notices and injunctions. Effectively, the bill proposes a graduated regime which will give the Independent Industry Regulator a bit more muscle to issue a warning rather than just slap a fine down on a business, which is basically the situation at the moment. I acknowledge that this is a flaw in the present system. The regulator can come down in a fairly heavy-handed way—the highest current penalty for breach of licence conditions is \$250 000 which is nowhere near enough—but is not able to build up much further in the process.

I think it is reasonable to have a graduated system of warnings. If a dispute goes before the courts, there will be a flow path of warnings and actions that have been instituted before a business is hit with a fine, unless of course the matter is so serious that it goes straight to the \$1 million fine which may be necessary. I think that is a reasonable approach. I will question the minister in committee about the amount of \$1 million. He and I know that \$1 million in electricity terms is very small beans. That money can be made or lost—

**The Hon. P.F. Conlon:** Have you seen the continuing offence provision?

**The Hon. W.A. MATTHEW:** Yes. That money can be made or lost within minutes—

**The Hon. P.F. Conlon:** A million bucks a day starts—

**The Hon. W.A. MATTHEW:** The minister interjects whether I have seen the continuing offence provision. I have, and I see that it can build up, but I put to the minister that, if he wants to use the latitude of regulatory powers, the opposition would be amenable to discussing a regulated amount so that he does not have to come back to the parliament all the time if the \$1 million is insufficient. I am a great believer in stating intent in debate in the parliament and using the regulations to set an amount. If the minister states that the intended amount is \$1 million but three months later that proves not to be enough, with a regulatory provision he can increase the amount to \$2 million or \$3 million or whatever is necessary. If there is any concern, the parliament has the capacity to disallow a regulation and challenge it through the

Legislative Review Committee or the Subordinate Legislation Committee of the parliament. That ability is there and we are prepared to discuss this with the minister in committee if it appeals to him.

The bill claims to substantially improve the governance arrangements compared with those applicable to the Independent Industry Regulator. I am not so sure on reading the bill that any great streamlining has occurred there. The second reading explanation does not proffer any words of wisdom in that direction other than a reference to multi responsibilities. If the minister is referring to that, so be it. Initially, on my first reading of the bill, I was concerned that we could have an overly bureaucratic process of multiple commissioners with the now independent industry regulator—

**The Hon. P.F. Conlon:** No way. That would cost too much money.

**The Hon. W.A. MATTHEW:**—having to chair a big board. I am pleased to hear the minister interject because I would not like to see a panel of a dozen commissioners overseeing this, and we will be questioning the minister more closely in the committee stage of this bill, in relation to just how many commissioners might be appointed. I do note that on close, clause-by-clause reading of the bill there is the provision for the chairman to call meetings as often as he thinks necessary, and once a year might be plenty. Clearly, that is something about which we will question the minister, that is, what sort of frequency he envisaged as being necessary when this bill was being drafted. It might be that there is perhaps only one or two other commissioners and a committee of three is often not a bad way to go, while sometimes a committee of two is better. I will question the minister in a little more detail as we work through the clauses of the bill.

I applaud the annual performance plan and budget being required and the requirement to table material before the parliament. That public accountability is important. There are a number of areas of accountability that are detailed in the bill including registers of warnings that have been given to companies and, again during the committee stage of the bill, we will be questioning the minister about that. In keeping with full and open accountable government, it is my very strong view that as much information as possible that can easily and conveniently be made public ought to be the ultimate aim and endeavour. With today's modern technology and the internet, registers can easily be publicly available electronically, and I would encourage the minister to consider that.

**The Hon. P.F. Conlon:** The provisions are in the bill.

**The Hon. W.A. MATTHEW:** The minister says the provisions are there, but it is not a requirement and, in my view, that is the issue: it should be a requirement that those things are there. That can be achieved through regulation and, if the minister gives a commitment or puts that onus on public reporting, then the opposition will be satisfied with that. The bill also provides that there will be an essential services ombudsman and I am assuming, from the reading of the bill, that that essential services ombudsman will subsume the role of the Electricity Industry Ombudsman. If that is the case, I assume that this bill provides that the position will be paid for in the same way, namely, by a charge on industry, and similarly with the gas and water industry. Again in the committee stage we will talk to the minister a bit more about the funding and the levies that he is likely to place on industry

to achieve the structure that is necessary to carry this regulatory process through.

In working through all of that, I put to the government that the opposition's willingness to cooperate is largely because there is not a heck of a lot of difference between what they are planning to do now as distinct from what they were planning to do before the election and compared to what we were already underway in doing. In reference to this I refer back to some of the literature which was put out by the Labor Party during the last election. This literature is a bit unfortunate because it has Labor's team for the state election on the front. It is Labor's ministerial team and it is unfortunate because the former deputy leader of the opposition, Annette Hurley, is there and she has now gone. It is unfortunate for the government but we are delighted that Malcolm Buckby, the very competent member for Light, was re-elected: his constituents showed faith. But it also unfortunate in that there are a couple of people missing. The Minister for Transport is missing, and I am not sure why he is missing. There is another minister missing and that is the new Minister for Planning, but that is understandable as he had not yet been elected to the parliament. The member for Adelaide is there, though, and she was obviously on some sort of promise before the last election. The Minister for Correctional Services is missing—

**The Hon. P.F. CONLON:** Madam Acting Speaker, I rise on a point of order. I have given a great deal of forbearance, but I wonder whether this stuff bears any relationship at all to the matter before the house and perhaps, given that we will be here until it is finished, he could come back to it.

**The ACTING SPEAKER (Ms Ciccarello):** I would ask the member to return to the substance of the debate.

**The Hon. W.A. MATTHEW:** Thank you, Madam Acting Speaker. There is a strong correlation which I can now reveal; I just did not want anyone to have the wrong pamphlet—and, yes, you are photographed here, minister. Point 2 on the pamphlet says:

Labor will fix our electricity system. An interconnector to New South Wales will be built to bring in cheaper power.

That was the Labor Party's election policy. That was going to bring in cheaper power—

*The Hon. P.F. Conlon interjecting:*

**The Hon. W.A. MATTHEW:** I would hope that the minister now has the good grace to admit that this would not have worked—

**The Hon. P.F. Conlon:** We will never sell ETSA!

**The Hon. W.A. MATTHEW:** The minister has heard me speak on why we finished up selling ETSA. We do not stand back from that; we do not move away from that at all; we make no apology at all for the lease of the electricity assets because it was in the state's best interest. It has proved to be in the state's best interest, and for the minister to try to pin power price increases on this he knows is deceitful. In the time remaining to me, I wish to refer finally to the state's future electricity needs. It is important that we focus on the future because the fact is that the power generating capacity that we have today, plus the Murraylink interconnector, plus the \$4 million Riverlink (now SNI), will not be sufficient to meet our power needs by 2005.

I detailed in a brief address to budget estimates our future supply needs—that is on the record and I do not need to repeat those words—but, because there will not be sufficient capacity, the Labor government will be faced with a problem. It will have to have new generating capacity built in South

Australia. The question for the Labor government will be: will that new power generating capacity be paid for by the private sector or will it be paid for by the South Australian taxpayer? If I was a betting man, which I am not, I reckon it would be a pretty safe bet to say that any extra capacity for generation in South Australia will be paid for by the private sector—and I do not know whether the minister wants to address that later.

In other words, Labor will continue with the program of so-called privatisation. It will continue with the program by encouraging its spread. It will not try to turn the clock back because it knows that it was the right way to go. It knows that it was a correct and appropriate process and that it has delivered benefits to South Australians. As I indicated from the outset, I look forward to the opportunity to question the minister at length during the committee stage of this bill. The opposition is supportive of the process of the bill. Our only regret is that it was not before this parliament some two months ago. We were prepared to debate this during the four week parliamentary break.

I am concerned that the passage of this bill and the one tomorrow leaves a very tight time frame in which to have the infrastructure and the administrative capacity ready to allow South Australia to enter the contestable market next year. I fear that the delays in this legislation coming forward mean that we may not have companies able to enter, even though we know of at least three companies that wish to be there. Clearly, AGL (the current provider) will be one, and the other two who have revealed their intent are Origin and TXU. I would be very surprised if all three are ready from 1 January, but I sincerely hope they are. It would certainly be better for South Australians if they have at least three choices, and I look forward to having far more than those three choices—but the time frame is particularly tight.

The opposition was prepared to debate this bill a lot earlier. We have been prepared to accommodate debate on this bill this week, even though it was not planned as a sitting week. We were told at the very last moment that this bill would be debated this week, and we accepted that. I had my briefing from the minister's adviser and staff on Friday, and I thank the minister for that opportunity. However, I would have been happy to have it many weeks ago and have this legislation brought forward. I look forward to seeing its passage through both houses of parliament.

As I have said, we would have been happy to see this bill before this chamber a couple of months ago. The opposition did offer to come back during the four-week break in order to have legislation in relation to electricity put before this parliament, because we recognise the importance of getting right the entrance to Labor's national market. We will do everything we can to get that entrance there on time but, at the same time, be a responsible and probing opposition to ensure that we get the best possible system in place.

**Mrs REDMOND (Heysen):** Having read the bill, it looks to me as though it should have been called the 'Change Name to Save Face Bill'. In essence, it appears to be simply a repeat of the Independent Industry Regulator Act, with the exception that this bill includes gas pricing and regulation and, potentially, water pricing and regulation. It seems to me that there is no reason why the existing legislation could not have been amended to cover that addition rather than changing it to the Independent Industry Regulator.

Indeed, the act, in large part, repeats the index and the summary of provisions almost word for word, other than for

the formal name change type clauses, what appears in the Independent Industry Regulator Act. For instance, clause 4 of the proposed legislation—the Essential Services Commission—is identical to section 4 of the Independent Industry Regulator Act, except that the relevant position therein is called the South Australian Independent Industry Regulator whereas this bill refers to the Essential Services Commission. Similarly, section 5, which sets out the functions, is word for word what appears in section 5 of the 1999 legislation. In fact, the only substantive change appears in what was section 5(2) of the existing legislation which is section 6 in the new bill and which now provides:

In performing the commission's functions, the commission must:  
 (a) have as its primary objective protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services;

That is a laudable thing to insert. However, that is the only change compared to section 5(2) of the existing act. And so on it goes right through the bill. Certainly, there are some changes to the maximum penalties to be prescribed. Notably, a number of the previous penalties of \$10 000 are to be increased to \$20 000. Again, there is no reason why those penalties could not have been changed merely by amending the existing act rather than creating a whole new piece of legislation. As the member for Bright indicated, the increase of the maximum penalty to \$1 million is laudable and welcome. However, this could have been achieved just as simply by amending the existing legislation.

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

**Mrs REDMOND:** I seek leave to continue my remarks later.

Leave granted; debate adjourned.

#### APPROPRIATION BILL

**The Hon. R.B. SUCH (Fisher):** I bring up the report of Estimates Committee A and move:

That the report be received.

Motion carried.

**The Hon. R.B. SUCH:** I bring up the minutes of proceedings of Estimates Committee A and move:

That the minutes of proceedings be incorporated in the votes and proceedings.

Motion carried.

**Ms THOMPSON (Reynell):** I bring up the report of Estimates Committee B and move:

That the report be received.

Motion carried.

**Ms THOMPSON:** I bring up the minutes of proceedings of Estimates Committee B and move:

That the minutes of proceedings be incorporated in the votes and proceedings.

Motion carried.

**The Hon. P.L. WHITE (Minister for Education and Children's Services):** I move:

That the proposed expenditures referred to Estimates Committees A and B be agreed to.

**The Hon. M.R. BUCKBY (Light):** I rise at this opportunity to comment on the estimates, particularly this being the first time as an opposition member involved in the estimates committee process.

**Ms Breuer:** It won't be the last!

**The Hon. M.R. BUCKBY:** It won't last, that is true. It won't last long, though. Having the opportunity to look at the budget papers in detail and to be able to question government ministers is an opportunity that is not lost on the opposition and one that should be continued.

**Mr Brindal:** It's so up close and personal, isn't it!

**The Hon. M.R. BUCKBY:** It is up close and personal, as the member for Unley says. Sometimes the answers are long, but there is lots of information in those answers, and that is what an opposition is here to do: to question the government on its budget and ensure that the public can be certain that the appropriation of funds is spent responsibly, and to look at the programs put forward by the government and then, if the opposition sees fit, criticise those programs, question them and ask why money has been proposed to be spent in a particular way.

So, it is a valuable part of this parliament's operations that we do undertake estimates committees. It is a lot of work for departmental people in terms of preparing briefings for ministers, as well as for opposition members in grinding their way through the budget papers and then looking more deeply into the figures. However, it is a challenge that I enjoy, and it is a very valuable exercise. One would have to say that the budget as presented was a great illusion.

Why would you decide one year that you will transfer very few funds from the SAAMC and the SAFA accounts but, in one year, some \$32 million or \$34 million is transferred and, the very next year, \$340 million-odd is transferred? The answer is very simple: there was not a budget deficit. The way that one is created is that those funds are not transferred from those accounts. The illusion is that there is a black hole and a budget deficit—just to suit the Treasurer's utterings of earlier in the year. The public and the opposition are not fooled by this type of accounting. In the budget for 2002-03, where some \$340 million is transferred from those accounts into the general accounts, it is very obvious to see how a budget surplus is then created by this government. That is why I say that this is a budget of great illusion.

The other interesting factor is the total taxation take. In opposition, the Labor Party said that there would be no increases in government taxes and that certainly there would be no new taxes. In the last couple of weeks we have seen a new gaming tax and, of course, within the first six months of this government therein lies a broken promise to the electorate. I am sure that that will be remembered in relation to the credibility of this government and of the Treasurer, in particular. One has to look at the budget and see just how this government has, for the lack of any other way of describing it, ripped the guts—

*Ms Breuer interjecting:*

**The DEPUTY SPEAKER:** Order! The member for Giles will restrain herself.

**The Hon. M.R. BUCKBY:** I should have thought the member for Giles would be very interested in this. In this budget the government has absolutely torn to pieces funding to the country. The member for Giles, who is the only government member from the country, oversees much of the area of the Outback of South Australia. I refer to road funding, the sacking of the two Outback road gangs and, late last week, my discussions with people who know this area—

particularly the Strzelecki Track, which, it is reported to me, is in very poor condition. To go ahead and cut two road gangs from this Outback area is beyond belief.

Here we are, in the Year of the Outback, when we are expecting more tourists, more people using those roads, and the government has cut two Outback road gangs. The people in the country and, I am sure, the people in the member for Giles' electorate who live in those Outback areas, are not happy at all. However, it goes deeper than that: they are given very little notice. One of the members of those teams contacted my office and said, 'We're told we're out of here in September. We're on our last road now and we're out of here in September.'

This government has very little long-term vision. This is a short-term cut in the country and it will come back to bite the government, because many people in the Outback need these roads—to get normal provisions to their stations; to undertake mail runs; and for station owners to transfer stock to market—yet two of the 10 road gangs (a 20 per cent cut) are cut in the country in those Outback areas. That will have a dire effect on our Outback roads and it will come back to the minister.

As I said, it does not stop there. With respect to the former government's Unsealed Rural Arterial Roads Program and the millions of dollars that were put into that—from memory, I think it was something like \$7 million or \$8 million—that program has been cut back to \$2 million. Yet, the minister says that he is interested in road safety. The fact is that road surface, particularly in the country, is all about road safety. The chances of people losing control and having an accident are far less on sealed roads than on gravel roads. Again, we see the country targeted with malicious cuts by this government.

With respect to the regional roads program, Dublin Road has been taken off the program. When the cattle market is transferred from Gepps Cross to Dublin, which will be within the next couple of months, more transport will be using the Dublin Road—a gravel road—than has ever used it before. The cattle that are transported from Mount Barker north will come through Gawler, out through Redbanks Road and Mallala, onto the Dublin Road and to the Dublin cattle market. It is—

*Mr Meier interjecting:*

**The Hon. M.R. BUCKBY:** As the member for Goyder says, it is an unbelievable decision bearing in mind that you have increased levels of semitrailers—triple axle semitrailers—using this road and the funding has been cut. I just cannot believe it. It is quite amazing. It is simply an attack on the country.

*Mr Meier interjecting:*

**The DEPUTY SPEAKER:** Order! The member for Goyder thinks that because the member for Stuart is in my line of sight I cannot hear him. He should be seen and not heard.

**The Hon. M.R. BUCKBY:** The minister for Goyder is exactly right, because the fact is—

**The Hon. L. Stevens:** The member for Goyder.

**The Hon. M.R. BUCKBY:** Yes, the member for Goyder—sorry. I am elevating the honourable member to the minister for Goyder. The member for Goyder is exactly right because this road will take a very much higher level of traffic and we are left with a road surface that the local council will have to maintain. The fact is that it should be sealed. It is as simple as that. A number of other road programs were cut from country roads, which amounts to more than \$10 million.

I am amazed because the matter of road safety in the country is considered not necessary. It is not an option. It is relevant only in the areas where the minister wants to turn things around.

This is not new money. The minister said, 'This is \$3.5 million of black-spot funding. Let us throw our arms in the air. Isn't it terrific?' What has happened is that the country is paying for it, because the \$10 million that has been cut from the country has just been transferred to a black-spot program. One black spot that has been identified in my area is the corner of Redbanks Road and Main North Road. When that was announced I was surprised because I was not aware of a great number of accidents occurring at that intersection. The owner of the BP service station, which is located right on that corner, contacted me as soon as the announcement was made and said, 'What on earth is going on? This is not a black spot. This is ridiculous.'

He said, 'What's more, if they're going to put in a roundabout here, the camber of the road is such that for semitrailers travelling around that roundabout there is a good chance they'll roll over.' He also said, 'If they correct the camber of the road to level it up that will change the water-table and I'll be flooded out.' It is as simple as that. I wrote to the minister on this issue. I would like to see the figures for this location to be declared a black spot, and I would like to know exactly how a roundabout will be fitted into this corner in terms of addressing the concerns of the owner of the BP service station.

It does not stop there in my electorate. The Gawler Primary School had reached the stage in its planning of going to tender. The minister has now put a hold on that program and the school does not know how long this will take. I am pleased that the minister has agreed to meet with me, the school principal and the chair of the governing council so that we can discuss this. It is a matter where the minister, in the estimates, identified that there was an issue of compulsory acquisition of land. Well, let me tell the minister that if she has ever bothered to have a look at the Gawler Primary School site she would see that it is a very small site indeed. The amount of land that I approved to be compulsorily acquired would make virtually no difference to the owner's operations as it is about 10 metres of land on a very large block, but it would allow the school to be developed in the proper way and would allow the school to develop those buildings to fit in with the school site.

We tried to deal with the owner of this house and land and offered to buy the house but, when he found out that the Education Department was the one that was interested, the price that he wanted for the property suddenly doubled overnight. There is also a very old historic building on that site which they obviously cannot do anything about, apart from refurbishing it on the inside. However, we will wait and see what the minister says.

In addition to that, I found it interesting that the Smithfield Plains High School, which is in my electorate, received in the budget a sum of \$890 000, which I am very pleased to see but which was not listed in the budget papers. I find that a very interesting fact, because at the front of the budget papers under Capital Works it is stated that major projects which are over \$300 000 in size are listed in the budget papers. Yet here we find one (and I am sure the shadow minister for education will outline more because there are more in there) which is not listed in the capital works program. So, it is very interesting to see the accounting of this government in its first budget.

In addition, there are broken promises on taxation charges: there is a new tax on commercial hire purchase arrangements. Also, government charges have increased by at least 4 per cent, and that means that things such as the cost of car registration, expiation fees and licences will all be increased. The emergency services levy collection has also increased by 10.6 per cent.

We, as a Liberal government, decreased the levy to offset the increased capital growth of properties. We said that we would maintain the level of the fund which, I think, was about \$149 million. We therefore decreased it to remain honest with our constituents and with the state, as we said that we would not collect more than this. Yet, on the first opportunity, this government has gone out and imposed an increase of some 10.6 per cent.

It is also interesting to see that WorkCover increases are on the agenda. The board is still being told to find \$750 000 for a government-led review. I can just see it all unwinding over the next four years: we will return to the days prior to 1993 when WorkCover had an unfunded deficit because of the management of the Bannon Labor government from 1989-93. You can just see it on the horizon, where the claims coming through from various sectors will put pressure on the government and the government will then bend to that pressure.

Crown leases are just an absolute shemozzle, because it is obvious that the minister did no homework on this whatsoever; has no understanding of this issue. As most of us in this place and who live in the country know, many little townships were surveyed back in the 1800s when a town was a day's horse ride away, and they were put on perpetual leases or on crown leases that pastoralists or farmers have taken up. Many of those blocks are only one, two or four acres in size, yet the minister has said, 'This will have very little impact on pastoralists and farmers in the country.'

Some of those farmers have hundreds of such leases and, when each one is charged out at \$300 a piece, it makes a lot of difference to a farming operation if you have to pay for that. If this does not change—and I am pleased that the matter has been referred to a select committee—and if I were a farmer, I would be handing the lease back to the government and saying, 'You look after it. I am not going to pay \$300 to lease ground that is basically saltbush or non-arable and off which I cannot earn any money. I am not going to pay you \$300 just for the sake of looking after it.' That is certainly what I would be doing if I were still a farmer and had those leases. This matter needs to be approached more sensibly.

As I said earlier, this is a budget of illusion—to ensure that a black hole is created, you do not transfer money out of the SAMIC and SAFA accounts. It is there for everybody to see in the budget papers—to create a \$92 million surplus in 2002-03 you just simply transfer \$340 million in the next year, and it is all very easy. We on this side of the house are not fooled. Many people in the community are not fooled and will judge this government on its budget. It is interesting to note a reduction of some \$400 million in the capital works budget and a claim by the government that it will spend all this capital works allocation. Having been minister, I know there are always delays in projects. The projects always come back over budget, so you have to trim them. That means there is a delay, and as a result of that there is slippage. It will be no different whatsoever in this budget. The estimates committee was an interesting time. As I said, it is a committee and the way in which it currently operates should be maintained, because it allows the opposition—even though

we had less time given the way it was set up this year—to question the government in depth.

**Mr BRINDAL (Unley):** It is a delight for me to follow the member for Light. He always makes very intelligent and reasoned contributions, and no less was the case tonight. I absolutely join him in congratulating the government on continuing the tradition our party started with the Tonkin government of having the estimates committees. I know that they are onerous for ministers.

*Members interjecting:*

**The DEPUTY SPEAKER:** Order! The member for Giles is out of order, and the member for Norwood is out of her seat.

**Mr BRINDAL:** Estimates committees demand a rigour on ministers and ministerial staff, in particular. They take months in the preparation. However, in my own experience they prepare the ministers well for the year ahead and for a plethora of questions the opposition might throw at them. If every minister does not have the answer to just about every question the opposition can dream up for the next year in their budget preparation pack, then I suggest those ministers get rid of their staff and get some new staff, because they have not done their job properly. As the member for Light said, it gives us a chance to question in depth some aspects of the budget. I note that the members for Giles and Norwood said it was a waste of time. I do not blame them for thinking it was a waste of time, because I did not hear either of them ask one intelligent question in two weeks. Therefore—

*The Hon. L. Stevens interjecting:*

**Mr BRINDAL:** Certainly when it comes to the member for Norwood, I would be a very good—

**The DEPUTY SPEAKER:** Order! The member for Unley will address the chair and he will not provoke members on my right.

**Mr BRINDAL:** I would not, sir, but when there is a cacophony of voices opposite, chirping that estimates are a waste of time—

*An honourable member interjecting:*

**Mr BRINDAL:** I am bipartisan to the intelligent people on the opposition benches, and I have never denigrated the member for Mitchell, as he well knows.

**The DEPUTY SPEAKER:** Order! The member for Unley is straying again.

**Mr BRINDAL:** I am sorry, sir; I will not refer to his being halfway through his book. The problem with the estimates committees lay not in the good graces of the government by continuing the time honoured traditions started by Premier David Tonkin but in the substance and detail of the budget papers. I, like most of my colleagues, found the budget—especially an analysis of it in depth—a somewhat amazing document. Last year, in the election lead-up, in the election campaign itself and, finally, just after the election, we had a shadow treasurer—and now a Treasurer and a leader—saying, 'We've locked into the Liberal budget. No-one needs to fear this budget process, because when we are elected we accept the parameters laid down by the last Liberal government.'

In a sense, everyone took a degree of comfort from that. Then the election came and post the election we had, first, a fabricated black hole. That was a bit of a disappointment. It must have been a disappointment from the government, because perceptive journalists like Matthew Abraham and David Bevan—and I note the member for Elizabeth's 'hahs', and I hope that *Hansard* records that she does not think they

are perceptive journalists, since they were integrally involved in a particularly fine member being thrown out today.

**The Hon. L. Stevens:** What?

**Mr BRINDAL:** It was on their program that the leader was talking this morning, in case—

**The DEPUTY SPEAKER:** Order! The member for Unley should come back to appropriation.

**Ms Breuer:** Are you dribbling again?

**The Hon. L. Stevens:** He is dribbling.

**The DEPUTY SPEAKER:** Order! The members are degenerating in their behaviour. The member for Unley should be talking about appropriation.

**Mr BRINDAL:** I am, sir.

*Members interjecting:*

**Mr BRINDAL:** I wish I was, and I wish that applied to the Murray mouth. The fact is that, as soon as the election occurred, first we had a fabricated black hole and then we had a series of qualifications such as, 'We've only locked into the expenditure that's currently being undertaken; everything else is under review.' My colleague the member for Bragg has no better examples of that than right through the education portfolio, where everything that was going to be built, everything that was promised, is all of a sudden on hold, on delay, it has slipped or there are a million other reasons why it simply has not happened. Thus we find that what they were really locked into was not what they said they were locked into before the election; it is whatever they now choose to be locked into in this budget.

But I will give the government members credit: at least they have now brought down a budget and now the people of South Australia can examine their budget, and they can be judged on what they say are their priorities. And that is one of the great disappointments, because the first of their priorities, espoused for four years—I got sick of listening to him, Sir, as I am sure you did—by the Leader of the Opposition, was jobs, jobs, jobs. That was the number one priority of a Labor government in South Australia. And it was most interesting to examine and question in detail—

*Ms Ciccarello interjecting:*

**Mr BRINDAL:** And I suggest the member for Norwood listens, because one thing I know about the member for Norwood is that she really cares about unemployed people and battlers in her electorate. If she truly believes that this government is doing anything at all for the battlers and the people doing it tough in South Australia, I suggest that she come out with me for half an hour and look at the papers, and I will show her just what a fraud this government is perpetrating on the very people that she most cares about. I know that the honourable member is quite genuine in her care and concern. I am just disappointed that she is having the wool pulled over her eyes in the caucus by a whole lot of ministers who, after less than six months, are so cynical.

Because when you look at the budget, when you look at the strategy, when it comes to jobs, jobs, jobs, what do we have? The centrepiece of the budget was the announcement of 500 new traineeships. The problem is that the Liberal government had 1 200 traineeships at its height and we never had under 613, and what they had was not a new program but the continuation of a program and, in fact, a cutting of that program by more than 20 per cent. And they had the temerity before the budget to come out and sell the *Sunday Mail*—and goodness knows the intelligence level of the journalists over there. It is one thing for a minister to go and say something, but another for a journalist to pick it up and repeat it without even asking the opposition to comment.

*Members interjecting:*

**Mr BRINDAL:** The member for Elizabeth says, 'Not just the *Sunday Mail*', so obviously she has a similar opinion of whichever other paper we have in town, and I cannot think which one she might be referring to, but I hope they are listening downstairs. The fact is that the *Sunday Mail* reported it as a new program. It was not a new program but a cut of 20 per cent in traineeships, and this government when in opposition berated us—yelled, screamed and carried on—because we had the temerity to cut the traineeships from 1 200 to 613. They quoted a 70 per cent long-term success rate. It is one of the most successful employment programs in the country.

*Mr Hanna interjecting:*

**Mr BRINDAL:** No. The member for Mitchell says, 'Didn't you cut it to 500?' We did, but we then increased the amount paid by each agency and managed to extend it to 613. We cut the money that would have given us 500 placements, but by charging each agency slightly more we increased it to 613. Your government then took out the 113, kept the increased charges from the agencies and provided 500 traineeships. It is not intelligent governance. I raised in cabinet when we were in government the need to revitalise the Public Service. Every member in this place knows that we have an ageing Public Service.

Every member in this place knows that within a few years in teaching, in nursing already (as the member for Elizabeth knows) and in the Public Service generally we will have a crisis because of the age profile of our work force. The then premier, Mr Olsen, announced a target of young people to revitalise the public sector. A problem I had when minister was talking to the cabinet about the levels of recruitment necessary to achieve the target. I do not think those sums have ever been done properly because there has to be a mathematical recruiting level—a point where you say that you have to provide this many traineeships because you need this many recruits and that there will be that much attrition—and every year we have to add 200 or 300 (or whatever the number is) young public servants to our career structure. But we are not doing that. We have chopped the number of traineeships. For short-term political gain and economic efficiency in the name of economic expediency we are sacrificing the long-term career, the long-term knowledge base, of the South Australian Public Service on the altar of expediency. If the government opposite doubts what I am saying—

*The Hon. L. Stevens interjecting:*

**Mr BRINDAL:** The minister says that we are in opposition. Members opposite are our opposition, whether or not they are in government. If members on the government benches opposite doubt it, let them ask Janet Giles, who passed comment to the effect that we were almost saints when it came to employment compared with this lot. It is a cruel trick—a very cruel trick. The member for Giles laughs. I want to speak to this house shortly about a problem in the electorate of the member for Giles because a trainer up there, who has had 33 years of training—

**Ms Breuer:** I would be very careful about that.

**Mr BRINDAL:** The member for Giles says, 'Be careful.' I will be talking about it at length in the house. A person who has done 33 years of training has just been told that she will not be able to train any more people in Whyalla. She can continue to employ and continue to have young people work for her. They can continue to work all around the world. The trouble is now, because of a bureaucratic process in Adelaide,

they will receive no accreditation and no piece of paper. I do not know how many training organisations there are in the hospitality industry in Whyalla, but it is not an unlimited number. So, it is good when the bureaucrats in Adelaide sit down and have what I believe is a kangaroo court to deprive somebody of the right to train people and the right of trainees to get proper accreditation and do this just because they can! I will be questioning the government closely about that. As you know, sir, because you instigated the start of this, we had a new training bill before the house when this parliament rose.

The i's were dotted and the t's were crossed. It had been negotiated with everybody, including Trades Hall on South Terrace. Every party was happy with it, but it is yet to appear on the *Notice Paper* in this session of this parliament. I want to know why, particularly because the very group that has stopped this person from training is a group which under the new legislation would cease to exist. There is a principle in this place and a reasonably important principle in government that there should be a distinction between the policeman and the regulator. As you know, sir, because you were minister responsible for TAFE for a while, we have in the training act a classic conflict where the regulator is also the policeman. It does not work; it does not work in government and it should work in no arm of government. So, that is a matter that I will be questioning at length.

I was pleased with the session that the opposition had with the Minister for Youth. I have long had regard for the Hon. Stephanie Key, and she assured people in the estimates that the direction in which she intends to go in the youth portfolio is very similar to that adopted by the last government. As you pointed out, sir, it was an unusual estimates hearing. You were in the chair, having been a minister for youth; there were two previous ministers for youth on the opposition side; and the Minister for Youth was sitting in the minister's chair. It would have been about the only time that four ministers of youth at one time or another have been present together. I praise the minister for that, not because of what our government did—although I am proud of our record in government with the youth portfolio—but because I believe that what she is doing is a sensible approach to youth.

The minister at the table, the member for Elizabeth, is the Minister for Health and minister responsible for community services, and I know that minister Key now has responsibility for social justice, but the important distinction that you started, sir, was to have a youth portfolio that was not about trying to deal with and assist youth in crisis. Under our government that was legitimately the province of minister Brown under family and community services. The youth portfolio should, rather, be a program that celebrates youth, helps them with confidence and self esteem, empowers them, and assists them in leadership and development, celebrating who they are and the contribution they can make to the community. If the Hon. Steph Key is as good as her word—and I am sure she will be—and goes down that line for four years, that is one area where there will be no opposition between this and the government party. It will be government and opposition in concord, because we are both going in the same direction, and that represents the best interests of South Australians.

Similarly, I was heartened by the answers to many of my questions to minister Hill. I do have a concern that, in embracing as much as has been embraced under minister Hill's portfolio, it will be difficult for him to keep an eye on everything at once. Members in this house will know that,

because I was minister for water resources, I have a particular passion for water. That is not to diminish any other part of the environment but, with all the arguments around the state concerning water, I found that a full-time job. I wish minister Hill well in his endeavours to control more than just water, but I wonder whether the government has given him more than he deserves to have or more than he can cope with, competent as he may be, because of the breadth of his portfolio.

To return to minister Lomax-Smith, the alarm bells that I heard concerned matters such as the \$800 000 to be given to the aquaculture industry for training. When I asked her about that \$800 000, she knew nothing about it. That came a surprise from the minister for training, until I heard that the \$800 000 given to the aquaculture industry for training is to build some sort of policing capability for the SARDI empire so that it can have inspectors, not to assist the development of the industry but to go out and tell the industry everything it is doing wrong and everything it has to correct on the way to growing. Is that any way to grow an industry?

I remind the government that one of the most stunning achievements of a previous Australian government was to have a wonderful, booming brandy industry and say, 'Here's a good little cash cow: let's put a tariff on brandy,' and overnight it destroyed the brandy industry. If that is what this government wants to do with aquaculture, pity South Australia. It is an industry where we can be world leaders. It is an industry that I think, in the end, will eclipse the wine industry. Even if it does not—even if it parallels the wine industry—with grain, sheep, aquaculture and grapes we will have three or four very sturdy value added legs of agricultural products and, without anything else, that gives South Australia a stable base. We are unique in this nation. We have the largest and best exposure to the purest oceans in the world. That gives us an unrivalled capacity to grow clean, green food, and this government should not be hindering; it should do everything it can to help. But when the minister is asked, 'Where is this training money?' and one finds that it is going to SARDI for the purposes of inspectors, one begins to wonder: what are the government's motives?

This budget, like the curate's egg, is good in parts. I commend the government for trying to out-liberal the Liberals. It is a clever ploy on its part, and must be confusing the electors greatly. There is an old book that I always remember in which it is said, 'Beware of wolves in sheep's clothing.' We can be liberals because we truly are. Government members can pretend that they are liberals but, sooner or later, they will be exposed because, inwardly, members of the government, to quote that book, are 'ravaging wolves'.

*An honourable member interjecting:*

**Mr BRINDAL:** By your fruits you shall know them and, within two or three years, we will see the true calibre of this government, and it will not be a government—

*Mr Hanna interjecting:*

**Mr BRINDAL:** The member for Mitchell says that this government is fruity. I would never say that. Within two or three years we will know what this government is really about. This government will have to decide whether it is a government of social justice, whether it is a government of battlers, whether it is a government about business development, or what it is. At present, it is this to group A, this to group B and something else to group C: it is all things to all people at all times. The member for Norwood nods. Well, this government cannot be that. It has to stand for something because, if one does not stand for something, in the end, one

stands for nothing. If there is a danger in this budget and with this government, it is that, after six months, it has no sense of purpose and no sense of direction. It has only a sense of power, and it will lose even that.

**The Hon. I.F. EVANS (Davenport):** Following on from the member for Unley's comments, we know what this government is not: it is not a government for all South Australians. This is a government that went to the electorate saying it would be a government for all South Australians. But, for people living outside metropolitan Adelaide, this government has hardly done anything other than cut services in this budget.

**The Hon. L. Stevens:** Not in my area it hasn't.

**The Hon. I.F. EVANS:** That is interesting, because metropolitan hospitals have been given a 7.1 per cent increase for costs, and country hospitals have been given only a 2.4 per cent increase for costs. Country hospitals have been disadvantaged by some 5 per cent, and the Minister for Health sits here and says to the house that it is somehow a positive that they receive 5 per cent less, as an inflationary factor, than the metropolitan hospitals. That seems a little unusual to me. But if we go through virtually every program—

*The Hon. L. Stevens interjecting:*

**The DEPUTY SPEAKER:** Order! The member for Davenport will ignore what is an out of order interjection from the minister.

**The Hon. I.F. EVANS:** My advice to the Minister for Health is to travel while she has the opportunity as a minister, because her factions are doing her in, her cabinet will do her in and her comments will ultimately do her in. My advice to her is to travel. If one examines the whole budget, one will see that, ultimately, it is regional South Australia that has been done in by this government. It is regional South Australia that has been duded—whether it be country hospitals, regional schools, the winding up of the FarmBis program, the \$22 million cut to primary industries, or the absolute debacle of the crown lease decision by this government. There are something like 15 000 crown leases, and cabinet has taken a decision that it will increase the leases, some from \$1 and \$2 a year to a minimum of \$300 a year. The government is to increase the freeholding costs from \$1 500 to \$6 000. It does not realise, of course, that these leases contain a clause that they are leased in perpetuity for the fixed sum. Now, of course, the government, at the will of the parliament, through the Deputy Speaker, has set up a select committee to deal with that issue.

So the crown leases issue I think is a good lesson for the government. The government has centralised a whole range of activities under minister Hill and he has fallen for the classic trap of trying to be an empire builder as a minister. The problem with being an empire building as a minister is he has a lot in his portfolio but he actually has to manage it. He has to take the time to read dockets and understand the ramifications of the decisions he is making. No-one will convince me that the cabinet fully understood the decision they were making in relation to Crown leases. If they did understand what they were doing, they should be castigated and the minister probably should resign as a result. If they did not understand it, I think it illustrates the point that that particular minister is an empire builder and has taken a whole range of activities under his portfolio and simply cannot put in the work to get across the detail in relation to a range of issues.

The Outback road maintenance gangs have lost 20 jobs: they have been wound up. The regional road program has been cut from \$2.2 million to \$700 000. The Crime Prevention Unit funding has been cut from \$1.4 million to \$600 000 a year. The remote area electricity subsidy scheme has been cut by \$400 000 and the country arts funding has had a \$2.7 million cut. Any reading of the budget says that this government is simply throwing rhetoric at country and regional South Australia and certainly is not interested in regional South Australia as far as this budget is concerned.

This budget, of course, shows the government's colours in relation to a whole range of issues. I think one of the crucial issues for the state is the investment climate that the government is now setting as a result of this budget. I have had visits as a result of this budget from interstate and, indeed, international companies that are questioning whether they will invest in South Australia as a result of the government's double backflip in relation to the introduction of the new tax regime on hotels and poker machines. It is one thing to write to an industry association before an election, to have lunch with representatives and look them in the eye and shake their hands and say, 'Don't worry mate, we won't increase your tax regime and we won't change your tax regime: we will not put more taxes and charges on you,' and then turn around and do it straightaway.

It is one thing to blatantly change your mind, having written to an industry association in certain terms, and, as soon as you get into government, change your mind to the tune of \$34 million in relation to pokies tax. But then the Hotels Association, on behalf of its members, comes to the government and negotiates in good faith and says, 'We think you can massage the trigger points for the introduction of the new pokie regime so that it may have a net outcome for the government but not quite as bad an effect on employment and industry.' So it negotiated with the government in good faith, just as it did before the election when it struck the agreement with the Labor Party about not increasing taxes on the hotel industry. The hotel industry negotiated in good faith with this government about pokie machines, having lost \$34 million—having done \$34 million in the eye—and the Treasurer has the gall to come here and say, 'We will reject the Hotel Association's offer but we will massage it to some degree on new growth predictions on revenue from poker machines and that will get us the same revenue over the forward estimates period. So we will take that and, by the way, we will now introduce a second levy on hotels and that will do them to the tune of another \$18.5 million.'

So the Hotels Association has come and negotiated in good faith and not received one extra cent—in fact, it has lost another \$18.5 million. The message that this government is sending to any industry association is: do not negotiate with the government because, if you are a successful industry association, if you are an industry that makes a quiet quid or a dollar, the government will see if it can put a new tax or levy on you. So if you come in and 'fess up—if you come in and say, 'We think the government has its figures wrong and we can negotiate a deal,' the Treasurer is interested in getting another \$18.5 million over the four year forward estimates. So the message to the investment community, not only that based in South Australia but also interstate and overseas, is that the government and the Treasurer simply cannot be trusted. If the Treasurer, the Premier and the ministers think that that message has not gone through the investment community in Victoria, New South Wales, Queensland and overseas, they have missed the boat. As an opposition, we



have been approached by a number of companies from both interstate and overseas that are simply saying that the investment climate in South Australia is now on hold.

*The Hon. L. Stevens interjecting:*

**The Hon. I.F. EVANS:** The Minister for Health smiles, but the long-term ramification of that is jobs. I have a real concern that not only has it broken its written pledge to the Hotels Association, not only has it done that association in the eye for another \$18.5 million over four years, simply because it had the decency to try to negotiate with the government, but it is the message about the investment climate that will be the real trip-wire for the government over the four year period.

We know that, as a result of these decisions by the government, the total taxation increase is something like an extra \$250 million in 2002-03—not bad for a government that went to the people saying that it would not have to increase taxes or charges to meet its election promises. An extra \$250 million just in 2002-03! When the Treasurer was asked why he changed his mind about poker machines and why he introduced the extra \$18.5 million, he put his nose up to the cameras and said, ‘Because I can.’ That sort of arrogance will bring some problems for the government long term, because everyone in the community saw that—the Treasurer who acted simply because he could. The Treasurer could whip another \$18.5 million out of the industry, and so he did. That will create long-term problems for the state, especially in employment.

The other real issue for the state is WorkCover. I have raised a number of questions in the estimates committee process and during question time about WorkCover, and in the past two or three days I have noted with interest media reports about WorkCover possibly increasing premiums, because I asked the minister to rule out WorkCover increases. We are all aware of the debacle of the New South Wales’ and Victorian WorkCover schemes under Labor governments—huge unfunded liability, massive increases in WorkCover levies for businesses—and we are naturally concerned that the South Australian Labor government will follow suit.

We asked some pretty easy questions, such as whether the minister would rule out introducing common law claims in the WorkCover system for four years, so we do not have to worry about that argument, and he would not do so. We asked the minister to rule out the reintroduction to WorkCover of injuries from accidents when journeying to and from work; he would not rule that out. Those are two issues for every business in South Australia in relation to pressure on WorkCover costs.

We know that the minister has arranged with the WorkCover board for WorkCover to fund the reviews into WorkCover, and the minister gave a figure today of around \$380 000. That is not coming out of the minister’s department but out of WorkCover. In other words, employers’ premiums are paying \$380 000 for the review. If the government wants to pay that sort of money, it should come out of the department, and any premiums that are left over could be calculated to offset lower rates or keep rates under control in future decisions by the WorkCover board. There are a lot of issues long term for business because we are very suspicious about what the Labor Party intends to do with WorkCover as far as South Australian business is concerned.

The other point for business, which is a quiet one to watch and which we will be scrutinising, is the decision to introduce three new criminal offences into the workplace. This government is trying to paint itself as business friendly, yet

it is introducing into the workplace three new criminal offences—the offence of causing serious bodily harm intentionally, causing serious bodily harm negligently, and I forget the third one. They are three new criminal offences.

*The Hon. L. Stevens interjecting:*

**The Hon. I.F. EVANS:** The Minister for Health can laugh, but when we write to all the businesses they will not be too happy about who is going to face—

*The Hon. L. Stevens interjecting:*

**The Hon. I.F. EVANS:** Learn my lines? I might give a ministerial statement and then stand here and defend it for an hour. I think there is a message here for businesses that this government will hit them hard. Another example of where this government will hit businesses hard is the increase in environmental license fees. The government promised to double all Environment Protection Authority licence fees over the next four years—a 25 per cent increase per year over four years (a 100 per cent increase over that period)—and then they might be offered a discount if they meet certain environmental criteria.

South Australia has one of the highest levels of environmental licensing through the EPA compared with other states. It is all right to adopt other states’ regimes in relation to charges, but some members of the business community would argue that the government should adopt the same principle in relation to the number and type of businesses that are going to be licensed under the EPA’s licensing system; otherwise, there will be a double windfall gain with double the fees and possibly double the number of businesses licensed per head of population in other states.

Other issues emerged from the estimates committee such as the cutting of grants for the Native Vegetation Fund. Whilst that is not necessarily a strong metropolitan issue, it is certainly of concern to those in the rural community who, for a whole range of reasons, rely on grants from this fund and the Heritage Fund, whose funding has also been cut. Also, the minister would not rule out using the Native Vegetation Fund to offset departmental business costs. So, instead of having \$950 000 available for grants to the community, the department could charge, for instance, administration costs of its own staff against the fund. That basically means that this is a cost shifting exercise from the department to the Native Vegetation Fund, providing the community with even less opportunity to access Native Vegetation Fund grants.

I refer now to the issue of radioactive waste. We have been trying to establish the Labor Party’s position on radioactive waste, but it is difficult to get a commitment from the Labor Party. As I said to the minister during question time, we acknowledge that the government has shifted the bureaucrats from the health commission to the EPA. Anyone who reads the budget and gets excited about an increase in the EPA’s budget should realise that it is simply a transfer of 14 or 15 bureaucrats from the health commission to the EPA. There is no great windfall gain for the EPA from the budget. These bureaucrats will undertake the same role as they did in the health commission—there is no great change—but simply report to a different minister. They will report to the minister and undertake an audit of radioactive waste, and this will show one of three things: that radioactive waste in South Australia is currently stored safely; that it is stored unsafely; or that it is a bit of both—some stored safely and some stored unsafely.

Regardless of what the audit shows, the minister’s policy decision will still be the same. What will the government do

with the radioactive waste that currently exists in South Australian towns and suburbs? There is radioactive waste in suburbs such as Kent Town and Bedford Park, in the universities on North Terrace and in towns such as Mount Barker. If you ask the people in those areas whether they want low-level radioactive waste stored there or at a purpose-built commonwealth operated and licensed facility at Woomera, they will vote to put it at Woomera.

The Labor Party has a duty to tell South Australia what it is going to do with low-level radioactive waste other than audit it. Is it going to leave it in the suburbs; is it going to store it in the commonwealth facility for low-level radioactive waste to be placed at Woomera; or will it build its own facility? There is nothing in the budget about building its own facility. The commonwealth took 10 years to pick a site after it went through all the environmental assessments and scientific exploration. I doubt whether this state will go through a 10 year process.

There is a healthy suspicion that the Labor Party will oppose the federal low-level radioactive waste facility at Woomera but, when it is built, use it. If that is the Labor Party's policy, why not come out and say so? Why go through this charade until it is built and then, when the political timing is right, simply slip our radioactive waste into Woomera? I think anyone who is following this issue will recognise that the Labor Party will not come out publicly and tell us what it is going to do in relation to this issue because I think it is plainly obvious that it intends to use the national radioactive waste facility at Woomera.

Logic says that, if it is so dangerous that you do not want it at Woomera, why would you ever want it at Mount Barker, Bedford Park—at any of the suburbs in which it is stored? We have written to the minister asking that no debate on the bill occur in the other place until the government coughs up the information on where the waste is stored, what type of waste it is and what quantities of each type of waste is stored in each suburb location. We do not want to know the individual businesses, but we do want to know the suburb location, so that we can have a proper debate about where the radioactive waste is stored and what, ultimately, should be done with it.

Locally, Mr Deputy Speaker, given where you live, you would be aware that there has been a lot of unrest in the local community about the government's decision to take funding away from the Coromandel Valley Primary School, a school that is 125 years old and does not have a solid classroom. It is unbelievable that the government has taken that decision given that it made a statement that it would honour the announcements made by the former government in the July budget. This matter was included in the last Liberal government budget, and there is certainly a lot of anger within the Coromandel Valley community that, for reasons that are blatantly obvious to any thinking voter, the current Labor government has taken \$1.7 million away from the Coromandel Valley Primary School and given it to schools in other electorates. We will be working hard to try to get that money reinstated and that project progressed as a matter of urgency.

This budget shows up the government in a whole range of areas. I think it is ultimately an anti-business budget and one that shows that the government will not keep to its promise. It is a budget that shows that the government is prepared to damage the South Australian investment climate for its short-term political gain in relation to extra revenue into the budget, and I think that the government will ultimately reap the reward of that in two or three years' time when the employ-

ment regime and the employment figures will reflect a lack of confidence within the South Australian community about the direction and the capacity of this government.

**Ms CHAPMAN (Bragg):** May I say in opening that I have had the privilege in the first estimates committee this year to lead the opposition in respect of the Office of the Status of Women, Attorney-General and Justice and Education and Children's Services, and it was a significant experience. At this point I affirm the importance of the estimates committee process in that effectively it is the only procedure in which there can be a level of accountability over a sustained period for government ministers. I was disappointed to note that, notwithstanding my reading of the *Hansard* reports of estimates committees in previous years, there had been a significant reduction in the amount of time for which ministers made themselves available.

It seems that they operate on the basis that they will determine the agenda and, in my assessment—and I appreciate that this is my first experience of estimates—a significant amount of time was taken in delivering speeches as distinct from fulfilling the principal purpose, as outlined by the former Premier, Dr Tonkin, of providing an opportunity for questioning of government by all members of parliament of all political persuasions. It is an extremely important role and one which should be maintained but one that is in severe need of review for it to be effective.

In respect of the portfolio area of the Hon. Stephanie Key, as Minister for the Status of Women, a budget of \$1.66 million in the previous year has sadly been reduced to \$1.615 million this year. In this important portfolio area of responsibility I highlight the government's action in reducing what was already a small budget for no apparent reason; and, secondly, I note the reduction in the provision of a very important service operated by the Office for the Status of Women in relation to holiday care, not just for people who are employed in Roma Mitchell House but also the provision of a child-care holiday program for employees within Parliament House and, I am advised, other government departments. It is well used and well appreciated, and it is an important service, yet this is one area which I note is to suffer a cut. I hope that the minister's indications that attempts will be made to cover that and to ensure that service continues will follow through.

In relation to education and children's services, which are the matters I wish to principally address, it is fair to say that, whilst 11 July was an illuminating day in the sense of what was to happen in the documents produced by the Treasurer in his speech on that day and tabled in the house, it is the education budget which unfolds in the process of the estimates committees. During estimates, the minister stated that the government had 'honoured its commitment to make education a major priority in this state'. We heard rhetoric consistent with that from the Premier during the course of the election campaign, and that this was going to be a government for education and for young people in this state.

I wish to note and to put on the record that, although only 24 per cent of the total overall budget was spent on education, notwithstanding considerable complaint by the current minister against the former minister in the previous budget of there being a lack of consideration by way of percentage in the overall budget, I notice that it was only a 0.05 per cent increase in the previous year. A sad reflection, I suggest, on a government that had made a commitment to education. During estimates, the minister claimed that the government

was 'taking a very student focused approach in the decisions we make and our directions for education'. I suggest that what is revealed is that we are dealing with a government which has a teacher union focused approach not a student focused approach.

The very first act of office of this government in relation to education—not by the minister but indeed by the Treasurer and Minister Wright—was to negotiate an agreement with the AEU (Australian Education Union). That was due for review and that is fine. The minister had said, 'We have quickly secured the support of the teachers.' Well, so they should have, a \$350 million plus package ought to have made any union happy.

Clearly, if members only look at this relatively, the previous administration had provided for a 12 per cent increase over a similar period which would have cost the taxpayer \$200 million for an appropriate increase and recognition of the teachers' services. Not this government though; it did not consult with schools, principals and parents, it went straight to the financial remuneration of teachers with the AEU and packaged into it policies in relation to things such as class size. That should not be a demand exclusively of the AEU and certainly it should not be the only organisation consulted by this government. There was plenty of media coverage about other areas of interest which were concerned about the lack of consultation on this issue and, even if they agreed with there being an issue in relation to the reduction of class size, surely they should have been consulted and surely they should have looked at the material about what support was required.

Let me say one other thing. Quite interestingly, this government says that it had a focus in relation to primary school education, and that is fair. Certainly the opposition also went to the election looking at extra counsellors and provision for extra support at the primary level. However, what was introduced by the previous government was a process by which there could be some assessment by parents of their satisfaction in relation to the education of their children. The budget paper published by this government tells us that, using a range of one to six, parents of children in pre-schools gave a 5.65 satisfaction rate; and the parent satisfaction index for reception to year 12 at the primary level was 5.1 and 4.75 at the secondary level. Therefore, if the minister or members of this government had taken the time to look at those results and consult with parents about what they were satisfied with—that information being available to this government—we would have been seeing a focus on what really was of concern to the parent community in relation to education—

*The Hon. P.L. White interjecting:*

**Ms CHAPMAN:** Indeed, you got the results in your government and you were able to act on them, but failed to do so. The minister claims that the government had demonstrated that it is 'true to its word' in providing an extra \$156 million to education and children's services. That, I suggest, was necessary just to provide for existing services over the period of time. I have referred to this previously, but it is quite clear that over the budget period it is necessary for some \$34 million more funding just to keep up with a program that allows for an inflation rate accepted by the Treasury at an estimated 2.75 per cent in the 2002-03 year. You apply those figures and that formula and this government has produced a budget which has a \$34 million deficit over four years. That is completely unacceptable for a government that promised to be a government of education.

The minister claimed that the government needed the extra funding to spend more in the 2001-02 year 'in order to plug the black hole left to us'. Well, that was delivered last week. Let me say that the black hole issue was sorted out a month ago and, as indicated by other speakers, it is now quite clear that there is no black hole. There has never been a black hole, but an excuse was needed for the Treasurer to march off interstate to undertake studies in relation to where else he might reap and rape for the purposes of obtaining further revenue and for which we are about to see the money bills coming through.

The real cuts—and, of course, there had to be cuts, because you cannot increase benefits without increasing the overall funding and not have cuts—came in capital works for capital investment. The Labor Party promised at the election that it would honour the commitments in the 2001-02 budget. These are the people who, from mid 2001, clearly understood what they were going to be provided with but, within a month of coming into government (that is, early April), they issued notices to schools receiving those commitments that they were under review. When the budget came down, they announced the deferrals, abandonments or cost cuts. I will list just a few: Angaston Primary School, deferred; Booleroo Centre school, reduced from \$2.507 million to \$2 million; Ceduna Area School, reduced from \$5 million to \$3.9 million; Coromandel Valley Primary School, deferred; Gawler Primary School, deferred; Mawson Lakes School, reduced from \$15.6 million to \$7.6 million; Orroroo Area School, deferred; Willunga Primary School, cut from \$6.2 million to \$850 000.

It has not escaped the attention of the people in those communities—all of which, of course, are in regional South Australia—what has occurred and what has been inflicted on them when they have been given a promise, which has not only been broken but which has serious consequences in their community. The minister had clearly made decisions to cut and defer without any regional impact statements being undertaken or consistent criteria applied. During the estimates, the minister claimed that the government would not 'be funding projects haphazardly into the future and without justification' (no doubt reflecting on the previous administration).

The minister could offer answers to questions on estimates only on criteria used for the abandonment or introduction of new capital works. This was the answer: 'They are various government priorities, projects not in a position to proceed.' After giving one example of one project which was not ready to proceed, the minister then said, 'Schools have been deferred and schools have been brought forward. In some cases, it comes down to planning and in others it comes down to priorities.' Well, there is a clear set of criteria if ever I did not hear it! Let us consider the result of the government's priorities, and I will illustrate the example.

*The Hon. P.L. White interjecting:*

**Ms CHAPMAN:** The minister might want to listen carefully to this. Here is an illustration of what the government's priorities are, given that we do not know the criteria as that has not been disclosed. It slashed the funding from the Mawson Lakes development, notwithstanding that the Mawson Lakes School already has children enrolled in years 8 and 9 and one student in year 10. These children will now be forced to go to another school. On the other hand—and this is its real priority—it announced funding of \$2 million to restore the Sturt Street Primary School, a school I am not unfamiliar with given that two of my relatives—one of whom

is my son—attended that school and for which I have some affection.

That school was closed for good reason. This government's priority was to allocate \$2 million and go to the election and say, 'This is what we are going to do. We will restore the Sturt Street Primary School. It will be open for business at the commencement of the 2004 academic year.' No assessment was conducted prior to this amount being plucked out of the air, no request to inspect the site prior to the election or even to view studies undertaken by the previous government for its eventual closing and then consideration of other purposes for that school. It has no students. To date, no report has been presented to this parliament or to estimates to justify a population even in need of this facility. That is the priority of this government. The capital investment statement across government was published on 11 July by the Treasurer. It claimed in its introduction:

Information on the timing and cost of projects is generally provided where project expenditure exceeds \$300 000 in 2002-03. In respect of the education portfolio, the statement discloses that the investment program:

... included estimated expenditure of \$71.324 million for various works and equipment.

It further goes on to say:

A total of \$17 million has been allocated over three years for targeted asset programs.

I pause at that point to reflect on the article which appeared on the front page of the *Advertiser* a couple of weeks ago and which described \$17 million of new money to be allocated for asset maintenance programs.

**The Hon. P.L. White:** It is.

**Ms CHAPMAN:** Well, we will see. The major projects that were categorised were: new works, new works carried forward, and works in progress consistent with historical presentation. There is nothing new about that. It covers several pages. But the alarm rang when, on the admission of previous planned and promised projects, Acting Minister John Hill indicated that some projects, including specifically the Marryatville High School, were in fact included in a more comprehensive list totalling the \$71.324 million. The Acting Minister said that the school could not be fitted in the statement and that 'We had to make this decision about what we leave out what we don't'—to paraphrase the Acting Minister's position—and consistent, of course, with the beginning of the statement which published a proviso to say that the discretion was such to record only projects over \$300 000.

Ultimately in estimates that document was produced, that is, the apparent comprehensive list that backed the budget as of the published day of 11 July (which I had sought on 12 July and which I was told the following day would not be available until estimates). It was a two page document which, I hasten to add, has only 14 more projects in total disclosed in it that could not be published in the documents; that is only an extra 14 projects, and notably two of them propose expenditure of more than \$1 million each. One project is for \$2.916 million, one is for \$1.209 million and one is a project for \$7 million, not disclosed in the budget, but in the 'other projects list' as produced by this document.

**The Hon. P.L. White:** Get someone to explain the budget papers to you!

**Ms CHAPMAN:** You may well say so, minister, but that is the document that was produced, and yet that could not be

provided on 12 July. We had to wait until estimates, and it could not be in some way published and disclosed on the day. Why, you may ask. Of course, the obvious may be that this is so much for open and accountable government. That is the example we get—

*The Hon. P.L. White interjecting:*

**The ACTING SPEAKER (Mr Snelling):** Order!

**Ms CHAPMAN:** That is what we get served up to us. The government stopped all new capital works in April, May and June, and put them under review—

**The Hon. P.L. White:** We did not!

**Ms CHAPMAN:** All new, that had not proceeded—and then slashed the total funding for 2001-02 from \$97.5 million to \$71.324 million. Obviously it had to get the money from somewhere to pay for the teachers' package and the other initiatives that it had identified as a priority.

**The Hon. P.L. White:** You've got no idea!

**Ms CHAPMAN:** Well, just wait for it. In estimates, the minister then sought to explain her government's action and in particular the Treasurer's slashing of capital works by complaining of underspending by the previous administration. She then went on to list underspending in capital works in each year since 1993, even though in one year the spending was as per budget and in another of those years more money was spent.

Amazingly, she actually admits that in 2001-02, a year in which the previous government was operational for only six months and in which she was in charge for four months, there was an underspending of \$32.029 million, a vastly exceeded number than any previous year of the former administration. As the minister will learn, there will be some capital works that do not proceed this year and probably every other succeeding year, in the year anticipated, but it is quite misleading to compare that year of underspending to the government's action to abandon and defer projects of its own volition. That is a quite different action that should not be compared, and it is quite improper, I suggest, for that to have been presented as some sort of excuse for the conduct of this government in the axing of those projects. The cuts by this government have been callous, they have been calculated, they have been cruel and they have been largely to the detriment of schools in regional South Australia. That will not be forgotten. These cuts are without identified criteria, other than 'government priorities'.

**Mr HAMILTON-SMITH (Waite):** I will make some general remarks about the budget and then address the three portfolio areas for which I am opposition spokesperson. Let me begin by reminding the house that this government inherited an economy and a set of accounts that were in excellent shape. Let me dispel the furphy put out by government members that somehow or other the economy needed to be reinvented and redirected. Let me remind the house that the economy is booming and that the hard work of the last eight years by the previous Liberal government has delivered an outstanding outcome in terms of jobs growth, gross state product, economic activity (both in the regions and in the city) and exports—all of which are booming.

In addition, the previous government handed over to the incoming government a virtually debt-free set of accounts. The \$9½ billion or more of debt that we inherited in 1993 was virtually despatched through the sale of assets by the time this government came to office. The government has laboured the issue of the sale of ETSA and other assets. I simply lay down the challenge to members opposite: if it was

such a terrible decision, if you lament it so greatly, go and buy the assets back; unscramble the egg, to use the Premier's expression, and turn the clock back. The offer is there from Flinders NRG: go ahead and buy it all back.

Of course, they will not do so, because they know better than anybody that the sale of those assets and the straightening out of the books of account over eight years by the previous government has saved this state from rack and ruin—the rack and ruin that we inherited from them. It is absolute nonsense that there is a black hole. It is absolute nonsense that selling ETSA and other assets was wrong and, in particular, that the sale of those electricity assets has been the sole cause of increased electricity prices. The people of South Australia, the government and all informed observers know that it is a shonky budget. As the *Financial Review* pointed out, this budget is an accounting fiddle. Most importantly, it is an accounting fiddle because the government has decided to delay the payment of dividends from SAAMC and SAFA in 2001-02, as budgeted by the previous government, to misrepresent the books and to have it appear that the government has inherited a massive deficit. Of course, it will then show a massive surplus after its first year in office.

In addition, it is a budget of broken promises. As my colleagues have noted, and as all businesses should note, the government has lied to the Australian Hotels Association, both in writing and to its face. Gaming machine taxation has been increased with an expected revenue increase of \$14.1 million in 2002-03, increasing to \$34 million in 2003-04, after the Treasurer wrote expressly to the AHA promising that a Labor government would not increase gaming machine taxation. The real message is that if one is doing business in South Australia one cannot trust this government, irrespective of one's views on poker machines and gaming revenues. The real message is that, irrespective of whether it is in writing or done face-to-face, one cannot trust the word of this government. Not only that but total taxation has increased by around \$250 million in 2002-03, despite the Premier's promise that he would not increase government taxes and charges.

Government charges are also said to increase by a further \$120 million over the forward estimate period. It is an absolute joke. 'We will not increase current charges. We will introduce no new taxes.' What a joke. The people of South Australia have been led down the path by this government. They know it and the government is hoping to high heaven that, in its first year of committing what can be described only as offences against the people of South Australia, all will be forgotten in the latter years of its reign. Well, we will see about that. Of course, it goes further—the broken promises become a litany. The emergency services levy collection has increased by a massive 10.6 per cent.

The former Liberal government actually decreased the levy. Compulsory third party premiums were increased in the initial days of this government's taking office. All government charges have increased by at least 4 per cent. Car registration, expiation fees and licences have all increased. New taxes have been introduced on commercial hire purchase arrangements and, as I mentioned previously, there are massive increases to gaming taxation. Why have these things increased? Because, in the words of the Treasurer, 'I can put them up, so why not?' The only thing bigger than the misconceptions in this budget is the ego of the Treasurer, and I predict that it will ultimately be his undoing.

Public sector jobs have been cut. The day before the government released its first budget, the Treasurer revealed that approximately 600 public servants would be cut from the Public Service. These cuts would be extended across all of the public sector. So much for public servants having nothing to fear from this government. Of course, it does not worry the Treasurer because he can cut jobs in the Public Service. He can destroy investor relations and he can shatter investor confidence. WorkCover increases are on the agenda, and we are going to have another review into WorkCover.

The previous government sorted out the mess it inherited from Labor by introducing changes to WorkCover legislation. This government, following its review, will no doubt set about undoing that good work. As someone who has run a small to medium enterprise, who has employed 120 people, who has had to find the wages every week, who has had to pay the WorkCover levies and who has had to pay the superannuation tax and all the other charges that come from government, let me just say that, as a small business employer, WorkCover is one of the biggest headaches.

Let me just say that the system has a lot of inconsistencies in it, even now. It certainly does need improving, but let me remind the house, as I have previously when speaking on WorkCover, that all the abuses in WorkCover are not perpetrated by employers, and I hope that, following its review, the government is even-handed and sensible about the actions it takes.

Of course, the crown lease debacle is simply that, an absolute fiasco. Imagine trying to charge or override formal contracts with new charges to introduce a minimum indexed rate of \$300 a year for each and every crown lease in South Australia. What a stupid initiative. It has been referred to a committee, because the government has realised another hip shot has been made in its early days of office. And why? Because the Treasurer knows that he can do it. Arrogance knows no boundary. The fishing families of the Murray River, whose livelihoods have been stripped from them, who have been handled as if they do not matter and handled in what can only be described as a callous and almost offensive way, bear testimony to the so-called 'Labor government for all South Australians'. What a joke!

In education, the government claimed that it will 'hitch its horse' but, despite all its rhetoric, that sector has suffered a cut of \$34 million over the next four years. More than \$26 million has been cut from the school building program alone, compared to last year's budget. And, as my colleague the member for Bragg mentioned, where has most of it come from? Out of metropolitan Adelaide and out of the country. And that is the theme of this budget: strip the country, and no doubt it will finish up in labor electorates in the city. This budget is a budget of folly.

For the remainder of my time, I will talk about the three portfolio areas for which I am responsible. I will start with tourism because I, like my colleagues, would like to remind the house of what a valued process the budget estimates process is for openness in government. The government is over there running the line that the budget estimates are a waste of time, and well might it do so because the amount of information that has come out from the budget estimates to the public during the past two weeks has been quite remarkable; and a number of ministers opposite are already on the ropes struggling to provide information and fill holes ripped open during that process.

In tourism alone the tourism minister has been found to have stripped millions and millions of dollars out of that

portfolio area. In fact, no evidence was given in the budget estimates to set aside the opposition's claim that up to \$16 million has been stripped from tourism. And where has it come from? It has come from tourism business development—over \$4 million thrown on the trash heap. Some smart answer was given by the minister that, 'Well, it has disappeared elsewhere into the budget.' But when you look at the gross figures, it just does not add up.

Nearly \$5 million has been stripped from tourism infrastructure, and what was the minister's excuse? It was: 'Well, infrastructure projects that the previous Liberal government initiated, such as massive tourism infrastructure development on Kangaroo Island, well, they have come to an end. They are finished now, so there is no need to spend that money again.' I simply make the point that there are supposed to be good ideas following on from the previous good ideas. The idea is that, when you have implemented and funded the infrastructure project from last year, you talk to the industry, talk to the people who care and you come up with some new infrastructure ideas. And that is what is missing from the tourism budget—\$5 million out of infrastructure simply thrown away.

As to marketing, \$3.6 million is gone. What was the minister's explanation? She said, 'Well, the events that the Liberal government was running—like Encounter 2002 and the other wonderful events—have ended now. We do not need to run them again, so we have cut the budget.' My comment to her was, 'Well, what are your ideas, minister? What new marketing ideas and events ideas have you got?' And there was a stunning silence. Her approach is, 'Well, the old initiatives are gone, so we do not need to spend that money anymore'. That is why the government has cut over \$4 million from event development. What was the answer? It was the same answer as to the previous questions—'Well, the events you were running have finished. We don't need to run them anymore.'

In fact, the Minister for Tourism cares so much about events that she has discarded the Clipsal 500 motor racing event and the Motor Sport Board and she has given that money to the Treasurer. In fact, the Treasurer has not only got most of her money but he also has the Clipsal 500 and the Motor Sport Board. It must be a bonanza over there. It is called empire building. The tourism budget is in tatters. I will not dwell on the Entertainment Centre and the \$2 million that has been stripped from it, or the Convention Centre's need for a \$2 million bail-out.

I will not dwell on those, because the opposition understands that the Entertainment Centre and the Convention Centre have had some difficulties as a consequence of 11 September and the events which followed, the collapse of Ansett and a range of other reasons. We will not do to the Convention Centre and the Entertainment Centre what the Treasurer and the Labor Party did to the Wine Centre. We will not destroy a fabulous piece of tourism infrastructure in this state by knocking it to death as the Labor Party did over the Wine Centre. We will offer some bipartisan support. That is why we will support the government in its effort to solve the problems at the Entertainment Centre and the Convention Centre and get those institutions back on their feet. Why? Because we understand the need to do that in a bipartisan manner.

With regard to the information economy and innovation, on the basis of the answers given in budget estimates, the Minister for Science and Information Economy has not a single idea what on earth is going on. When we were in

government we were criticised by the present minister for having the various parts of science and information economy spread across a number of portfolios. Guess what? Six months after this Labor government came office, its handling of the portfolio is in more chaos than it claimed our handling of the portfolio was. We still have elements of the Minister for Science and Information Economy's portfolio in primary industries, some of it is in admin services, and some of it is in the Department of Industry and Trade. It is all over the place. The minister had to attend the estimates committee on three separate occasions over two weeks, with different sets of staff. It was total chaos. She could not answer half the questions, and she had to be rescued by her advisers on numerous occasions. She does not know whether the Information Economy Policy Office writes or manages contracts. Mr Martin, her chief, had to bail her out on that one.

The minister claims that the Centre for Innovation, Business and Manufacturing is the prime instrument for delivering service to small business, but she admits she does not own it. That, too, is with Kevin Foley. He has the Clipsal 500 and the Centre for Innovation, Business and Manufacturing. He has the lot. The minister also was not able to explain how much of IEPO would be going to her and how much would be staying in DAIS. There were a range of cuts to the biosciences. The science and research budget is still with primary industries. She is the minister for science, but she does not have the money to budget for science and research. It is with another minister.

The portfolio is in total chaos. Not only that but also the minister will not answer the question about the Thebarton biosciences precinct and whether it will go ahead—that vital piece of land so essential to the growth of the biosciences industry. We will get this information out to the industry for tourism, the sciences, innovation, bioscience and information economy. We will tell people what is really happening, and we will show them a way around the government's spin. We all need to get together to encourage this government to do what it has been elected to do—show leadership on tourism, innovation, information economy and the sciences which is not forthcoming from this government at present.

There has been a bit of tricky accounting in the area of the arts, too, with \$7.2 million slashed from the four regional theatres. It was budgeted. The minister knows it was budgeted, and so does the minister assisting. They carefully dodged the issue in estimates, but they know that the previous government was going to deliver on that. They also know that the money had been set aside within the Department of Urban Planning, Transport and the Arts. However, they have cleverly tried to tell people it was not. Well, it was. Those theatres need disabled access and occupational health and safety work, and it will not fund it; in fact, it will cut funding by \$7.2 million. Not only that, but the Premier acknowledged that almost \$3.5 million had been slashed from the arts budget as savings—60 per cent from Arts SA and about 40 per cent from agencies. There is quite a bit of tricky work there, a range of new initiatives which the government claims is new money but which is not substantiated by the books. However, we will keep probing on that. In summary, this is a dodgy budget. As the *Australian Financial Review* said, it is an accounting fiddle. It is not good news for tourism, it is not good news for innovation, sciences and the information economy, and it is not good news for the arts.

All I can assume is that the Treasurer is building up a massive pork barrel to use later in his term of government,

however long that reign may be. But it will be an almighty pork barrel when it finally arrives. I hope that it is bigger than his ego and that, ultimately, it is delivered to the people of South Australia who so desperately need that funding.

**Mrs REDMOND (Heysen):** I am grateful for the opportunity to make some final comments in relation to the budget and the clarification of the budget through the recent estimates committees. It is, of course, my first budget and my first attempt at estimates. Even to me as a newcomer, there are some fundamental flaws in this budget. For the government to have so blatantly and deliberately misled the hotel industry and to fly so blatantly in the face of its own specific promises not to increase the gaming machine taxes has done untold damage in this state to the businesses involved, to the employment or potential future employment of many who work in that industry and, perhaps most importantly, as the Leader of the Opposition said on the radio this morning, it has done untold damage to the prospects of this state for future business investment here.

Then we have the government's bizarre proposal to introduce lease fees for the 15 000-plus perpetual leases in this state, indicating a complete and utter lack of understanding on the part of any members opposite of the nature of land holdings known as Crown leases, perpetual leases and miscellaneous leases. Members opposite clearly had no comprehension that people buy, sell, work in, live in and transfer these properties just as if they owned a fee simple. They transfer the normal purchase price in the same manner as a fee simple and generally have a certificate of title that looks very much the same, except that it is called a perpetual lease.

The budget generally, although not surprisingly, I must say, skews things heavily away from the rural and regional sectors to the city: everything from the removal of the previously applied for and long-awaited funding and refurbishment for schools at places such as Ceduna and Orroroo to the removal of funding for FarmBis, which will dramatically reduce the number of rural jobs available; the removal of funding for community crime prevention organisations in regional centres; and the removal forthwith of funding for radio control rooms located in regional centres for the ambulance.

Having already looked at the budget in some detail, I was fascinated in my first experience of estimates particularly by the time allocated to these sessions, which I think deserves some comment. I appreciate and support the continuation of estimates committees as a means of clarifying and fleshing out the budget. The budget itself comprised five volumes, and it is clearly an impossible task for any government and its advisers to put into that document anything but major items and minimal explanations. Accordingly, having read the budget papers and gleaned as much as I could from them, I was grateful for the opportunity to seek clarification.

I was disappointed, however, to find that, first, questions were limited to three at a time from our side, the government could then ask dorothy dix questions, and any minister not willing to give a fully detailed question and answer session could then provide such lengthy answers and explanation to these dorothy dix questions that the largest proportion of the time was taken in answering the government's own questions. In addition, during one estimates session I observed a large amount of time taken up by the minister by way of opening remarks, which were supposed to be approximately 10

minutes long but which the particular minister delivered for slightly over 30 minutes.

Nevertheless, I think that the estimates committee is a valuable process. Perhaps we need to take a bipartisan approach to make it a more productive one, for instance, by limiting the number of dorothy dix questions and the length of the answers that can be given to them. Specifically in the electorate of Heysen, there are a number of matters that I wanted to comment on in relation to the budget.

I was pleased to see the refurbishment, long awaited and long overdue, to the Stirling East Primary School remained intact, as did plans to build the ambulance station at the Crafers interchange. I was disappointed, however, to find that there was no mention of the Aldgate CFS. I am not aware whether there will be any move in relation to the rebuilding of that very overdue redevelopment. The schools of Kangarilla, Mylor and, particularly, some schools at Uraidla, Basket Range and Norton Summit, which I have mentioned on several occasions in this house, have to close every time there is in this state a power blackout that affects that area because, with those schools having no generators of their own, if they do not close the school teachers have to flush the toilets with buckets of water, which is not acceptable from an occupational health and safety viewpoint, so children are instantly sent home. So every time we have a power blackout three little primary schools are forced to close.

Most importantly, and dearest to my heart, is the problem of Heathfield High School. I am hoping the funding for that is still in there. Heathfield High School was promised \$1 million from the Education Department last year for a development, which has a combined school and community use. A letter dated June 2001 from the CEO of the department confirmed that that money was to be made available. That was one third of a \$3 million package—\$1 million coming from the Adelaide Hills council, \$1 million from the Department of Recreation and Sport (which has already been handed over) and \$1 million from the Department of Education—to present to that community, which is in the coldest and wettest area in the state but has no indoor recreation facility, a combined project to provide that community—both the school and the community around it—with an indoor recreation and swimming facility. It was to benefit not just the Heathfield High School but also about nine surrounding primary schools from Stirling East to Mylor, Bridgewater, Heathfield, Crafers, Upper Sturt, Scott Creek and a number of others, so that all those little primary schools, which currently have to bus all their students out of the electorate every time they want to hold swimming lessons or carnivals, would have the opportunity to hold swimming lessons in a local area facility.

Furthermore, the Heathfield High School for eight of the last nine years have been the national champions in volleyball. It is a volleyball specialist school and that school has achieved that in spite of, to date, having no competition level courts. That school has persevered and done well at the national level, but does not even have a national competition court. The intention was to build competition level courts for competition there and for bringing in other schools. That project is important to all the community. It had all been put in place. I am hoping that when we get written answers to questions that have been provided because of the lack of time under the budget that I will get the good news that that \$1 million promised and confirmed in writing by the CEO of the department in June of last year is still there, because the other \$2 million is certainly there.

It did not make any sense that the project would not go ahead, but it needs to be included because the project obviously cannot go ahead without that \$1 million. You do not build an indoor recreation centre and swimming centre for less than \$3 million. We are hopeful that there will be some positive news out of the budget, but the difficulty I found with the estimates committees was that there was insufficient time to get the answers to questions that genuinely needed to be asked in my view because so much of the time was taken up with Dorothy Dix questions from the government, which were really there to pad out the time to prevent questions being asked. It would be appropriate for us to look with a bipartisan eye to changing the way in which we approach the estimates: keep it in place as it is a valuable process, but let us tweak it a bit so it becomes a more useful tool for this parliament, on both sides.

**Mr WILLIAMS (MacKillop):** It is fascinating that I rise here tonight after a number of my colleagues on this side of the house have taken the opportunity to speak on the appropriation debate and not one government member has chosen to speak. I find that rather fascinating, having sat through yet another set of estimates committees. As the member for Heysen has just pointed out, this is a very important process. It is important to allow the members of the parliament, both government and opposition members, to get their mind around the intricacies of the budget and ensure that the ministers understand what is going on in their budgets. One of the important things about state government is that members of parliament on behalf of our constituents—the electors across the state—keep an eye on what the bureaucracy and executive government are doing. This is important not only for opposition members but also for government members.

Having gone through the process, I found it most frustrating—and it happened time and again in the sessions I was involved in—that ministers came in and made expansive opening statements. The way it is normally done is that the minister and the opposition shadow minister are given an opportunity to make an opening statement. Although convention generally holds that that runs to 10 minutes, in at least two of the committees I attended ministers spoke in excess of half an hour, with their opening statement designed to do nothing more than just play politics. It was an abuse of the system, just to use up the time.

Again, as the member for Heysen has just said, there were many questions from government backbenchers. If it was so important for government backbenchers to ask questions of ministers ad nauseam, I would have thought that some of them might have taken the opportunity to join this debate, even if only to give the perception that they were enjoying what they were doing or that they were there to get important information on the public record. It was not that at all: the process was used to do nothing but frustrate the opposition and stop it from having as much time as it otherwise would have had to ask questions of the ministers. It was just a way of protecting the ministers from the opposition, and that was a great pity.

In his opening remarks, the chair of one of the committees I was on said that the estimates committees are an informal process, and I think that that should be protected. It should be an informal process, but one where government ministers are not afraid of being questioned by the opposition. In fact, although they should give full answers, they should not be over the top and pad out their answers and waffle on. I am

sure that some answers took up almost half an hour, which was totally unnecessary.

Many of the answers bore little relevance to the questions and were designed to give as little information as possible, and again I think that was an attempt to abuse the whole estimates process. Having said that, I hark back to my earlier comments. I think the estimates process is very important and should be protected by the members of the government and the opposition, because of its importance. It is important for the workings of the parliament and it is important for members to have an understanding of what is going on in the budget.

I will move to some of the specifics and, I guess as far as the opposition in general and I are concerned, most of those specifics relate to the disappointments that this budget has brought. After being in government for eight years, having inherited a basket case economy in 1993 when, along with some of our neighbours, South Australia was declared the rust belt of Australia, having inherited that eight years ago, having worked diligently, and having taken the hard decisions and literally turned the economy around and made South Australia a place where people would be proud to live and bring up their children with the expectation of a bright future, we find it disappointing to see a budget as we have just seen being brought down in this parliament. It has done absolutely nothing even to maintain, let alone increase, people's expectations of this state being a place where their children and grandchildren can enjoy the fruits of their labour and a high standard of living.

I think it is well accepted that one of the major problems faced by South Australia in the early part of this new century is the ability to maintain jobs which are relevant and which will give our young people heart, or incentives, to go out and be able to work at world's best practice in cutting edge technologies and industries. This budget has done nothing to foster that. It has done nothing to even maintain what we have been able to develop over the last few years, and that is a great disappointment. This budget also has done nothing to maintain the level of services that South Australians have been able to enjoy over the last few years. Despite the rhetoric with which the Premier, the Deputy Premier, ministers and even backbenchers carried on in the lead-up to the recent election, none of their promises has been fulfilled or look like being fulfilled—and I will come to that in a moment.

One of the things that has really disappointed me (and I have sat in this house for a number of years now) is that, when the Treasurer was in opposition, he claimed that the then Liberal government was a big spending, big taxing government. He kept up that rhetoric day after day, month after month, year after year: it was, he said, a big spending, big taxing government. Let me remind the Treasurer that he is now the biggest spending and biggest taxing Treasurer that this state has ever had—and he has done it in spades. During the election campaign he and the Premier went to the people of South Australia and said, 'There will be no new taxes; there will be no tax increases.' But he could not help himself and, as he said on television a couple of weeks ago, because he could, he went out and started raising new taxes. He went out and started increasing existing taxes, when he promised the people of South Australia that, in government, he would not do that. He assured the people of South Australia that he had costed the policies that the Labor Party was taking to the election, that they had been signed off and that they would not need to raise new taxes or increase existing taxes.



**The Hon. M.R. Buckby:** Wasn't it because they were going to cut down on consultancies?

**Mr WILLIAMS:** Yes, they were going to cut down on consultancies, as the member for Light reminds me. That was one of the places where they were to make big savings—despite the fact that, when in government, we pointed out that we had already done so; that the cost of consultancies a few years ago were one-offs; and that there was not the ability in the budget to make huge savings on consultancies. The Treasurer cannot claim that he did not know that. He did know that. But, despite that knowledge, the Treasurer went out and made the promises to the people of South Australia that, in a few short months, he had no compunction in breaking. That is one of the great disappointments. The Premier, the Treasurer and the relevant ministers also promised that they would change the focus of government expenditure in South Australia and that they would concentrate on things such as health and education. What a joke! We have seen that health and education have received scant regard from this government, despite all its rhetoric.

I want now to concentrate on what has happened to health in rural and regional South Australia, because one of the key planks of the health policy of the previous government with respect to rural and regional South Australia was to make sure that the hospitals in the regional towns—the existing hospitals right across the state—remained viable. The only way in which we can maintain primary health services in regional towns is by having a viable hospital, so that we can not only attract but also maintain doctors—GP services—into those towns. One of the key planks in maintaining that viability is to incorporate aged care services within the local hospitals.

By incorporating aged care and the acute section of a hospital on the same campus, you can defray the costs of those allied services which every hospital and also every aged care facility requires—things such as the kitchen, administration and other services. What does this government do? One of the first things it did when it came to office was to say, 'We will no longer allow country hospitals to use Homestart Finance to fund the construction of aged care beds with those licences which have been awarded by the commonwealth government and to pay the ongoing and recurrent costs of aged care in country towns and country areas and, indeed, in metropolitan Adelaide.' It has put a stop to the building of literally hundreds of aged care beds in country towns right across the state. This has put a huge amount of pressure on the hospitals in terms of their viability and also on members of the community who are unable to care for their own in those communities.

Elderly parents in their 70s, 80s and 90s who are in dire need of aged nursing care have been shunted from town to town as nursing care beds become available from time to time. This is occurring in my home town of Millicent as I speak. Elderly people are being moved out of their homes into adjacent towns. Their loved ones, who are in a similar age bracket, do not have the ability to drive themselves to that nearby town which might be an hour's drive away. Sometimes they will move to Kingston; sometimes they will move to Mount Gambier. Kingston is at least an hour's drive from Millicent. There is no public transport and no viable taxi service available to these people. They are literally thrown on the scrap heap by this heartless government, which was going to concentrate on health care and on those people in the community who need help, whether it be through acute medical services or, indeed, through aged care.

One of the platforms of the government during the election campaign was that it would create another 100 hospital beds. Well in excess of 100 hospital beds every day in this state are not available to acute patients because of the crisis in aged care and, as I said, hundreds of bed licences have been issued, many of them to public hospitals in country areas but some to private hospitals in metropolitan Adelaide, which are not being constructed. The Treasurer, the minister and the Premier, when they came to my electorate in the South-East a few months ago, promised that this would be sorted out in the budget and promised that they would find a solution. It has not been fixed and it has not been sorted out, and the people who are still waiting for this aged care accommodation in the country towns in my electorate are wondering what they have done to be treated like this by a government which promised, on coming to office, that it would look after the people and concentrate on those very issues.

We have had the same thing in the education sector. The government promised to put many more millions of dollars into education but it has missed the bus completely, and we see that the real increase in education spending is illusory and that the education sector is, indeed, suffering under this government. So, it is right across the board. What really disappoints me is that most of the cuts that this government has instituted in the short time that it has been in office have been—and I think deliberately—designed to impact more severely upon the rural and regional parts of South Australia than on metropolitan South Australia. There is no doubt in my mind that the Labor Party has full knowledge of where its constituency is and has made a conscious decision to ignore the rest of South Australia—again, in spite of the Premier's promise whilst campaigning that he wanted a government for all South Australians. It does not take a rocket scientist to see that rural and regional South Australia has been largely ignored in this budget.

One of the things that impacts greatly on rural and regional South Australia is transport, yet this government has literally ripped millions of dollars in the transport portfolio out of rural and regional road programs. It has announced that it is shutting down a couple of work gangs that carry out maintenance on Outback roads in the Far North. Some might suggest that this has little impact on the state. However, a major employer, Teys Brothers, which operates a cattle abattoir in Naracoorte in the heart of my electorate, and another major abattoir at Murray Bridge, rely greatly on bringing livestock out of the north of South Australia and south-west Queensland, where they have been sourcing livestock in recent times to value add through those processing works and create employment in South Australia.

Until recent years, that livestock has been shipped east to be processed in Queensland. Teys Brothers is a Queensland company and it is about the same distance to shift cattle through to its works at Beenleigh in Queensland as it is to take them to Naracoorte. In the last 12 to 18 months, some of the producers in the north of South Australia have been choosing to bring livestock to Naracoorte, to provide employment for South Australians and to provide value adding opportunities in this state, which is driving our economy. However, this government, because of its lack of understanding of rural needs and rural issues, has decided to withdraw funds from the maintenance of roads in the Far North, and that will impact adversely on bringing livestock out of the Far North into the processing works in the southern

parts of the state. These sort of things will impact on the economic drivers of South Australia over the next few years.

The government has also pulled many millions of dollars out of the rural arterial roads scheme. Over a 10-year period, the previous government instituted a program to seal all rural arterial roads, that is, roads between rural towns of a certain population size and over, to ensure that the major road network in country areas was sealed and so country people were not driving on open surface roads, with the attendant frustration, damage to their vehicles and road trauma associated with driving on roads in very poor condition. That money has been pulled out and the minister announced that it would go into black spot funding and, lo and behold, 40 per cent of the money that was dedicated to rural areas has gone to the metropolitan area.

There has been a great shift in this budget from rural areas to the metropolitan area, and I hark back to the education portfolio (I note the minister is in the chamber) and the capital works funding that has been sucked out of rural towns across the state. No longer can those towns expect to have that money, some millions of dollars, spent on their schools, and I am absolutely certain it will turn up in schools in Labor seats in Adelaide.

The government has spoken about almost a billion dollars worth of savings, and it became quite evident through the estimates process that those savings were illusory, because what has happened is that the government has cancelled programs of the previous government, then put up the same programs and rebadged them as Labor initiatives. That is the sort of thing that has happened. The people who were getting the benefits of those programs are the lucky ones because, by and large, rural and regional South Australia has seen many cuts, and many programs have disappeared altogether.

I could bring many other things to the attention of the house in this debate but I see that my time is almost up. One of the other problems I have with the budget is the 12.6 per cent reduction in the primary industries budget, which is the biggest cut in any agency; yet we know that our primary industries sector is one of the biggest economic drivers in this state. Once again, that highlights the lack of understanding that this government has of the economy of this state.

Motion carried.

**The Hon. P.L. WHITE (Minister for Education and Children's Services):** I move:

That the remainder of the bill be agreed to.

Motion carried.

Bill read a third time and passed.

**Mrs GERAGHTY:** Mr Acting Speaker, I draw your attention to the state of the house.

*A quorum having been formed:*

**The Hon. P.F. CONLON (Minister for Government Enterprises):** I move:

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

Motion carried.

## ESSENTIAL SERVICES COMMISSION BILL

Adjourned debate on second reading (resumed on motion.)  
(Continued from page 973.)

**Mrs REDMOND (Heysen):** As I was saying before the dinner break and then by the interruption of the debate on the Appropriation bill, when I first looked at this legislation I did not understand quite why it had been introduced because it so completely reflects what appears in the Independent Industry Regulator Act 1999. I refer to the summary of provisions of that act. Part 1 Preliminary, is identical. 'Essential Services Commission' appears in the new act. The old act referred to the South Australian Independent Industry Regulator, but the new bill goes through from the Essential Services Commission to Accounts and Audit, just as the old act went through from Industry Regulator to Accounts and Audit.

Part 3 relates to Price Regulation. The same three provisions appear virtually word for word. Part 4, relating to industry codes and rules, appears exactly as it does in the existing legislation. Part 5 relates to collection and use of information, the same as in the existing legislation. Part 6, which relates to reviews and appeals, has one extra provision. Part 7, relating to inquiries and reports, has exactly the same provisions as in the existing legislation. Part 8, Miscellaneous, is as it is in the existing legislation. Schedule 1, under the existing legislation, provides for appointment and selection of experts for court, and what do we find in the new bill? We see the following:

Schedule 1—Appointment and Selection of Experts for Court.

Schedule 2 has the legislative history, and we do have a bit of a variation there. But essentially, as I said earlier, the provisions of the legislation as proposed do not vary dramatically from what we already have.

In my previous comments, I had got to clause 6. I pointed out that, whereas under the old legislation, section 5(2) dealt with the matters that the regulator had to take into account in making its determinations and performing its functions, the new provision does add:

The Commission must firstly have as its primary objective protection of the long-term interests of South Australian consumers with respect to the price, quality and reliability of essential services.

That indeed is a new provision, although it does not seem to add dramatically to the present situation. I do not intend to go through the bill clause by clause. I will skip over to the significant parts. Under Part 3, we have the provisions for price regulation and the new section 25, which—except for the change of name to 'Commission' from 'Regulator'—reflects what used to appear as section 20. 'Making an Effective Price Determination', in section 26, reflects what used to appear as section 21 in the existing legislation. The only new provision there is that, whereas previously the notice of the making of a price determination had to be published in the *Gazette*, and in a newspaper circulating generally in the state, the new clause provides both of those, and it must also be published on the internet. So, there is a change in that respect.

The only significant change I could find related to section 27. That is where the bill creates the offence with the \$1 million maximum penalty. It provides:

A regulated entity must not contravene a price determination, or part of a price determination, that applies to the entity.

The maximum penalty is \$1 million. That previously was covered by sections 21(8) and section 22 of the act. The old act provided that if there was an apparent contravention, which was not just a trivial contravention, the Industry Regulator could issue a written order requiring the entity to comply. That written order could be provisional or final. It

became effective after seven days, although the regulator did have the discretion to issue a further provisional order. The regulator could not give a final order if the person to whom the order had been issued had given an undertaking which the regulator had accepted, or if the regulator was satisfied that the provisional order that had previously been issued should not have been issued. The final order under the old system required 28 days' notice; the person in receipt of the order had the opportunity to make submissions; and the submissions had to be considered. Under the old provision, there was a maximum penalty of \$250 000. That is the only significant change I could find under the act. As I said earlier, I do welcome the change to the new \$1 million maximum penalty.

The following provisions, the industry codes and rules, simply repeat for word (except for the change of name) what appeared as section 23 and now becomes section 28 in the new act; and what was section 24 becomes section 29, and section 30 from section 25. The only change is that, whereas the previous maximum penalty was \$10 000 or imprisonment for up to two years, the penalty will now be \$20 000. There has been a doubling of the penalty, but again I could not understand why there was any need for that to be done by anything other than an amendment to the existing legislation, because it would have seemed to me that we could simply broaden the existing legislation.

However, I understand that it was the Labor Party's policy to introduce this Essential Services Commission, so it had to establish it, even though it does not do anything new. It tweaks the edges of what we already had and proposes to include gas and water under the industry regulator's control, but even the person doing the job has been appointed to the same office under the new Essential Services Commission—

**The Hon. P.F. Conlon:** You would have appointed someone else?

**Mrs REDMOND:** No, I am more than happy. I am merely pointing out that the provisions are so largely identical that I cannot understand why we have introduced a new bill instead of making appropriate amendments to the legislation that we already had. If the minister wants me to go back over some things for a bit longer, I am more than happy to do so. In conclusion, as the member for Bright said in his opening comments on this matter, the opposition does not have any difficulty with the essence of the legislation. It does not really change substantially what we already have and, on that basis, I am happy to support it.

**Mr WILLIAMS (MacKillop):** I do not know that there are serious deficiencies in this bill. It is a bill with which the opposition does not have too many problems. Obviously we will have some questions of the minister during the committee debate on this matter but, as the member for Heysen has pointed out, I think it is worth while taking some time to explain to the house that this bill, as with much of the material that has been presented to the house by the new government and, in many instances, yet to be debated by this parliament, is insignificant or of no consequence. We have been presented with a raft of bills which, by and large, are a result of the rhetoric of government members during their time in opposition and during the recent election campaign. Now the government is trying to justify its rhetoric, justify the garbage that it has served up to the people of South Australia—

*Ms Chapman interjecting:*

**Mr WILLIAMS:** This is part of the comprehensive package, yes, to justify the rhetoric and the garbage that were served up to the people of South Australia about how the government was going to come charging in like a cavalry of white knights and sort this out and save everyone in South Australia from goodness knows what. I think that is the crux of this—

**The Hon. P.F. Conlon:** We know what, mate—the 35 per cent increases you gave them.

**Mr WILLIAMS:** The minister, sir, interjects from across the chamber, which is quite disorderly, but I do not mind because the minister has not realised that he is a minister of the crown; he still thinks he is in opposition and it has become his habit to interject and he unfortunately—

*The Hon. P.F. Conlon interjecting:*

**The ACTING SPEAKER (Mr Snelling):** Order! Order! The member for MacKillop will return to the debate and not respond to interjections.

**Mr WILLIAMS:** Thank you, sir. The minister—and I am not referring to his interjection—in the sort of things that he has been saying for a long, long time has intimated, amongst other things, that privatisation—and I think it is a direct quote from him—has failed South Australia and South Australians. Indeed, I would say that is not the case. In fact, the previous Labor government embraced privatisation with both arms and was selling off everything that it could get its hands on purely because it had wrecked the economy of the state in such a way that it had no choice. Of course, they left the incoming government with little choice about how to get the state's economy back onto a sound footing, and that is exactly what we have done.

What privatisation has delivered to South Australia is an industry and a group of private companies that are more than happy to do what the previous Labor government could not and would not do and left us an inheritance which made it almost impossible for the previous Liberal government to do, and that is to rebuild infrastructure in the essential services in South Australia. I remind the house that it was the previous Labor government in the 1980s and early 1980s that privatised this state's other major energy source, that is, the gas industry.

**The Hon. P.F. Conlon:** When did we own it?

**Mr WILLIAMS:** We owned the pipeline and the distribution network. You know that you privatised it, minister, and you had no qualms about doing it. The minister is now trying to make out that it was only the Liberals who were involved in privatisation in South Australia. Indeed, we know that in recent years—in the last 3½ years—that the generating capacity in South Australia has increased by more than 30 per cent (that is, in excess of \$700 million), all of it paid for by the private sector. Coincidentally, minister, that is about the same amount of money that we when in government in that same period put into capital works in our hospitals to rebuild our hospital system. It is rather interesting that the minister says that privatisation has failed South Australia, because this government has actually reduced the public capital works budget by some hundreds of millions of dollars in its most recent budget. So do not sit there, minister, and tell us that privatisation has failed South Australia. We know who has failed South Australia.

To come back to the debate at hand, during the election campaign the government—and even since and prior to that campaign—as I have said, made the case that it has the answers to increasing energy costs in South Australia. Well, they have been in government for some six months and we

have not seen any answers yet. To be quite honest, I do not expect to see any answers from this lot, because the answers that they purported to have are just not there. They are not available. It is a ruse on the people of South Australia.

Unfortunately, the people of South Australia are facing increasing energy costs—as are the people of every other state. That is the reality of the situation. The reality is that as our economies move forward at this point in time energy is becoming more and more necessary, and our demands for energy are increasing at a greater rate. Consequently, we need a greater amount of capital put into providing that energy to provide the generating capacity and the distribution networks necessary for the industry to grow and prosper. So, the demands are increasing and, consequently, the costs are increasing.

The same is happening in New South Wales where there is a Labor government that has not been involved in any privatisation of those assets. The exact same problems we are experiencing in South Australia at the moment with regard to energy costs have occurred in New South Wales. I know that the minister will come back and say, 'But the cost of energy is less in New South Wales.' Yes, sir, they have always been less, but the increases in percentage terms are about the same as what we have experienced in South Australia. It is the same in Victoria and in Queensland. I understand the problems with South Australia being saddled with a more expensive energy market than the other states making it difficult for our industry to compete.

On Monday of this week I had a meeting with a constituent who works in the energy field. One of the issues we discussed concerned the fact that this person runs a plant both here in South Australia and also in Queensland, and the energy costs in South Australia are more than double those being paid in Queensland. They are significantly higher than what they are paying for energy in Victoria. Notwithstanding that, the increases in Queensland and Victoria have been similar in percentage terms to what we are experiencing in South Australia. The government has just put forward a whole lot of nonsense in this debate.

One of the bulwarks of the government's initiatives to save South Australia from increasing energy costs is Riverlink. Members opposite have talked about Riverlink ad nauseam over the past few years and berated us when we were in government for not doing more to see that Riverlink came into being. Even since the election, they have been running around saying that, because of Riverlink and because of their support for Riverlink, they will indeed save us from the problems of increasing energy costs or electricity costs in South Australia.

It was with great interest that I read the final determination of the South Australian Independent Industry Regulator on the transmission line application made by TransGrid. Indeed, this is the very same person that the minister has already announced will head up his Essential Services Commission. So, if the minister has no faith in Lew Owens, the South Australian Independent Industry Regulator and a man in whom I have a lot of faith, why is he appointing him as the new chief of the Essential Services Commission? It is because the minister has some faith in him and knows the ability of the man.

His final determination comes out quite clearly and says that TransGrid, the SNI project, will have very limited, if any, impact on electricity prices in South Australia. In fact, the only benefit that it might have for South Australia when it comes to fruition is that it might increase the security of the

power supply in the Riverland. Well, surprise, surprise, Murraylink has already done that. So even though there could be some slight benefits there, the benefits of Riverlink are again illusory—they are not really there. That is pointed out in the determination of the Independent Industry Regulator, and I think it is high time that the minister came clean.

**The Hon. P.F. Conlon:** I will explain it to you. In a moment I'll explain it to you.

**Mr WILLIAMS:** I am sure you will explain, minister. I am sure you will have all the answers, because you have been very good on the answers to this so far. This piece of legislation we are looking at now is nothing new. I will not go over all the things that the member for Heysen said, but there is nothing new in it. There is no white knight on his charger in the form of this minister. There is nothing new. We will not see any great impact by this legislation, but we will not see any adverse impact from it, either. In fact, it pretty well mirrors what we were doing in government anyway, and as a consequence we do not have a lot of problems with it. However, we would like some of its intricacies explained. If the minister is so keen to spend millions of dollars of South Australian taxpayers' money building a powerline so that the New South Wales government-owned electricity generators can subsidise—

**The Hon. P.F. Conlon:** How much money did we spend building it?

**The ACTING SPEAKER:** Order!

**The Hon. P.F. Conlon:** We don't spend any—

**The ACTING SPEAKER:** Order!

**Mr WILLIAMS:** Thank you, sir. Why will not the government put a few dollars into some wind generation projects in my electorate at Lake Bonney? The government does not seem very interested in doing very much there. In fact, it is quite keen to gain some political mileage by signing a contract for power coming out of the Starfish Hill project, which is a much bigger project, but the project which I think will have greater benefits for electricity consumers in South Australia and the environment is that proposed at Lake Bonney by Babcock and Brown.

The government has been very quiet in its support, or lack thereof, for that project. I think it will be a much more worthy project involving approximately \$20 million of taxpayers' money than the SNI interconnector that the government has promised. I point out to the minister that within not too many years I expect that there will be an interconnector transporting electricity out of South Australia into New South Wales. In the not too distant future the New South Wales government will find, as its economy is growing in the same way as ours has been, that it will have a shortage of power. Because New South Wales has a publicly owned system, the private sector will not be building new generating capacity in that state. The New South Wales Government will then find itself in a very similar situation to that of South Australia. Within not too many years, I am sure that the poor, long-suffering South Australian taxpayer will wonder why he or she paid tens of millions of dollars to build an interconnector to transport electrons, generated here in South Australia, into New South Wales.

It is very interesting that this government has tried to lure South Australian voters by suggesting that it can do something about the imminent increase in electricity prices by helping to have the interconnector completed sooner rather than later. I think that is the biggest sham that has been perpetrated on the electors of South Australia for a long time.

I am delighted that the minister is incorporating other functions under the Independent Industry Regulator. I do not mind that he is doing it under a different name: the Commissioner for Essential Services. I am delighted that the minister has indicated that gas supplies and at least one other function will also be encompassed by that role. I do not have a problem with that at all. That is a sensible approach which we, when in government, were adopting as well.

By and large, the minister has picked up the policies of the previous Liberal government. As I said earlier this evening in a different debate, this government has done nothing since coming to office other than to put a stop to a lot of programs, turn around a month or two later, rebadge them and try to sell them as Labor government initiatives, and that is pretty well what this bill is all about. It is nothing new and there are no great revelations. We will continue along the same route that we were travelling previously.

I hope sincerely that this government does not hang too much on its rhetoric and that it does indeed embrace the private sector in many functions, not the least of which is the generation and distribution of electricity and other energy sources, because that is the way forward for South Australia. It is the way in which South Australian industry and householders will derive the greatest benefit in the not too distant future. As I said, we will support the bill, but I would hate the South Australian public to think that this trifling measure will achieve anything like the minister would have it believe.

**Mr BRINDAL (Unley):** Thank you, sir, for the opportunity to comment on this bill. I compliment the member for MacKillop on his erudite contribution to this debate.

**The Hon. P.F. Conlon:** I will point out some of his mistakes in a moment, such as the millions of dollars we are spending on SNI—like, not a single dollar. I mean, the man needs to know something before he talks.

**The ACTING SPEAKER:** Order! The member for Unley.

**Mr BRINDAL:** Thank you, sir. I thank the member for MacKillop for his erudite contribution to the debate, and I will be guided by his illuminating example and, if I stumble or stray, he can tell me what I am doing wrong.

*The Hon. P.F. Conlon interjecting:*

**Mr BRINDAL:** What was that about Xena?

**The Hon. P.F. Conlon:** You're here to help Wayne get back from the theatre. That's how much you mob care about electricity. The shadow minister is at the theatre.

**An honourable member:** Shame.

**The ACTING SPEAKER:** Order!

*The Hon. P.F. Conlon interjecting:*

**The ACTING SPEAKER:** Order! The member for Unley has the call.

*Members interjecting:*

**The ACTING SPEAKER:** Order! The member for Unley has the call.

*Members interjecting:*

**The ACTING SPEAKER:** Order! The member for Unley.

**Mr BRINDAL:** This bill, as my colleague the shadow minister who leads this debate said (and it is a pity that interjections are not recorded unless they are responded to), replaces the independent regulator with the Essential Services Commission, and for that reason it is important that we at least dwell a little on how we come to this. We come to this because the Keating Labor government demanded deregula-

tion of the electricity industry and full competition in South Australia, and we—

*The Hon. P.F. Conlon interjecting:*

**Mr BRINDAL:** I have a lot of time for the leader of the house of government business. It is not like him to be churlish. It must be late at night. He is generally an affable fellow.

*The Hon. P.F. Conlon interjecting:*

**The ACTING SPEAKER:** Order!

**Mr BRINDAL:** It is uncharacteristic of him. I hope that he will not continue to harass me: I might get upset.

**The Hon. P.F. Conlon:** No, I'm just annoyed. You're quite decent; we like you.

**Mr BRINDAL:** That is the kiss of death.

**Ms Ciccarello:** You are dysfunctional sometimes, Mark.

**Mr BRINDAL:** The member for Norwood says that I am dysfunctional. Sometimes I think that it takes one to know one. We get here because the Keating Labor government demanded open and free competition in the electricity market; and I point out to the current government that it was not arrived at easily by our government. I remember—and the member for Goyder will, I think, recall—that there were a number of tries to deaggregate ETSA in a way that retained it in public ownership but which the commonwealth powers that be said was unacceptable.

Ultimately we went to the parliament and put through the parliament the position in which we now find ourselves, and for that we were roundly criticised by an opposition that said that our action would cause a price hike in South Australia. I put to this house that the price hike in South Australia, if it were to occur (and it has not yet for domestic consumers), is a product of the system that was in fact foisted on all governments by a federal decision that somehow a free and open market could be created. We now have a government introducing this legislation.

In fact, we had the Independent Regulator because it was not as simple as it appeared to be when a lot of boffins sat down in Canberra and espoused this wonderful view that, in a free market, there would be open competition, the prices would be driven down and there would be benefits for everyone. It simply was not the case, and no more is perhaps that the case than in South Australia where we have a limited number of generators, where we have a limited capacity for generation, where the costs of generation are high (Leigh Creek coal being low in calorific value and having to be carted a long way and then the electricity having to be pumped a long way to the major source of supply), where we get gas from—you can go to sleep if you like, Patrick—

**The Hon. P.F. Conlon:** No, I was just thinking that I wouldn't mind a few more million tonnes of that low calorific coal. It's cheaper than gas.

**Mr BRINDAL:** I accept that and I also accept that it is burnt exceptionally efficiently at the Port Augusta power station, but the problem, as I understand it, is that it is difficult to compete with, say, the coal that comes from Victoria, which is black-steaming coal and very high grade. They did not put carbon emissions as part of the standards necessary for power generation plants; whereas our coal from Leigh Creek is injected onto a fluid bed, burns very well and does not create much pollution for the atmosphere, unlike the Victorian generators, but we get no benefit for that. We actually benefit the environment by the method of generation in South Australia as it is very efficient and less harmful to the environment, and we get nothing for that. But Victoria is allowed to, if you like, produce coal directly under their

power station, yank it up, burn it inefficiently, plough carbon monoxide, carbon dioxide and sulphur by-products into the air and there is no penalty on them.

If you are going to look at the 'triple bottom line' which every government is talking about, not only ours—Canberra gives lots of lip service to the 'triple bottom line', but when it comes to equations such as this, what do they do? Nothing. What are they doing to try to encourage our state where we could have more solar power, more wind power, and where I think we have more sunshine per year than just about any other state, except perhaps Western Australia? But where are the incentives for clean green power generation and putting this state into some sort of leadership in that role? They are not forthcoming. The market is supposed to take care of that.

What we have is a government that is introducing a bill that seeks, through this commission, to somehow ensure that the market is fair. What worries me just a little about this—and, like my colleagues, I support the measure as I supported having an independent regulator—that this does not just become another bureaucracy that costs us a lot of money and does not do anything very well. If it is that, then it will not be good. If it does what this bill says it will, it is perhaps a step in the right direction.

But I know the minister is an intelligent man and what worries me about this is how you can have at one and the same time a free market and then regulate that free market in a way that is fair and competitive. I have a little difficulty in understanding that you can have, on the one hand, a free market with lots of competition and everyone getting the lowest possible price but, at the same time, that that market has to be regulated. I am not saying that there is an alternative to this bill, but if there is one I do not know what it is.

**The Hon. P.F. Conlon:** It is all part of an overall approach.

**Mr BRINDAL:** Yes, I understand that. But what I am saying is that it is, in a sense, a bit of a contradiction in terms to say it is a free market policy but we have to have a regulator of the free market.

*The Hon. P.F. Conlon interjecting:*

**Mr BRINDAL:** No, I don't disagree with that because there are plenty of instances where I can see what is supposedly a free market where the only people that get screwed are the consumers at the end of the free market. By the time the players in the free market all do their little deals with one another, it is the customer that is disadvantaged. So, there is some point in it. I just point out that it is a slight contradiction in terms. Therefore, along with my colleagues, in general I support this measure. What I do not accept, and I hope we are not going to hear much more of, is that it was not the decision to sell ETSA that put us in this bind. It was a decision made by the commonwealth government, and Paul Keating, in terms of deregulation—and the minister smiles. We have made bad decisions—

**The Hon. P.F. Conlon:** It's pathetic. It's just pathetic.

**Mr BRINDAL:** What is it?

**The Hon. P.F. Conlon:** That it's Paul Keating's fault.

**Mr BRINDAL:** No, I'm not just saying that it was Paul Keating's fault. There was a succession of philosophy—and the minister will know this—that came out of Canberra over about a decade of which this was just part. Some of it has worked but some of it has been an abysmal failure, an absolutely abysmal failure. It was the grand economic experiment, some of which went remarkably well and I think Australia has benefited. Some of it, in hindsight, has been a disaster and we were better off with what we had. Whether

this is going to be of benefit to the nation or something less than benefit is yet to be tested. But what we have to do, and what I give the government credit for doing in this bill, is making the best attempt that this parliament can make to see that the consequences for the consumers, the businesses and for the people living in suburban houses in South Australia, are as fair as it is possible for the parliament to make, given that in many ways the regime has been imposed on us. An interconnector is part of that, as are gas supplies (which I heard the Member for MacKillop talking about) and more competition in the market.

In that context, I refer to the opportunities presented, one of which came before the Public Works Committee—and I commend the government for this—to put some generational capacity at the base of Mount Bold. In two reservoirs where there is a particular fall of water the government is putting in some green power generation capacity that in peak times will hopefully supplement SA Water's income. It is interesting to note that in the Murray River now, with a fall of water less than a metre, it is possible to install turbines not vertically as is tradition but horizontally, like a horizontal wheel. They are able to generate significant supplementary power with a head of water of less than a metre. That matter should be investigated. A lot of small to medium businesses in Adelaide that have gone in for co-generation and are using waste steam, air and heat to produce power to put into the grid are also to be commended.

South Australia needs every innovative solution it can get, because we are a long way from Victoria and New South Wales, and we cannot rely on them to provide the endless amounts of power we need when we need it. If there is a heat wave in Adelaide, there is a chance that there will be a heat wave in Victoria. I feel fairly confident that the Victorian producers will find it easier, quicker and more politically expeditious to provide the home market in Victoria. If anybody on the interconnector is going to miss out, it will be little old Adelaide, down the end of the pipe.

Similarly, while we have our major generators at Port Augusta, we lose enormous amounts of power between the Port Augusta power station and Adelaide. We would be better off to live where the member for Goyder has the heart of his electorate. Perhaps we should shift Adelaide in that general direction. We need to look for every alternative we can get. I passionately believe that any alternative that represents green power—whether it is the wind generation contemplated for the south, the water turbine generation contemplated for SA Water, opportunities along the Murray River or solar power in the Far North—should not be missed.

I conclude by saying that this government should look at the long-term future possibility of combining solar electricity generation with hydrogen. As all members would know, if you generate electricity in the desert, by the time it gets to Adelaide you have lost most of the power; it has dissipated. However, if you generate the electricity in the desert—

*An honourable member interjecting:*

**Mr BRINDAL:** Yes, that's right—you drive the electricity into slightly acidified water with an anode and a cathode. As the electricity passes between the anode and the cathode, you generate at one hydrogen and at the other oxygen. You can liquefy the hydrogen and transform it more efficiently and in bigger batches than you can transfer electricity. Hydrogen is the best and most pure form of fuel because it burns safely in air—it is not as dangerous as people think—to form water as its by-product, and it is a very efficient heat source. Jennifer Cashmore used to speak at length about this

matter. It represents a great opportunity for South Australia in alternative energies.

**The Hon. P.F. Conlon:** The stuff you used to do at school—make bubbles.

**Mr BRINDAL:** That is exactly right. You see: you did do something at school.

**The Hon. P.F. Conlon:** Electrolysis, or something like that.

**Mr BRINDAL:** With the anode and the cathode, one of them might have been magnesium. You might be quite right. Some science teachers would be very proud of their students opposite. The process is quite simple but, in a state like South Australia, I would hope that this government, besides pursuing this commission and all the things that it is going to do, will be innovative enough to try to seek out new South Australian solutions to what is a very real problem. Unless we have better energy generation capacity, in whatever form, this state will always be, in a sense, mendicant to the eastern states and reliant for our supply on what they care to send us down the interconnect.

Generally, I believe, it will be what is left over and, if it is not left over, we will pay a premium for that power. It would be better for us not to be a supplicant to Sydney and Melbourne but a state where clean and green actually means something. I will not delay the house any longer. I think I said that we should not delay asking members to remember their science, but if I was teaching them I would be quite pleased that they remembered so long after I was teaching them the elements of this lesson.

**Ms Rankine:** That's a back-handed compliment!

**Mr BRINDAL:** No, it's not: it's actually a compliment. Like my colleagues, I support this measure. I hope that the minister will give the house an assurance that it will not just be another bumbling bureaucracy that starts off with all the best of intentions and does not deliver much at all. I hope, too, that it will be a fairly lean and efficient machine.

I note that there is to be a commissioner and then a number of possibilities for alternate commissioners, and I wonder whether the minister, in his contribution in committee, will detail whether he envisages 10, five or three.

**The Hon. P.F. Conlon:** I certainly don't envisage 10, I can tell you.

**Mr BRINDAL:** I am interested in how many, because the way I read the bill it can be as few as just the commissioner and you may have others, and then—and this is the bit that is more worrying—it has the Public Service office attached to it. The trouble which the minister may have, and which I seemed to experience, is that once you berth something in the Public Service it tends to grow when you are not looking at it. When you first cast your eyes in that direction it has three people; then, the next week when you look at it it has 30 people; and, before you know where you are, it has 90 people and someone is sitting in cabinet saying, 'Why is this minister building his empire so ferociously?' Then the minister gets into trouble because he did not know they were doing it.

**The Hon. P.F. Conlon:** It actually won't belong to me in due course. It will belong to the Treasurer.

**Mr BRINDAL:** That is even more interesting, because I understand that everything in this state belongs to the Treasurer now. Everything in this government seems to be the responsibility of the Treasurer, the Premier or the Minister for Environment and Conservation. I cannot actually find anything that the rest of them do. I rather hope that the minister will keep control a little, because between the other three the web seems to be growing.

When I questioned Minister Lomax-Smith, I could not find one thing for which she admitted responsibility. Everything I asked her was the responsibility of someone else. I am straying, and I apologise for that. I congratulate the minister on this measure and hope that it will deliver what he hopes it will deliver for the people of South Australia.

**The Hon. P.F. CONLON (Minister for Government Enterprises):** I must say that my mood is much improved by the serious and genuine contribution by the member for Unley towards the end. It was certainly in stark contrast to the member for MacKillop's contribution. The member for MacKillop did, however, display that one great ability that he has in this place, and that is to whack on for a while, whether or not he knows what he is talking about.

**Mr Brindal:** Are you talking about me?

**The Hon. P.F. CONLON:** No, I have just congratulated you. Try to pay attention, Mark. With this bill we do not want to dwell in the past. I am somewhat astonished that, having taken that attitude ourselves, we heard so much about the State Bank. It really shows in my view an opposition that needs to get its mind on the job. A lot of the stuff I have heard does not warrant a response, but I will respond to some of the things before moving into committee.

As to the criticism that this bill will not solve electricity prices, no it will not. I have been explaining to people since March just what difficulties we face. Whether you want a debate about privatisation, Paul Keating or anything else, one thing you cannot debate is the situation we inherited. No matter what else you might want to say about it, it is a situation we have inherited.

I will come to the contribution of the member for MacKillop because he has one other gift, namely, that he can be wrong in a range of points very quickly. I will examine two sets of criticisms. One criticism is that it is exactly the same. The other contribution from the shadow minister is that it is different but it is what they were going to do, anyway. I am a charitable man, so I will simply take the shadow minister at his word that it was what he was going to do and that the opposition when in government was finally going to get off its hands, had it not suffered that unfortunate circumstance of falling under an electoral bus. I am a charitable man, so I will take them at their word. Let me make plain what the bill sets out to do.

**Mr Brindal:** We didn't fall under an electoral bus—it ran over us.

**The Hon. P.F. CONLON:** You might have been assisted under that bus, but that is not for me to comment on at this time. I will explain the approach of the government and what we are setting out to do. Throughout we have recognised that all we can do with this regulatory system at a state level is make sure that a retail price set by what is essentially a monopoly retailer at present is justifiable, that is, given the costs of electricity and the operating costs to the retailer of doing its businesses, that the price the retailer will charge is justifiable. That is the program it is undergoing under the regulator at present and will be carried out by the Essential Services Commission.

There is some criticism that it is a rebadging. There are plain differences in the bill, which we will work through in committee, but the fact is that in the fullness of time it will be a one stop regulatory shop. The member for Unley makes good points about its not being a bureaucracy. We are cognisant of the cost of regulation to industry and we do not believe that, given the price difficulties people face with

electricity and energy, regulatory costs should be in addition to those. It is a positive step. I am assured again that it is what the opposition was going to do if it had got another four years on top of its eight and a half. As a charitable man I will take them at their word.

**Ms Chapman:** You're repeating yourself.

**The Hon. P.F. CONLON:** I am repeating myself, but did you hear the contribution from the shadow minister? Goodness gracious me! To explain the approach, at the state level we can only seek to justify the retail price. In the situation we inherited I warned people we are likely to face increases as of 1 January.

*Ms Chapman interjecting:*

**The Hon. P.F. CONLON:** If the member for Bragg stopped interrupting, I would not repeat myself. We need to address the price pressures—those things that make our electricity more expensive. The notion that there is no difference is absurd. One of the things we have done is set out to tackle those matters. We can regulate and justify the retail price, but we have to do something about the wholesale prices we find, which are governed under a national regulatory system and the national electricity market. I can assure you that the amount of energy and work that have gone into approaching and tackling that issue are manifestly different. Ask any of the bureaucrats, anyone in the industry or any of the private sector operators about the level of energy that is going on, and look at where we are going.

The national electricity ministers meeting on 19 July took some very positive steps forward in tackling the issue of wholesale price. We have put in place a range of issues for the first time. The ministers will reinsert themselves in driving the process and filling the policy vacuum which has been identified for years but which no-one has done anything about. We are able to do that because we are a bunch of Labor ministers and we have some faith in each other. We will be reinserting ourselves into the process and we will be giving ourselves the ability to direct NECA on policy matters, which all commentators have recognised as a problem for years.

We have instituted a review of the transmission system. I will come back to that in a moment, because it goes to some of the issues raised by the member for MacKillop. One area that has been an enormous policy problem in the national electricity market is transmission. There has been no policy or planning. I believe that the original concept of a national electricity market is very important. That is why it is staggering that insufficient work has been done in transmission policy and planning. It is like trying to run a railway system without railway lines. The transmission system is the highway for electricity in a national electricity market, but it has been left to its own devices. If anyone here wants to see something interesting, I invite them to see a map of Australia's transmission system, colour coded by capacity. It is an astonishing thing, and a testament to the absence of planning. Some might say it raises questions about whether human beings are capable of reason, but it is a testament to the absence of planning.

I think the national electricity market as a concept—as a system for improving and interconnecting the various regions—was a good idea. The trouble is that it has not proceeded down the path it should have proceeded down. Let me assure the opposition that we do not see the Essential Services Commission Bill (we hope it will be an act) as the sole answer. We have to tackle those other issues, and I will go on to some more of them. While I am on the issue of

wholesale price, before I got here today—and members would have noticed that I was paired at question time—I attended, and I think I was one of the first ministers ever to do so, an ACCC predetermination conference on the matter of gaming by generators. We have pushed hard on these issues. South Australia managed to get a very strong resolution out of the national electricity ministers on 19 July, which resolution was a very useful thing for me to take to the ACCC conference. I pushed very hard, and I must say I had some very frank exchanges with the representative generators. I will put on the record some of my concerns.

I hasten to add that I have good relations with South Australian generators and all participants in the electricity industry. I will speak briefly on the issue I spoke about previously about putting the past behind us. We have made it very plain that, despite the fact that we were and are opposed to the privatisation of electricity assets, that issue, as important as it is, is behind us and we now live in the world which we have inherited. The world we have inherited is a private sector electricity industry. We have made it absolutely plain that we see a healthy electricity industry as essential for the delivery of electricity to South Australians, because it is in the private sector. South Australia does not benefit by any industry being unhealthy, and we want a healthy electricity industry. All that we have said is that we want people to make reasonable returns on their investment. The Essential Services Commission Bill has been introduced because we have said that we will not have people exploiting their market position. If there is a monopoly retailer, which we virtually have at present, then we will make sure that the retail prices they charge are justifiable. Equally, in respect of generators gaming, I will attend ACCC conferences and put forcefully South Australia's view that generators should not manipulate their market position to produce artificial outcomes.

I think I have very good relations with generators in South Australia, but at the ACCC conference today, frankly, I was astonished by the behaviour they exhibited when they met together in a group. I pleaded with the generators today that, if they could not accept some small code changes to stop anti-competitive behaviour, there would be an undermining of confidence in the national electricity market, and jurisdictions would look for stronger remedies later that might not be as good an approach as some gentle code changes. But the attitude of some of the generator representatives was arrogant. They treated those few consumer representatives—and, I must say, anyone else who argued with them—with scorn and derision. They plainly do not feel that it is a place for anyone except them.

I am astonished that they think that this is a way to deal with jurisdictions or with regulators. They even went to the point of (forgive me for saying this) trotting out a classic sort of geek economist to tell us that we were all very stupid and that we should all go away and stop annoying them. If the conference I attended today is a measure of the attitude of generators to regulation and to the legitimate interests of jurisdictions and consumers, we have a long way to go to tackle some of these issues. However, I am reassured, from dealing with local generators, that that is not the prevailing attitude.

I think we have an industry in South Australia that recognises that people should receive reasonable returns and the importance of being good corporate citizens. I am very impressed with the attitude of some of the generators in South Australia. With respect to the economist who came out all



hairy-chested, I must say, he looked like a fellow who would not say boo at a dinner party but becomes hairy-chested when he gets to an ACCC conference. I was reminded of the joke I heard at law school—that one of the great benefits of teaching economics is that one does not have to change the exam questions every year, only the answers.

I round that off by saying that people should understand that what we are about is no magic bullet; there is no easy answer. I will not engage in debate about whether it was the fault of the State Bank or the fault of privatisation: all I can say is that we inherited a very difficult position. It will be fixed only with good policy and good planning, and we are committed to that. The Essential Services Commission is an essential part of the package of approach. We will justify the retail price, but we will be out there in all the other fora making sure that, where we can address other issues about gas prices, we do so. I have spoken about the wholesale price and the regulatory system. In fact, one of the other decisions of the NEM ministers was to review whether or not we could again create a single regulator at the national level to improve the regulatory system, the cost of it, the certainty of it and the speed with which it responds to jurisdictions.

I can assure the parliament that we have addressed the other issues surrounding price. One of the things that we must understand about electricity is that, in South Australia, I think we generate somewhere between 60 per cent and 70 per cent of our base capacity with gas and expensive fuel. That is because of the availability to us of coal. One cannot talk about electricity in South Australia unless one talks about gas, but remarkably little has been done in the past eight or nine years about that matter. The only achievement was the SEA Gas pipeline, and we have made very plain that, while we support the SEA Gas proponents and the good work they have done, we believe that it was an inadequate proposal.

I can assure the parliament that we have been working very hard with the proponents in a cooperative fashion to attempt to improve the outcome. I genuinely hope that we will achieve a better outcome, because a greater supply of gas and more competition in gas is not only very important for South Australia for the generation of electricity but also, of course, if we are to achieve retail competition we will need people to be able to supply dual fuel. More competition in gas is likely to mean more competition in electricity, which will go some way towards solving our problems.

At this stage I will address some of the comments of the member for MacKillop. The first item that he got wrong is that we are spending, first, millions of dollars and, then, tens of millions of dollars building a transmission system for the Riverlink interconnector. Well, that is just plain wrong. We are not spending any money. At the moment it is TransGrid; and I understand that ElectraNet is also proposing to building part of it as part of the regulated system. But it is not taxpayers' money that is being used to build it. That is a fundamental misapprehension of what goes on.

It is a very different attitude from that of the member for Flinders, who put to us that taxpayers should somehow cooperate and bring about the building of hundreds of millions of dollars worth of transmission systems to get some wind generators in place on Eyre Peninsula. I think the opposition needs to get a more consistent approach about what it thinks the role of the government should be in a privatised system. On the one hand, we are being criticised for SNI, on which we are not spending money, and, on the other hand, the opposition wants us somehow to cover the cost of the transmission system because the private sector will

not do it. I think it needs to be more consistent in its approach.

Let me also say two things about the regulator's comments regarding the benefits of Riverlink. One is that building it several years ago would have made a huge difference in the price to South Australia. One of the other issues in regard to price is the lack of firmness in trading across interconnectors. At the moment it is done with settlement residue auctions, and it is notorious in the industry that they are a very unfirm hedge. One of the things we have also said in our submission to the Warwick Parer review and to the national electricity ministers is that we need to get the full benefit of interconnection by getting firmer trading across interconnectors, and that is certainly firmer trading than the settlement residue auction system provides.

The member for MacKillop went on to make the criticism that we are not doing sufficient to support Babcock and Brown but criticises us for spending money—which we are not—building a Riverlink interconnector which might in the future enable us to sell electricity to New South Wales. If the member for MacKillop is serious about getting wind generation up in South Australia, he had better get serious about interconnectors as well, and let me explain why. Wind farms operate at about 40 per cent generating capacity and they generate best on windy days. That is not the right outcome for a consumer with a demand profile such as we have at very high summer peaks.

It would be perfect if you could rely on the wind blowing on hot days, but that is not likely to be the case. Wind generation is, however, very clean generation, and now and into the future the pressure upon dirt black generation—that is, coal generation—will continue to increase. If we are to get wind farms up in South Australia, the ultimate beneficiaries of it—the people who would want to buy that power in the future—would be the coal generating states such as Victoria and New South Wales. I can tell the member for MacKillop that if he likes wind generation he had better start liking interconnection as well, because those projects will not get up unless they sell into the black generating markets. It is simply just another illustration of the confusion in the mind of the member for MacKillop when he talks on this subject and, I might say, on virtually any subject.

I want also to address one further point, and that is that it was privatisation that brought on this injection of investment in capacity. That might be partly right, but what did bring on an awful lot of private sector investment capacity was the massive summer peak prices. It was the signal that the pricing system was sending to the market: the massive summer peak prices that flow through to the contracts that increase the ordinary contract price on average by 35 per cent and up to 90 per cent. That is not something that I would brag about if I was the opposition.

Let me close by saying the following before we go into committee: there is simply not one single subject on which the opposition has less credibility than this. I have been criticised tonight for establishing the Essential Services Commission, even though the opposition supports it, as we promised to do before the election. I ask members to compare that with the promise of the opposition when in government before the 1997 election—its promise that it would never sell ETSA. Members opposite should apologise for not keeping their promises, but I will not apologise for keeping mine.

Bill read a second time.

**The Hon. P.F. CONLON (Minister for Government Enterprises):** By leave, I move:

That pursuant to section 28A of the Constitution Act 1934 this bill be declared a bill of special importance.

Motion carried.

In committee.

Clauses 1 to 3 passed.

Clause 4.

**The Hon. W.A. MATTHEW:** Before posing my question in relation to this clause—in fact, there are a number of clauses that this question relates to, so I can encompass them in the one question—I put on the record my surprise at the minister determining that this should be a bill of special importance. It is something that he flagged publicly. Usually such bills are flagged by the government as ones that might bring about electoral consequences should they not pass through the parliament. The minister would have found, particularly through my address as lead speaker for the opposition, that the passage of this bill has never been an issue.

**The Hon. P.F. Conlon:** I trust you; there's a bloke upstairs I don't trust.

**The Hon. W.A. MATTHEW:** I am pleased to hear that the minister trusts me, but the undertaking I give is on behalf of opposition members and, if we had concerns that would render this bill being one that should be blocked, we would certainly put those concerns very firmly on the record in the chamber, which is not only our right but in my view our obligation. My question to the minister relates in part to that and also to a matter that was raised by my colleague the member for Heysen. The opposition could not help but notice the strong parallels between the first few clauses of this bill (that is, from clause 4 onwards) and the Independent Industry Regulator Act. I take it as somewhat of a compliment that this bill has strong parallels to that act, but I ask the minister to put on the record whether the drafting of this bill has relied heavily upon the Independent Industry Regulator Act because there are provisions in that act which are appropriate for moving the electricity issue forward.

**The Hon. P.F. CONLON:** I am happy to say, as I have said before outside of this place, that the Essential Services Commission is, essentially, the industry regulator plus. I am not embarrassed to say that what is right we will not change. Essentially, what we have done is make additions to the industry regulator act—we think very worth while ones—but, if the opposition wants me to acknowledge that there is a lot of good in the current industry regulator act, I will do so.

Clause passed.

Clause 5.

**The Hon. W.A. MATTHEW:** Will the minister say where, other than in the words 'the commission in place of the industry regulator', the functions of the commission as defined in this clause differ from the functions of the Independent Industry Regulator as provided in the Independent Industry Regulator Act 1999?

**The Hon. P.F. CONLON:** I think new paragraph (e) and new paragraph (i) are different in terms of functions.

**The Hon. W.A. MATTHEW:** It is simply a matter of imperative. The minister in his gracious response earlier demonstrated to me that he wishes to put the rhetoric of the past behind him. I think that is a good thing in moving forward what I regard to be an important issue, but the minister in his closing remarks indicated that there is no easy

fix for this issue. Whilst my address referred to the way in which the National Electricity Market came about, it is fair to say that I had no influence over that and neither did the minister have any influence over the bearing of that market. Had we both been in a position of influence, the market might have come about in a different way. However, that is an historic fact that we cannot change. I simply wish the record to show that the direction that the government is taking is strongly in line with the same direction that the opposition was taking other than the word 'commission' is used in place of 'Independent Industry Regulator'. That is not a question; it is just a matter of putting a statement on the record.

Clause passed.

Clause 6 passed.

Clause 7.

**The Hon. W.A. MATTHEW:** I indicated in my second reading address that I was pleased to see that, as with the Independent Industry Regulator function, the clause of independence was preserved. I ask the minister: what situations can he see that would arise through his empowerment under this act that would put him in a position where it would be necessary to issue a ministerial direction to the Essential Services Commission?

**The Hon. P.F. CONLON:** I indicate by explaining something that was raised earlier by another member that a number of ministers might have some relationship to this act. When I finish getting this matter through the parliament, it is my understanding at present that we would allocate the regulatory act to a minister, who is likely to be the Treasurer, and the Treasurer may well find it necessary to make instructions as to the use of consultancy employment under the financial audit act.

There will then be other ministers who are responsible for industry acts. The issue of what directions they may be given will be dealt with, I humbly suggest, in the industry acts. The one that will be with you very shortly is the Electricity Act and the ability to direct an inquiry under the Electricity Act. Of course, it will be our intention to include gas and those other matters listed in the earlier provisions. I can assure the opposition that it is not the intention to direct the commission in those matters which properly should be done independently. The matters of properly conducting reviews of pricing and inquiries will still be in the independent hands of the commission.

Clause passed.

Clause 8 passed.

Clause 9.

**The Hon. W.A. MATTHEW:** I have a question in relation to this clause which applies to a number of other clauses where the commission is required to develop material and to make that material publicly available. This clause obliges the commission to publish a charter. In this modern world with internet access and the benefit of web sites there is the opportunity to make information easily and freely available. In view of the import of electricity to householders, business and our everyday way of life, it is my view that such material should be available through the web.

The method of operation of the industry regulator has been that such material is easily available, and I commend him for that. I would expect that since he is the chairman of the commission that that would occur, but since he may be replaced in the position, some time in the future, many years hence, it may be that the minister should ensure through regulation that the provision is there for information to be

published electronically, so that it continues to be easily available.

**The Hon. P.F. CONLON:** I have no difficulty with the suggestion of the opposition. I would expect it to happen as a matter of course but, if it is necessary to make sure that that happens, we will work out a way of doing that.

Clause passed.

Clause 10 passed.

Clause 11.

**The Hon. W.A. MATTHEW:** This is a particularly important clause because it provides for a memorandum of understanding to be entered into by a date determined by the minister. The memorandum of understanding must include a number of matters which are prescribed, and it may include matters that other parties consider appropriate. The memorandum of understanding has to be published widely. In fact, in this case, the clause specifies publication not only in the *Government Gazette* but also on the web.

It is a very broad clause, and I can appreciate the reasons for that: flexible legislation certainly has its benefits, particularly for government. Can the minister explain to the committee what other matters are likely within the gambit of that breadth to be included in such a memorandum of understanding and, indeed, what other parties?

**The Hon. P.F. CONLON:** I can honestly say that that is a matter that should be left to be developed between the prescribed bodies and the Essential Services Commission. The approach is to avoid overlap and get consistency in areas where the Essential Services Commission and other agencies, or other bodies, might have some sort of commonality in terms of regulating. It is intended only to achieve more consistency and a lack of overlap, and it is entirely consistent with what we have been trying to do with the bill throughout: create a one stop shop for regulation; make it clearer, as the member saw with the earlier charters; and, in practice, make it more transparent and accountable. Again this is simply to avoid overlap and duplication. How is that done? The best approach is for it to be more open and flexible in the act, so that I have faith in the ability of the Essential Services Commission to identify those areas where consistency and overlap are issues with other agencies and to address them.

**The Hon. W.A. MATTHEW:** Perhaps, just to clarify my question, I will say that clearly there is a potential for overlap in a number of groups. For instance, the electrical technical regulator is one such person. Potentially there could be areas of overlap indeed with the gas regulator, Graham Scott, and a number of other such bodies. At this stage, has the minister taken possession of an exhaustive list as to likely groupings where there should be such overlap and, if so, is he able to table those in tabular form, or, if it is a short list, to quickly read them into the record?

**The Hon. P.F. CONLON:** There is no exhaustive list because these matters are not easily defined. We are talking in general about an environmental health and safety regulation. Workplace Services might touch on some of those issues, but there are some obvious ones such as the EPA, the technical regulator (as the member recognised), the planning council and the essential services ombudsman. All those people will need to be part of the memorandum of understanding. They are the ones I can give the member off the top of my head, but that is not an exhaustive list; we may identify others. There may be health agencies which, for some reason, may require a memorandum of understanding with us. While I would indicate that that is the intention, that is certainly not an exhaustive list.

Clause passed.

Clause 12.

**The Hon. W.A. MATTHEW:** This is one of the areas that I indicated during my second reading contribution needed some scrutiny. The clause provides for the membership of the commission to be appointed. In the first instance, it provides for the commissioner to be appointed by the Governor as chairperson. The government has already announced that Lew Owens, the existing Independent Industry Regulator, will be appointed to this position of chairperson, and that is an appointment which is strongly supported by the opposition. However, then it also provides for such number of additional commissioners, full-time or part-time, as are appointed by the Governor.

There is an enormous amount of flexibility within that clause. It could be that no commissioners are determined to be necessary, or it could be that one part-time commissioner is determined to be necessary. What I seek from the minister is his viewpoint as to the likely number of commissioners who will be appointed to this commission. I appreciate that it is difficult to be overly prescriptive, because clearly the workload will be determined upon an observation as to what comes in. I appreciate that the minister will need some flexibility, but I want to get a feel for what the minister's initial viewpoint is, based on his knowledge at this point in time as to how many commissioners are needed in addition to the chairman, and whether those commissioners will be full-time, part-time, or a combination of both.

**The Hon. P.F. CONLON:** I am prepared to be frank in view of the moment, as long as the member understands that it will not set this in concrete for him. However, it is certainly small and we would consider that, at present, there may be justification, given the sorts of things we expect to come in, for about two additional commissioners—and they may not be there permanently, in any event. This might address the issues of the member for Unley, too. It is not intended to be a great bureaucracy. We do have a great deal of faith in Lew Owens as the initial chair, so I would say—do not hold me to it—that, at present, that would be about as many as we think might be necessary in the structure of which we are thinking.

**The Hon. W.A. MATTHEW:** This is one of the areas of some divergence between the government and the opposition. Our commitment pre-election was to increase the powers of the Independent Industry Regulator and thereby have one person. The opposition's stance has been to create a commission, transfer the Independent Industry Regulator into that commission, but to have other commissioners. I share the concern of the member for Unley that there is a possibility of it becoming overly bureaucratic. I am pleased to hear the minister say that it is his intention to keep it small and tight. He has flagged in his answer that he expects that there may be one or two, and I accept—

**The Hon. P.F. Conlon:** I'm not talking about it happening straight away, either.

**The Hon. W.A. MATTHEW:** I accept all of that, and I accept that the minister does not want to be tied into it. That is a fair and reasonable statement to make. It is really the basis on which these commissioners would then be brought in that I want to establish. Are these commissioners to be people with expertise in a particular area that is believed should be around a commission table rather than brought in by way of employment on the commission staff or by way of a consultant to the commission staff? Will these commissioners perhaps be used in lieu of a consultant (the other dreaded

'c' word) to an extent? Will people with expertise in a particular field be brought in for a period of three weeks, three months or six months as a commissioner and thereafter their services will no longer be required? Is it one of the intended uses of this position?

**The Hon. P.F. CONLON:** Perhaps part of the answer to the shadow minister's question can be found in clause 13 in relation to the qualifications for appointment as a commissioner. We are, of course, looking to bring in people who have something to contribute if it is necessary to have someone with particular experience, knowledge and background to make a contribution. I do not want to overplay this. There is no immediate intention to make any appointments at present. We are in the midst of a process—about which I talk to Lew Owens on a very regular basis—of working through what a justifiable retail price for electricity might be. At the moment, I believe that we have the expertise to do that. This is looking a little further out. There would have to be a point to putting them there to bring something to contribute. The commission will be funded similar to the regulator, through licence fees.

We are very cognisant of keeping down the cost of regulations. While we are looking for a one-stop regulator, we are also cognisant that any funds expended on staff and extra commissioners—on any of those costs—ultimately reflect on licences and the cost to consumers, and so we will be taking a parsimonious approach to this. Only those people who are necessary will be appointed. It is a little over the horizon at the moment, but I do not have any immediate intentions, and I do not think the Treasurer (who will, I think, be responsible for the act) has any immediate intentions of appointing anyone other than the chair at present.

**The Hon. W.A. MATTHEW:** My next question relates to the initial establishment of the commission about which I will probably have more questions when we get to schedule 2, which I recognise has transitional provisions. As the Independent Industry Regulator, Lew Owens is part way through a six-year term. With him effectively transferring over to this new role, will Mr Owens, in the creation of that appointment, continue through to the end of that six-year period or will it be a new five-year appointment from the day that this act comes into play?

**The Hon. P.F. CONLON:** There are two issues here. One is that automatically the transition would give Lew Owens the remainder of the term he would have had as industry regulator, as I understand it. There is also the scope for the Governor to make other appointments. I cannot speak about that here. It will be a matter quite possibly for another minister to take to cabinet. There is a guarantee of continuation of the current term. It maybe that that is deemed all that is necessary and a reappointment considered at the end of that. Frankly, it has not been a key issue addressing my mind and it will ultimately rely on the submission to cabinet of quite possibly another minister.

Clause passed.

Clauses 13 and 14 passed.

Clause 15.

**The Hon. W.A. MATTHEW:** With respect to the staffing of the commission, my question also relates in part to schedule 2, the transitional provisions. Will all the staff presently employed by the Independent Industry Regulator by virtue of this act transfer across and their current terms and conditions of appointment continue unless there is further intervention outside of this bill that might change that?

**The Hon. P.F. CONLON:** The transitional provisions will keep everyone who is currently with the regulator. As you well know, as applied to the regulator, and what you will find here, the commission will be provided with a budget, but those issues will be matters essentially for the commission within its budget on an ongoing basis. Our intention with this bill is that the current levels of staffing and appointments are simply carried over by the transitional provisions in the schedule to the new commission. After that time, it will be a decision for the commission within its budget. I imagine that will change as we bring on stream the other additions to the regulatory responsibilities.

**The Hon. W.A. MATTHEW:** Knowing the government's strong concern about the remuneration of people who are paid through the public purse, can the minister advise the committee how many of the staff who work for the industry regulator presently receive an annual package to the value of \$100 000 or more, and in that vein, what does the minister consider will be the likely remuneration paid to commissioners appointed to the commission?

**The Hon. P.F. CONLON:** I will have to undertake to get back to you on that. I do not know what Lew pays the people he has there or as to the staff arrangements. As the member knows, there is a significant degree of independence as to how the regulator has operated in the past. There will be a significant degree of independence as to how the commission operates in the future. What I can assure you is that the commissioners will be properly remunerated by comparison with other people in the Public Service performing similar sorts of responsibilities at similar sorts of levels, but we will get back to you.

Clause passed.

Clause 16.

**The Hon. W.A. MATTHEW:** We have that other dreaded C word that I referred to earlier—consultants. The clause prescribes that the commission may engage consultants on terms and conditions considered appropriate by the commission. I am very supportive, as I have indicated, of independence being afforded to the commission. I think that is essential. But the government, when in opposition, had a very firm view about consultants. Will regulations prescribe conditions under which consultants may be engaged, and is there a time frame for them or an amount to be paid to these consultants? It could be that the Labor Party's pre-election rhetoric in relation to consultants could be done over by well-meaning commissioners who employ a large number of consultants at very large amounts of money.

**The Hon. P.F. CONLON:** We never said there would not be any consultants, because, quite plainly, that would be the only way of doing things, especially in these areas where some expertise might be needed for a short period of time. Earlier, the member for Bright raised the issue of the directions under the act. The Treasurer will have the ability to make directions and, of course, there is also the annual budget submission of the commission to the Treasurer. We are fiercely aware of consultants and of not paying them too much. It has been a matter of some discussion already with the existing regulator, and it will continue to be a matter of concern to us with the new commission.

**The Hon. W.A. MATTHEW:** I welcome this new-found attitude of the government towards the appropriate remuneration of staff and the sensible use of consultants. It is very refreshing. Indeed, entrance to government certainly changes attitudes.

**The Hon. P.F. Conlon:** We never said that there would be none—just not as many as you had.

**The Hon. W.A. MATTHEW:** The minister said that there will be not as many as we had but, of course, we had to outsource electricity to bring in money to pay for Labor's mess, and we had to bring in consultants to fix up the mess it left with the bank. It is very easy to reduce the number of consultants when you do not need to go down that path.

My next question could be asked at many stages of the bill, but I prefer to ask it now. It may be that we will develop this further as we go through and examine the clauses. As I have said, I strongly support the independence of the commission but, as with all independent bodies, it is equally important that there are accountability mechanisms. I acknowledge that there are a number of accountability mechanisms via this bill in terms of reporting.

If we compare this commission with other positions of independence within government—the Auditor-General, for example—each year the Auditor-General has a report tabled before the parliament and, indeed, he can be required to appear before parliament's Economic and Finance Committee. The last thing I want to do is unnecessarily tie up the chair of the commission, but it seems to me that, to have a truly robust accountability mechanism, not only the compulsion of reporting to the parliament is important but equally important is the opportunity for the parliament, through a forum, to scrutinise the commissioner. What thought has been given to that? If more thought needs to be given to that, will the minister take that on board? Perhaps it is an issue that can be raised in the upper house rather than try to draft any amendments on the run tonight.

**The Hon. P.F. CONLON:** I have given some thought to that, and I will not be seeking any changes. I make it plain that the reporting provisions are already much stronger in this bill than they were under the previous industry regulator. I undertake to keep the matter under review and come back to the parliament, if it is believed necessary, in the future.

The issue you raise is one that has been thought about. At present we believe that the improved reporting and improved accountability—and they are much improved provisions in the bill, including the annual performance plan and budget—are of a far more open and transparent nature, and the regulatory charter that needs to be established is much stronger. I believe that we should wait and see how we go in practice with those, acknowledging that they are an improvement. I do not rule out coming back to that issue down the track, if it appears to be warranted, given how we look at the new commission in operation.

Clause passed.

Clause 17.

**The Hon. W.A. MATTHEW:** In a way, going through this bill is almost *deja vu*, because it is so close in wording to that of the Independent Industry Regulator legislation. I am going through the same process with the minister that I went through myself after I received the electricity portfolio a few months before the last state election. In looking at advisory committees, clearly, that was a clause in the previous bill, too, and it provides maximum flexibility, but does the minister see a situation where the Essential Services Commission may need to establish advisory committees? If so, will the minister say how frequently, what sorts of numbers would be involved and what sort of remuneration he believes would be necessary to pay such bodies of people?

**The Hon. P.F. CONLON:** I can indicate that we have none in mind at present.

Clause passed.

Clauses 18 and 19 passed.

Clause 20.

**The Hon. W.A. MATTHEW:** In view of the minister's earlier answers to questions in relation to the size of the commission, I think I can probably pre-empt the minister's answer. However, I should never do that. I should always ensure that I do seek the minister's opinion so that it is on the record and he can never be misquoted. In view of the fact that the meetings of the commission, be it one, two or three people, or however many it may be, can be convened only when they are called by the chairperson, does the minister have a feel for how many meetings of the commission are likely to occur in a calendar year?

In asking that question I realise that this power will not be the minister's: it will be the Essential Services Commissioner's. By including this clause, the minister would have something in mind. Does he expect that there might be one meeting a year, or two, or one every two years?

**The Hon. P.F. CONLON:** As the honourable member well knows, we will leave it to the chair to convene meetings. If he does not have a lot of mates in the early days, he probably will not have a lot of meetings.

**The Hon. W.A. MATTHEW:** This really is becoming a case of *deja vu*. This is almost looking like the Independent Industry Regulator by himself. I put it to the minister that commissioners might never be appointed and that the only meetings of the commissioner, Lew Owens, will be with himself. Will we see commissioners appointed? Lew Owens is very competent. I have no problem with commissioners not being appointed.

**The Hon. P.F. CONLON:** I have no doubt that commissioners will be appointed. Let me make it very plain. This provision is not here to amuse the parliamentary drafter. What is absolutely plain with respect to the Essential Services Commission is that we are in the process of creating a one-stop regulatory shop and greater consistency in regulation. I do trust that the opposition noticed the provision about the requirement to make regulation more consistent with regulation interstate. This is a major issue.

It is very plain that we have an urgent situation on our hands in terms of full retail contestability for electricity. Very little has been done except to maintain a holding pattern on full retail competition with respect to gas, and we simply must confront that issue at some time. Hopefully, we will achieve some greater supply of gas. More responsibilities will be moving to the Essential Services Commission over time. That is why we intend having the ability to bring other commissioners in. I am parsimonious, so if, fortunately or unfortunately for the chairman of the commission, the bill is likely to go to an even more parsimonious person, the Treasurer, it is not likely that we will employ any more than we need. But they are not there for decoration.

What I would ask the opposition to recognise, and the opposition has said it would have moved down this path itself had it been returned, is that we are attempting to create a single shop for regulation. That is a bigger responsibility than the industry regulator has had in the past; it is a broader range of things; it takes in a broader range than simple economic regulation, and therefore it may well be necessary to have a different set of expertise and, on some occasions, a collegiate approach to issues. So there will be, in my mind, in due course, other commissioners appointed, and I am sure that the chair will be very keen to hold meetings with them, because they will be there to assist.

Clause passed.

Clause 21 passed.

Clause 22.

**The Hon. W.A. MATTHEW:** This clause relates to money received by the commission and simply provides that fees or other amounts received under this act will be paid into the Consolidated Account, and the reasons for that are sensible and understood. One of the dilemmas, in my view, with the present Independent Industry Regulator Act is that there are fees that are payable but, in actual fact, the fees collected do not really bear any resemblance to the cost to run the office of the Independent Industry Regulator, and essentially, as that office presently works, the Independent Industry Regulator draws a budget from Treasury and then moneys that come in are paid into the Consolidated Account.

It seems to me that this bill is continuing that process, and that is one of the issues that I was certainly grappling with when I had the portfolio. There are a number of ways that this can be taken, and I appreciate that, but it seems to me that there is value in having a one-to-one relationship between the cost of running the commission and the amount of money that is brought in from industry for a variety of fees. Does the minister have such a structure in mind and, if so, is he able to share that with the committee tonight, or is that structure still in its development?

**The Hon. P.F. CONLON:** The opposition will be well aware that the aim is full cost recovery through licence fees. I understand what the member is saying, but I think there is some benefit in having the arrangement as it stands at present. We are seeking to recover, over time, some contribution for the cost, for example, of full retail contestability but we may not want to seek it all in one year. I think that ability to have those funds go to consolidated revenue and then back to the commission assists. The basic principle is that we fund cost recovery for the regulator out of licence fees. We are, as I said earlier, very keen to make sure that what we charge in licence fees is as low as possible in order that they are not passed on ultimately to consumers; but I can say I have no great adherence as to how it is done other than that principle.

**The Hon. W.A. MATTHEW:** To take that a little further, does the minister at this stage have information that would enable him to indicate to the committee the likely cost of administering the commission in the first instance while it has its electricity responsibilities only, and I appreciate the others are add-ons that would have to be developed under the legislation, and at the same time does he have information that would enable him to share with the committee what he believes to be the amount of fees that would be received by the commission in its term of operation for the balance of this financial year?

**The Hon. P.F. CONLON:** I cannot give you that information, but what I can say in general terms is that the initial cost will be very similar. As regulatory responsibilities are added, one assumes that there will be more regulatory bodies—more people paying licence fees, greater responsibilities and quite possibly more staff. So, all I can say is that the safeguard is that requirement for a budget to be established each year. I am happy to find the answers for you but I cannot indicate to you any more than the fact that the initial costs of the Essential Services Commission should be close, given the nature of the transitional provisions in this bill. I have no doubt that the cost will increase, because we will be transferring to the commission responsibilities that are funded and paid elsewhere, and the timetable for some of those will rely on the necessity to make other changes elsewhere and to

get legislative changes through this place. It is a little difficult to forecast when changes in the budget for the Essential Services Commission might occur, because they depend on timetables that members would appreciate are not entirely predictable or within our control.

Clause passed.

Clauses 23 and 24 passed.

Clause 25.

**The Hon. W.A. MATTHEW:** Clause 25 is the first clause of part 3 entitled 'Price regulation'. For any observers of the proceedings of parliament who thought there would be an almighty brawl over this bill, they need only have referred to part 3 of the South Australian Independent Industry Regulator Act 1999—introduced by the Liberal government—part 3 entitled 'Price regulation' and to part 3—'Price regulation' of this bill to realise that section 20 of the Independent Industry Regulator Act reads almost identically, word for word, with clause 25 of this bill, the exception being an additional section added which reads 'monitoring the price levels of specified goods and services,' an addition with which the opposition has no quibble. Indeed, as we read through the continuation of this entire part 3, the next clause, clause 26, is entitled 'Making and effect of price determination'. Surprise, surprise! Section 21 of the Industry Regulator Act has exactly the same title and, in the main, exactly the same wording. As we continue through to the remainder of that section, we will find, word for word, very similar provisions. There is a change by the time we get to clause 27 of this bill. A maximum penalty of \$1 million is set versus that of the existing act of \$250 000. Again, we flagged before the election that \$250 000 was inadequate and quantum in the millions of dollars were an appropriate amount.

In order to save time, I am wrapping up together my comments and questions on all these clauses. This was to be the essential difference between Liberal and Labor as flagged at the last election—the way in which electricity prices were regulated. That was the essential difference. The essential difference under this bill has failed to bear fruit. Now Labor has come into office—whether it intended it before the election is something probably only the minister and his colleagues know; I do not know—we are now seeing a bill that very closely matches the existing bill. In fact, there was no need to introduce a new bill at all; they could have simply put forward a couple of amendments.

As I said at the start of this debate tonight, I respect the minister's right to be able to rebadge the Independent Industry Regulator and give him a new name. At the end of the day, there really is not a great deal of difference between the current provisions and the new provisions, are there minister? You have simply added a couple of clauses. I agree with the clauses that have been added. You have upped the fine, and I agree that that needs to be added. There is not really much difference between the approaches, is there minister?

**The Hon. P.F. CONLON:** 'There is not much difference between the approaches?' is the question I got at the end. Let me say that I have been patient with some of the member for Bright's questions, but sometimes he goes too far. Not much difference in approach! I will tell you the difference in approach between this government and the previous government. This government is doing everything we can to prepare the people of South Australia facing full retail contestability on 1 January. Let me tell you what this mob did: their Treasurer, the Hon. (and I say this in the same way Mark Antony referred to honourable people) Rob Lucas was

running around before the last tranche of contestability saying, 'You beauty! You're becoming contestable. The prices are going to go down.' What did they find? They found 35 per cent increases in their electricity bills on average—indeed, some were up to 90 per cent—and some of them feared they would not get contracts. There is no difference in approach!

What we found when we came to government was a hive of inactivity. We found that the previous minister had sat on his hands and hoped things would sort themselves out. We found no preparation for full retail contestability except some minor work done in metrology procedures. We did not find any of these provisions, all these promises, all these changes that the previous government was going to make that are 'just like ours'. We did not find any of that. We found manifest inactivity at a federal level, absolute laziness at a federal level in terms of those issues that go towards controlling the wholesale price. What we found was the most half-baked, silly idea mandated for the gas pipeline, which we are still working towards fixing.

Let me tell the honourable member what the difference of approach is. We have come to government. We have inherited a dreadful situation and we are facing our responsibilities. The first thing we did in the very first week was go out and tell people the truth. We did not tell them what they were told at the last tranche of contestability: we went out and told them the truth. We told them that we had inherited a situation where they faced big increases in the retail price. We told them that what we could do was make sure those prices were justified. We have put provisions in this bill to protect customers. Above all, what this bill signals is a change of attitude and approach. This is a government willing to accept responsibility.

We have told people that there are no quick fixes in this. We are out there working our brains out to get more cash into South Australia. We have done more in six months at a national level about improving regulation, playing our part and driving outcomes at the national level than the previous government did in 8½ years. If the former minister would like me to accept that there is no difference in approach, he had better come up with a different argument. I will debate him here, I will debate him out there, I will debate him anywhere he wants in the community, because this mob have absolutely no credibility on electricity.

**The Hon. W.A. MATTHEW:** The minister's rhetoric is interesting, but the fact remains that, when you compare this bill with the existing legislation in the important area of price regulation, in part 3 of both measures there is very little difference apart from some additional amendments—amendments that were flagged by the Liberal Party before the last election. I am not going to sit idly by in this chamber and listen to the minister say that nothing was done by the previous government. As the minister has heard me say before, the increase in electricity generation capacity that was achieved in three years under a Liberal government puts into oblivion anything that was achieved under extra capacity during 11 years of Labor government.

I am happy to put it on the record again: 857 megawatts of additional electricity capacity was achieved in South Australia in just three years. That 857 megawatts came at a cost—and a significant cost. It came at the cost of \$700 million of investment by the private sector.

**The CHAIRMAN:** Order! I am not sure whether the point being made is relevant to the clauses under consideration. The hour is somewhat late, and I remind members that

we are dealing with clauses 25, 26 and 27. I do not know whether we need to go over ploughed ground.

**The Hon. W.A. MATTHEW:** This point is very relevant to the issue of price. The simple fact is that we are not going to have any chance of controlling price unless electricity demand is satisfied. The minister knows as well as I do that one of the dilemmas faced by our state was a growing economy, a growing demand by South Australian householders to have greater access to electricity and, as a consequence, additional generators were put into place in South Australia: 175 megawatts at Osborne; 72 megawatts by Origin Energy at Ladbroke Road; and 165 megawatts by Australian National Power at Pelican Point, later expanded by a further 285 megawatts to be 450 megawatts in total by March 2001.

The AGL Hallett plant was an additional 45 megawatts, Cummins was a further 20 and Origin Energy opened a quarantine station in January of this year where a further 95 megawatts came into play, and some of those stations will be expanded further. Will the minister be supportive of further generation capacity to be added into this state, and will he be supportive of that being funded by the private sector or does he believe that he gets a far better pricing regime out of the state government funding this expansion, which inevitably will be necessary?

**The Hon. P.F. CONLON:** To answer the first brainless diatribe, if this fellow thinks there is no difference in approach, I invite him to stand up the bill and we will have an election on it. We will go to the punters and see whether they think there is a difference in approach to electricity between us and this thoroughly discredited opposition. I look forward to that at any time you like. In answering the question whether the government is now going to start buying generators now that the former government has have entirely privatised our assets, I will say that we have no plans to do that. You want to come back and play a silly little game on this. We accept the position we inherited and accept our responsibilities. Despite our best efforts, we have inherited a totally privatised electricity industry in South Australia, and we have accepted our responsibility, as I outlined before, to make sure that that industry works well and efficiently in the best interests of the consumers of electricity in South Australia. An element of that is that people are allowed to make a reasonable return on their money.

I indicate to the opposition that we have no intention of building a generator at present, and I am aware of private sector interest and building generating capacity. One of the things we have worked to do, which again was a manifest, abject failure on the part of the previous government, is address gaming by generators. We have done more in a month than the previous government did in all the time of the national electricity market. Gaming by generators thoroughly distorts market signals that should be there for investment.

The opposition wants to take credit for private sector investment. There was private sector investment in South Australia largely driven by disastrous high summer prices—the same thing that drove the 35 per cent increase in contracts. We prefer to achieve private sector investment with a little less pain, that is, by improving the regulatory system at a national level, improving it at a state level and addressing things such as gaming, which distorts price signals. In short, in reply to the question whether I am building a generator, I reply, 'Not in the foreseeable future.'

**The Hon. W.A. MATTHEW:** My question relates to clause 26, which refers to the making and effect of price

determinations, and most is self explanatory. However, I am a little concerned by subclause (3)(b), which provides:

ensure that copies of the determination are available for inspection and purchase by members of the public.

I am a strong supporter, as I know he is, of easy availability of information to members of the public. Does the minister foresee a situation where it will be necessary for the public to purchase determinations of the commission, or does he envisage that they will be available electronically on the internet so that the public will not have to fork out for them?

**The Hon. P.F. CONLON:** You will see that the notice of making a price determination will be published. I am confident that Lew will put the determination itself, which involves the reason he set out, on his website, which would appear to be the ordinary practice there at present, and we would not expect that to change.

Clause passed.

Clause 26.

**The Hon. W.A. MATTHEW:** The minister's response makes good sense, but the problem is that the bill provides for the purchase of copies of the determination and only for publishing of the notice of making the price determination. Clearly, they are two very different things. One has the details of the determination and the other simply has the notification of such. There must have been a reason for drafting it in this way so that one is easily available and the other is not. I ask the minister to clarify for the committee what those reasons were. If he and I can see no logical reason, I am not saying we must tidy it up tonight.

**The Hon. P.F. CONLON:** It is obvious: it is what most ordinary punters would be interested in.

**The Hon. W.A. MATTHEW:** That is true, but others will be interested in the determination, and I see no reason to differentiate and require people to pay for one but not the other. It is easy to put it up on the internet.

**The Hon. P.F. CONLON:** I suggest that the reason for the requirement in subclause (4) is that it is the information most people would be interested in. The requirement in subclause (4) does not prevent Lew Owens under subclause (3) putting the determination on the internet, and I expect he will do that. I will undertake for the member for Bright that, if purchasing determinations by ordinary punters proves to be a difficulty, we will come back and address it.

Clause passed.

Clause 27.

**The Hon. W.A. MATTHEW:** This clause provides for an increased maximum penalty of \$1 million, and the opposition supports the penalty being lifted to that quantum. The previous maximum penalty for contravention of price determination was in the vicinity of \$250 000. I simply put to the minister that \$1 million in the electricity market is still not a lot of money. It is a lot of money to most South

Australians, but not to the businesses that we are dealing with. I am certainly aware, particularly through the auspices of another act that is yet to be debated, of the capacity to have recurrent fines so they become concurrently many millions of dollars. It seems to me that, if this proves not to be a sufficient deterrent, the minister may require greater flexibility. The opposition is prepared to consider an amendment, perhaps in another place to save time, to regulate the maximum penalty so that, if it becomes necessary to jump that penalty from \$1 million to \$3 million or \$5 million to rectify problems in the market, that flexibility exists. So, this is an open invitation to the minister: if he wishes to available himself of that, we believe it is a reasonable thing to look at.

**The Hon. P.F. CONLON:** I thank the honourable member for that, but I do not believe it is necessary at present, for a number of reasons. The member for Bright has said that there are no changes in this bill, but some significant changes act in coordination with a very significant increase in penalty. In particular, in coordination with these provisions, the injunctive provisions requiring the offenders to disgorge ill-gotten gains along with the \$1 million penalties provide a significant penalty, because the ability for a court to order the recovery of funds other than merely through the penalty gives us scope. In circumstances where a breach or contravention accords an offender significant gain, we have written into this bill the ability for a court to order the disgorging and recovery of that gain in addition to the ability to punish with a \$1 million fine. I also refer to the capacity to levy fines for ongoing offences. I appreciate the contribution of the member for Bright. Should that combination of things prove ineffective (I do not think that they will)—the injunctive relief along with very significantly increased fines—we may well come back and do that. But we do believe that, at present, that combination carries a big stick for offenders.

Clause passed.

Progress reported; committee to sit again.

#### SITTINGS AND BUSINESS

**The Hon. P.F. CONLON (Minister for Government Enterprises):** I move:

That standing orders be so far suspended as to enable the house to sit beyond midnight.

**The DEPUTY SPEAKER:** I have counted the house and, as there is not an absolute majority present, ring the bells.

I have again counted the house and, as there is not an absolute majority present and it has now reached midnight, the motion lapses and the house stands adjourned.

#### ADJOURNMENT

At 12 midnight the house adjourned until Wednesday 13 August at 2 p.m.