HOUSE OF ASSEMBLY

Tuesday 15 July 2003

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

ARTS SA

A petition signed by 1 132 residents of South Australia, requesting the house to urge the government to ensure that funding to Arts SA is used in a manner that does not offend against community standards of decency or is grossly offensive to people of Christian faith, was presented by the Hon. R.G. Kerin.

Petition received.

KINGFISH FARMS

A petition signed by 2 417 residents of South Australia, requesting the house to urge the government to immediately implement a moratorium on kingfish farm approvals pending completion of an independent research project and the development of improved fisheries ecosystem management methods for kingfish farms, was presented by Mrs Penfold.

Petition received.

HOSPITALS, MODBURY

A petition signed by 671 electors of South Australia, requesting the house to call on the government to categorically declare that Modbury Public Hospital will not be closed, amalgamated or any current services withdrawn (including the new maternity wing), was presented by the Hon. D.C. Kotz.

Petition received.

DOG CONTROL

A petition signed by 497 residents of South Australia, requesting the house to amend current legislation to allow dogs, under effective control, to sit with their owners in all outdoor dining areas, was presented by Dr McFetridge.

Petition received.

QUESTIONS ON NOTICE

The SPEAKER: I direct that the written answers to the following questions on the *Notice Paper*, as detailed in the schedule that I now table, be distributed and printed in *Hansard*: Nos 125, 139, 144 and 157.

MOTOR VEHICLES, REGISTRATION

In reply to **Hon. M.R. BUCKBY** (31 March).

The Hon. M.J. WRIGHT: Transport SA introduced the first phase of an electronic commerce (EC) project in July and August 2002. The new services allow clients to renew vehicle registration via the Internet or over the telephone using an interactive voice response facility. These services are available 20 hours per day, 7 days per week and have been very well received. A total of 200 000 transactions have been paid on the facility service since August 2002. Over 30 000 clients used the services in March 2003.

Transport SA is currently working with EDS (Australia) Pty Ltd to further develop the EC facility to provide for further transactions that may be processed via the Internet. This work is nearing completion and it is anticipated that an additional 24 transactions will be available via the Internet from June 2003. This facility will enable approved motor vehicle dealers to process a range of vehicle registration transactions central to their business of buying and selling motor vehicles. The type of transactions that they will be able to process, from their own business premises, include applications for the transfer of vehicle registration and applications for the registration of new and second-hand vehicles.

While direct debit payment will be included in the EC facility, vehicle dealers who do not elect to process their own transactions will continue to be able to use credit cards (other than American Express and Diners Club cards) for the payment of vehicle registration and other Transport SA transactions.

BUSES, NEW

In reply to **Hon. M.R. BUCKBY** (27 March).

The Hon. M.J. WRIGHT: In reply to the honourable member's inquiry regarding the delivery of new buses to SouthLink and Torrens Transit, I provide the following information:

The delivery of 12 new buses to Torrens Transit was completed in September 2002. These buses are operating in the East-West contract area.

As at 1 April 2003, 26 new buses have been delivered to the Lonsdale Depot operated by SouthLink and are all in service.

The other 12 buses are on schedule for delivery by the end of June 2003.

As I announced in August 2002, the government is investing $92.4 million over the next five years to modernise and improve the public transport bus fleet.

TRANSPORT SA

In reply to **Hon. M.R. BUCKBY** (27 March).

The Hon. M.J. WRIGHT: The Transport SA web site was entirely replaced in September 2002. The specific page in question listing the top ten black spot sites was discontinued at that time. The basis for this decision was that there is no unique definition of a black spot, and a listing of the ten sites with the largest number of crashes is not necessarily a list of the most dangerous sites on the State's road network, when traffic volumes are taken into consideration. Due to this potential for misinterpretation by the public, the page in question was not included in the new Transport SA web site.

BUSES, SCHEDULES

In reply to **Hon. M.R. BUCKBY** (27 March).

The Hon. M.J. WRIGHT: Timetables for public transport buses have been arrived at as a result of many years of experience. Various factors have been considered including: surveys of actual times taken; and street, traffic and passenger loading conditions for each bus route. Variations in conditions are such that it is not possible to derive a universal average running time for all bus routes.

The Passenger Transport Board (PTB) and public transport contractors work closely to ensure that public transport services are appropriately designed, safe and reliable. If a contractor or the PTB identifies running times on a particular route as a concern, this is examined and changes may be made to the timetable for that service.

The contracts are performance based. They provide for additional payments if patronage increases and payment deductions if services are made with a defective vehicle, or are early, late or missed for reasons within the contractor's control.

Changing the timetables to coincide with the new speed limits was not considered necessary because:

- buses mainly travel on arterial roads, which have retained a 60 km/h speed limit;
- observations made along non-arterial roads (which now have a 50 km/h speed limit) before the speed limit change indicated that buses rarely exceeded a speed of about 52 km/h between bus stops; and
- it was determined that the forecast difference in bus travel time on roads with bus routes that have had the speed limit changed from 60 km/h to 50 km/h was negligible.

A moratorium is not in place. If the running time of a particular service has been sufficiently affected by the new speed limits the timetable will be amended accordingly.

CAR POOLING

In reply to **Hon. M.R. BUCKBY** (13 May).

The Hon. M.J. WRIGHT: The proposal to develop Green Travel Plans is only one aspect of a range of initiatives that may be

used to change travel behaviour. The content of these Plans will need to be determined by the individual businesses. The development of an employee car pooling database or provision of improved cycling facilities are merely options that businesses may consider for inclusion in their Green Travel Plans.

If this proposal is accepted, the Government would trial the introduction of Green Travel Plans within its own agencies. Any costs associated with the development of these plans are expected to be met from within existing resources.

TRANSPORT, TICKETING SYSTEM

In reply to **Hon. M.R. BUCKBY** (2 June).

The Hon. M.J. WRIGHT: The current ticketing system has been in use for approximately 17 years and it is still operating reliably. Its operational performance is being reviewed annually and it is currently forecast to remain operating reliably until at least 2007.

The next generation of ticketing systems are smartcard based. The Passenger Transport Board is monitoring developments related to the introduction of smartcard ticketing in other States. One of the reasons for introducing smartcard ticketing systems in other States is the establishment of integrated ticketing systems. Adelaide's system is already fully integrated between the three modes of public transport.

It is estimated that the cost of replacing the current system with smartcard technology is in excess of $20 million.

PRINCES HIGHWAY

In reply to **Hon. M.R. BUCKBY** (2 June).

The Hon. M.J. WRIGHT: Since taking Office, the Rann Government has made a strong commitment to improving South Australia's poor road safety performance compared with other States.

The review of the appropriateness of the existing speed limits on South Australia's rural roads is to achieve a safer road network as quickly as possible. The review of the 110km/h speed limit on existing roads was undertaken using criteria based on interstate practice, and directly related to established links between road speed and safety outcomes.

Using these criteria, Transport SA recommended that the stretch of the Princes Highway between Kingston SE and Meningie be reduced from 110km/h to 100km/h.

While I make no apology for vigorously pursuing reductions in road crashes and casualties through the implementation of a wide range of road safety measures, I would like to emphasise that the Government continually seeks a balanced approach, taking account of the effects of the road transport system, not only on safety, but also on efficiency, access and the environment.

ROADS, RIDDOCH HIGHWAY

In reply to **Mr WILLIAMS** (26 March).

The Hon. M.J. WRIGHT: This report has not been brought to my attention, and the Department of Transport and Urban Planning advise that it is unaware of the conference or any such report on the Riddoch Highway.

The need for the overtaking lanes on individual roads is determined using criteria such as volume of traffic and mix of vehicle types, crash history, strategic importance of the road, community feedback and the degree of bunching and consequent delays that could be expected if there is no opportunity to overtake. These assessments were undertaken on rural arterial roads across the State to develop a State-wide program.

The Riddoch Highway was given a high priority on this program, with three lanes being constructed within the first two years of the program. These lanes are located between Tarpeena and Mount Gambier, which were seen as the highest priority areas. Sections for further lanes have been identified between Glenroy-Coonawarra and Penola-Tarpeena.

However, on a priority basis, these locations are not programmed within the current 5 year funded program that finishes in 2004-05. The specific section mentioned, between Keith and Padthaway, is currently considered to be operating satisfactorily and consequently has a lower priority for the construction of overtaking lanes compared to other locations across the State.

RECREATION AND SPORT

In reply to **Hon. D.C. KOTZ** (22 October 2002).

The Hon. M.J. WRIGHT: The Statewide Sport and Recreation Facilities Audit commenced in June 2002.

The Audit was completed in 2002-2003 by the Office for Recreation and Sport with the assistance of a reference group comprising industry and Government representatives.

Results from the Audit may be obtained from the Office for Recreation and Sport.

In reply to **Hon. D.C. KOTZ** (21 October 2002).

The Hon. M.J. WRIGHT: The budget, as published in the budget papers, for the Office for Recreation, Sport and Racing for 2002-03 is $25.546 million. This includes the grants program as well as athlete and coach development, facilities management and agency operational expenditure.

SOUTH AUSTRALIAN OLYMPIC COUNCIL

In reply to **Hon. D.C. KOTZ** (17 October 2002).

The Hon. M.J. WRIGHT: I can confirm that the Government has committed funds totalling $500 000 over four years toward the Joint Appeals Committee of the Olympic, Paralympic and Commonwealth Games.

These funds are provided to the following individual appeals:

· Olympic Appeal	$240 000
· Paralympic Appeal	80 000
· Commonwealth Games Appeal	80 000
Total:	$400 000

In addition to the $400 000 for these three appeals, the Government will contribute a further $100 000 for the administration of these appeals.

EMERGENCY RADIO SIGNALS

In reply **Mrs PENFOLD** (15 October 2002).

The Hon. M.J. WRIGHT: Transport SA has been addressing the key issues, by:

- Conducting regular radio testing from around the State;
- Continuing to monitor the performance of the new system, which has included a mail survey of all vessels with HF radio (about 200) in South Australia;
- Advising HF users of the new system and the operation of Coast Radio Adelaide.

Transport SA worked with the Royal Flying Doctor Service (RFDS) and equipment suppliers to design new software that would better suit the requirements of RFDS operators. This software was fully installed at Pt Augusta on 11 October 2002, and tests have shown this has created a significant improvement in the ability of the RFDS to respond to incoming calls.

In addition, Transport SA investigated the feasibility of introducing frequency 2182 and has arranged for the installation of this frequency to the existing service to significantly improve coverage at night.

MARINE EMERGENCY RADIO NETWORK

In reply to **Mrs PENFOLD** (15 August 2002).

The Hon. M.J. WRIGHT: Commencing 12 August 2002, Coast Radio Adelaide has been monitoring designated frequencies 24 hours a day, with the system currently operating as specified.

HAEMOGLOBIN LEVEL STANDARDS

In reply to **Dr McFETRIDGE** (15 May).

The Hon. L. STEVENS: The Australian Red Cross Blood Service (ARCBS) has adopted higher Haemoglobin (Hb) thresholds for accepting blood donors. The new thresholds for donor haemoglobin levels have been set by the Therapeutic Goods Administration to protect the health and well-being of Australian blood donors. The South Australian Red Cross Blood Service will implement the new standard in two stages, introducing higher regulatory thresholds over a two-year period, starting in early 2004.

Maintaining national blood and blood product stocks is a priority. A national marketing and communication strategy has been developed to rebuild and maintain donation rates throughout the phasing in of the new standards. As the Australian donor community and the Blood Service have a history of responding well to past donor deferral campaigns, it is unlikely that SA will experience any

reduction in availability of blood and blood products due to the adoption of the new standard.

The South Australian government has made provision in 2003-04 to contribute funds to the national project to help the ARCBS rebuild and maintain donation rates to ensure blood stocks are maintained.

In addition, the Bloodsafe project, a safety and quality project funded through the Department of Human Services, will focus on improving inventory management of blood supplies throughout this period. This effort will reduce the inappropriate use of blood and blood products and contribute, at the local level, to meeting the challenge of maintaining stocks.

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. K.O. Foley)—

Regulations under the following Acts—
Emergency Services Funding Act 1998—Remissions Variation—Land
Stamp Duties—Recognised Financial Markets

By the Minister for Health (Hon. L. Stevens)—

Controlled Substances Advisory Council—Report, 2001-2002
Memorandum of Understanding between the Minister for Health and the Local Government Association in relation to the Exercise of Functions under the Food Act 2001 by Councils

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

Animal and Plant Control Commission, South Australia—Report 2002
Regulations under the following Acts—
Water Resources Act 1997—Irrigation Levy

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

Regulations under the following Acts—
Motor Vehicles—
Expiation Fees Variation
Refund on Licence Surrender
Road Traffic—Alcotest Grounds

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

Regulations under the following Act—
Fisheries—River Fishery—Prescribed Fish

By the Minister for Employment, Training and Further Education (Hon. J.D. Lomax-Smith)—

Education Adelaide Charter

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

Regulations under the following Acts—
Fees Regulation—Water and Sewerage Requirements
Sewerage Act—Charges Variation
Waterworks Act 1932—Charges Variation.

AUDITOR GENERAL, SUPPLEMENTARY REPORT

The SPEAKER: I lay on the table the supplementary report of the Auditor-General entitled, 'The process of procurement of a magnetic resonance imaging machine by the North Western Adelaide Health Service'.

Ordered to be published.

RADIOACTIVE WASTE

The Hon. M.D. RANN (Premier): I seek leave to make a ministerial statement.

Leave granted.

The Hon. M.D. RANN: The state government is closer to taking the commonwealth government to the Federal Court to continue South Australia's fight against a radioactive waste dump being located in our backyard. The commonwealth seizure of state land against the will of the government and against the will of the people of this state will not go unchallenged. Bulldozing over South Australians' legitimate concerns is not a measure of good government and will certainly not work in this state.

Last Tuesday, the Minister for Environment and Conservation sent a request to the commonwealth for a full statement of the reasons for compulsory acquisition under section 13 of the Administrative Decisions (Judicial Review) Act. The commonwealth must respond within 28 days. Once that response is received, and subject to the deliberations of this parliament, the state will immediately lodge an application for judicial review in the Federal Court. I now have a copy of the declaration of compulsory acquisition of land within the Arcoona pastoral lease, which was announced by Senator Nick Minchin on Monday 7 June—and I now table this document.

Despite the compulsory acquisition of land at Arcoona Station by the commonwealth government, there is still a long way to go before the 130 truck loads, we are told, of radioactive waste travel over our borders. It is now more than a fight against the radioactive waste dump. It has now become a fight for our state's rights. It has been the heavy-handed—

Members interjecting:

The Hon. M.D. RANN: There is a clear division with members opposite. The Liberal Party supports a waste dump: Labor is opposed to it. It has been the heavy-handed actions—

The SPEAKER: Order! Leave has been granted.

Mr BRINDAL: I rise on a point of order, sir. Leave has been granted for a ministerial statement, not to debate a matter and, in asserting the views of the opposition, the Premier is, indeed, debating the matter.

The Hon. K.O. Foley: Aren't you leaving?

Mr Brindal: Perhaps.

The Hon. P.F. Conlon: Go ahead: make my day!

The SPEAKER: Order! I warn the Deputy Premier and Minister for Infrastructure.

The Hon. M.D. RANN: It has been the heavy-handed actions of the commonwealth which will force the state to the courts. The commonwealth could have introduced legislation into the federal parliament to try to get it through the Senate, as well as the House of Representatives, but instead has chosen to circumvent the debate by simply imposing the dump by administrative means.

The South Australian Solicitor-General has advised that there are proper grounds on which to challenge the acquisition of the relevant land by the commonwealth in the Federal Court under the Administrative Decisions (Judicial Review) Act 1977. First, the state was denied natural justice before the acquisition of its property and the issue of an urgency certificate by the commonwealth minister under section 24(1) of the Lands Acquisition Act 1989. Secondly, there were no circumstances that permitted the use of the urgency powers in the commonwealth act. Thirdly, the commonwealth minister acted for an improper purpose in issuing the certificate of urgency. The certificate of urgency was used to simply avoid the introduction of a state law. What has been an issue for more than a decade cannot simply become an issue of national urgency overnight.

The only urgency was political urgency. The Howard government wants this out of the way before the next federal election. It wants South Australia to raise the white flag and give up quietly. Well, we will not do that. Included with the

declaration of acquisition, the commonwealth government has issued a compensation form to fill out. They have given us a compensation form to fill out in relation to this nuclear waste dump. This form is basic and simply asks for the identification of items and the total amount we are claiming.

If a dump is imposed on this state, the compensation would be immeasurable. What price do you put on a clean, green image? What price do you put on our environment? What price do you put on the potential export losses for our tourism, wine and food industries? What price do you put on our regional communities that will have to bear the brunt of truck loads of radioactive waste coming across our borders, along our roads and through our communities? How do you put a price in terms of filling in a form on compensation to hand over to the commonwealth?

I can inform the house that the cost of the challenge in the courts has been a topic of wide debate in the media and has been greatly exaggerated by the commonwealth government. I can inform the house, too, that the Crown Solicitor has advised that all work relating to the legal challenge will be performed by salaried staff in the Attorney-General's Department and by the Solicitor-General. There will be no additional costs apart from ordinary court fees. We have seen the stories about millions of dollars. I am advised that there is a filing fee of $574, a setting down fee of $1 148 (which includes the first day of hearing), and a daily fee after the first day of $458. Thus, if the hearing went for a maximum of two days, as I am advised is expected, the fees would be $2 180 in total. Yet we have been hearing the Liberals and the people whom they are getting to ring the talk-back shows talking about millions of dollars.

The cost of not fighting this decision will be much greater for our state and for future generations. If the legal challenge is successful, it could take some months for the final decision to be made. This could take the issue well into next year and become a significant election issue for the commonwealth. It would give the people of this state an opportunity to vote on this issue. In the meantime, I want details of the contract entered into by the federal government with public relations firm Michels Warren to work on this issue. I want to know whether or not their brief includes a letter-writing campaign and a talk-back radio campaign designed to champion the cause of placing the radioactive waste dump in our backyard. Are there phoney letters being prepared? That is what I want to know. I hope not. I hope that they are beyond that. I hope the federal government is doing the right thing—not playing the sort of games we saw before the 2001 election.

Despite the commonwealth's efforts, we do not want to be known as the radioactive waste and the detention centre state. I appeal once again to all members of parliament to put our state first and join the fight against the radioactive waste dump being located in South Australia. Let us vote like our state and future generations depended upon it.

Members interjecting:

The SPEAKER: Order!

The Hon. P.F. Conlon interjecting:

The SPEAKER: Order! I warn the Minister for Government Enterprises for the second time.

QUESTION TIME

ROADS, OUTBACK

The Hon. M.R. BUCKBY (Light): My question is to the Minister for Transport. Will the government reinstate the $3 million in Outback and Far North funding that was cut in Labor's first budget which reduced road maintenance and, hence, threatened road safety? Last year, when the Labor government cut funding for Far North roads by $3 million, the Liberal Party issued a statement saying:

> Roads linking Coober Pedy, William Creek and Oodnadatta are mainly affected by the Rann government's decision to cut funding.

It also stated:

> . . . the cut in funding will endanger the lives of locals and tourists who visit the Outback.

The Hon. M.J. WRIGHT (Minister for Transport): I thank the member for Light for his question: I think everybody in the house is aware why he has asked it. Obviously, the events that took place recently are very sad. As the member for Light and the opposition would be aware, a police inquiry is in progress. I am sure that the member for Light would not want to turn this into a grubby political exercise: I am sure that would be far beyond him.

WOMEN'S INFORMATION SERVICE

Mrs GERAGHTY (Torrens): My question is to the Minister for the Status of Women. What is the significance of the Women's Information Service's 25th anniversary?

The Hon. S.W. KEY (Minister for the Status of Women): On Wednesday last week, over 250 people attended the celebration for the 25th anniversary of the Women's Information Service. Originally named the Women's Information Switchboard, the service was established as a specialised service for women providing accurate and relevant information in a range of areas. The Women's Information Switchboard opened on 8 July 1978 and operated from the old institute building in Kintore Avenue until 1997, when the service changed its name to Women's Information Service and moved to its current location in Station Arcade on North Terrace.

Over the last quarter of a century, the service has maintained its mission to ensure that women have access to accurate and culturally appropriate information. Women continue to seek information on diverse issues such as health and counselling, self-help in support groups, accommodation, disability services, legal and separation issues, domestic violence, work- and finance-related issues, and social groups. Over the years—

An honourable member interjecting:

The Hon. S.W. KEY: I will tell you in a moment—the Women's Information Service has contributed significantly to the community by advocating for law reform, particularly in the areas of domestic violence and the establishment of services for women. More recently, the service launched a community languages booklet, which is being used widely in the multicultural community. The Women's Information Service also has an after hours legal service, internet training and public access computers, a register of tradeswomen and a rural outreach service. The service has provided valuable support to women in South Australia over the past 25 years, and its success is due to the many women who have made an enormous contribution, often in a voluntary capacity. The service continues to assist women in becoming independent by giving them a range of accurate and up-to-date options from which they can make their own choices.

I am pleased to report that an increasing number of women are using the service. In 2002-03, 31 000 people used the service, the majority of these being women but a number of men having also used the service. At least 23 000 women have accessed the service by walking into the Station Arcade

shopfront or through one of the outreach services in the Flinders Ranges, Eyre Peninsula, Riverland, Mid North, South-East and other outer metropolitan areas.

I also want to take this opportunity to note that the 25th anniversary celebration provided the opportunity to publicly acknowledge the former Office for the Status of Women and to say that it will now be known as the Office for Women. Announcing this change at the 25th anniversary event for the Women's Information Service emphasises the importance that I place not only on the office but also on the celebration itself.

Members will be aware that the expression 'status of women' emerged from the United Nations Commission for the Status of Women. However, some people have been confused by the term and there have been some less than helpful twists on the name, especially from those who do not support the policy dedicated to advancing the needs of women. The Office for Women has also recently moved premises from the 12th floor of Roma Mitchell House to the third floor of the same building. I take this opportunity to acknowledge the significant contribution that the office makes in ensuring that women's interests are considered in development of policy across government.

The women's portfolio still has the smallest budget in government, and it is to the credit of that portfolio that the staff there put out the high value work they do and are of great support to women in South Australia. I am sure that all of you join me in wishing the Women's Information Service and the Office for Women well.

TRANSPORT, BUS DRIVERS' STRIKE

The Hon. R.G. KERIN (Leader of the Opposition): Will the Premier instruct the Minister for Transport to work with the parties involved to negotiate a swift resolution to the ongoing bus drivers' strike or at least work towards minimising disruption to the community? Last Friday alone, approximately 95 000 South Australians, including students and the elderly, were left stranded without transport, and a second round of bus strikes are planned for next week. This morning, Alex Gallacher, the Secretary of the Transport Workers Union, confirmed that he had had no discussions whatsoever with the Minister for Transport and Industrial Relations. In fact, he said he could not even remember the last time they had spoken. The former Minister for Transport, the Hon. Diana Laidlaw, well demonstrated how state ministers can play a valuable role in negotiating resolutions to industrial disputes that are in the federal arena. In the year 2000 she took immediate action, stating that she had to do something to help people.

The Hon. M.J. WRIGHT (Minister for Transport): I thank the Leader of the Opposition for his question. Aren't members opposite a funny lot? They privatise the bus service, then they ask an incoming government to play a role after they outsourced the services. Aren't they a funny lot! What else do they do? Whether they privatise ETSA, TAB or the bus services, what do we find? A disaster in waiting! That is because of the mentality of the former conservative Liberal government. Aren't they absolute hypocrites! What do they do now? They ask the government to play a role in this matter, despite the fact that they know full well that it is in the federal Industrial Relations Commission. They are absolute hypocrites!

First of all, they privatise the service; secondly, they know full well that this is in the federal Industrial Relations Commission. It is not in the state system: it is in the federal system. Would they ask us to pay for a dispute that took place with the workers of Telstra? Of course not! This is a cheap political attempt by the former government which, of course, privatised this service.

The Leader of the Opposition referred to the former minister for transport (Hon. Diana Laidlaw) whom the then acting premier acknowledged correctly as being a very good transport minister. What did the Hon. Diana Laidlaw say? On 1 February 2000, the then minister for transport (Hon. Diana Laidlaw) was quoted as saying:

> The government is not involved in the employment arrangements of the new operators, or the remuneration paid to their staff.

That is what your minister said. However, she said more.

Members interjecting:

The SPEAKER: Order, the members for Mawson and Light!

The Hon. M.J. WRIGHT: She went on to say:

> These are issues to be resolved between the companies themselves, their employees and the unions.

End of quote, end of story!

WATER RESTRICTIONS

Mr KOUTSANTONIS (West Torrens): My question is to the Minister for the River Murray. There have been reports of profiteering by businesses during the current water restrictions.

Members interjecting:

The SPEAKER: The member for Bright will come to order!

Mr KOUTSANTONIS: If so, what action can be taken to stamp out such behaviour?

The Hon. J.D. HILL (Minister for the River Murray): The water restrictions that took effect from 1 July apply to the use of water outside and do not affect plumbed water indoors. The restrictions relate to the use of water and do not affect the price of water. Therefore, there is no reason for businesses to increase prices for the use of water. Last week, a listener told 5AA's Leon Byner that a certain licensed premises was not providing free tap water due to water restrictions. Apparently, the licensee said that bottled water could be purchased, but free tap water could not be provided unless a bottle of wine was bought. The member for Unley told the parliament last night that he was aware of a pub (and I imagine that he is aware of a number of pubs) on King William Street that was also refusing to provide free tap water to patrons. It may well be the same pub that was referred to in Leon Byner's program.

I am advised that licensed premises are not required by law to offer free water to customers when serving alcohol. However, the practice of offering free tap water is very common in most pubs and clubs and is strongly encouraged by the Liquor and Gambling Commissioner as part of a responsible service involving the supply of alcohol. It is plainly and simply false to claim that a business cannot offer tap water to customers for drinking purposes due to water restrictions. It is hard to see the business owner's actions in any way other than profiteering. Laws are in place to protect the consumer from profiteering. The Fair Trading Act of 1987 makes it an offence to:

> . . . make a false or misleading representation with respect to the price of goods or services. The offence carries a maximum penalty of $100 000 for a body corporate, or $20 000 for an individual.

On the face of it, it would seem that this business is in breach of that law. Unfortunately, the listener's report to Leon Byner is not sufficiently detailed to pursue that particular business. However, I will contact Mr Byner to invite his listeners to submit any further information, and I ask the member for Unley to provide me with that information as well.

A breach of the Fair Trading Act allows a person to recover losses through the courts. Obviously, no-one would pursue a court action for the cost of a bottle of water. However, if a number of customers of a particular business complain the commissioner has the power to take action on their behalf through a class action where it is in the public interest to do so. Furthermore, the commissioner can seek an assurance from a trader that this practice will stop. If that assurance is not honoured, a fine of $5 000 can be imposed.

It is not true that a pub can claim that it cannot provide free water due to water restrictions. Such a claim is misleading and deceptive. This report may be an isolated incident—although, obviously, we now have two reports: one from Mr Byner and the other from the member for Unley—however, as Minister for Consumer Affairs I issue a general warning that the government will not tolerate profiteering by business during this time of restricted water use.

I strongly encourage the public to report any incidents of possible profiteering to the Office of Consumer and Business Affairs. All such reports will be thoroughly investigated and, if circumstances warrant it, charges may be brought. Complaints can be made to the Consumer Affairs Branch of the Office of Consumer and Business Affairs on 8204 9777.

AUTOMOTIVE INDUSTRY DISPUTE

The Hon. DEAN BROWN (Deputy Leader of the Opposition): My question is to the Minister for Industrial Relations. Why has the minister not taken steps—

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. Foley interjecting:

The SPEAKER: Order! The Deputy Premier has been warned.

The Hon. DEAN BROWN: Why has the minister not taken steps to work with the parties involved to negotiate a resolution to the industrial dispute threatening manufacturing at both the Mitsubishi and Holden plants? The Mitsubishi plant, as we all know, was shut down yesterday due to 200 AMWU workers striking at Henderson's Automotives. In 2001, the then deputy premier, Rob Kerin, worked to successfully negotiate an end to the industrial dispute that threatened manufacturers in this state. The media reported:

> Intervention by the state government has ended an industrial dispute at an exhaust manufacturing plant. Deputy Premier Rob Kerin met the Australian Manufacturing Workers Union delegates and Walkers management yesterday.

The dispute was covered by a Federal Award but AMWU President Ian Curry endorsed the Deputy Premier's actions. He said, 'Mr Kerin's help was constructive and timely.'

The Hon. M.J. WRIGHT (Minister for Industrial Relations): The answer to the honourable member's question is very simple: this is a federal matter under the federal Industrial Relations Commission, as the opposition knows full well. Perhaps the member for Finniss might like to come back and give us in his next question the full details of the precise case in which the then deputy premier was involved.

ROADS, BLACK SPOT FUNDING

Mr RAU (Enfield): My question is also to the Minister for Transport.

Members interjecting:

Mr RAU: This is a demanding question.

An honourable member interjecting:

Mr RAU: No warning at all. What is the new role for local government in the state's Black Spot Program?

The Hon. M.J. WRIGHT (Minister for Transport): I thank the honourable member for his question and his ongoing passion for road safety. The government's road safety initiatives include funding for the state's Black Spot Program in recognition of South Australia's appalling road safety record and the role that infrastructure can play in lowering the road toll. As stated in the South Australian Draft Transport Plan, a key transport priority is to improve road safety evidenced by the target of a 50 per cent reduction in fatalities and serious injuries by 2018. In keeping with this target, the government has allocated $7 million to the state's Black Spot Program for 2003-04. This will fund four rail level crossing projects and a further 19 road sites across the state arterial network in rural centres and busy city routes.

Road safety in country areas is of great concern to this government because country residents are over-represented in fatalities. This trend must be reversed, and 65 per cent of the black spot funding will be expended in country areas. Examples of the projects in this year's program are:

- intersection upgrades at the Jubilee Highway and Pick Avenue intersection in Mount Gambier; the Main North Road and Silo Access Road intersection at Melrose; and works at the complex Mortlock Terrace/Verran Terrace/Shepherd Avenue/Anne Street intersection, Port Lincoln;
- traffic signals or roundabout installation at the Naracoorte to Apsley Road and McRae Street South intersection at Naracoorte; and the Murray Bridge to Wellington road at Mulgandawah Road intersection at Murray Bridge;
- installation of up to seven slow vehicle turn-outs on the Tea Tree Gully to Mannum road in the Adelaide Hills; and
- works at several metropolitan locations, including the Cross Road/Winifred Street intersection at Marion, and the Grand Junction Road/Hanson Road intersection.

I am especially delighted that, in a South Australian first, a new state and local government joint funding arrangement called the Safer Local Roads Program is being established under the state black spot program to fund projects on local roads. Local government's contribution will start at 25 per cent in 2003-04, increasing to 33 per cent for the following two financial years. The Safer Local Roads Program further bolsters the total funds to remedy notorious black spots across our state. This financial year the arrangement will take total funding to $7.5 million, with $2.3 million allocated to local roads and the prospect of more to come in succeeding years.

MOTOR VEHICLES, REGISTRATION

The Hon. M.R. BUCKBY (Light): Will the Minister for Transport advise the house of the predicted total loss to Revenue SA resulting from the government's plan to phase out registration discs? While this initiative will result in a one-off saving to the Department of Transport, the potential for an increase in the number of unregistered cars will result in ongoing loss of revenue to the government.

The Hon. M.J. WRIGHT (Minister for Transport): National rules for vehicle registration have dispensed with registration stickers. South Australia is likely to be the first state to implement the change. Is that such a bad thing?

An honourable member interjecting:

The Hon. M.J. WRIGHT: The member for Mawson says it is a bad thing because he does not like South Australia to be first with anything. Other states will follow. Technology is such that police no longer rely on registration stickers. Police have online access to the vehicle register, and police can verify registration from the roadside either via radio or directly. That is what will take place. I will come back with the detail requested by the member for Light. To the best of my knowledge, I have not been advised. In the situation that the honourable member is talking about, the figure that was of serious concern would be minimal, if at all.

An honourable member interjecting:

The Hon. M.J. WRIGHT: No, I'm not. If I had that detail—

An honourable member interjecting:

The Hon. M.J. WRIGHT: No, not at all. If I had that detail, obviously I would provide it now. I will get that detail for the member for Light. It is my understanding that what he has asked about would be a very minimal amount. However, I will come back with that detail.

BIOTECHNOLOGY COMPANIES

Ms CICCARELLO (Norwood): My question is to the Minister for Science and Information Economy. What support is available to South Australian biotech companies, particularly start-up or early stage companies?

The Hon. J.D. LOMAX-SMITH (Minister for Science and Information Economy): I thank the member for Norwood for her interest in the science community and innovation within this state. BioInnovation SA is a dedicated public body incorporated by the state government to drive the growth of South Australia's bioscience industry. It has developed an initiative known as the BioCatalyst Program Fund, whereby South Australian bioscience companies are given preference in eligible funding for start-up and early stage development. The aim of the fund is to help reduce the cost of demonstrating the commercial and technical viability for start-up and early stage South Australian companies, and to attract private sector and venture capital investment into the bioscience industry. The application process is both rigorous and challenging for the applicant, and it is considered a significant achievement to be awarded a BioCatalyst funding start. The BioCatalyst Program Fund provides funding of up to $250 000, provided there is dollar for dollar support from other sources, such as venture capitalists or investors, who are needed to exploit international property for which there is a patent that can be proven. The funds are allocated for projects where there is the requirement for proof of concept development over an 18-month period.

The first two companies to be awarded this funding are in South Australia's lung science and hydroxyl radicals areas. The first company is called Lung Health Diagnostics, which has discovered a marker within the serum for surfactant, one of the proteins produced in the lungs when the lungs are under stress. This is a particularly useful marker for disease, because it can be used at a time before there are clinical signs and before people require intensive care management. The first product that has been used in this area of surfactant chemistry is one that detects acute respiratory distress syndrome—something like SARS—a condition which affects as many people as leukaemia within our community and which has the potential to kill. The other start-up support is for a company called OzTech. Its application is to develop technology which creates hydroxyl radicals, which can be used to kill micro-organisms and bacteria. This is particularly useful, not in the human setting but, rather, in the cleaning of beverage lines for beer and wine—an important resource to keep germ free. These two opportunities have the potential for serious development and economic benefit in the future, and I congratulate these two companies on taking the first step to develop their intellectual property and to take it to market.

FAMILY AND YOUTH SERVICES

The Hon. DEAN BROWN (Deputy Leader of the Opposition): My question is to the Minister for Social Justice. Why has the government not resolved the current FAYS dispute by providing funds to employ more staff, rather than expect bans to be lifted without committing to one extra staff member to protect children? Yesterday, the government wrote to the Public Service Association demanding that all bans be lifted before the government will even consider the appointment of more staff or the provision of more funds.

The Hon. S.W. KEY (Minister for Social Justice): I think it is timely that the deputy leader has raised the issue of Family and Youth Services because, last time I was asked a question by the opposition about Family and Youth Services, a claim was made by the leader about a child who was in an urgent and difficult situation and who needed assistance from Family and Youth Services staff. As yet, I still have not received information about that particular urgent case. I ask the leader to provide that information to me—and I do question the urgency of that matter he raised that day.

In relation to the question just asked by the deputy leader, as members in this chamber would know, an industrial dispute has been going on for some four weeks now between Family and Youth Services and the government. There have been discussions about work force levels and issues to do with the very important work that Family and Youth Services workers do. I would be interested to see the letter to which the deputy leader refers. However, the point of his question is whether there will be any resolution with regard to this dispute. I believe that there will be resolution shortly. We have been trying to work through the absolutely hopeless financial history that Family and Youth Services has had not only by setting up an audit but also by setting up a work force review and analysis to ensure that (as was suggested by Robyn Layton QC in the child protection report), instead of having a piecemeal attack at Family and Youth Services regarding the level of staff, we have a proper analysis of the staff that we need to do the job.

I should also say that it is a tribute to the staff in Family and Youth Services that the very important and urgent needs of child protection and also neglect have been looked after very well. Indeed, I think in Robyn Layton's report there is an acknowledgment that that work has been done very well in South Australia. However, some very serious questions need to be asked regarding, in particular, some of the tier 3 cases that have been raised concerning child protection. That is the very thing on which we are hoping to come up with a proper and informed response and the number of staff we need.

One of the points that does need to be emphasised, though, is that not only did I as the Minister for Social Justice inherit a very bad situation from the previous government with Family and Youth Services but also the statistics that were used in the Robyn Layton review were based on the previous government's record, which, let us face it, was not very good.

Our government not only undertook a review but, in an orderly way, we have also worked through how we can best take up those recommendations. Currently we are working on some 200-odd recommendations to ensure that we end up with the best system of child protection and support in Australia.

HEALTH, SOUTHERN REGIONAL SERVICE

Ms THOMPSON (Reynell): My question is to the Minister for Health. Will plans for the establishment of a new southern regional health service make provision for the special role undertaken by the Repatriation General Hospital in providing services to our veterans?

The Hon. L. STEVENS (Minister for Health): Both the Premier and I have given assurances that the Repat's role as a special place for our veterans will be preserved and protected. As announced in First Steps Forward, we will be creating a new southern regional health service to bring together the Flinders Medical Centre, Noarlunga Health Service and associated community health services. The Repatriation General Hospital has been invited to be part of this process, but I have made it clear that, with the assistance of the board of the Repatriation General Hospital, I want to consult with veterans' organisations to ensure that their needs and wishes remain paramount. The government will respect the wishes of veterans as it considers what is the best move for them and their hospital. I want to stress that this not a process of amalgamation, takeovers or mergers. The new organisations—

Mr Brokenshire interjecting:

The SPEAKER: Order, the member for Mawson!

The Hon. L. STEVENS: The new organisations will be based on clearly articulated values and principles which emphasise a population health approach, needs based planning and funding, community participation, a commitment to safety and quality, cooperative networks of services, effective clinical governance and an orientation towards primary health care.

FAMILY AND YOUTH SERVICES

The Hon. DEAN BROWN (Deputy Leader of the Opposition): My question is again to the Minister for Social Justice.

Members interjecting:

The SPEAKER: Members will not barrack. That is more in keeping with the playing of netball and football matches on Saturday, not with the conduct of parliament. The deputy leader has the call.

The Hon. DEAN BROWN: When will the minister ensure that Family and Youth Services is adequately funded so that additional staff can be employed to protect children at risk of abuse? The Public Service Association has revealed that there are now 25 fewer Family and Youth Services staff to protect children at risk than six weeks ago, even though the number of child abuse inquiries has risen by 22 per cent in recent months. The government has cut funding and reduced staff, and FAYS has been paralysed by an industrial dispute.

The Hon. S.W. KEY (Minister for Social Justice): I am very pleased that Family and Youth Services is being discussed in this chamber because it is a very important organisation under the social justice and community services banner. The first point I make is that there have been no cuts to staff in Family and Youth Services, unlike what happened under the previous government where staff were transferred from Family and Youth Services to the Youth Court and never back-filled by the previous government. There are some difficulties—

The Hon. Dean Brown interjecting:

The Hon. S.W. KEY: Would the deputy leader like to hear the answer, or will he continue to interject? Secondly, it is true to say that staff have been lost from Family and Youth Services, because it has been very difficult to get staff to transfer particularly to some of the country regions and take up youth worker or social worker jobs. This needs to be addressed urgently. One of the reasons I announced, in a ministerial statement some weeks ago, the need for a work force analysis is that concerns have been raised by FAYS workers—with me, directly, and through their union—about the amount of work that needs to be done in this area. This is an area of serious consideration for this government, and we have been asking Family and Youth Services workers and the Public Service Association, as their union, to work with us to come up with the right formula with regard to not only work levels but also the work force levels that we need to operate best practice family protection and support service.

SAMAG MAGNESIUM PROJECT

The Hon. R.G. KERIN (Leader of the Opposition): My question is to the Premier. Will he assure the house that the state government review into the Port Pirie magnesium project will be completed, taken to cabinet and resolved before the end of July? Magnesium International's entitlement issue, which was before the market at the time of the announcement of the review, raised only $2.9 million of the $8.3 million target, and that has threatened the finalisation of the company's venture with the CSIRO. The review's completion and result is vital to the future of this important project, which has enjoyed bipartisan support.

The Hon. M.D. RANN (Premier): I will take on merit the indication that there will be continued bipartisan support. Certainly, the SAMAG plant proposed for the Port Pirie area has our very strong support. I have already announced that the state government is prepared to put $25 million into the infrastructure. Obviously, we have to do so in a way that complies with WTO rules. During my visit to Germany last year, I met with people from one of the world's largest metal company who told me that they were prepared to buy all the magnesium produced by the SAMAG plant. Of course, SAMAG has intellectual property access to a particular form of processing that perhaps some other companies do not have.

It is vitally important, however, that we make sure that we monitor the situation internationally. People would be aware of problems in Canada and massive problems in terms of a rival Queensland venture. My point is that it would be grossly irresponsible for us not to be updated on the situation that relates to the international magnesium market, and therefore this update review is appropriate and I have written to the federal government to inform them about that. However, if people want to be bipartisan there is one area in which we could seek some help. As you know, both before and after the election I have continually reiterated my support for

SAMAG, but we still have not had any indication from the federal government, and that is the key point.

The federal government was very quick to put in support for the Queensland rival proposal, yet to the best of my recollection we have yet to receive any indication of financial support from the federal government. Let us enshrine bipartisanship in a partnership. I hope that the Leader of the Opposition can talk to John Howard to get some funding to perhaps match our provision of infrastructure funding, which is essentially about an industrial park north of Port Pirie. In that way, by investing in the infrastructure rather than a straight grant to the company, it could mean that, when established, the magnesium plant would be compliant with World Trade Organisation regulations. I have had a good relationship with SAMAG and I hope the review and update can be completed as soon as possible, but it must be done properly. No-one should ever fear scrutiny of the international market conditions, because that could be quite helpful to us.

ATTORNEY-GENERAL

The Hon. R.G. KERIN (Leader of the Opposition): Has the Premier had any discussions with, or correspondence from, the Auditor-General regarding the McCann report other than the one page report that was released to the media?

The Hon. M.D. RANN (Premier): No; to the best of my recollection the only letter I have seen from the Auditor-General is the one which has been made public and to which I referred yesterday.

Members interjecting:

The Hon. M.D. RANN: No; I understood the word 'letter' was mentioned, and we have had no discussion. The letter arrived last year while I was overseas; I think I was in London at the time.

The Hon. R.G. KERIN: At what point was the Director of Public Prosecutions, Mr Paul Rofe QC, shown the McCann report?

The Hon. M.D. RANN: As I understand it, while I was overseas most recently, when Kevin Foley, the Minister for Police and Acting Premier, sought advice from the Crown Solicitor as to the release of the McCann report, and from the Justice Department, the ACB was invited to pursue the issue. I do not interfere and I will not pick up the phone and talk to Paul Rofe, Ken MacPherson, James Judd or Ron Beazley, because I think it would be improper for me to do so, but I would imagine that the ACB would have consulted the DPP in the process of its investigations. I would imagine that is the normal course. Again, I am quite happy to give the police phone number to the Leader of the Opposition and he can work his fingers to the phone and ask the superintendent conducting the inquiry.

RADIOACTIVE WASTE

The Hon. W.A. MATTHEW (Bright): Is the Minister for Environment and Conservation aware that the volume of waste tailings from just one day's mining at Roxby Downs is greater than the volume of radioactive waste likely to be stored at the proposed national low level waste repository at Woomera? If so, why is this government advocating the doubling in size of Roxby Downs mining but campaigning against storage of a comparatively small amount of low level radioactive waste at Woomera?

On 29 April this year, the Premier advised this house that he, like the Liberal Party, supports 'at least a doubling of the size of Roxby Downs'. I am advised that the present mining operation at Roxby Downs puts more than 7 million tonnes of waste annually into the environmentally approved tailings dam. This tailing contains uranium and is, effectively, low level radioactive waste. The daily amount of tailings waste is greater than the total volume of waste that would be stored at the proposed federal low level radioactive waste repository over its 50-year lifetime.

Members interjecting:

The SPEAKER: Order!

The Hon. W.A. MATTHEW: Industry experts advise the opposition that South Australia is becoming a laughing stock with Labor's policy of saying okay—

Members interjecting:

The SPEAKER: Order!

The Hon. W.A. MATTHEW: —to waste from mining for uranium—

The SPEAKER: Order!

The Hon. P.F. CONLON: I rise on a point of order. I seek your guidance, sir, as to whether, whilst purporting to make a factual explanation, the opposition is free to use third-hand hearsay from unidentified sources to offer opinion.

Members interjecting:

The Hon. P.F. CONLON: In that case, sir, will the member identify the industry expert?

The SPEAKER: Yes—me.

The Hon. J.D. HILL (Minister for Environment and Conservation): I am delighted by the question from the member for Bright. This is the second day that the member has tried to peddle this particular argument, which indicates how desperate the opposition is becoming in this debate. We know that the opposition is a dump lover and wants to see all the radioactive waste in Australia stored in our state.

I am happy that the opposition has that policy position, but the reality is that, on this side of the house, the government has a different view. Before the election and before the voters had a chance to make a decision, we let them know our position. We said that we would fight this dump every inch of the way, and that is exactly what we are doing.

The opposition does not like that policy position, and it is trying to find every single argument it can to counter it. Members opposite are really scraping the bottom of the proverbial barrel now, because there is no connection between the mine at Roxby Downs (a mine which was, incidentally, approved by the 1979-82 Tonkin Liberal government but opposed by the Labor Party) and the dump that the commonwealth wants to impose on the people of South Australia against their will. This government will continue to oppose the dump.

INTERDOMINION CHAMPIONSHIPS

The Hon. D.C. KOTZ (Newland): My question is to the Minister for Recreation, Sport and Racing. Has the Office for Racing approached the minister to seek funding for the Interdominion Championships 2005, which is a major role of the Office for Racing, as identified in its strategic plan 2003? If so, what was the outcome of any discussion or correspondence? The strategic plan 2003 states that the Office for Racing, under development initiatives will:

> . . . assist the controlling authorities to identify relevant economic employment and tourism benefits, as applicable, arising from the conduct of major racing carnivals.

It continues as follows:

> . . . assist the industry to identify and assess opportunities for leveraging financial assistance and other forms of support from federal, state and local government towards specific projects that satisfy the delivery of measurable employment and economic benefits which have industry specific and statewide outcomes.

The Hon. M.J. WRIGHT (Minister for Recreation, Sport and Racing): To the best of my knowledge, the Office for Racing has not approached me. Certainly, it has not done so in respect of the government's providing financial assistance. The Office for Racing knows full well (as do the government and the opposition) that, as a result of a bill that the previous government took through the parliament in regard to the corporatisation of the racing industry, we have a changed situation.

The former minister for racing who led that bill through the parliament knows full well that that is the case. I invite him to have a discussion with the shadow minister for racing, because he knows full well that, with the corporatisation of the racing industry, there is a different role for government. The role of government is not to be a provider of direct financial support. If we are able to provide assistance in other ways—I think those are the words used by the shadow minister (the member for Newland)—well and good.

SCHOOLS, MATERIALS AND SERVICE CHARGE

Ms CHAPMAN (Bragg): Does the Minister for Education and Children's Services agree that the Department of Education and Children's Services has a statutory obligation to provide stationery as part of the maximum $161 compulsory fee that can be charged by schools for materials and services for children enrolled at primary school level; and, if not, why did the department recently consent to a judgment award of $25 being paid to parents who sued the department for the recovery of the cost of purchasing stationery for their children?

The Hon. P.L. WHITE (Minister for Education and Children's Services): The answer to the last part of the question is that the department agreed to a settlement of $25 because it would have cost the department a lot more to defend the case. Obviously, that was a sensible decision. There is no legal requirement for the government to provide stationery to students, but I inform the house that our schools provide stationery for students who otherwise would not have it. The government—and I think this is a position that the previous minister also held—does not want to see the education of a child hampered because a parent has not paid a school charge. So, if children arrive at school without stationery, it is supplied by the school.

SAME-SEX RELATIONSHIPS

Mr SCALZI (Hartley): Did the Premier receive suggested amendments to the same-sex superannuation bill prepared by—

Members interjecting:

Ms Breuer: Been there; done that!

The SPEAKER: Order! I call the member for Giles to order for the second time. I do not know what she claims to have done, but I certainly was not there when she did it. The member for Hartley has the call.

Mr SCALZI: Did the Premier receive suggested amendments to the same-sex superannuation bill prepared by Dr John Fleming, Director of the Southern Cross Bioethics Institute, and did he present them to the Labor Party room for discussion before the bill was passed on 4 June this year? The Bedford bill focuses on extending the definition of 'putative spouse'—

The SPEAKER: Order! The honourable member knows that he must refer to other members by the electorate they represent.

Mr SCALZI: The member for Florey's bill focuses on extending the definition of 'putative spouse' to include same-sex partners. In an interview on 5AA's *Sunday Night Talkback* (8 June 2003), Dr Fleming stated that this approach 'proposes a moral equivalence between same-sex couples and marriages' and that 'the same legislation could have gone through removing all of that reference'. Dr Fleming prepared a proposal replacing the definition of 'putative spouse' for same-sex couples with a dedicated section for committed same-sex couples. He said:

> I gave it to Ms Bedford. . . I also gave it to the Premier.

Where these amendments ignored and, if so, why?

The Hon. M.J. ATKINSON: I rise on a point of order, Mr Speaker. The member for Hartley appears to be recanvassing debate and the merits of a bill that has passed this chamber in the same session.

The SPEAKER: Order! The point of order taken by the member for Croydon would probably be valid if the explanation of the question was relevant to the substance of the question. However, it is not. I therefore call the Premier.

The Hon. M.D. RANN (Premier): Let me just say (and I am trying not to be controversial) that one thing has been missing from today's question time—

An honourable member: Yes or no?

The Hon. M.D. RANN: I will answer the question; don't you worry. The one thing that has been missing from today's question time is an apology to the Minister for Health from the Deputy Leader of the Opposition because, quite frankly, this Auditor-General's Report is an indictment on the opposition.

Members interjecting:

The SPEAKER: Order! The Premier will resume his seat. Before the Premier proceeds, he might like to take the standing orders handbook out of his desk and read standing order 97.

The Hon. M.D. RANN: Thank you, sir. I need to refresh myself on standing orders. The one that constantly comes to mind is standing order 303. The message also today is that, given Saturday's and today's poll, the community wants members opposite to start being on South Australia's side, just for once.

Mr WILLIAMS: I rise on a point of order, Mr Speaker. My point of order is one of relevance. Sir, maybe you should direct the Premier to read the handbook on standing orders before he answers the next question.

The SPEAKER: Order! I require the Premier to read to the house standing order 98.

The Hon. M.D. RANN: I refer to chapter 12—questions seeking information. Of course, standing order 96 refers to questions concerning public business; standing order 97 is such questions not to involve argument; standing order 98 is no debate allowed (125). It provides:

> In answering such a question, a Minister or other Member replies to the substance of the question and may not debate the matter to which the question refers.

So, let me just give comfort to the member for Hart. I have received many amendments on many bills. The fact is that the

parliament has already passed the law in question. Only the member for Hartley seems not to have noticed.

Members interjecting:

The SPEAKER: Order!

POLICE PATROLS

Dr McFETRIDGE (Morphett): Will the Minister for Police advise how often and on what basis the Glenelg bicycle patrols and the cage car are being tasked to Unley, thereby leaving the Glenelg area with only a shopfront police station and occasional foot patrols? I have received complaints from business proprietors with shops along Jetty Road, Glenelg, regarding repeated acts of vandalism and the lack of police presence. One shop owner told me that the Glenelg patrols are sent to Unley twice a week. Obviously, when they are in the Unley area, they cannot patrol the Glenelg area.

The Hon. K.O. FOLEY (Minister for Police): I could make some reference to the quality of representation in the Unley area, but that would be a tad unfair on my good friend, the member for Unley, who I am sure does not want to leave this place because of any actions in which I have taken part. I would be most disappointed if that were the case, because a longstanding friend of mine is the member for Unley. As the member for Morphett—Glenelg I was going to say—knows full well, as police minister I do not have responsibility for operational matters. That is the responsibility—and correctly so—of the Police Commissioner, who is doing an outstanding job. Of course, I will refer this matter to him and ask him for a considered reply.

CONSTITUTIONAL CONVENTION

Mrs HALL (Morialta): Mr Speaker, my question is directed to you. Will you provide the house with an update of any plans to establish a second constitutional convention? As you would be aware, media coverage earlier this week reported that you were prepared to commit personal funds to a second constitutional convention. However, there has been little discussion of a second constitutional convention prior to these media reports.

The SPEAKER: The report is accurate. I will be happy to see the member in my office afterwards.

SCHOOLS, PETERBOROUGH

The Hon. G.M. GUNN (Stuart): Will the Minister for Education give a date on which the preschool at Peterborough will be relocated to the primary school site? In the last Liberal budget, funds were committed to shift the preschool from the site of the Peterborough Oval, which is on the main thoroughfare, to a new site at the primary school, which has suitable buildings that are not being used.

An honourable member interjecting:

The Hon. G.M. GUNN: You've treated them badly, too. However, the government made a decision to defer the project. Now the government has allocated some $440 000, which is not sufficient to meet the cost of relocation. Therefore, the community has waited long enough, and I ask the minister to give definite construction and completion dates.

The Hon. P.L. WHITE (Minister for Education and Children's Services): I understand there is a date for that relocation. However, I cannot remember what it is off the top of my head. I am happy to get that information for the member and bring it back to the house.

GRIEVANCE DEBATE

HOSPITALS, QUEEN ELIZABETH

The Hon. DEAN BROWN (Deputy Leader of the Opposition): I wish to briefly grieve about the findings of the Auditor-General on the purchase of the MRI at the Queen Elizabeth Hospital. The Auditor-General has basically found that three key decisions were made on this matter: firstly, that the former Liberal government had agreed to purchase an MRI machine at the Queen Elizabeth Hospital and, at the same time, the Labor Party in opposition was making statements that it would purchase a new, larger machine; secondly, a decision was made after the 2002 election to secure delivery of a different machine; and, thirdly, that documents that had legal and financial consequences for the Queen Elizabeth Hospital were executed without lawful authority. In fact, those documents were also altered.

An honourable member: You were found to be wrong, Dean.

The Hon. DEAN BROWN: No, I wasn't found to be wrong at all. Clearly, Dr Davies and Mr Campos in relation to those matters made inappropriate decisions and, in the case of the third one, Dr Davies—

The SPEAKER: Order! The member for Kavel will either acknowledge the chair, depart the chamber or conduct himself in a more orderly manner.

The Hon. DEAN BROWN: The Auditor-General said that Dr Davies altered and executed without lawful authority appropriate documents to buy the new MRI machine. I accept the findings of the Auditor-General, where he says:

> The statements in question were political promises—

that is, from the Labor Party—

> of additional funding. They were not statements that justified or authorised the decision to proceed with an acquisition of a particular strength MRI machine, or in fact any MRI machine, at that or any later time, without approval from the relevant authorities. Accordingly, in my opinion, Dr Davies and Mr Campos were not justified in acting as they did by those statements.

I accept that finding by the Auditor-General, that is, at no stage was the statement by the Minister for Health or Premier a formal authorisation to buy an MRI machine. I go back to the point that numerous political statements were made by both the Premier and the Minister for Health after the election, which made political points and political promises. It would appear that the two staff members at the Queen Elizabeth Hospital acted, therefore, inappropriately, even though they believed, at least according to the evidence given, the political commitment given by the new government.

If members look at the Auditor-General's Report, it comes out with some very clear findings. First, inappropriate action took place last year involving the purchase of the new MRI machine by at least two staff members of the Queen Elizabeth Hospital. That is a clear and open finding from the Auditor-General. Also, it shows that political statements were made and discussions were held with those staff members, which

caused a great deal of confusion in the minds of the staff members. For instance, the minister met with Dr Davies. Why the minister would meet with Dr Davies, who is a doctor at the Queen Elizabeth Hospital, is beyond my comprehension. Normally, ministers deal with the CEO of the department, or the CEO of the hospital, or the board of the hospital.

The minister's Chief-of-Staff also met with Dr Davies about the purchase of this MRI machine. I accept the finding of the Auditor-General regarding the statement made on 22 March by the minister, where the minister said, 'Labor will keep its promise to provide new MRI machines at the Queen Elizabeth Hospital and Lyell McEwin Hospital.' I accept the fact that is a political statement, which did not give these people due authorisation to purchase the machines. What is also clear is that, having come to government, having had a change of policy in terms of what was already in place, they failed to put down clear directions for staff to follow.

Time expired.

CALISTHENICS

Ms BEDFORD (Florey): In what will probably be my last opportunity to grieve before the winter break, I have several issues to raise. Earlier this month I was able to attend two days of competition at the National Calisthenics Titles held in Perth, where our state's team did us proud with fabulous routines across the range of disciplines; and our graceful girls excelled and won several awards. I congratulate all girls who were selected to compete at this level and who performed so well on our behalf. I also congratulate the coaches and support staff, and mention must also be made of the families who have encouraged their daughters and enabled them to compete at the elite level in their age group. Some girls started at age three or four and have competed up to age 20 and over, and they now not only compete but also give back to the sport by coaching the tinies teams. I am happy to report that this year we have a record number of tinies in clubs in my area, which bodes well for the future, not only for the sport but also for the development of the girls involved.

I also put on the record today my gratitude to the Pickard Foundation. As a result of its assistance, and through the work of Coralie Cheney liaising with the Calisthenics Association, work on the new toilet block at the Royalty Theatre will be finished shortly—a much needed major upgrade that will provide beautiful facilities for calisthenics competitors and enthusiasts, as well as arts patrons who use the theatre during the festival.

I also mention, by way of follow-up, that my grieve on the movie *Bowling for Columbine* attracted the attention of *Bulletin* contributor, Tim Blair. Apparently, Mr Blair dislikes Michael Moore, because of what he claims are inaccuracies in statistics in the film. While my contribution prompted him to liken my representations on behalf of my electorate to the work of the crusading film critic not afraid to promote causes she feels are just and worthy and who has the courage of her convictions—a likening, I must admit, I did find flattering—I can assure Mr Blair that my post nominals do not stand for Margaret Pomerantz. I can only hope that he feels the same outrage about the factuality of claims made by the Prime Minister about the level of involvement in the Taliban by David Hicks—whose children live in my electorate of Florey—or the acquisition of uranium from Africa by Iraq; not to mention the capacity in WMDs, with apologies to any film critic whose initials are represented by that acronym.

On the topic of factuality, I feel compelled to advise the house that a publication, which was distributed in my electorate and which was authorised by the federal member for Makin, Trish Draper, completely misrepresents the SHARE program, currently being piloted in 14 schools across the state. Coincidentally, none of the schools are in Florey or, curiously, within the electorate of Makin—which is her electorate. One can only question how such a publication can be justified from within her electorate allowance, and the many complaints from taxpayers who have contacted my office are justified. Those who have seen this piece of misinformation have been made aware of the facts of the situation, and they are alarmed that such claims could be made in the first place. What Ms Draper fails to make clear is that students participate in this program only with the written permission of their parents.

Mr HAMILTON-SMITH: I rise on a point of order, sir. The member is canvassing debate on a motion before the house on Thursday 17 July, item No. 11, moved by the member for Bragg. The motion deals specifically with this subject. I ask you to rule on whether it is appropriate for the honourable member to canvass that debate.

The SPEAKER: It is not appropriate.

Ms BEDFORD: Thank you, Mr Speaker. Also, she has not stated that material used in the preparation of its content is largely derived from existing programs at both state and federal levels, is prepared under the supervision of people in Liberal governments. Quoted out of context, in the way it is, the content of any program can be made to look very bad, and we all know that political point scoring of this nature is far from the truth. This pilot looks to address the state's high rate of pregnancy and abortion, and recognises that the use of alcohol and other drugs contributes to unsafe sex, not to mention the rate of youth suicide—often the result of issues concerning sexuality. The importance of addressing these issues cannot be overstated, and it is not served well by publications such as that distributed by Ms Draper at the expense of the residents she has been elected to serve and who deserve so much better in the way of representation.

STATE MUSIC CAMP

Mr HAMILTON-SMITH (Waite): I rise to speak about the State Music Camp 2003. Recently, I was invited to attend the final concert held at the conclusion of the State Music Camp. I put on the record my admiration for all involved in organising the State Music Camp. It truly was an extraordinary experience for the students who attended. The South Australian Music Camp Association was formed in 1962 to provide young instrumentalists with an opportunity to play in orchestras, and it has operated every year since then. Indeed, this year was the 41st year of such camps. It is interesting to note that campers from an earlier generation have often kept in touch with the movement, even as proud parents of keen young campers or sometimes as tutors and conductors. The value of the State Music Camp is recognised by placing young players in a stimulating environment where they can tackle and master a challenging and enjoyable repertoire.

As shadow minister for the arts, I commend the South Australian Music Camp Association for its fine achievement over 41 years; in particular, I congratulate Elizabeth Koch, the Director of this year's event. She welcomed every one to the 41st State Music Camp on the evening at St Peter's College. She noted that all should commend the conductors,

tutors and composers who were involved in organising the event. Ms Koch called on everyone to continue the tradition of securing the magnificent staff of conductors, tutors, administrative and security personnel who were all involved in contributing to such a successful event. In particular, I would like to draw to the attention of the house the appreciation that should be shown to Josie Hawkes, administrator, whose exceptional skills at bringing together a million different strands in time for the 7 July performance were plainly evident on the night. Silver Keys and Strings Music Centre, as a major sponsor, was also very supportive to both students and the event and is to be commended.

On behalf of the house, I also thank St Peter's College, which made their magnificent facilities available, and have done so year after year for this splendid arts event. The support and cooperation of staff at St Peter's College has been fantastic over those years, and hopefully will continue for many years into the future. Apart from Silver Keys and Strings Music Centre, the house should also note that the Adelaide Symphony Orchestra should be thanked, as many of the tutors were employed as musicians and teachers by the ASO. The Department of Education and Children's Services is to be commended, as well as the band of the South Australia Police and the Elder School of Music.

A number of orchestras performed. The students were grouped together into a number of orchestras and ensembles. I particularly enjoyed the Roberts Wind Ensemble and the Marcus String Orchestra, and their rendition of the Bach Concerto in D major was something to be admired. To the conductors who participated, I say well done. To Stuart Jones, who I note is also the Musical Director of the Mitcham band (being the district I represent), Robyn Tannhauser, Keith Crellin, Steve Eads and John Curro AM, MBE, I say well done.

This State Music Camp is building audiences for the future. It is training musicians and giving them an opportunity to go on to a career in music. It is promoting the arts within South Australia amongst young people. I recently attended an arts summit at which audience development and talent development of the young was a major focus. This State Music Camp 2003 is run by an organisation of people and involves a collection of participants of whom we should be very proud. To all involved in organising the event—the tutors, conductors, administrative staff, stage managers and library staff—I say well done on behalf of the parliament. Keep up the good work.

HOUSING MARKET

Mr O'BRIEN (Napier): Over the weekend the *Advertiser* reported on its front page that Adelaide house prices have risen 30 per cent over the past 12 months. The rise was on top of a rise of nearly 15 per cent the previous year and 16 per cent the year before. Is the Adelaide market overheated? USB Warburg research suggests that nationally housing is overvalued by 20 per cent, relative to what would constitute fair value. Fair value is determined, in part, by rental yield, which Westpac estimates to be below 3 per cent. Rental return historically sits at around 8 to 10 per cent. Simply put, house prices are too high to give an adequate rate of return on investment. The Australian Prudential Regulation Authority is currently stress testing Australia's 122 home loan providers to ensure that they can survive a slump in the $380 billion residential housing market.

What the authority is seeking to determine is that lenders have sufficient capital to cope with the level of increase in home loan defaults and loss rates experienced during past downturns. There is a general expectation that housing prices will fall. The question is: how rapidly will prices fall and by how far? Commentators have projected that prices will come off by between 10 and 30 per cent. In Adelaide, this could mean a loss of all gains made in the past 12 months. For persons purchasing in the past year, a 10 per cent drop in value on, say, a $300 000 property would shave $30 000 off the value of that property. A drop of 30 per cent would bring the value of the property down to a value of $210 000 which is a reduction of $90 000.

When will this slump occur? The Reserve Bank would like to see it happen sooner rather than later, but in a controlled manner. However, the interest rate tool is denied the Reserve Bank because of the recent upward movement in the Australian dollar. The bank would like to lift interest rates to dampen the real estate market. Borrowings are still on the rise, and the month of May saw the second highest level on record and the highest for the past 16 months. However, an increase in interest rates by the Reserve Bank would cause a capital inflow into Australia by funds managers in pursuit of our higher interest rates. In turn, this would place upward pressure on the Australian dollar which would further jeopardise our export trade. The Reserve Bank is between a rock and a hard place: uncontrolled real estate slump or export slump.

One problem requires a lift in rates: the other a fall. What will happen to South Australians in the event of an uncontrolled real estate slump? For those purchasing a family home, the slump will have little impact. Values generally return to pre slump levels over a six to eight year period, generally far less time than that for which a family home is held. For those who have made a short-term or speculative investment, the outlook is far less positive. These investors should be looking to negative capital gain in the medium term and a rate of return on an illiquid investment that may look extremely paltry in a future environment of high interest rates on cash and a stock market on the rebound.

The message that the Reserve Bank is attempting to project in the absence of a rise in interest rates is that persons purchasing a residence should be aware that prices will drop and that they should strike a deal based on this knowledge. Similarly, business people contemplating a real estate investment financed by cash flow from a trading concern should be aware that an investment at this time will probably result in the evaporation of equity and an erosion in their ability to erase debt at a future date. All this may be a little unpalatable, but it is far better to manage the downturn to a shallow and soft landing by a little negative advice and, in the process, protect South Australian businesses and their employees, than have the edifice collapse without warning around our ears.

WATER LICENCES

Mr WILLIAMS (MacKillop): Today I bring to the attention of the house a very serious matter and one of grave concern to my constituents and to me. By way of background, I will briefly explain the context of the matter I am about to raise. On 19 March this year, the meeting of the South-East Catchment Water Management Board received a letter from the chief executive of the Department of Water, Land and Biodiversity Conservation informing the board that, on

6 March, the minister had revoked section 122A of the Water Resources Act 1997, a section which provided for a $25 statutory fee to be paid in lieu of a levy on a water holding licence where it could be demonstrated that the licence had no tradeable value. This was in spite of the board's formal resolution of 21 August 2002 and subsequent letter to the minister conveying that the board wanted the fee in lieu to be retained under the existing conditions.

The minister conveyed to me and separately to Kent Martin, Chairman of the Natural Resources Committee of the South Australian Farmers Federation, that he had taken this action (to revoke section 122A) at the request of the local catchment water management board. On 23 June 2003, during the budget estimates committee, minister Hill said that he took advice from the chair or executive officer, he could not recall which, of the local catchment board regarding this issue. Subsequently on 26 June, minister Hill in a ministerial statement to the parliament said, amongst other things:

> Throughout this period and up to mid December a number of informal discussions took place. One such discussion was between myself and the presiding member. During this discussion the presiding member indicated a personal view regarding the holding levy. Following further advice from the department, I revoked the fee in lieu of the levy option.

It can be seen from the above that, although the minister claimed that he took the action to revoke section 122A in consequence of the wants of the local board, it was apparently the presiding officer's personal view (which was obviously contrary to the board's resolution) on which the minister relied. In consequence of the aforementioned revelations I, on 24 June, called for the presiding officer to resign. This action was not taken lightly but in view of the need for the community to have confidence in the catchment board as it moves to implement its plans across the region. I am disappointed that the presiding officer has declined my invitation but I am deeply disturbed that he has resorted to answering my criticism from behind the closed doors of an in camera meeting of the board.

Last Wednesday, the board held an extraordinary meeting to discuss these matters. I understand that the board moved to exclude the public from this meeting in contravention of the Water Resources Act 1997. Schedule 2, clause 6, of that act states that meetings must be held in a place open to the public. Subclauses (5) and (6) provide for circumstances where the board may exclude the public from its meetings. Briefly, these are when (and I paraphrase):

(a) receiving legal or expert advice,
(b) discussing actual or possible litigation,
(c) discussing matters pertaining to officers or employees of the board,
(d) discussing tenders,
(e) discussing information regarding the health or financial position of a person, or
(f) discussing information that constitutes a trade secret.

None of these involves discussion of conflict between the presiding officer and the board's positions.

By having a secret meeting, the presiding officer has compounded the position of the board. If the presiding officer will not discuss the issue in the public arena, it merely confirms my worst fears about the impropriety of the way in which this board conducts its business. Today's *Border Watch* reports that the board rejects my call for the presiding officer's resignation and expresses its confidence in the competence and propriety of the presiding member.

I understand that this claim was made in a media statement following the secret and closed meeting. One is reminded of the infamous Star Chamber. I repeat that I am disturbed that a secret meeting of the board apparently endorses the action of its presiding officer in relaying to the minister a position which is directly opposite to the position adopted by the board only a few months earlier. It is no wonder that the South Australian Farmers Federation at its regional conference at Lucindale on 18 June expressed its unanimous lack of confidence in the South-East Catchment Water Management Board.

SOUTH AUSTRALIAN WORK FORCE DEVELOPMENT STRATEGY

Ms THOMPSON (Reynell): It is my pleasure today to congratulate the Minister for Employment, Training and Further Education on the release of the South Australian Work Force Development Strategy. Sir, as you would appreciate, this relates particularly to TAFE training and associated work force planning matters and work force training matters. TAFE is extremely important in my electorate, and I was very pleased recently when the minister attended a public forum on TAFE, and I was also heartened that the response at that meeting indicated clearly that participants of TAFE in the south believe that this government is going in the right direction.

The forum particularly welcomed the fact that in the future TAFE will be required to collaborate to achieve the best outcomes for students rather than compete, as was the situation under the previous government. The TAFE participants—being students, parents, managers and lecturers, as well as community organisations which engage in youth training in preparation for TAFE—believe that the previous system was working extremely poorly, students were not being well served and the community and industry were not being well served.

The new direction encompasses 10 points. One of these is the establishment of a work force development fund which will promote high-performing workplaces and support enterprise-specific training for innovative and job-creating firms. The work force development fund, when established early next year, will also develop partnerships with vocational education and training providers that offer value-added programs.

One of the issues in the past has been that there have been too many subsidies for employment rather than developing innovative skills in our work force and enabling workers to cope with changing skill demands.

A new TAFE SA board has been established, and that was announced today. Also, there will be an examination of all TAFE SA programs to ensure that they really are meeting the needs of the work force and are delivering in the best possible way.

I was very pleased to see some of the names of the people on the new TAFE board, and it really sets us up for an exciting future in skills development. Its members include Ann Morrow, a former chief executive of education in Victoria; Ollie Clark from the Regency Institute; Tony Crawford from the Murray Institute; Graham Eagles from the Douglas Mawson Institute; Jim Hullick from the Onkaparinga Institute (and I think everybody would know that Jim Hullick has a broad range of public administration experience, which will be very helpful); the extremely talented and wise Peter

Buckskin, Chief Executive of the Department of Aboriginal Affairs and Reconciliation; Madeleine Woolley, Director of the Social Inclusion Unit; Kevin O'Callaghan from the Department of Business, Manufacturing and Trade; Ian Proctor from the new DFEEST; and Virginia Battye, the Director of the Torrens Valley Institute. I note that among that group of people are two winners of the Telstra Businesswoman of the Year, and their wisdom and experience will serve the people of this state extremely well in that role.

Another important development for my community is the repositioning of the Adult Community Education program. Many of the community centres in my area deliver excellent ACE programs that offer new opportunities to some very disadvantaged people in the area. This is done with the support of volunteers as well as expert coordinators. The new program will see some ACE programs linked with TAFE programs, thus providing genuine opportunities for members of my community, and others, who have not had educational opportunities to suit the new work force to get a step along the road to obtaining rewarding employment.

I am particularly pleased that there will be a focus on Regions at Work to enable development of programs that meet gaps in the commonwealth program and meet the needs of particular regions.

There is also a strategy to develop Multiple Pathways for young people. This is an exciting development, and I commend the minister.

PUBLIC SECTOR MANAGEMENT (TRANSITIONAL ENTITLEMENT) AMENDMENT BILL

The Hon. K.O. FOLEY (Deputy Premier) obtained leave and introduced a bill for an act to amend the Public Sector Management Act 1995. Read a first time.

The Hon. K.O. FOLEY: I move:

That this bill be now read a second time.

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

Leave granted.

This is a Bill to deal with the employment conditions of Mr Bruce Guerin.

Mr Guerin commenced work in the public service on 7 October 1974 and was appointed as Permanent Head of the Department of the Premier and Cabinet on 14 April 1983.

On 8 October 1992, Mr Guerin ceased as the Chief Executive Officer and transferred to the position of Special Adviser, Department of the Premier and Cabinet.

On 13 October 1993, the former Labor Government entered a contract with Flinders University to make Mr Guerin available for five years as Director of the Institute of Public Policy and Management. The Government met all costs associated with the employment of Mr Guerin.

The *Government Management and Employment Act 1985* confers upon Mr Guerin an ongoing right to be remunerated at a rate not less than the rate that would have applied if he had continued to occupy the position as Permanent Head of the Department of the Premier and Cabinet. The transitional provisions allowed him to be assigned to another position in the public service provided that he continued to be remunerated as if he was still Head of Premier and Cabinet.

On 14 February 1994, Mr Guerin was re-assigned from the Department of the Premier and Cabinet to the Unattached Unit as Director of the Institute of Public Policy and Management located at Flinders University.

In May 1998, Mr Guerin made an oral claim to the Commissioner for Public Employment asserting that his salary had been substantially underpaid pursuant to the *Government Management and Employment Act 1985*.

The former Government did not resolve the matter.

In July 2002 the Premier directed that the arrangement under which Mr Guerin worked for the Flinders University be brought to an end as soon as possible.

On 17 July 2002, the Government informed Mr Guerin that the Premier would consider the introduction of special legislation with retrospective effect to limit or curtail any right that Mr Guerin may have to sue or recover the alleged underpayment. However, the Government would not seek to introduce that legislation if Mr Guerin was prepared to accept a reasonable settlement of his claim.

In January 2003 Mr Guerin returned to work in the public service. Since that time he has worked in the Unattached Unit of the Public Service on two significant special projects.

The Commissioner for Public Employment is concerned that it will be difficult to find suitable work for Mr Guerin on an ongoing basis.

As at 12 March 2003, Mr Guerin claimed to be owed $1 145 601.75 in back pay, inclusive of interest.

When last employed as Director of the Department of the Premier and Cabinet on 9 October 1992, Mr Guerin had received a salary (as distinct from total remuneration) of $111 485 per year.

The employment contracts for subsequent Chief Executives of the Department of the Premier and Cabinet (Messrs Crawford, Schilling and Kowalick) maintained the salary component at $111 485 p.a. (annually adjusted) with additional remuneration paid as various allowances.

The current package received by the Chief Executive Officer of the Department of Premier and Cabinet is $292 172.

Mr Guerin currently receives a salary of $130 739. His total remuneration package is $172 315.

As a result of the approach adopted in setting the salary of the Chief Executive of the Department of Premier and Cabinet, Mr Guerin's remuneration has not been significantly increased since 1992.

Mr Guerin did not receive the increases payable to other public service executives in the period from 1992 to 1998. If those increases had been paid, he would now receive a salary of at least $139 899. That equates to a total remuneration package of $183 182.

Negotiations between Mr Guerin and the Government have continued, with Mr Guerin continuing to maintain his claim for backpay based on the full amount being paid at the rate of the Chief Executive Officer of the Department of Premier and Cabinet, despite the fact that he has not filled that role since 1992.

The Government has offered to settle for a lower sum, but the Government's offer has been rejected by solicitors for Mr Guerin. His solicitors have expressed a willingness to negotiate but declined to put a counter offer. Mr Guerin also expressed a desire to continue working rather than retire from the public service.

There is a widespread community concern about the grant of large lump sum payments to senior executives. For that reason, a payment to Mr Guerin of the magnitude required to secure a settlement is not acceptable to the Government. Mr Guerin has been aware for twelve months that the Government will introduce special legislation if he does not agree to a settlement. Mr Guerin has not been willing to settle. Accordingly, it is now proposed to introduce special legislation.

The effect of this Bill is to amend the transitional provisions to the *Government Management and Employment Act 1985* retrospectively by inserting a new Clause 15 in Schedule 4 of the *Public Sector Management Act 1995*. The amendment will remove the benefit of the transitional provisions from any person who was a Permanent Head in 1985 and who has been continuously employed in the public service from when he ceased to be a Chief Executive until at least 30 June 2003. In practice, the only person covered by the amendment is Mr Guerin. The Bill seeks to extinguish completely any legal right to any arrears of salary based on the rates of remuneration for the position of Chief Executive of the Department of the Premier and Cabinet after the position was vacated by Mr Guerin.

The Bill will ensure Mr Guerin's entitlement to ordinary public sector wage rises to which senior executives would have been entitled and which Mr Guerin has received (other than in the period between 1992 and 1998). The Bill will not affect Mr Guerin's right to accrued leave or payment in lieu if he resigns. However, it will fix the basis on which those payments are calculated at his current

salary, subject to adjustment to reflect the increases between 1992 and 1998.

Explanation of Clauses

Part 1—Preliminary

Clause 1: Short title

Clause 2: Amendment provisions

These clauses are formal.

Part 2—Amendment of Public Sector Management Act 1995

Clause 3: Amendment of schedule 4—Repeal and Transitional Provisions

16.Remuneration of former chief executive officer

Proposed clause 16 is to apply to a person who—

- changed from being a Permanent Head under the *Public Service Act 1967* to a Chief Executive Officer on the commencement of the *Government Management and Employment Act 1985*; and
- ceased to be a Chief Executive Officer under that Act otherwise than through resignation, voluntary retirement, retirement or transfer pursuant to section 60 or dismissal or transfer pursuant to section 71; and
- continued in the Public Service until at least 30 June 2003.

Clause 3(10) of schedule 1 of the *Government Management and Employment Act 1985* provided that such a person would be entitled, for the period for which he or she continued as an employee in the Public Service, to be remunerated at a rate not less than the rate that would have applied if the person had continued to occupy the position of Chief Executive Officer.

Proposed clause 16 provides that that entitlement to remuneration is limited to the rate applying to the position of Chief Executive Officer at the time the person ceased to occupy the position of Chief Executive Officer subject to subsequent relevant increases. The relevant increases are to be those determined by the Commissioner to have applied generally from time to time to senior positions (within the meaning of the *Government Management and Employment Act 1985*) or executive positions, but not increases given to the employees at that level when they became subject to negotiated conditions under Division V of Part III of the *Government Management and Employment Act 1985* or executive contracts under Division 1 of Part 7 of the *Public Sector Management Act 1995*.

Mr MEIER secured the adjournment of the debate.

ABORIGINAL LANDS PARLIAMENTARY STANDING COMMITTEE BILL

Second reading.

The Hon. J.D. HILL (Minister for Environment and Conservation): I move:

That this bill be now read a second time.

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

Leave granted.

This Bill provides for the establishment of the *Aboriginal Lands Parliamentary Standing Committee*, based on the *Parliamentary Committees Act 1991*. This Committee effectively replaces and combines the functions of the Committees established under the *Pitjantjatjara Land Rights Act 1981*, the *Maralinga Tjarutja Land Rights Act 1984* and the *Aboriginal Lands Trust Act 1966*.

The three Aboriginal land holding authorities in South Australia, namely the Aboriginal Lands Trust, Anangu Pitjantjatjara and Maralinga Tjarutja, each had a separate Parliamentary Committee established under their respective legislation.

The committees established under section 42c of the *Pitjantjatjara Land Rights Act 1981* and section 43 of the *Maralinga Tjarutja Land Rights Act 1984* have both lapsed due to the effluxion of time, expiration clauses having been written into the legislation. Unlike the committees established by the Pitjantjatjara and Maralinga Tjarutja legislation, there is no such expiry clause in the *Aboriginal Lands Trust Act 1966*. The Committee established under section 20B of that Act is still in existence, its functions limited to the operation of that Act, along with Ministerial references. However, this committee has not convened since 1996. Despite not convening, the Committee has a continuing role under the Act and it is required to report to Parliament on an annual basis.

All three committees had similar functions in terms of taking an interest, reviewing or inquiring into matters relating to the operations of the respective Acts, the interests of the traditional owners of the lands, the manner in which the lands are being managed, used and controlled and any other matter referred to the committee by the Minister. The committees were similarly constituted, with the Minister as the presiding officer, and four members appointed by the House of Assembly.

The provisions of this Bill are closely based on the *Parliamentary Committees Act 1991*. The Bill establishes one Aboriginal Lands Parliamentary Standing Committee that would cover all three distinct Aboriginal land areas in the State. The Committee's functions are expanded to inquire into a broad range of matters affecting Aboriginal people, such as health, housing, education, economic development, employment and training. Specific references will be consistent with the Social Inclusion Initiative of this Government and will provide a valuable contribution to that process.

The Committee would be constituted of the Minister for Aboriginal Affairs and Reconciliation, who would be the presiding member, and six other members. Three members would be appointed by each House, with a requirement for the nomination of members similar to that required by the previous committees. The procedures and processes of the Committee are consistent with those of committees established under the *Parliamentary Committees Act 1991*, and the powers and privileges of a Committee established by either House attach to this Committee. The Committee will report to Parliament on an annual basis.

This Government recognises the independence of all three land holding bodies and their respective communities. This is in no way compromised by the establishment of this Committee. On the contrary, it significantly broadens the scope of such a committee by including functions requiring inquiries to be made into matters not previously the subject of review by the former committees. These matters may be specific to one community, or may be matters affecting all Aboriginal people. I commend this Bill to the House.

Explanation of Clauses

Part 1—Preliminary

Clause 1: Short title

Clause 2: Commencement

Clause 3: Interpretation

These clauses are formal.

Part 2—Aboriginal Lands Parliamentary Standing Committee

Division 1—Establishment and membership of Committee

Clause 4: Establishment of Committee

This clause establishes the *Aboriginal Lands Parliamentary Standing Committee*.

Clause 5: Membership of Committee

This clause provides for the membership of the Committee. There are to be seven members of the Committee, with the presiding member being the Minister (who is not eligible for remuneration for his or her work on the Committee) and three members appointed by each House of Parliament. The clause also provides for the nomination of the members appointed by each House.

Division 2—Functions of Committee

Clause 6: Functions of Committee

This clause sets out the functions of the Committee. Those functions include reviewing the operation of a number of Acts relating to Aboriginal lands, along with a number of functions that allow the Committee to inquire into a broad range of matters affecting Aboriginal People. The Committee may also have matters or functions referred to it by the Minister or Parliament.

Division 3—Procedures, terms and powers of Committee

Clause 7: Presiding Member

This clause provides that the presiding member of the Committee will be the Minister.

Clause 8: Quorum

This clause provides that the quorum of the Committee is 4 members, except when the Committee meets for consideration of a proposed report to Parliament, in which case the quorum is 6 members.

Clause 9: Term of office of members

This clause provides for the term of office for members.

Clause 10: Removal from and vacancies of office

This clause provides for the removal from or vacancies of office of Committee members. This clause is consistent with similar sections in the *Parliamentary Committees Act 1991*.

Clause 11: Validity of acts of Committee despite vacancy

This clause provides that an act or proceeding of the Committee is not invalid by reason of a vacancy in its membership.

Clause 12: Procedure at meetings

This clause sets out the procedure to be adopted at meetings of the Committee. To the extent that the Joint Standing Orders apply, the Committee is to conduct its business in accordance with those orders, and if not, in such manner as the Committee thinks fit.

Clause 13: Sittings of Committee

Clause 14: Admission of public

The public may be present at meetings of the Committee, unless the Committee determines otherwise. However, members of the public may not be present while the Committee is deliberating.

Clause 15: Minutes

Minutes must be kept of Committee proceedings.

Clause 16: Privileges, immunities and powers

This clause provides that all privileges, immunities and powers of a committee established by either House of Parliament attach to the Committee. A breach of privilege or contempt in relation to the Committee may be dealt with in such manner as is resolved by the Houses of Parliament.

Clause 17: Members not to take part in certain Committee proceedings

This clause prohibits a member of the Committee from taking part in Committee proceedings if the member has a direct pecuniary interest in the matter.

Clause 18: Committee may continue references made to previously constituted Committee

This clause enables the Committee to complete proceedings it has started where the composition of the Committee has changed during those proceedings.

Clause 19: Immunity from judicial review

This clause provides that proceedings, reports and recommendations of the Committee may not give rise to a cause of action, nor may they be the subject of, nor called into question in, any proceedings before a court.

Division 4—References, reports and Ministerial response

Clause 20: Reports on matters referred

This clause provides that the Committee must, after inquiring into and considering a matter referred to it by the Minister or by resolution of both Houses of Parliament, report on the matter to its appointing Houses. The clause sets out the procedure for presentation and publication of the Committee's report, and provides that such a report will be taken to be a report of Parliament.

Clause 21: Minority reports

This clause provides that a report of the Committee must contain a minority report on behalf of a member if the member so requests.

Clause 22: Matters may be remitted to Committee for further consideration

The Houses of Parliament may, by resolution, remit a matter to the Committee for further consideration and report.

Clause 23: Reference of Committee report to Minister for response

Where a report of the Committee contains a recommendation that the report, or part of it, be referred to a Minister for that Minister's response, the report or part is so referred by force of this clause. The Minister must respond to the referred report or part within four months, including statements as to whether recommendations will be carried out, or not carried out. The Minister's response must be laid before the appointing Houses.

Part 3—Miscellaneous

Clause 24: Other assistance and facilities

This clause provides that the Presiding Officers of both Houses of Parliament may appoint an officer of the Parliament as secretary to the Committee. The clause also provides that the Committee may, with the prior authorisation of the Presiding Officers of both Houses, and with the approval of the relevant Minister, make use of employees or facilities of an administrative unit of the Public Service. The Committee may also, with the prior authorisation of the Presiding Officers of both Houses, appoint a person to investigate and report to the Committee on any aspect of any matter referred to the Committee.

Clause 25: Annual report

The Committee must present to the Presiding Officers of both Houses an annual report on the work of the Committee during the previous financial year, and this report must be laid before both Houses.

Clause 26: Financial provision

This clause provides that the money required for the purposes of this Bill is to be paid out of money appropriated by Parliament for that purpose.

Clause 27: Office of Committee member not office of profit

This clause provides that the office of a member of the Committee, including the office of the presiding member, is not an office of profit under the Crown.

Clause 28: Regulations

This clause provides that the Governor may make regulations for the purposes of the Bill.

Schedule—Related amendments and transitional provision

The Schedule makes related amendments to the *Aboriginal Lands Trust Act 1966* and the *Parliamentary Remuneration Act 1990*.

Clause 6 of the Schedule makes a transitional provision requiring that the first members to the Committee be appointed as soon as practicable after the commencement of the clause.

Mr MEIER secured the adjournment of the debate.

SUMMARY PROCEDURE (CLASSIFICATION OF OFFENCES) AMENDMENT BILL (No. 2)

Second reading.

The Hon. P.F. CONLON (Minister for Infrastructure): I move:

That this bill be now read a second time.

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

Leave granted.

The *Criminal Law Consolidation (Offences of Dishonesty) Act 2002* (the Offences of Dishonesty Act) amends the *Criminal Law Consolidation Act 1935* by reforming and consolidating offences of dishonesty. It has been proclaimed to come into operation on 5 July this year.

The Offences of Dishonesty Act re-enacts the offence of "robbery". Robbery will become an offence against new Division 3 of Part 5 of the *Criminal Law Consolidation Act*.

Schedule 3 of the Offences of Dishonesty Act contains a number of consequential amendments to other Acts, including amendments to the *Summary Procedure Act 1921*. The object of those amendments is to preserve the categories of summary, minor indictable and major indictable offences as they relate to the new offences of dishonesty, including robbery.

The offence of robbery carries a maximum penalty of 15 years imprisonment. The offence of aggravated robbery, where an offender uses force, or threatens to use force, in order to commit the theft or escape from the scene of the offence, or commits the robbery in company, carries a maximum penalty of life imprisonment.

These are serious offences and it was the Government's intention that all robbery offences would be classified as major indictable offences.

Section 5 of the *Summary Procedure Act* classifies various offences as summary, or minor or major indictable offences. Some offences are so defined by being listed in various schedules to the *Summary Procedure Act*. Schedule 3 and Schedule 4 offences are defined in section 4 of that Act to mean certain specified offences, including a number of the old larceny offences.

Subsection 5(2)(*c*) of the *Summary Procedure Act* classifies, as a summary offence, a schedule 3 offence involving $2 500 or less, not being an offence of violence, or an offence that is one of a series of offences of the same or a similar character involving more than $2 500.

Subsection 5(3)(*a*)(iii) of the *Summary Procedure Act* classifies, as a minor indictable offence, a number of offences including schedule 3 and schedule 4 offences involving $30 000 or less, not involving violence.

Schedule 3 and 4 of the *Summary Procedure A*ct are repealed by Schedule 3 of the *Offences of Dishonesty Act*. The reference to Schedule 3 and 4 offences in subsections 5(2)*(c)* and 5(3)*(a)*(iii) of the *Summary Procedure Act* have been replaced with references to offences against Part 5 of the *Criminal Law Consolidation Act*.

No monetary threshold is specified for the offence of robbery as defined in the *Criminal Law Consolidation Act*. This means that offences of robbery which involve amounts of less than $2 500, or between $2 500 and $30 000, and which are not offences of violence

as defined in section 4 of the *Summary Procedure* Act, may be classified, respectively, as summary or minor indictable offences.

Amendments to section 5 of the *Summary Procedure Act* are necessary to ensure that all robbery offences are classified as major indictable offences. As the *Offences of Dishonesty Act* has been proclaimed to come into operation on 5 July 2003, it is necessary that these amendments be passed by Parliament, and come into operation, as soon as possible.

Members would recall a version of this Bill was introduced into this place on 26 June by the former Attorney-General. The Government originally intended that the Bill would be debated in this place as a matter of urgency today and, if passed, would then be introduced into another place where it would be debated later this week. As the amendments contained in the Bill are urgent, the Government decided to introduce the Bill into another place last week, where it was debated and passed with the support of the Opposition on Thursday. It is the Government's intention that the Bill as passed by another place now be debated, while the Bill as introduced into this place on 26 June will lapse. I commend the bill to the house.

Explanation of Clauses

Part 1—Preliminary

Clause 1: Short title

Clause 2: Amendment provisions

These clauses are formal.

Part 2—Amendment of Summary Procedure Act 1921

Clause 3: Amendment of section 5—Classification of offences

This clause amends section 5 of the *Summary Procedure Act 1921* (the principal Act) by excluding robbery from classification as a summary or minor indictable offence. Robbery is only to be classified as a major indictable offence.

Mr MEIER secured the adjournment of the debate.

WATERWORKS (SAVE THE RIVER MURRAY LEVY) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 14 July. Page 3628.)

The Hon. K.O. FOLEY (Deputy Premier): In the latter part of last night I made a few comments regarding members' contributions. I am happy to try to answer some of those matters the shadow minister raised during his contribution, and perhaps we will take them up in committee. The use of the levy to fund contributions to the Murray-Darling Basin Commission was raised as an issue. The $19.6 million contribution for 2003-04 will not be funded in full from the Save the Murray fund. The Save the Murray fund is for initiatives to assist and save the River Murray, and the vast bulk of that money will be for new applications. A portion of it will be considered for additional Murray-Darling Basin Commission contributions in subsequent years, but for this year the $19.6 million for 2003-04 will not be funded in full from the Save the Murray fund. Some $15 million is already appropriated through Consolidated Account, and $4.6 million additional Murray-Darling Basin Commission contribution is proposed to be funded from the levy.

As the former minister would know, the contribution to the Murray-Darling Basin Commission is a moving feast. Those numbers are on the increase, and we think it eminently appropriate that some of the additional requirements for that could be funded in part by this levy. The vast bulk of the levy will be used for a variety of applications, on which the minister is in a better position than I am to comment in detail, but I can say that it is expected that the vast majority of the application of that will be for increased environmental flows. The Murray-Darling Basin Commission requirement of $19.6 million for this financial year is not funded by the levy, but in the out years we expect an extra $3.5 million. It is proposed that a Murray-Darling Basin Commission component of approximately $3.5 million in the out years will be funded by the River Murray levy. Let us put that in the context that I am advised that expenditure on the Murray-Darling Basin Commission is a moving feast and one which requires additional resources to ensure that we have sufficient funding to provide for that.

I turn to the issue of irrigators not being liable for the levy. I will read from this extensive briefing note and try to paraphrase the advice I am given. Through the requirements of the Water Resources Act, River Murray irrigators are required to improve irrigation efficiency and to contribute towards the costs of their activities. I will not go into full detail; it is probably best if we ask specific questions in committee, because I could be giving you an extended series of answers that would not be exactly as you would want them. I am happy to take some questions during the committee stage.

I will conclude on this point. As I said last night, should the opposition have concerns about the way in which the fund is applied or the method of collection, the opposition is free to amend the bill, and we will deal with that matter in this chamber and, I dare say, in another place. If they are not prepared to amend the bill, then in my view they are supportive of not just the measure but of all aspects of this piece of legislation, because we believe that the Save the Murray fund is an appropriate community-wide contribution to the issue and the concerns of the Murray.

Dr McFetridge: We can count.

The Hon. K.O. FOLEY: Well, the government does not have the majority in the upper house, and any political party is free to make whatever decisions it chooses to make on whatever pieces of legislation that come before this house at any given time. We put our legislative agenda forward and it is for other members of this house to determine how they wish to deal with that. The opposition has indicated that notwithstanding those comments it will support this measure. It is an integral part of the budget and, importantly, it locks into future years an ongoing income stream for the benefit of the River Murray and ultimately for the betterment of this community.

Bill read a second time.

The SPEAKER: Before the house goes into committee I make the observation that, whilst the sentiments and goals of the legislation as observed by many members are noble, nonetheless it seems that the sum of money being sought from the levy—if it is the only source available for the purposes of purchasing environmental flows—will be grossly inadequate to have any effect on environmental flows of the type or quantity that the Minister for Environment and Conservation has referred to for a very long time. On last year's prices, $1 million will buy 1 megalitre of licensed flows. This year, because of factors of which many members are aware and to which they have drawn attention related to the drought, the price is higher than $1 000 per megalitre for flows in perpetuity. The member for Morialta may wish to wait while the Speaker is on his feet.

I point out what will be the end result of seeking 1 500 gigalitres of water purchased at this rate. I remind honourable members that it will take $1 million to get 1 megalitre, therefore one assumes that in the best of cases it will take $20 million to get 20 megalitres. Therefore, 1 500 megalitres will take a good deal longer. If my arithmetic is correct, 1 000 megalitres will take about 50 years, and 1 500 megalitres will take 75 years, and that is at last year's prices. If, as a state and as Australians, we believe that 1 500 gigalitres are what is required for environmental flows, a

much greater effort must be made than this bill envisages. Australians elsewhere will have to make their contribution to assist in the entire process.

It is known that if environmental diluting flows do not come down the river and through the lake system, within 20 years more often than not the water in the lakes will be unfit not only for human consumption and for irrigation but also for stock water. That being the case, a sobering message is being sent now, if it has not already been received, to livestock owners and irrigators around the lakes that we do not have a sustainable system and that, in the foreseeable future of most mortgages, it will collapse.

In committee.

Clause 1 passed.

Clause 2.

Mr BRINDAL: Mr Acting Chairman, I am at a loss, because I am trying to struggle through standing orders. This is obviously an appropriation bill, and standing orders generally require different procedures for such a bill. The Clerk may be able to advise me as to which standing orders I consult. Are we treating this as an ordinary bill?

The ACTING CHAIRMAN (Mr Snelling): It is an ordinary bill. It is not an appropriation bill as such, but it does have money implications. It is a bill that does appropriate, but it is not strictly an appropriation bill. So, for the purposes of the committee stage, it is dealt with as an ordinary bill, clause by clause.

Mr BRINDAL: In addressing this issue, I do not think the Treasurer should make the assumption that, if we choose not to move an amendment, as an opposition we therefore offer our unqualified support. Yesterday, I tried to say to the house that this is a government measure, and that is why I was interested in the rules applying to this measure as an appropriation bill.

One thing I think the house should not dispute is, whether we like it or not, we are the opposition and, whether we like it or not, those sitting opposite are the government. The minister at the table is the Deputy Premier and Treasurer of South Australia, and it is his right and the right of the executive government to govern. Whether or not we like this bill, it is an appropriation measure introduced by the Treasurer of South Australia, and it involves $20 million.

If we are minded to fiddle with this bill too much and say, 'Yes, you can do this but, no, you can't do that,' there is a risk that, constitutionally, we will undermine the government, and that will then engender certain triggers in terms of this house not having confidence in its budget and, therefore, seeking processes to go to the people, as well as various other measures.

The Treasurer is being a bit cute by saying, 'You have the right to amend this bill.' Of course we have that right, but the right to amend an appropriation bill is limited by two factors: one is the legal issues in the constitution, standing orders, and various statutes, and the other is, importantly, the opposition's stance. When the Treasurer was in opposition, I think he said more than once, 'We don't like this measure, but you are the government. We will allow it to pass, and it can be on your head.' I say the same to this government.

Last night, my colleagues and I commented upon aspects of the bill that we do not like. However, the Treasurer is minded to pass this measure. He is the Treasurer, and we will not oppose the government in this matter, but in no way should the *Hansard* record ever show that this means that, by not proposing amendments, we are giving our unqualified support: we are not. We are sceptical.

We will move one amendment to clause 7 in part 6. We believe that we are justified in moving this amendment, because we think it will better serve this government and will better reflect the spirit of what the minister said this money was for. So, rather than try to change the purpose of the money, we seek simply to clarify its purpose, and I think that is a legitimate function of the opposition. Having said that, I believe that my colleague the member for Schubert, having got up off his sick bed to join this debate, wants to contribute briefly to this clause, after which I am happy to move to the government's amendments and my amendment, thereby dispatching this measure fairly quickly.

Mr VENNING: I apologise for not being here yesterday during the second reading of this bill. I thank members for their good wishes for my convalescence. I hope that I am making a speedy recovery, although I believe I do look a mess!

I was concerned when I read of the River Murray levy being levied on meters. Many farmers (and not only farmers) have many meters. I know that the minister has attempted to address this matter, but I am still very concerned. I raised this issue on ABC radio on the day after the budget. I was concerned that the *Stock Journal* did not run the story, because I wanted to alert farmers and others as soon as possible about the apparent anomaly with the charge per meter, particularly when those who have many meters have an excess water allowance on each meter.

I know that the minister said that a levy will be charged on only one meter. However, if those meters are aggregated as one, members of the public would lose the excess water on each of the subsequent meters. In addition, every water meter has a leakage allowance and, if they are aggregated as one meter, I understand that there will be only one leakage allowance. Hopefully, this issue will be addressed at this committee stage.

I also understand that, according to the minister, there will be one charge per business or farming unit. I would be interested to hear how the minister intends to do that. How will the minister identify that unit or who that person is, because in some cases we have vacant landlords? So, it will be very difficult. The bottom line is that I am critical that the minister chose to levy a tax on water meters obviously without giving it a lot of thought. I was amazed after the budget was delivered to hear the question asked: what happens to those people who have more than one water meter? Also, it has never been made clear why a farm domestic dwelling will pay $30 when the farm will pay $135 as a commercial identity.

I repeat my criticism of the *Stock Journal* because it does not run these important stories. It is important that we get feedback—and quickly. If it were not for the ABC we would not have got any feedback at all. I am sure that the minister would have appreciated getting advice early, because we all overlook things. If it were not for the ABC and the phone calls I received during the week following the delivery of the budget, we would not have been able to highlight this anomaly, of which I am sure the Treasurer and his department were not aware.

I agree with the sentiments of what the Treasurer is trying to do. Every farmer will be happy to pay one levy per farming unit, but I am interested in knowing how the Treasurer is going to identify those farming units. I think it will have to be by way of a declaration of some description, which I think could be difficult, and a fair bit of trust would have to be involved in that. So, it will be messy. When we come to

implement this measure we could have all sorts of problems involving properties in different names all trading together as one farming unit.

With those few words, I thank the Treasurer for raising this matter and for attempting to address this anomaly, but I think the whole thing is founded on a false premise. We are all happy to pay the levy, but it does not take into consideration the amount of water used; if you have a water meter you will just have to pay this tax. I look forward to the passing of this legislation and, most importantly, its enactment to see how it comes into play. If there are any problems we will have to let the Treasurer know.

Clause passed.

Clauses 3 and 4 passed.

Clause 5.

The Hon. K.O. FOLEY: I move:

Page 4—

After line 5—insert:

(ba) declare that specified persons or persons of a specified class are entitled to a remission or partial remission of the levy; or

Line 9—After 'specified land' insert 'specified persons'.

Line 16—After 'specified land' insert 'or specified persons'.

Lines 19 to 20—Delete subclause (6) and substitute:

(6) The above provisions are subject to the following qualifications:

(a) a local government council is liable to a single levy of $135 (indexed) for each financial year irrespective of the number of its landholdings and their classification;

(b) a person entitled to a remission of water rates under the Rates and Land Tax Remission Act 1986 is exempt from the levy;

(c) a registered housing cooperative entitled to a remission of water rates in respect of premises or a part of premises under section 104 of the South Australian Cooperative and Community Housing Act 1991 is exempt from the levy to the extent that it would (apart from this paragraph) apply to the relevant premises or the relevant part of the premises.

These amendments are reasonably self-explanatory.

Mr BRINDAL: Why does the Treasurer seek to insert the words 'specified persons'? I ask this question because, as I understand it, this legislation applies to SA Water connections: that is, the land to which the water is connected will receive a bill for this waterworks levy. I do not see why it is necessary to insert the words 'specified persons' if the levy goes to the land on which there is a water meter.

The Hon. K.O. FOLEY: My advice is that it is to give the government maximum flexibility. There may be a farmer or a group of farmers with multiple meters where you would need to specify the class, and this provides the flexibility to do that.

Mr BRINDAL: I dispute that it is necessary. Nevertheless, if parliamentary counsel says that it is, it might be. Why is the Treasurer being so generous to local government? I will not move an amendment, but I invite the Treasurer to reconsider whether local government as an entity should pay only a single levy of $135. The Treasurer would know better than anyone in South Australia that local government has indicated that it would like to impose rateability on ETSA utility powerlines, underground cables, and every other thing provided by utilities serving the state of South Australia, and get a backdoor collection of additional rates through our electricity and water bills, etc. That is not a secret. I believe we should all play our part in saving the River Murray and that, therefore, local government should play an equal part.

As I said, I will not move an amendment, but I invite the Treasurer to reconsider (either now or between the houses) why this huge entity of local government, which is very cashed up (especially the Riverland councils), should walk away with a single charge of $135 as their contribution to saving the river. I conclude by saying that, in their own way, every householder will bear a cost here, as will every business, and, in a different way, the irrigators will bear a substantial cost. The other level of government that dominates the Murray-Darling Association, which basically says that it wants to be involved, has been off the hook—in fact, it has never been on the hook. This government, the current Minister for the River Murray and the Treasurer are very good at telling us what we should do to save the Murray, but they put not one cent towards it. Here is an opportunity for this government to say to local government, 'This is a partnership, let's be in this together and you can make a reasonable contribution.'

I put to the Treasurer that $135 for every property local government owns would not exactly amount to a mind-numbing or crippling debt on local government, but it would go some way towards showing that there is some equity here. The state government and the commonwealth contribute massively; local government should contribute fairly as well, not some tokenistic figure of $135 which the frock shop on the corner pays as well.

The Hon. K.O. FOLEY: I have heard the whispers and the rumours that I do not have high regard for local government.

Mr Brindal: I haven't heard that.

The Hon. K.O. FOLEY: Well, I have, because occasionally I have listened to myself say those very words. In this instance, I felt that I needed to redeem myself in the eyes of local government, and I thought this was a way of doing that. However, that is a flippant response. Seriously, the government took the view that, given the possible community impact of providing this levy on all properties, it would cause unnecessary concern in local government areas, and we felt this was the best way forward. I am not saying this in a provocative sense but, if the honourable member feels that this is not the best way forward, he is free to move an amendment either here or in another place.

Mr BRINDAL: I might discuss the matter with some of the Treasurer's colleagues. It would be irresponsible of the opposition to move carte blanche such an amendment without some understanding of the exact cost implications. Some local governments probably own hundreds of properties. They might even own up to thousands of properties. That means that the burden to ratepayers could be considerable in a few instances, and there are lots of instances where it would not be considerable. This is the Treasurer being far too generous to local government. If the Treasurer would give permission for me to do so, I would be anxious to talk to some of his ministers about what it would mean in real cash terms. As this enters another house—provided it remains at a fair figure for local government—I would not be averse to moving such an amendment. However, I do not feel that I can do so without the relevant facts in front of me if, for example, it suddenly would cost Onkaparinga $3 million. It would be irresponsible of the opposition to do so. However, working with honourable member's ministers, if we could find that the most the council would pay is, say, $200 000, I would come back to the minister in the upper house and try to move such an amendment.

The Hon. K.O. FOLEY: I have answered the question, but I will just say that councils are free to rate their properties as they deem fit. They may choose to pass it on in rates to the consumer, and the honourable member rightly acknowledges that that is one thing they would do. That in itself also gives the honourable member an indication as to why we have not gone down this path. We are providing this levy on the homes. We are not of a mind to have this levy passed on to consumers again through increased council rates.

Ms CHAPMAN: The general intent of the amendment is to bring back into line what is otherwise an attempt in the bill to broadly apply some sharing of this burden across South Australia's population. There have been plenty of speakers to endorse that. In clause 5 this amendment—along with the others—provides that there are certain classes upon which that would be unfair or inequitable; for example, whether persons are otherwise entitled to a remission ought to be taken into account and, if so, whether they ought to be exempt. That has been provided under proposed new clause 6(b). I understand that. I have heard the Treasurer's comments about having considered local governments' contribution and deciding that it would be unduly onerous on them if they were to be levied on each of their landholdings.

In granting this area of exemption to local government, has the Treasurer considered exempting them altogether of any fee? Frankly, what is the point of raising $135 from each of the local governments and just producing another process of paperwork if it is genuinely intended to say, 'We don't expect that local government will be under an onerous obligation'? Notwithstanding the member for Unley's point that they ought to be giving a realistic contribution, why have a token at all?

An honourable member interjecting:

Ms CHAPMAN: Yes, fair or nothing. Did the Treasurer consider not having a levy at all? In other words, we could simply put subclauses (a) and (b) together to provide that a local government is exempt, with (b) then providing that the person having other remission entitlements be exempt. Of course, the housing co-op has another category which gets a proportional exemption.

The Hon. K.O. FOLEY: I just love it when the member for Unley and the member for Bragg bring their factional tensions on to the floor of this chamber. Whatever the member for Unley says, the member for Bragg says the opposite. I had the member for Unley saying that I should charge local government more and whack them for millions, and I had the member for Bragg saying, 'Don't charge local government anything.' The wet and the dry, the Hill and the Minchin forces, find their way on to the floor of the little old House of Assembly in Adelaide, South Australia. I have no difficulty in charging councils what we are charging them. I do not think that council should be exempt.

Mr BRINDAL: In this house, in this climate today, it is not very wise for the Treasurer to start talking about factional by-plays in any party. This is a day that such matters are best left alone. However, I would say for the record that the member for Bragg and I have no disagreement on this matter. The minister should have listened to what the honourable member was saying; it was quite intelligent. I was arguing that you should charge a fair price. She was arguing that, if you are not going to charge a fair price, charge nothing. She was not excluding the fair price argument. She was asking, 'Why have a token price for a huge level of government?' You are talking with a city council about a council that collects $1 million in parking fines. You are saying, 'You be a good corporate citizen and send us a cheque for $135.'

The member for Bragg and I are not at variance at all. I am asking, 'Why don't you charge them fairly?' and the minister is saying that he does not want people double dipping on this. He does not want them charged through their rates and then charged through the water bill. I can accept that argument. She is then saying that, if we are not going to charge local government to put in fair contribution, why charge them at all? Far from a factional battle, this shows the intelligence and deep thinking of the Liberal Party working together. I am very disappointed that the Treasurer should choose to raise factionalism on a day when his own party is deeply riven with it. If he cannot feel it present in the form of the knives that are tending to poke in his own back, I suggest he develop a more sensitive back.

The CHAIRMAN: Order! The member for Unley is straying a little from the River Murray.

The Hon. K.O. FOLEY: I apologise if I have offended the member for Bragg. Her point is well made. However, the response from the government is simple: they are an entity, and they will be charged—albeit at a minimal rate. What contribution local government makes—albeit small—will have a use in government. Indeed, it may pay the salary of a teacher for a year.

Mr BRINDAL: There are 64 local government entities in South Australia. Minister, 64 multiplied by 135 will not pay for a teacher for more than about three weeks. Minister, if you think there is a meaningful cash flow coming from this, I am sorry to disillusion you, and I really do worry about the Treasury.

The Hon. K.O. FOLEY: I must admit that my maths is not good. That is why I left high school at such an early age, and I became Treasurer! I aspired to a position as best I could. Of course, the money could not be applied to the salary of a teacher, anyway, because it is to save the Murray. The point is well made by the member for Bragg. It is a reasonable point to make. I was being just a little flippant before, because that is the nature of this place. On 26 June 2003, minister Hill stated that each local council must make its own assessment under an honour system of the number of accounts it pays on behalf of other organisations within its jurisdiction, such as Scouts and community groups. I am advised that it will end up paying more than the single $135. I will just read the press release that refers to this matter:

> Each local council will pay a single levy of $135 but must make its own assessment under an honour system—

and I am sure that we can all trust local government—

> of the number of accounts it pays on behalf of other organisations within its jurisdiction, such as Scouts and community groups. The Minister for Local Government (the Hon. Rory McEwen) and the Minister for Environment and Conservation will meet the Local Government Association in the near future to discuss this issue.

So it is more than just a one-off $135. There is the grouping of other organisations for which the council currently pays these types of charges.

Ms CHAPMAN: That answer concerns me. A piece of property within the precinct of a local government council area could be occupied by an organisation such as Scouts, a football club or anything of that nature and might be leased at a token rental. For example, the CFS occupies a Burnside council property within my electorate for a token rental. Currently, it does not pay a levy—because there is not one—on behalf of this organisation. My understanding of the bill, irrespective of this amendment, is that the levy is charged on

the council as the owner of that property. I am not sure about the honour system. Is it an honour system under which they will report to you all property in their area owned by a local club? Otherwise, it is caught under this bill in any event. I would like clarification on that matter. It seems to me that, if it is an occupier or tenant at a token rental—or commercial rental, for that matter—it will be exempt under proposed subclause (6)(a)—down to $135 in total, anyway.

The Hon. K.O. FOLEY: My advice is that we have a couple of choices. First, we could levy every single site within a council area, which would cause significant problems for both local government and government. We have said that, if you are in a local government jurisdiction and you pay your own SA Water bill, you will be charged $30. If you a community group in a council jurisdiction and the council covers your costs, or reimburses you for your costs, we are in the middle of negotiations, through the Minister for Local Government and the Minister for Environment and Conservation, for an honour system where each council will take responsibility for totalling up the groups for which they pay the water bills and for which they will provide payment to government at $30 per site. That is the advice I am given. I have a number of nodding heads, so it seems I am on the right track. I am happy to clarify it further for the honourable member.

Ms CHAPMAN: The bill proposes a definition within category 1 and category 2 land. It seems to me that your amendment under subclause (6)(a) is to say that, irrespective of whomever is the occupier of that land—whether it is a house dwelling or a park, or a sports club or a social group that occupies that land—they will now be charged only $135. They no longer need the honour system arrangement. Am I understanding it correctly? There will be no need for that process. When the press release to which the minister referred was put out, this clause was not thought of. The situation was that the council would be making a lot of payments of $135, and it would have an honour system to say, 'These people should be exempt because they do not pay that fee.'

Mr Brindal interjecting:

Ms CHAPMAN: Or the $30. Now you have come in with a new scheme to say, 'We will not place this burden on councils. They will get a flat $135 full stop.' Am I misunderstanding it?

The Hon. K.O. FOLEY: We are saying that we had two ways of approaching it. First, we could have a legislative approach to provide that councils will do X,Y and Z; or we will simply have the $135 charged to a council and an honour system to be negotiated between government and the LGA, on behalf of all councils, as to how an ex gratia system will work. For example, Port Adelaide Enfield council will total up all the footy and soccer clubs within its council area, do a calculation of $100 000, $50 000 or $10 000, or whatever the amount might be, and they will then provide that to government. It was, indeed, a way of trying on two fronts; one is not to have a cumbersome bureaucratic system. As part of this government's approach—and evolving with both sides of politics—we are trying to strike a relationship with local government so that we do not have to bring out the big stick every time we want to do something by legislating that 'they shall do it'.

Rather, we will have a mature, professional relationship in order to negotiate a payment stream. Ultimately, if negotiations break down or councils become recalcitrant—which they may to do from time to time—government has options in terms of legislation. We are trying to have a mature, professional relationship with local government, and we think this is the best way in which to move forward. At present, the Hon. Rory McEwen is negotiating such an arrangement with the LGA.

Mr BRINDAL: For example, the parklands are under the care, custody and control of the city council. The Corporation of the City of Adelaide will pay one fee of $135 on behalf of the corporation. They will then, by honour, look around the parklands. They might find a kiosk, which is a commercial entity and which is existing on the parklands. They would be honour bound to collect $135 from the kiosk. What I am saying is that the Adelaide City Council has care, custody and control of the parklands. The corporation itself will pay $135. They will then look around at the parklands. In the parklands they might find a number of kiosks—commercial businesses—running as commercial businesses. Even though they are on their land, or land under their control, the council will be honour bound to collect $135 for the Treasurer. Down the road, they might find the Adelaide Bowling Club, which might be a category 1, not a commercial category. Again, they would be honour bound to collect from the bowling club, or on behalf of the bowling club pay $30.

God knows what they do with the very prosperous SACA; and I do not know the status of the new fitness centre at Memorial Drive. So, we are expecting them to work out how many commercial entities on their land can and should be paying $135; how many entities should be paying $30; and to aggregate all that and send a cheque to the Treasurer. The Treasurer will then say, 'That's fine. We trust them and they have done the right thing.'

The Hon. K.O. FOLEY: My advice is that, in essence, that is correct. I suspect it will not be a perfect system, because it will probably be difficult to cover every contingency, but we think this is a better way to go, rather than laboriously going through a process of identifying every site as being government, charging individual bills, and sending them one great big bill with 400 entities attached to it. There will be a trade-off. Instead of an 'honour system', perhaps better words would be a 'voluntary system'. It is hard to imagine honour between two levels of government, but I will call it a voluntary system.

Ms CHAPMAN: I am not sure where in the bill the honour system fits. Assuming that is the objective, although I do not find any structure from which it is actually to undertake that, as a result of this amendment is it not open to a council simply to pay its $135 and do nothing else at all in relation to all the property (which you would have on computer search to say it owns)? It seems to me there is no other obligation, other than the honour. If there is to be the honour system, what provision financially will the state government provide to councils to collate this exercise—to go through all its titles, check what remuneration is paid, identify whether they should be on or off the list, and undertake the task? That would be quite extensive within some councils.

The Hon. K.O. FOLEY: In relation to the first part of the member's question, the fact is that it is an honour or voluntary system: it is not legislative. The bill is quite silent on this.

Ms CHAPMAN: Would they simply not pay the money because you are giving them the way out of this?

The Hon. K.O. FOLEY: No. As a result of negotiations between the Minister for Environment and Conservation, the Minister for Local Government and the LGA, the LGA will have to demonstrate to us that it has a mechanism to ensure

that all councils operate under the honour system and provide their appropriate payments to government. If we find that 70 per cent of councils are doing the right thing but 30 per cent of councils are just sending in a cheque for $135, it is then open to the government of the day to come into this place with an amendment which then puts a regime under legislation. What we are trying to do—

Mr Brindal interjecting:

The Hon. K.O. FOLEY: Or tell the *Advertiser*, as the member for Unley says. What we are trying to do is establish a relationship with local government which enables this to be done outside of legislation, but, ultimately, if local government chooses to play ducks and drakes, or if some councils choose to ignore it, then it is open to the government to amend its bill. We are taking a punt on this, in a sense, to strike a relationship with local government, and we think we can. The Minister for Local Government is very confident that it can be done. I think it should be done because local government is saying to state government on a regular basis that it wants a more responsible, mature and equal relationship; and instead of our simply legislating all the time, they would like to negotiate some of these arrangements.

We are having a crack at it with this one. If we get it right, it will be a good template for future relationships in other areas. If we get it wrong, then we will come back and legislate. In terms of who will pay for the work done by councils, I suspect that, because of the system we are putting in place, they are getting some savings anyway; therefore, we would expect council to meet the full cost of whatever logistical efforts it has to make to collect the money.

Mr BRINDAL: In order to help the member for Bragg, is it not true to say that, under the local government legislation in relation to classification of land, all local government bodies have been required to classify all their land and to have a database prepared? Therefore, they would inherently have all this stuff on computer and it would not be as difficult a job as it would have been prior to the passage of the new local government act passed, of course, by the previous Liberal government.

The Hon. K.O. FOLEY: I would have to say that at this point I have to be a little political. I would miss the member for Unley in this place, quite frankly, and it would cause emotional turmoil for me to think that he left because of any action I had taken as a minister. I was upset when I read in the paper that the member for Unley was considering his future because, in part, my actions in this chamber were such that he had had enough, that he was fed up. I was extremely hurt by that and I just hope that any reason he may have to leave has nothing to do with my treatment of him in this place. I hope we have not descended to that level. For someone who spent eight years getting the living daylights kicked out of them by some of the most arrogant ministers ever to walk into this chamber, I find it acute that the honourable member would be so sensitive. I would not have a clue as to whether or not what the member for Unley said is correct when he gave some advice to his colleague, but he probably was right and I will defer to the judgment of the former minister on that particular matter.

Ms CHAPMAN: I appreciate the negotiations which have been conducted on a mature level in relation to the cooperation of the Local Government Association. In the absence of this proposed amendment, if the association was presented with this bill, it would not surprise me that they would want to have a mature approach to this to ensure that they have the opportunity to approach the government and say, 'We need exemptions in a number of these areas because they are sporting associations, they pay a token rental,' or whatever. However, the addition of subclause 6(a) actually wipes out any need for that and the pressure is off them—and they may not even know about it. However, for the record, has the Treasurer advised the Local Government Association of this proposed amendment, which I expect they will be joyous to receive? My point is that it will take the pressure off their being cooperative in this mature manner which everyone is hoping will be achieved.

The Hon. K.O. FOLEY: My colleague the minister who is sitting alongside me released a press release some time in June alluding to this point. I am advised that formal negotiations have not yet commenced but will do so very soon. I am not aware of the nature of discussions that I understand the Minister for Local Government may have had with the LGA—

Mr Brindal interjecting:

The Hon. K.O. FOLEY: It is some lessons learnt from the emergency services levy where, I must say, local government got a good deal out of the former government when it came to CFS locations particularly. They were able to hand over the maintenance of CFS facilities to the state government and gave us the bill.

Mr Brindal: How much does the Treasurer get out of the emergency services levy?

The Hon. K.O. FOLEY: No comment; we are here to discuss the Save the Murray levy. As I said, let us hope this works. If it does not, then we will legislate.

Amendments carried.

Mr BRINDAL: I have a couple of questions, and they follow on from the spirit of what the government is trying to achieve in local government. I notice specifically that the minister has exempted the Housing Trust in its entirety. This will be a several barrelled question. One presumes that this exemption applies only to the Housing Trust and that, say, the education department is not exempt. Whether it is under the commercial category or the first category—that is, whether it is under category one or two—one presumes that schools which now have water meters and which are attached will pay a River Murray levy. One presumes that all government entities—FAYS offices, social justice offices—will be required to pay this levy of either $30 or $135.

If it is good enough to take local government and treat them well and say, 'The Corporation of the City of Adelaide' (which is as big as any government department) 'will pay one lot of $135', why does the poor Minister for Social Justice have to find from her budget X lots of $30 and $135? Indeed, why does the Minister for Environment and Conservation have to find this money? Why does education have to find this money? Why could not government departments each pay $135 in the same way that local government is being asked to pay $135? As the second barrel to that question, why is the Housing Trust not being required to exercise an honour system? Even though I might have some philosophical problems with the Housing Trust as the biggest landlord in South Australia exempting itself from a levy, there are landlords in South Australia who do rent their premises to very low income people who will still be subject to the levy—

Ms Chapman interjecting:

Mr BRINDAL: Yes. Notwithstanding that, within the Housing Trust there is a group which actually owns some factories. Some of the Housing Trust tenants have a variety of business enterprises or cooperative—

Ms Chapman interjecting:

Mr BRINDAL: You are a bit over supplied; that is nearly as many as in Unley and the Unley ones never become vacant—people stay for 40 years. The point is that the Housing Trust does not just provide housing for low socio-economic groups: it has a variety of buildings and complexes. I believe that it should at least be honour bound to pay the levy on those buildings and complexes. I would be interested if the Treasurer would address why other agencies of government have to pay multiples of the levy, rather than a single levy in just the same way that he is treating local government and, if necessary, be honour bound, if there is a commercial entity—say, FAYS has a commercial entity; there is something commercial at the Royal Adelaide Hospital—to say that they should pay $135. I cannot see why the Treasurer should be so generous with local government and then screw his own ministers by charging this levy.

The Hon. K.O. FOLEY: If government departments pay a water bill, they will pay a $135 levy. If they find that it impacts on their budgets, they can take it up with me during the budget bilaterals on a yearly basis and I will, I am sure, treat it with great sympathy and then—

An honourable member: Ignore it.

The Hon. K.O. FOLEY: —ignore the request! I am sure they can find the money. Of course, as my colleague has indicated to me (and I will not hold him to this number), there are around about 50 000 homes across the Housing Trust and the various other housing agencies of government and, clearly, if we were to levy the Housing Trust for its multiple entities, it would involve a huge amount of money. The principle is that it is not to be passed on to the tenant; so, from a social equity position, we will not allow that to be passed on to the tenant. As members will be aware, there is a significant concession system built into this. We are not levying pensioners or a raft of concession holders currently existing for SA Water, and we have taken the decision as a government not to allow this to be passed on to tenants in Housing Trust homes. The Housing Trust is also exempt from the emergency services levy, as the member for Davenport would know because he is the architect of that levy.

Mr BRINDAL: I do not want to delay this unduly, but there are approximately 1 000 school sites in South Australia. So, the ministry of education, or parents of kids in schools—whichever—will be expected to provide approximately $135 000 for this levy (that is 1 000 sites at $135 each), whereas The Corporation of the City of Adelaide will be charged $135. I do not know how many sites the Minister for Social Justice has: she has a range of portfolios. She has talked about the Women's Information Service today. That presumably has a toilet and therefore would have a water meter and therefore will be providing $135. All the FAYS offices and the different offices in the minister's portfolios will provide $135. So, it will be an impost on ministries.

We were flippant previously, and I said to the minister that the mathematics are such that by charging all of local government $135 each you come up with a quarter of a teacher. By charging every school $135 you come up with three full-time equivalent teachers who will not be in the system because the government is charging itself this levy. So, I say to the minister that it is his decision, but he is imposing a stricter regime on his own ministers, departments and government than he is prepared to put on local government, and I doubt the wisdom and fairness of it.

The Hon. K.O. FOLEY: I have just had the thought that if the member for Unley followed through with his publicly stated position of leaving the parliament, perhaps he could go back to teaching.

Mr Brindal: I could, and might.

The Hon. K.O. FOLEY: Voluntarily. He could do it voluntarily. As my advisers point out, school sites are in fact $30, so we will discount the $135 000 down to $30 000.

The Hon. I.F. Evans: Are private school sites $30?

The Hon. K.O. FOLEY: Yes, they are.

Mr BRINDAL: So, St Peter's College will pay $30?

The Hon. K.O. FOLEY: St Peter's College will pay $30.

Mr BRINDAL: I bet they can afford that!

The Hon. K.O. FOLEY: Well, as I say, the member is at liberty to do anything he likes by way of amendment. I cannot get the exact information now but, in terms of the emergency services levy, government pays a levy for emergency services. Whether that is for each school site I am not certain, and I do not have the information in front of me. However, schools and government offices use water and, on the principle of spreading this equitably across the community, that is how we will apply it.

The Hon. I.F. EVANS: I have a question to the minister, and I have not been here for all the committee debate so someone may have already asked this question. Given that the CFS is funded by the emergency services levy and the CFS uses water in its basins, etc., am I right to assume that each site of the CFS will pay $135 so that, in effect, the water levy will be paid for by the emergency services levy? Because the emergency services levy is funding the CFS, which is then paying the water levy, the emergency services levy is being used to fund the water levy.

The Hon. K.O. FOLEY: I think that is nonsensical. In fact, the emergency services levy is not fully funding the cost of delivering emergency services to the community, and I think that is borne out by the work the member has done on the Economic and Finance Committee. Correct me if I am wrong but, from my recollection of the budget papers, the ESL is falling behind in terms of fully funding emergency services. But there are all sorts of issues such as this. The point is that a CFS unit uses water, a school uses water, a household uses water and a commercial office uses water, and we are spreading this as broadly as we can to deal with that; and that is, I think, a fair way to go.

But, having said that, the opposition has foreshadowed—and, indeed, has tabled—an amendment dealing with how the government can apply this levy. Equally, if it feels that the way we are collecting it is not correct, it is free to move an amendment. The member said earlier that, just because they do not like this bill, it does not automatically follow that they should amend it. They are not happy with a particular aspect of this bill, so they are amending it. I do not want to be provocative but this needs to be said: if they do not like the way we are collecting it, they are at liberty to attempt to amend the bill.

Mr BRINDAL: In deference to the minister and this house, that is fine. Many of us have sat where he is sitting, and it is quite cogent for the minister to come here and say, with the backing of the Public Service and his department, to say, 'This is what we should do.' It is much harder for me, the member for Bragg, the member for Waite or any of us to come up with a formula that works because we do not have the resources of the Public Service. So, the best we can do is challenge, criticise and invite the minister at least to consider between the houses.

One of the things that worries me about what the member for Davenport just said is that it appears—and, thank

goodness, this is not quantitatively based—that you could get to the ludicrous situation where the CFS was going out to fight bushfires and drawing water, and then having to pay more money for the save-the-Murray levy. It would become a bit of a joke, and I am not suggesting it is. But, if I heard the minister correctly, it could mean that St Peter's College will pay only $30. I was a bit derisive when saying, '$30: that is a big deal for them,' but it is one of the wealthiest schools in the southern hemisphere. It draws copious quantities of water. I invite the minister to go and look at the pipe—it is about two feet in diameter—that is used to suck water from the River Torrens.

The Hon. K.O. Foley: Would you pay for water out of the Torrens?

Mr BRINDAL: No, I do not pay for water out of the Torrens, but I do not water hectares of pristine ovals in a school that charges more in fees per head than any school in South Australia. Notwithstanding that, St Peter's College will pay $30, and it sounds to me—and I could have this wrong—as if the CFS will pay $135. I do not see why at least the CFS should not be—

Mr Brokenshire: They shouldn't be paying anything.

Mr BRINDAL: Well, they are, Robert.

Mr Brokenshire: They should be exempt.

Mr BRINDAL: No, they are not. They should be in category one and at least only pay the same as St Peter's College. I think it is outrageous that the CFS, which is a community organisation, will pay $135 and the wealthiest school in South Australia is paying $30. I think there is some social justice issue there.

Mr Brokenshire interjecting:

Mr BRINDAL: That is why we are not prepared to move amendments, because we do not know enough. But we are prepared to question the minister and ask him to look at it between the houses.

The Hon. K.O. FOLEY: It was going well before the member for Mawson came along and started his squawking.

Members interjecting:

The Hon. K.O. FOLEY: Such a serious person, isn't he! We were going well until the member for Mawson popped in.

Mr Brokenshire interjecting:

The CHAIRMAN: Order! The member for Mawson is out of order.

The Hon. K.O. FOLEY: Settle down, Robbie; you're making a fool of yourself, mate; try not to embarrass yourself. I want to look after you, mate; I do not want to see you make a fool of yourself. The CFS pays the same—does the member for Mawson want an answer, or is he just here to be a churlish little brat? The CFS pays $30, I am advised—the same amount as the schools would. Whilst I might be personally tempted to charge St Peter's College more than I might Largs Bay Primary School, we have decided that schools are schools and it is a flat rate. I think the member alluded to some of the social equity issues we confronted when considering whether it should be a volume based levy. Whilst the idea of user pays is good in theory—that the more water you use the more you should be charged—there are social justice issues about the size of a family and the quantum of water they use. How would you compare the volume of water a seven person family in Taperoo may use with that used by a single couple in Burnside with no children? We just took a view and we went through all the models. We went through the progressive model and the volume based model and they all had their problems. So we have settled on this method and a CFS unit will be charged the same as a school, which is $30.

Clause as amended passed.

Clause 6 passed.

Clause 7.

Mr BRINDAL: I move:

Page 5, lines 8 and 9—Delete these lines.

As a result of questioning last night, the opposition is minded to take on face value and accept the word of the minister that this is for improvements to the River Murray. What we asked last night was simply that this clause should provide that part of this money may be applied towards the payment of the Murray-Darling Basin Commission levy. The minister has explained this to me privately, and I think he will shortly explain it to the house for the record. I accept the minister's explanation, but the opposition believes that, for the last 100 years or for however long the Murray-Darling Basin Commission has existed, the levies required by the Murray-Darling Basin Commission as the South Australian contribution have been paid for out of general revenue.

The Treasurer will probably correct me on the exact figures, but I know I am approximately right; he said that in any given year the amount of money required by the Murray-Darling Basin Commission varies—generally it does not go down, but it generally goes up—according to the works that the commission needs to do in a given year. He quoted the figures to me, and I would like him to repeat them to the house. I think when I was minister it was about $13 million; it has now risen to about $15 million and this year it stands at $19.6 million.

In the forward appropriations I believe it is true to say—and I will not contest this—that the last Liberal government made ongoing budget provision of $15 million a year. The minister assures me that in this measure he proposes to honour both the previous Liberal government's commitment for $15 million and his own government's commitment for $15 million and then say that this levy will at best be used for any additional money required in the next few years by the Murray-Darling Basin Commission. I do not see that as an entirely unreasonable proposition.

However, the opposition discussed this at some length this morning, and we believe that this levy, collected as it is on behalf of the people of South Australia to improve the River Murray, should be used solely for that purpose. I say that, not because of this Treasurer. In fact, if he gives his word in this place I believe he will keep it, but he might not always be the Treasurer; there might be another Labor treasurer in the term of this government who looks at clause 7 and says, 'I can force this levy to be used towards the River Murray, so next year it will be $10 million', or, 'Next year the whole $19.6 million will go towards the levy.' That is possible; there is no legislative way to stop it, because, as good as it is, all we can have in this instance is the word of the Treasurer of the day.

Indeed, it could be that, subsequent to our re-election, we have a very hard-nosed Liberal Treasurer who is minded to fix all the black holes that will undoubtedly be left by this government. It seems to be a tradition that whoever takes over from someone else finds a black hole. Therefore, a not fair minded Liberal Treasurer could turn around and say to a minister for water resources, 'You take all this money out of that levy.' Because of that, we accept the government's word that this money—this levy—is being collected from the people of South Australia to improve the environmental flows

in the river. We therefore make this proposition about all moneys that are the core funding for the Murray-Darling Basin Commission.

Our proposition to leave out the stipulation that this money can be used still leaves the beginning of clause 7, which provides that it can be used for environmental flow purposes and other good purposes for the river. Were the Murray-Darling Basin Commission minded to do some special projects on environmental flows and so on, this side of the house has no objection to this money being used for that purpose by the commission. What we object to is this money being used for the core funding of the commission. For those reasons alone we said we would not interfere with this bill.

We propose this amendment only because we think we have enough knowledge to back it up. It is reasonable, and we believe that this amendment will create a bill that better reflects the government's stated intent, which is that this is not a supplementation of existing cash flows or a different way of collecting the same money: this is new money to go to environmental flows for purposes that improve the River Murray, not to pay for other things, no matter how much they go up in the future. We are committed to that commission. That was the great thing about being the minister for water resources; it was one area where the treasurer could never argue with the minister for water resources. You went along and said, 'Here's the bill from the Murray-Darling Basin Commission, treasurer; we are duty bound to honour it.' It was the one area where the minister got the better of the treasurer, because the treasurer had no choice but to do that. We think that is a time-honoured tradition in South Australia and that it should go on. We therefore believe that this provision should be left out of this bill and the money put in a dedicated fund, as you suggest, purely for the purposes of improvements in environmental flows and other matters associated with the river.

The Hon. K.O. FOLEY: I was having a quick look at *Hansard* from last night; it looks as if you managed to get something expunged from the record, and I am pleased you did. I do not have the exact figures here and we can get them between the houses should you require them, but these are pretty close to the mark. I am advised that, when the government came to office in 2001-02, a figure of about $14 million was in the budget—for your final year, I would assume. Your forward estimates had a stream of payments indexed at around $15 million or $16 million for 2002-03, I think, and a stream of $15 million lump sums in the forward estimates were put in the budget by either you or me as a result of advice and work done by Treasury. These were locked in and clearly indexed.

So, those bases are locked in and will not be funded by the levy. But, as the member would appreciate much better than I, apparently each year there are negotiations for additional payments—some years there are additional payments, and some years there are not. However, in 2003-04, an additional payment of $4.6 million was funded, so that took the number closer to $19.6 million or $19.8 million. I am advised that that is being fully funded in 2003-04, without any contribution from the levy. We are locking in the base of $15 million and will not fund that from the levy. However, the bill provides:

> The money paid into the fund under this section from time to time be applied by the minister towards—

That applies to a number of things, including payments of the state's contribution to the Murray-Darling Basin Commission, but the bill is not providing that you have to but that you can. In 2004-05, I envisage that we expect an additional Murray-Darling Basin Commission package of works above the base that is set of some $3.5 million.

We say it is quite reasonable that that be funded by the levy, but I think we have to accept—and the member for Unley would know better than I—that the budgetary requirement for the Murray will only increase. We have set the levy at the current figure, and we have no intention of raising it. It should not be raised, but I do not think that we should expect that will not be—

Mr Brindal: Is it CPI indexed?

The Hon. K.O. FOLEY: Yes, it is indexed. There will always be ongoing pressures on consolidated accounts for programs assisting the Murray. But I give you this commitment: it is this government's intention that the base will not be funded by this levy. Whilst we will not support your amendment, I foreshadow and flag that, either between the houses—or subject to a conference, or however you may wish to consider this matter, should it be the view of another place—I am happy to consider a set of words that state that this levy should not be used for the existing base funding that is in the forward estimates. I think that is a reasonable position to put forward, because that is not the intention of this government.

Mr BRINDAL: I understand where the minister is coming from, and I have some sympathy. Nevertheless, we need to test this proposition, and I will explain why. The money fluctuates from year to year—sometimes substantially. A few years ago, before I was minister, the Hume Weir cracked, and huge input was required from all the states to rebuild it. That resulted in no improvement at all to anything associated with the river, because it was a worn-out piece of infrastructure that needed to be replaced. We had to contribute because, as is normally the case, we had not provided for the replacement of infrastructure. So, when it needed replacing, whackydoo, they put on an extra requirement and you were required to pay. There was no improvement to the river, but we had to fork out extra dough to fix up something that was broken.

Minister, it will be very interesting because, arguably, the whole series of weirs (especially the South Australian weirs) should be rebuilt in a way that is less conducive to navigation and more conducive to the environment. There is a strong argument for the weirs to be designed in a way that the weir pool level behind each weir can be artificially raised to a level at which minor flooding can be induced behind them.

If the weirs are replaced (and this will be a problem for this parliament in the years to come), which component of the weir replacement is simply replacing that which is broken and results in no improvement to the river? Which component of the new weir actually results in sound environmental improvement to the river (and I say that this levy should be applied to this)? What do you do if horizontal turbines are installed up and down the river, resulting in cogeneration of power and income? Who gets that?

I know that there are problems, but the reason the opposition has put this proposition is that often the escalation in costs is not about any improvement in the river: it is about replacement of existing infrastructure and about the fact that the bureaucracy might be growing. There are a million reasons why costs go up—all valid and all a concern for any Treasurer in South Australia on any given day. But the Treasurer is quite right that costs will rise and, even before this levy, that was the reality you faced—that teachers' wages

were going up; that police wages were going up; and this will go up.

We think that, philosophically, we want to test this house and see that the money that this government has said it wants to collect for the improvement of the river must be for the improvement of the river and not for replacing broken-down weirs, or other things that we already have a responsibility to replace.

The Hon. K.O. FOLEY: Whilst I have said that I will not be supporting the proposition put forward by the opposition, I think the intent of what it wants to achieve is consistent with what we want, and I am happy to consider amendments to that effect in terms of locking in the base. The point that needs to be made, of course, is that the programs that are agreed by the water resources ministers of various states, as they relate to the Murray-Darling Basin Commission program, are by definition in the main to improve the quality of the River Murray and to secure its future.

Putting aside for one moment the Hume dam example, decisions taken by the Ministerial Council on the Murray Darling that certain expenditures should be undertaken by the states to improve environmental flows, the quality of the water and salinity issues are, clearly, genuine expenses that should be met by the levy. Whether or not they are endorsed by the Murray-Darling Basin Commission or whether they are an initiative of a government—this government, your government, or a government in the future—I think is neither here nor there.

Certainly, I concur with the member that we must ensure that there is not an attempt by this government, or any government of the future, to take out through the back door what is already being funded in the forward estimates, and we are happy to tighten up that clause to achieve that. But we think that the levy could be applied in terms of the additional negotiations at ministerial level for funds for the Murray-Darling Basin Commission. As to issues such as the weirs or the locks that the member talked about, the act provides that the fund is for programs and measures to ensure the adequacy, security and the quality of the state's water. So, that would be an appropriate application for those funds.

Ultimately, it will be for governments of the day to determine how they want the funds applied. If the parliament or the wider population are not satisfied with the application of those funds, the parliament and the democratic process is there to deal with that issue. It is very difficult to prescribe in legislation exactly how every dollar can be spent, and I think that the honourable member would appreciate that as a former minister.

We have been as tight as we can in this hypothecated fund to ensure that it is used appropriately. As I said last night, this fund will go on for generations, because that is the length of the problem we are dealing with, and we are putting in as many safeguards as we can. Equally, we would expect that the vast bulk of the levy in the schedule that I am looking at here would be used for increased environmental flows. However that may be achieved by ministers of the future, it will be about getting more water.

If you have a program of increasing environmental flows and then, all of a sudden, one year you have a requirement to fund a burst dam that has cracked, such as the Hume dam, it is unlikely that you would swing those resources in to fix the Hume dam, because you would have a hole in your program of environmental flows. Those issues will have to managed as budgetary pressures on governments of the day. I envisage that it is unlikely that this money would be used for such applications, but that will be for the government of the day to determine.

As I said, this fund is about the security of the state's water system, so it will be open to definition. I am not saying that this scheme would not be used for fixing the Hume dam, for example. I would have thought that highly unlikely, but who knows what sort of security issues will arise in future with the supply of water to the state.

Mr BRINDAL: There appears to be goodwill on both sides. If the minister will give his word to the house, I am prepared to accept the voices and see what can be resolved between the houses. So, I ask the minister for either he or his relevant ministers to further discuss the matter with the opposition and my friends the member for Mitchell and the member for Chaffey, because I think this is pivotal to the legislation. The Liberal Party has an opportunity in the other house. If we have these discussions and we are still not happy—

An honourable member interjecting:

Mr BRINDAL: Well, I don't know what the Independent members think. If we can discuss this between the houses, it can be fixed up upstairs and we can come back here with a consensus; otherwise, we are dealing with it a bit on the run—and the member for Mitchell tells me that when I try to do things on the run they do not always work out the way he likes, and I do not want to disappoint him in the future.

The Hon. K.O. FOLEY: I will ensure that my office draws up a brief amendment, something along the lines of—do not hold me exactly to this—payment of the state's contribution to the Murray-Darling Basin Commission. We will need to add some words to deal with the fact that it cannot be applied to the existing base funding appearing in the forward estimates. Maybe we can even put in there a figure of $15 million for 2003-04 and words to the effect that that amount should last with the test of time.

Ms CHAPMAN: I am comforted by the general indication of the Treasurer, although it concerns me that he does not embrace this amendment. If paragraph (b) is expunged, it simply deletes the process upon which funding might be available if the ultimate intention, as identified in paragraph (a), is to improve the health of the River Murray. Paragraph (a) is consistent in a general way with the results of the Living Murray Convention held here earlier this year. As the Treasurer points out, having considered the educative value of that convention, a high priority for South Australia is the environmental flow of the river.

I suppose that, to some degree, subclause (5)(a)(ii) reflects that issue, because it specifically identifies the adequacy, security and quality of the state's (meaning South Australia) water supply. On the other hand, subclause (5)(a)(i) deals with a much broader issue. I suggest that the health of the river could easily be satisfied by the resolution of an engineering problem in Victoria, which ultimately would assist the health of the river overall but which would do nothing directly to assist the South Australian end.

From the consultations I have had in my own electorate (including a specific forum on the River Murray which was attended by over 100 people), I perceive a very strong willingness to support this measure, but there is a clear understanding that the community (when it makes a financial contribution) will do so for the health of the river and the benefits to South Australia. They have been alerted to the urgency of this matter and the fact that we are at the end of the line: that it is our end of the river that is under such a severe health risk at present.

So, if paragraph (a)(i) is tightened to cover the health of the River Murray in South Australia, that would in some way address this issue. This amendment generally outlines that this fund is there specifically for that purpose. Paragraph (b) is really only a mechanism by which that funding may be allocated for that purpose. It might be through a direct payment or it might be funding that goes to the Murray-Darling Basin Commission. In my view, subclause (5)(b) is completely superfluous and can be removed without in any way impeding what the Treasurer says: that is, that if the federal and state governments (through the commission) get together and decide that this is an important way of helping the River Murray which will be for the benefit of South Australia, it would still be able to be covered by subclause (5)(a). I suggest to the Treasurer that it is appropriate to delete altogether paragraph (b) and to tighten up paragraph (a)(i), and I request that he consider that when he looks at this matter and prepare an amendment.

The Hon. K.O. FOLEY: It has been pointed out to me that one example of the work of the Murray-Darling Basin Commission (in terms of where work is undertaken and where benefit is derived) is the ongoing dredging of the Murray Mouth. I understand that this program is funded by the Murray-Darling Basin Commission. That is an example of where the work of the commission is quite visible and is directly benefiting South Australia. I understand the point that the honourable member tries to make. She says—and I am not being critical of this—that deleting paragraph (b) will take away any confusion.

Ms Chapman: Or any opportunity for it to be misused.

The Hon. K.O. FOLEY: I argue that, if you think your amendment through, it would do the opposite. I propose some words to the effect that we will not touch the base funding so that the levy cannot be applied to the $50 million base funding in the forward estimates. However, if paragraph (b) is removed, it would be open to any government to fund all of the Murray-Darling Basin through the levy, because paragraph (a)(i) says 'improve and promote the environmental health of the River Murray' and 'ensure the adequacy, security and quality of the state's water supply'. That is exactly what the Murray-Darling Basin Commission does.

Ms CHAPMAN: If I might qualify that: it is confined in paragraph (b) to the South Australian benefit; it is just that paragraph (a)(i) does not do that, and I suggest that you do the same in that paragraph.

The Hon. K.O. FOLEY: If you delete paragraph (b), I would have thought that any minister of the future, if they wanted to, could apply all of the fund to the Murray-Darling Basin Commission fund, because that fund is to 'improve and promote the environmental health of the River Murray' and 'ensure the adequacy, security and quality of the state's water'. If we adopt the honourable member's amendment, we will be creating an opportunity for a treasurer of the future to take the money out the back door.

Ms Chapman: I have said that we need to tighten paragraph (a)(i) as well.

The Hon. K.O. FOLEY: I agree with what the honourable member is attempting to achieve, because that has always been the government's intention, but a better way would be to lock in the base funding so that there can be no ambiguity.

Mr BRINDAL: That is exactly why I propose to leave this matter for discussion between the houses. I hear what the Treasurer is saying. Whether it is applicable or not is a moot point, and that is why I think we should discuss it.

The Hon. K.O. FOLEY: I think we all want the same outcome. I am happy to negotiate it.

Mr BROKENSHIRE: I stand by my words that this measure is half-baked. Already we are seeing a lot more 'what ifs' coming into this bill, and we will see a lot more once the accounts go out. That is when Treasury and the Treasurer will start to have real fun with this measure. With that in mind, what is there in this bill relating to provision for people who are not in a position to pay the Rann water tax—the broken promise? Will they be fined or will their water meters be disconnected? What is the government's intention?

The Hon. K.O. FOLEY: Things were going well until the member for Mawson (with his nasty approach to things) came along. I preface my answer to the question by saying: I think the member for Mawson should tread carefully when he comes into this place and attempts to lecture the government on the allocation of resources, the management of finances and the role of Treasury, because, as Treasurer, I have looked at how the former minister for police conducted himself as minister for emergency services, which, as I think the member understands, is the subject of other inquiries.

I know very well how the former minister used to operate and the tricks he would deploy as a minister of the crown. They were outrageous, inappropriate and were poor practices for any minister of any government to undertake when administering money. The less said by the member for Mawson about his conduct and that of other ministers the better. The treatment of people who do not pay the levy will be exactly the same as the way in which people are dealt with when they do not pay SA Water accounts as they currently stand. I assume that it is the same way as they are dealt with under the emergency services levy. Whilst they are different measures, this levy will be dealt with by SA Water through the mechanisms it deploys to deal with its normal payment of its water accounts.

The member for Mawson is free to vote against this levy if he does not support it. The member for Bragg, in a good contribution, has indicated—and I think I am right in paraphrasing her contribution—that in her electorate 100 people indicated widespread support for the measure. If the member for Mawson does not like this measure, he can vote against it; if he likes the measure, he can vote for it.

Mr BROKENSHIRE: An anomaly has already come up. On my assessment, the CFS will have to contribute up to $6 000 to this water tax, based on $30 a brigade. Indeed, it may have to contribute more than that amount of money. That is one example where, unless the government is prepared to increase the funding to the CFS and the SES, they will miss out on personal protective equipment and the like. There is another example of the sorts of problems that will occur. I declare a possible interest in this question.

Nevertheless, on behalf of my electorate, where there are many constituents with situations similar to mine, I would like some clarification on this matter. The Treasurer mentioned commercial properties. There are several examples of where commercial properties such as business centres and the like—and it could involve retail, as well—could have one water meter at the front but a minimum water rate notice is sent to every landlord through that business centre. If a situation such as that occurs, will the minister assure the committee that those people will not receive a $135 commercial meter charge on top of their minimum water rates?

The Hon. K.O. FOLEY: I thank the member for acknowledging his own conflict of interest in this matter. I

have to be careful because this matter is the subject of other inquiries and investigations. We know how the member used to address matters in his electorate when it came to various ambulance stations—

Mr BROKENSHIRE: I rise on a point of order, Mr Chairman. As I should as a member of parliament, I raised my potential conflict of interest on the basis that I have an interest in a business centre. However, I still have the right to ask the question.

The Hon. K.O. FOLEY: I applauded you for acknowledging your conflict of interest. I was referring to the subject of other investigations under way at present concerning your conduct as a minister.

Mr BRINDAL: I rise on a point of order, Mr Chairman. As the minister has said, the debate has gone quite well. The minister knows full well that standing orders do not allow the criticism of another member other than by substantive motion. I listened very carefully and am reticent to intervene. However, the allegations made by the Treasurer are very serious indeed. The minister should either be required to retract or, preferably, the allegations should just be forgotten from the record. If the Treasurer wants to raise those sorts of allegations, he has a right to do so. However, standing orders clearly provide that he has a right to do so by substantive motion. It is not proper in this debate to reflect on my friend and colleague the member for Mawson. The Treasurer has done so in the most serious manner and I ask you, Mr Chairman, to rule on it.

The CHAIRMAN: The member for Unley suggests that members should not be critical, but they can be. However, he is right: they should not reflect or suggest improper motives unless it is by way of substantive motion. I caution the Treasurer to be careful.

The Hon. K.O. FOLEY: I apologise if I have reflected unfairly on the member. We will just wait for the outcome of the Auditor-General's inquiry on that matter. SA Water billing applies to individual accounts or assessments based on separate saleable properties, given the existence of individual titles. The same method applies to the Save the River Murray levy. Commercial properties that have individual titles, including those under a commercial strata title, will each attract the $135 levy rate. Commercial properties under the one property title but with multiple tenants will attract only one levy amount of $135, because there is only one property title.

Mr BROKENSHIRE: As a supplementary question, if there is only one property title, I understand it is only one fee of $135. What if it is a strata title?

The Hon. K.O. FOLEY: Commercial properties that have individual titles, including those under a commercial strata title, will each attract the $135 levy rate. Commercial properties under the one property title but with multiple tenants will attract only one levy amount of $135, because there is only one property title.

The CHAIRMAN: By way of clarification, I take it that, with regard to the member for Unley's amendment, the matter relating to the payment to the Murray-Darling Basin Commission will be addressed between the houses?

Mr BRINDAL: I rise on a point of order, Mr Chairman. As the amendment is in the hands of the committee, the procedure is such that you should put the motion. I can indicate to the minister that I will accept whatever call you make on behalf of the voices; we will not divide on it. We will then proceed as the minister has indicated. It is not for me to withdraw it, as it is in the possession of the committee.

Amendment negatived.

The CHAIRMAN: The minister has amendments to clause 7 as well. I am advised by someone much more learned than I that the first amendment in the name of the Treasurer is not necessary because that matter can be addressed as a clerical amendment if the subsequent amendment is successful.

The Hon. K.O. FOLEY: I move:

Page 5, after line 9—insert:

(c) if the minister is satisfied that it may be appropriate to provide rebates in particular cases—the costs of rebates (including the costs of administering the rebate scheme).

Mr BRINDAL: The opposition has no objection at all to the amendment the minister seeks to clause 7. We do not intend to oppose it. If there is a clerical matter, I suggest that the clerks fix it up with the minister after the conclusion of the third reading.

Amendment carried; clause as amended passed.

Title passed.

Bill reported with amendments.

Bill read a third time and passed.

NATIONAL WINE CENTRE (RESTRUCTURING AND LEASING ARRANGEMENTS) (UNIVERSITY OF ADELAIDE) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 26 June. Page 3553.)

Mr HAMILTON-SMITH (Waite): I indicate that the opposition will be supporting the bill, but I will put on the record the opposition's view of what has occurred up until this point; indicate the range of questions to which we will be seeking answers; and canvass several of the key themes raised by the bill. This has been a fairly long and turgid story, as everyone is aware. In 2002, the government provided for a lease of the National Wine Centre to the Winemakers Federation of Australia for $1 per annum, provided the winemakers took responsibility for the National Wine Centre's management and operation. A bill was passed in 2002 but was never gazetted, and it is that bill which we are seeking to amend with the bill before us today, so that the National Wine Centre can get on with business. The arrangement entered into by the government with the Winemakers Federation failed within a few months.

The government subsequently commissioned a secret review, the Ferrier Hodgson review or the Carter report, which we understand explored options. Although the opposition has called for the release of the report, we note that it has not been made public or been tabled in the house, so we do not know the full extent of what is in it. However, the net result was that we were advised we would have an answer in November, the report from Ferrier Hodgson having been given to the government in late October; then it was to be early December; then we were to have a decision by Christmas; then we were to have a decision in January; and, ultimately, on 18 February it was announced that the National Wine Centre was to be leased to the University of Adelaide on very generous terms over 40 years. In the bill, the university has agreed to pay $1 million to the government in return for the 40-year lease of what, in effect, is a $39 million facility.

If one extrapolates that $1 million payment over 40 years of the lease, it is most generous. In fact, it is an annual rental of $25 000, without taking into account net present valuation,

and a rate of return of 0.064 per cent on investment, or less than one-tenth of 1 per cent of the asset. The bill will amend the 2002 bill, to which I referred earlier and which is yet to be gazetted, in order to vary the dedication so that the centre may be used for 'tertiary education programs, and scientific or other research, relating to wine'; and, to the extent that the land is not used as a National Wine Centre, to include provision for the centre's use for any other purpose 'appropriate to the functions or purposes of the University of Adelaide'. Secondly, the bill seeks to increase the lease term from 25 to 40 years to accommodate the government's preferred arrangement with the university.

The history of this has been a little muddied and blurred, and it has been muddied and blurred by the minister. Labor set out in 2001 to gain electoral advantage by turning this project into a political football. Clearly, some things could have been done better: there is no question about that. The wine centre was undercapitalised. It opened within a month of the collapse of Ansett and September 11, which caused tourism repercussions and ructions around the globe, particularly in Australia. The National Wine Centre showed promise of financial success within a two to three-year time frame—a fact that the government has acknowledged in documents released under FOI and in the Kowalick report, which was passed to the government in the transition to government. In fact, the Kowalick report pointed to a net benefit, once the wine centre reached break even, of $42 million a year to the South Australian economy. I will refer more to that later. There were difficulties with the National Wine Centre: there is no question about that. The minister has pointed to those difficulties on a number of occasions in the house, in his public statements and in media announcements.

The opposition acknowledges that there were difficulties. The opposition acknowledges that we were in government at the time. Just as the minister was a senior adviser in the former government during the State Bank debacle—although there is no basis for comparison when members consider that was an almost $4 billion fiasco and this is peanuts by comparison—we accept we were on watch at that time. There were problems with the car parking, problems with adequate capitalisation, problems with the business plan and problems with the marketing plan. There was a range of problems. Of course, all those problems were solvable and fixable, but the Labor Party chose to make it a political football for electoral advantage. I think to some degree that was successful. I think they did get some traction out of that.

However, on coming to office in March 2002, the government chose not to sit down and solve those problems. Rather, the government chose to leave the wine centre out there in abeyance as a festering sore, perhaps in the hope there would be some ongoing electoral advantages from leaving it there as what they perceived to be an example of bad governance on the part of the former government. The plan enacted by this bill will retain the National Wine Centre as a centre of research and excellence in wine. However, the opposition understands the public restaurant will close to become a university cafe. We also understand that the university is likely to outsource the function centre to a private operator for evenings and weekends, with the space to be used by the university during working hours. I understand that some effort has been put into a pack-away arrangement, if you like, so there can be dual use of those spaces. The government claims, and has claimed publicly, that the university will keep the wine display open.

However, we understand that this has been a point of dispute between the parties. We understand that the university has insisted upon and will agree to scale down the display if it becomes a burden upon the university and, upon reading the lease, the agreement goes further in that it enables the university to close the display should attendance levels fall below a certain level. The university will be responsible for general maintenance of the National Wine Centre, but as landlord the government will remain ultimately responsible for the infrastructure. We understand that the university is happy with the lease and other financial arrangements—as indeed it should be. We think it is most generous.

The opposition understands that it is planned to begin activities at the National Wine Centre with around 160 students commencing work in late September 2003. We note that the bill does not prevent the university from subletting part or all of the National Wine Centre for commercial purposes and, in fact, we understand that this is part of the long-term plan. Of course, such commercial operations would need to comply with the broader context of the act, but they may facilitate the profitable public use of the National Wine Centre by the wine and tourism industries.

I put on the record some of the history that has led us to the point of this act so that the record is clear and concise, because this may be the last time that we deal with amendments to this act in the foreseeable future and, in some respects, it brings the issue of the National Wine Centre, we hope, to a close.

I refer to 15 October 2002, when the Treasurer made a statement to the house in which he set out the government's intentions, in particular, when he advised the house that the Winemakers' Federation of Australia's lease of the centre was floundering. He explained that the state government had allocated some working capital in the form of a $500 000 grant for 2002-03 and that the federation had commenced operating the centre on 1 July 2002, but that in September the chief executive of the federation, Mr Ian Sutton, had contacted him and indicated that the centre was not viable. He then provided a range of facts and figures—selectively presented, I add—to support his argument that the wine centre was a very poor investment and a problem inherited from the previous government and, as I mentioned earlier, some issues needed to be fixed.

The Treasurer in that statement also made reference to the Kowalick report and some of the projections therein. However, it was very selectively quoted, as indeed were the visitor numbers in the minister's statement on that day, which put a spin favourable to the minister's intentions on the subsequent announcement that they would appoint Mr Carter of Ferrier Hodgson to look into the centre and make recommendations.

Of course, the Carter report was to review the financial position of the centre, report monthly on trading expectations and carry out a number of other roles, including the assessment of alternative uses for the centre, and recommendations on possible strategies and alternatives for the centre that require no further injection of funds from the government, all of which was very commendable. The Carter report was to report on 31 October. The report was duly tabled to the government.

On 10 November, shortly after its tabling, the opposition called publicly for the minister to release the Carter report from accountants Ferrier Hodgson. We felt that the full facts of the options before the government should be known. We also revealed that information given to the opposition

confirmed that by the end of December 2001 the wine centre was achieving 72 per cent of its revenue targets, despite the effects of 11 September and the collapse of Ansett, which the government—through the Minister for Tourism and other ministers—has acknowledged was a major flattener on the tourism industry and on the economy more broadly because of the very dramatic effect it had on international and interstate tourist arrivals.

We also drew to the public's attention that not only was the National Wine Centre achieving 72 per cent of its revenue targets in December (a point confirmed on ABC radio by the winemakers' federation) but 140 000 people visited the centre in its first 10 months—that is, 140 000 opportunities for the centre to profit from, to turn into dollars and to turn into revenue. Clearly, it was a challenge to find the best possible way to do that. The wine centre was on track to succeed until Labor deliberately set out to destroy it, particularly during the January election campaign. Of course, it is very hard to make a development such as this work when the owner is sledging the centre, saying in the media that they will close it, rubbishing it and being negative.

In fact, as shadow minister for tourism I had calls flooding into my office saying, 'For heavens sake, could you speak to the Labor Party and get them to stop this negativity. Bookings are being cancelled; people are saying it is a lemon. People are no longer investing in the centre or intending to book their functions at the centre.' In a way, the government's concern became a self-fulfilling prophecy. By rubbishing the centre and bagging its future prospects and by saying in a disparaging way that it would be closed or that it would fail, they made that dream come true. In fact, the problems for the wine centre really took hold in that January 2002 period and were substantially contributed to by the minister and the Labor Party for pure electoral advantage. Labor had puts its relationship at risk with industry stakeholders such as the winemakers' federation and leading winemakers such as Southcorp. Even Wolf Blass had joined growing calls for the wine centre to be put on track. The Kowalick report revealed in January 2002, as I mentioned earlier, that the wine centre was worth $42 million per annum to the South Australian economy.

The opposition dismissed suggestions by eastern states based consultants that the National Wine Centre would be better placed in Sydney or Melbourne, a point we note that the Premier did not dismiss. He seemed quite happy for the wine centre to go to Sydney or Melbourne. There seemed to be no commitment from the Labor Party for the wine centre to be in the premier wine state of Australia. For the Rann government to seize on such suggestions and express defeat so readily was a stunning collapse, in our view, of leadership and showed a reluctance to work cooperatively with our successful industries, our wine industry, to solve the problems—and they were solvable. In our view, by turning the wine centre into a political football from January onwards, in particular, Labor is as much to blame as anyone for the problems the centre faced later in 2002.

There was a likelihood at one stage that, in essence, the wine centre would run away to Melbourne just as the Grand Prix did—another Labor demise. We called for the Carter report to be released immediately and note that it has still not been released. On 6 February, after a couple of false starts in December when we were assured that there be would be some sort of announcement, the opposition again called for the government to tell us what it was going to do with the National Wine Centre. The Treasurer missed his January deadline—a deadline he agreed to set for himself on ABC radio—to make an announcement about the future of the centre.

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

Mr HAMILTON-SMITH: Before the dinner adjournment I was reminding the house of the background and history associated with this bill that leads us to this point. I was reminding the house that on 18 December the opposition drew to the public's attention the fact that an outsourcing of the wine centre was expected and that people were contacting the opposition indicating that they had put submissions to government about a takeover of the operations of the centre, and we re-emphasised the early indications in 2001 and early 2002 that things were in good shape but that there was a sharp deterioration in business operations at the centre once the sledging and criticism of the centre by the Labor Party reached full steam.

I was reminding the house that on a number of occasions we called for the Carter report to be released and, as early as 27 October 2002, we were offering bipartisan support to the government in regard to the proposal for the wine centre to be rebuilt. In fact, we put out a media release on 9 October entitled, 'National Wine Centre: A Time to Rebuild' which made that point and re-emphasised the fact that the wine industry was worth $1.3 billion in exports and that, along with wine production and sales, the industry is a major tourism icon for the state. We made the point that there had been strong attendances at the centre in its first six months despite the collapse of Ansett and September 11; and we made the point that even the exhibition averaged 400 paying visitors daily in the weeks leading up to December 2001.

We reminded the community that the winemakers had stated that the centre was at 72 per cent of revenue projections in is first four months of operations and drew attention to the Kowalick report. But that fell on very deaf ears, because it was necessary on 13 February for us to point out to the public (parliament was in recess) that the Labor government was, in fact, prolonging the agony, if you like, and costing the taxpayer a significant amount of money by its procrastination. Having received the Carter report in October and delayed it through November, December and January, it was costing the taxpayer far more than it might have had the government made a genuine commitment to solve the problem of the Wine Centre early in its tenure.

We reminded the public on 13 February that we had received freedom of information documents from the government, and they were most revealing. I refer to TF O2D 00895 and associated documents that came with it, that showed some very wobbly and rubbery work on behalf of the government to substantiate its case—a very pessimistic and sceptical view put forward from some within government departments to the Treasurer to balance more optimistic prognoses from other sectors of government.

But we also highlighted to the people of South Australia that the FOI documentation signed off on 15 March 2002 revealed that in the week after the minister became Treasurer he was advised that the operating losses at the National Wine Centre could be reduced to $800 000 in 2002-03 and further reduced to $300 000 in 2003-04 if a suite of proposed actions was taken. The Treasurer was advised that a total of $1.8 million would be required to get the centre to a break-even point within three years. Did the Treasurer take that advice? No, he did not. The Treasurer chose to leave the wine centre to be

what he saw it to be, a political tool—a political tool with which to bash the Liberal Party—so he could simply continue with his argument which had been commenced prior to the election that this was some sort of iconic example of Liberal Party failures and it should be left there, at considerable cost to the taxpayer, out in the cold for an extended period. He simply continued the political objective of rubbishing the Liberal Party rather than solving the problem on behalf of the taxpayer.

On 15 October 2002 the Treasurer revealed in parliament that within just seven months Labor had so botched and mismanaged the centre that $6 million was required over the same period, or $2 million per annum. So he was trying to tell the parliament that it needed $6 million ($2 million per year for three years), yet he had received advice on 15 March that it needed only $800 000 in 2002-03 and $300 000 in 2003-04. So, we have this fudging of the figures to create a particular view. He is making it sound $4.2 million worse than it was. The reality is that the minister failed to act promptly to take the required action, choosing instead to continue the destructive, politically-motivated course set by the Labor Party to score points by bringing the centre down.

The Kowalick report, as I mentioned, had pointed to the $42 million of benefits to the state economy once it reached the break-even point. The documents released under FOI reveal that the Treasurer agreed with the original business plan and that the expected visitor numbers of 170 000 were '. . . considered reasonable in the medium to long term if marketing expenditures are maintained and appropriately targeted.' That is the point: if marketing was maintained and appropriately targeted. The reality is that the minister failed to act decisively and responsibly to protect the taxpayers' investment.

As I said, we admit that some mistakes were made. Some things could have been done better: a number of decisions taken by the board and by the management of the centre could, in retrospect, have been better. But members should remember, and it is handy to remind the house of some of the facts here, that the centre did depend on quite a number of tourist visitations. If one looks at the facts, the centre was scheduled to open on 1 July but in fact opened on 31 August 2001 and, of course, we all know that just over a week later there was a massive slump in tourist visitations as a consequence of September 11. Of course, in mid September, another week on, Ansett collapsed. Despite all that, as I have mentioned, 72 per cent of revenue was achieved by 25 September 2001, according to the winemakers. It was hardly a without-hope scenario. In fact, it was a recoverable scenario, as the Treasurer well knows.

The situation went on. The opposition was receiving reports—actually, from within the Labor Party—that the Labor Party was quite divided. There were interests within the Labor Party working to save the National Wine Centre and arguing quite strongly in Labor caucus for the centre to be given a new future and new hope, while there were others who wanted to leave it out there as a political beacon for the Labor Party's political purposes. The leaks were coming in from the very heart of the Labor caucus. It did not take long for the hard-done-by backbenchers and staffers to respond to Kris Hanna's description of the bully boys in government, when he left the Labor Party and joined the Greens.

We also received information that the Ferrier Hodgson report, compiled by the independent auditor, Bruce Carter, would be very interesting reading for the opposition. We would very much like to receive a copy of it. I mention it to the gallery in case anyone is inclined to slip one in the mail. We would very much like to see one. We have called on the government to table the report. I cannot see why it is so commercial-in-confidence that it cannot be released. The government was a great one for accusing the former Liberal government of retaining information on the basis of commercial-in-confidence. Let us see the report, let us see what is in it, and let us have a full and open public revelation of the full background to the Wine Centre, and also to the other options that were turned away by government when it made its university decision.

We had a lot of indications coming from very close sources within the Labor Party that there was a dispute going on about the future of the centre. We reminded the public of that on 6 February: we reminded them of the success of the centre. It is worth getting this on the record: 400 people per day attended the exhibition under the Liberals between 19 December and 6 January 2002. At that rate, if sustained, 146 000 visitors per annum would have gone to the exhibition, and that was within the profitability projections set at the birth of the National Wine Centre. Instead, after Labor's sledging, attendance at the exhibition plummeted to 38 000 by June 2002.

Mr Koutsantonis: So, that was our fault?

Mr HAMILTON-SMITH: Yes; to a large extent, it is.

Mr Koutsantonis: How can you say that with a straight face?

Mr HAMILTON-SMITH: If he read *Hansard*, the member for West Torrens might be enlightened as to the full facts of the case. Some 25 000 people attended over 200 functions; 25 000 attended restaurants and, despite Labor's sledging, 140 000 still visited the wine centre between August 2001 and June 2002, showing extraordinary support. The Treasurer said that some of those people went to functions. The point the opposition simply makes is that people were attending the wine centre. It was up to the Treasurer as the responsible minister to find a way to ensure that the wine centre profited from that attendance level. It was up to the Treasurer to come up with a business plan that could make the wine centre the success it needed to be.

The Labor government identified wine and food as a centre point of the South Australian tourism plan, and the federal government identified wine tourism as a very important part of its international marketing plans. The National Wine Makers Federation of Australia developed its own tourism plan and appointed a tourism development director. The left hand of the Labor Party in the tourism area over there did not seem to be talking to the right hand of the Labor Party under the Treasurer. Mr Rann and Mr Foley were looking in the wrong direction and could not see that every other wine and tourism organisation in Australia wanted the wine centre to be a success.

It has now cost far more than it would have done if the Labor Party had moved faster. It was time then for the minister and the Premier to get out of the corner they were in and back the wine centre into a new future. They needed to talk to tourism about the full potential of the wine centre and they needed to sit down with the winemakers—the key stakeholders—and come up with a workable plan. There was an attempt, and the bill we are debating tonight seeks to amend the 2002 bill. I give the minister credit for that, and I spoke in support of that bill in 2002. But it was very hard for the winemakers to make a go of the wine centre when their landlord, the government, was out there still rubbishing and

bagging the centre. In many ways they were handed a poisoned chalice.

On 16 October 2002 we also had Robert Champion de Crespigny coming out and saying that he was inundated with calls when the most recent wine centre challenges were announced. He said he drove past there on the way home at 10.15 that night and there were two giant buses there as people came out from dinner, and more were from overseas. He suggested that the wine industry should get right behind the wine centre. He said it could not be left only to the Premier and the Treasurer, and I agree with him, but there needed to be a partnership.

On 16 October we had the Independent member for Chaffey saying, 'When we have an enormous taxpayer funded investment sitting there that is a wonderful asset, we need to make it work,' and I agree with her completely. On the other hand on 4 November, ACIL Consulting came out saying they believed the concept of a national wine centre would be far more likely to succeed in Melbourne or Sydney. They said if it goes ahead it should be located in the customs building in Circular Quay. They thought that would be a great spot.

On 4 November the Premier came out and said that was a terrific idea; he said the ACIL report was no surprise to him, and in his comments he suggested that it should have been elsewhere. That is a terrific signal to the wine industry, is it not? Then on 14 November we had Bruce Carter, the independent auditor, coming out and saying about the wine centre's operation that it is the busiest it has been since the centre opened. He said:

> At the moment functions are continuing and there is a lot of activity down there—there is a perception that it's closed and that's just not the case.

We agree with him, too. In fact, the wine centre was still humping along rather well back then in November 2002. On 29 November the *Advertiser* headline read, 'Report fuels doubt on the fate of the wine centre'. On 18 December the minister came out and said the National Wine Centre would not be sold, and on 19 December the minister said he refused to say what the government would do with the National Wine Centre. He claimed that investigations were still under way and that it was ultimately up to the wine centre to show a commitment to the project. At that point, one might ask 'What project?'. There were various other media and government reports, comments and statement in that late December and early January period.

Then, on 18 February, we had the minister's announcement that this university proposition would be the one that the government selected. He announced to the house in going over the history of the project that the university would now be taking over the centre on a 40-year lease and that it would use the centre to expand its world acclaimed wine research and education courses. He said this meant that South Australia would have a facility to rival the great wine institutions of France, Italy, Germany and the United States, and we agree with that and sincerely hope that that becomes the case. He went over the history of the wine centre and, in terms favourable to the Labor Party's argument, he summarised the financial background of the industry and very creatively reconstrued the facts of the matter to make them look favourable to the Labor Party.

The opposition came out on the same day and said that the Liberal Party welcomed the wine centre announcement. We did, and we still do. We said we were pleased that the wine centre would remain open. We said we felt that the University of Adelaide should do well as the new tenant, and we joined others in expressing our delight that the site would remain a wine centre instead of suffering the other fates speculated by the Labor Party and others.

There was considerable speculation that the centre would close, and that was tremendously positive for business, was it not? We reiterated the points made in the Kowalick report and other sources that the centre had a vibrant future, and we supported the move. That is why we sit here today determined to see this bill pass and to see this bill become the future for the National Wine Centre.

The opposition wants to get on the record a couple of other facts associated with the history of this matter. We particularly want to get on the record the Kowalick report's observation that the South Australian Tourism Commission had conducted as early as late 2001 very valuable research into wine tourism that reassured both the outgoing and incoming governments that 170 000 visits to the National Wine Centre was a very sensible target. That is on page 10 of the Kowalick report. He went on to explain very important extracts from that tourism commission work and said that, in 1999, 940 000 visitors in South Australia went to a winery, spending $342 million in the process.

Mr Kowalick went on to say on the same page that, in the context of 940 000 visits to wineries, 1.8 million interstate visitors, 3.6 million intrastate visitors and 317 000 international visitors to South Australia in 1999, capturing 170 000 visits to the National Wine Centre was in his view a realistic target. It always was a realistic target, until the minister, the Premier and the Labor Party set out to destroy the wine centre as a viable venue. Kowalick goes on to cite further research and give information about the effect of the Ansett collapse and 11 September on the wine centre's operations. He makes a number of interesting points and, on page 15 of his report, he says:

> Clearly, the large decline in arrivals on a year-on-year basis indicates that the events of 11 September 2001 have had a major impact on arrivals to Australia.

He goes on to explain the full impact of this on the operations of the wine centre. Kowalick also makes the point that the 2001-02 budget contemplated marketing expenditure of $800 000 per year for two years, and he indicates that, from his inquiries, that was consistent with the investment in similar developments elsewhere. Without this expenditure, he says that the National Wine Centre would probably have a visitor base of $70 000 to $90 000 per year on average and, at that level, it would struggle to break even. Kowalick emphasises the need for marketing, for investment, for tourism, and for the wine centre to cooperate. He says:

> The National Wine Centre represents an opportunity to strengthen the state's wine and food positioning in the domestic and international markets and is consistent with the SATC's corporate objective of building a good living or lifestyle tourism brand for the state.

He goes on to give further information on the economic benefits of the wine centre and explains that international visitation was anticipated to be 7 per cent; interstate visitation, 41 per cent; and South Australian visitation, 52 per cent. On page 22, he spells out the economic benefits to the state once the centre reached the break-even point. As the Treasurer knows, it probably would have done so within two years. On separate occasions, he received advice that that would have been the case, had he got behind the wine centre and supported it. Kowalick clearly explains that over $21 million of direct benefits—

Members interjecting:

The SPEAKER: Order! The member for West Torrens will have his chance later.

Mr HAMILTON-SMITH: —and $21 million of associated benefits to annual state product would result—a total of $42 million. Kowalick also goes on to extrapolate cash flows, and this is most interesting. He summarises the amount of government money required to be spent in early 2002, had the Labor Party chosen to get positively behind the wine centre on coming to office. On page 28 of his report, he looks at the base case and the midpoint case. However, whichever way he looks at it, he tops out the amount of government investment required at $1.8 million over the period from early 2002 to 30 June 2004. On the following page, he says:

> The level of additional financial support likely to be required from government and for what period of support will be required for the National Wine Centre to achieve an operating break-even position is: until June 2002, $.7 million; in year 2002-03, $.7 million; and in 2003-04, zero.

The Hon. K.O. Foley: What about my work done?

Mr HAMILTON-SMITH: The Treasurer asks about his work done. If you ever want to see some rubbery work or a set of rubbery figures, look at the documentation released by the government under FOI that summarises the Treasurer's figures, most of which are based on there being no investment in marketing (which Kowalick makes perfectly obvious is required). The Treasurer takes the worse case scenario, a 'do nothing' scenario, extrapolates it out over three years and says, 'Oh, my God! It's all doom and gloom!' If you want an intentionally created set of figures to make things look bad, look at TF02D00895 and the associated FOI released documents that accompany it. It is the most rubbery piece of work I have seen in living memory. You can be positive, or you can be negative; you see a future, or you can see none. It was quite obvious that the Treasurer saw no future.

The opposition will have some questions during the course of the discussion of the detail of the bill, and we will go through it on a clause by clause basis. However, I want now to direct my remarks to the issue of the lease to the university. I hasten to add that the opposition believes that the university will be an outstanding tenant, and we commend the minister, given his philosophical position, given that he has set out to destroy the wine centre, given that the Carter report recommended a number of commercial options to him (but, for reasons known only to him, we, the people of South Australia, have not seen them because they have been kept secret), and given that he has decided to go down the path of offering the wine centre to the university.

The opposition is of the view that this course of action will result in a successful outcome for South Australia; that the university will be a good tenant; and that it will become a centre of excellence. However, if we look at the agreement, the hard bargain—the fiscally responsible and financially rewarding deal that the Treasurer has done for the state—we see that the lease agreement contains a number of most interesting clauses. Page 6 of the lease talks about the maintenance program and indicates that the Treasurer and the university will use their reasonable endeavours to agree the maintenance program as soon as practicable and before the commencement date, but it leaves a few things in the category of, shall we say, a grey area. Further down that page, the obligations upon the university in regard to repair and maintenance are listed and it notes, essentially, that the university will (as a normal tenant would) fix the things for which it is responsible but that considerable responsibilities still fall to the Treasurer and, therefore, to the taxpayer.

On page 7, there is discussion about alterations. Essentially, it leaves the university free to carry out whatever alterations it may seek to implement, without reference to the Treasurer. Significant rebuilding and change to the precinct could occur which, I remind the house, is on parklands. Later on page 8, an interesting point about the issue of the wine exhibition is raised. The Treasurer has made the point in his statements to the house that the wine exhibition will remain open. I hope he corrects his advice to the house, because the lease simply provides that if at any time visitor numbers fall behind 7 500 in aggregate, in any two quarters in any year, the university may shut down and cease operating the exhibition without any need to give any reasons whatsoever to the Treasurer.

I hope that the Treasurer will check the advice he gave to the house about the exhibition remaining open. So that there is no misunderstanding or suggestion of misleading, I hope that he clarifies to—

The Hon. K.O. FOLEY: I rise on a point of order. An allegation has just been made that I have potentially misled the house. That is either done through a substantive motion, or I ask the member to withdraw.

Mr HAMILTON-SMITH: Mr Speaker, I am not suggesting that the Treasurer has misled. I am asking him to leave no doubt. I am simply pointing to an anomaly between statements the Treasurer has made in the house and information in the lease and seeking clarification.

The SPEAKER: That is as I understood it also. There is no point of order.

Mr HAMILTON-SMITH: Clause 5.4 of the lease clearly provides for the exhibition to be closed down. Clause 5.4(b) provides:

> The university must give the Treasurer not less than 20 business days' notice prior to the shutdown of the exhibition.

The people of South Australia need to understand that the exhibition may be closed and that there is no obligation on the university to market it (I have mentioned that the Kowalick report underlined the importance of such marketing), and that the Treasurer is delegating his responsibility in regard to the wine exhibition to the university while providing for a clause in the agreement to enable the university to close down the exhibition, as it sees fit, should the numbers drop below 7 500.

The university could double the price of entry, not do any marketing, or make it difficult for access, but I am not suggesting for a moment that it would do any of these things. I am not suggesting for one moment that they would do any of these things, but they could easily get the numbers down below 7 500 and close the exhibition—and there would be no recourse, because the Treasurer has not left himself any avenue to take that up with the university. Clause 6 (page 8) of the lease states:

> The university may sublet or otherwise part with possession [whatever that means] of not more than 75 per cent of the area of the buildings situated on the centre land without the prior consent of the Treasurer.

The Treasurer has done a really tough deal with the university. He has leased the wine centre to the university and said, 'By the way, if you want to, you can sublease or otherwise part with possession of up to 75 per cent of it, as you see fit, and you don't need to tell me.' That is a pretty good lease, if you can get it. A lot of people would love to get a lease like

this—and this is on parklands, I hasten to remind the house. On page 9 we find:

> The assignee, sublessee or other person is in the reasonable opinion of the university solvent, reputable and otherwise able to carry out the university's obligations under this lease.

So, as long as the other party to whom they let the 75 per cent complies with that, there is no problem. And so it goes on. On page 10 of the lease under 'Treasurer's covenants', the lease reminds us that the Treasurer covenants to the university that he will pay all stamp duties (if any) on or in relation to this lease and any document or transaction associated with it. Paragraph (e) of clause 8 under 'Maintenance of the land' states that the Treasurer accepts responsibility for certain works in regard to maintenance of the land: any structural repairs, replacement and renewal of centre land, to keep the same in good structural condition, repair and working order to a standard and quality consistent with the standard and quality that existed as at the commercial date, including works in relation to and arising from—and it lists a number of subclauses.

All that is fine, but remember: the sum total of this lease over 40 years is $1 million ($25 000 per annum)—a rate of return of less than half of one-tenth of 1 per cent on the investment. How much is the contingent liability for maintenance of the property compared to the rental return? We are led to believe that the taxpayer has been let off the hook, that we are getting out of this and getting $1 million over 40 years, but by the time you add up the contingent liabilities it may well be that the taxpayer is up for far more than we are led to believe by the minister's second reading explanation. It is mentioned in clause 9, 'Compensation' (page 11):

> If there is any resumption by the State of South Australia or any authority, the Treasurer must pay the university compensation within 20 business days of the resumption of the compensation being agreed or determined under the dispute resolution procedure.

That is very interesting because, as I turn over the page, I find that the government has failed to provide the opposition with page 12. Somehow or other page 12 has magically disappeared from the copy of the lease that we were given. I would really like to see what those clauses state. I ask the minister whether he will provide the opposition with page 12 of the lease, which deals with the very important contingent liability that is left unspecified.

Regarding liability for GST (clause 12 on page 16), the lease document makes the point that, again, the Treasurer is liable to pay certain amounts in regard to GST. So, there are quite a few costs coming back to the taxpayer. If you look at the fine print in the enclosures, it gets even more exciting. The enclosures (page 14 of this document prepared by Finlaysons Lawyers) refer to the agreement between the university and the government and state:

> The Treasurer, prior to the completion date will terminate the employment of each employee, pay out all entitlements to employees, and pay out retrenchment and redundancy payments to employees.

So, we are handing over a very clean sheet. I want to know what the total cost of those termination payments will be. So, there are a number of aspects of the lease agreement (which add flesh to the bones of the bill before us) which need to be clarified and on which the opposition will seek the Treasurer's advice in committee.

This has been a very long saga. As I mentioned when I began my address, the Liberal Party accepts responsibility for mistakes and errors of judgment that may have been made during its tenure in government. Some things could have been done better; there is no question about that. We paid a price for that. We were criticised for that in 2001 and during the election campaign. There was a board and a management structure in place and, with hindsight, some of the decisions that were taken could have been done better. There were some unforeseen events such as September 11 and the collapse of Ansett which impacted on the financial viability of the centre but, even so, it was undercapitalised.

The Treasurer has made great play of a bailout. Another way to look at it is that, if the former government had provided adequate capital from the outset, there would not have been a bailout; it would simply have been that adequate funding was provided. We freely admit that there were some things that could have been done better. However, the fact that the present government made a conscious decision to turn the National Wine Centre into a political football—it set about sledging the centre and ruining its reputation, surrounding it with a network of negativity—contributed to its demise, the drop-off in attendance numbers and any financial failure to which the government may point. This was a politically driven strategy captained by the minister and the Premier for pure political advantage.

The Kowalick report and the winemakers and public statements made by others in a position to know show clearly that, despite all the setbacks it faced, despite some bad decisions, which we admit we made in 2001, there were indicators that the centre could have been extremely viable and could have been got onto an even pegging within two to three years. Even documents and advice given to the minister under FOI and in the form of the Kowalick report show clearly—

The SPEAKER: Order! The Treasurer will either acknowledge the chair and leave the chamber or resume his place. He may choose to leave the chamber to discuss with other citizens things that warrant his attention. The member for Waite.

Mr HAMILTON-SMITH: The advice given to the Treasurer by both his own Treasury staff and the Kowalick report clearly show that it was possible to recover the situation within two to three years, get the wine centre onto an even keel and have it running profitably, if the right attitude and approach had been adopted back in March 2002. However, by then the present government had backed itself into a corner. It had spent a year sledging the wine centre, surrounding it with doom and gloom. Essentially, it set about destroying the place, and it found it too unpalatable to reverse that decision, to sit down with the winemakers and others and say, 'How can we sort this out?' If the full facts were known, the net cost to the taxpayer at the end of the day, now that we are 18 months down the track, has probably been at best case the same, at worst case far more than it would have been if the Treasurer read the Kowalick report, looked at his own Treasury advice in TFO2D00895 and set about fixing the problem. Governments are elected to fix problems, not simply to play political football.

Having said all that, we believe and have confidence that this bill will give new life to the centre. We understand what this bill does. We have spoken to the stakeholders involved. We recognise that under the university the wine centre will become a vibrant and active centre of innovation. We recognise provisions in the bill for the wine centre to still use it as a tourism and business asset, and we have no philosophical objection to that. In his haste to get rid of the wine centre, the Treasurer has struck an extremely favourable lease with the university. However, the university is a good cause. The

opposition commends the Treasurer for this final outcome. Given the political box within which he has positioned himself, it is a reasonable outcome that the opposition supports. We look forward to seeing the bill pass expeditiously through all stages. However, we will be asking questions in committee.

Ms CHAPMAN (Bragg): I wish to acknowledge and thank representatives from the Treasurer's office who provided a briefing last week on this matter. This is only a short bill, and I have had a chance to peruse the documents that relate to the critical issues in this matter, namely, a copy of the lease and the asset sale agreement. These provide the gist of the agreement being sanctioned by the parliament in this legislation to facilitate the University of Adelaide's entering into a long-term lease with an asset of the people of South Australia. So, tonight, when this bill passes, we will be saying, 'Happy birthday, University of Adelaide!' This is the 2003 gift from the people of South Australia of an asset which, on my rough understanding of the history of this matter, was developed from land owned by the people of South Australia, involving $20 million from the federal government, about $30 million from the South Australian government and $16 million in total from the wine industry.

It has not all gone into the capital development. We are talking about an asset that has been developed at a massive cost to the people of South Australia and Australia, and the wine industry over a 40-year lease. It is an asset which, without traversing all the issues the lead speaker on this matter has dealt with, according to Mr Kowalick who provided a report on this matter in 2002, would generate a net benefit of $42 million a year for the people of South Australia. On all accounts, an asset that is handed over for 40 years to anyone—in this case the University of Adelaide—for $500 a week over 40 years could not be described as anything other than a most generous gift. Again, 'Happy birthday, University of Adelaide!'

I want to talk about exclusivity in relation to the University of Adelaide. I declare my interest as a graduate of that university. I am also a graduate of another of the universities in South Australia. When this project was announced, the industry issued a press release, as did the university and the government, all welcoming this great agreement that had been reached in February this year. The Vice Chancellor of the University of Adelaide, James McWha, said:

> It [the university] will also allow us to work with other educational institutions such as TAFE, universities and schools.

That is admirable. However, nowhere in the documents provided that sit behind this bill is there any provision or protection whatsoever for any other educational institution in South Australia to have access to these premises, other than as a result of the goodwill of the University of Adelaide, with or without a price tag. I make that point because this measure is being presented as a wonderful opportunity for the University of Adelaide to develop on a fine history of work in relation to wine in South Australia, originating from early days. Mr Speaker, it is well known to you that from 1892, with the establishment of the Roseworthy complex and college, there has been a fine history and tradition of involvement in viticulture, oenology and also wine marketing in the University of Adelaide. I commend that. However, that is not to say that other institutions in South Australia have not also been involved and continue to be involved in offering courses to their students in respect of which the wine centre would have been a magnificent forum and venue for them to enjoy. There is no provision whatsoever in these documents for other educational institutions to have access to that facility.

The University of Adelaide, upon the execution of these documents—and I note at least that the memorandum of lease (a copy of which has been provided to me) has been executed—has an implementation date of 30 September, for a 40-year lease for $1 million or thereabouts (adjustments can be made if stock is not all in order), with the opportunity to purchase stock at wholesale cost, and any plant and equipment out of a schedule which has been identified that the university elects to take, and in relation to the sale of intellectual property back at $1. That is a good deal on anyone's account. The only direct obligation it seems to have is to secure the tenancy of the wine industry within Industry House which is part of the complex under consideration and which is the subject of the lease. It will have an ongoing obligation in that regard.

The termination costs for the purposes of staff and others all appear to be met by the people of South Australia. I also seek clarification in respect of council rates—if any—water and sewerage rates, land tax or stamp duty on the lease. Of course, the latter is specifically the obligation of the government or the people of South Australia, whichever way you want to look at it. I also seek some clarification as to the compensation clause on page 11 of the lease. If for any reason the government were to take back the property—and it has certain opportunities to resume control of this asset—it must pay the university compensation within 20 business days under the term of the lease. I seek some clarification on that, because I cannot see the formula for the purpose of compensation identified in the lease. That is of concern because, whilst the university is getting this facility at $500 a week, the commercial value—at least on Mr Kowalick's assessment—is much greater. Whether that would require an obligation on the state in terms of compensation has not been properly defined.

A very important and detailed dispute resolution procedure is provided and is included on page 12 (incidentally, I did not receive this in the lease but I know that it was provided as an attachment to the asset sale agreement). That impressive dispute resolution process is not out of the ordinary; indeed, it is what one would expect in a document of this kind.

In relation to the selectiveness of this program by the government, when the wine industry pulled out of the deal last year and their terms were no longer attractive for whatever reason, the government embarked on a process, quite appropriately, to employ the services of Mr Bruce Carter and Mr Martin Lewis from Ferrier Hodgson to undertake a process of sorting out what other options would be available to the government. That would seem to be appropriate. It is rather puzzling why the document has not been produced. It is not a tender process but, rather, an indication of interest by interested parties.

The options could be presented to the government with recommendations from Mr Carter or any other co-author of this report. It is a complete loss to me why this document should remain secret when, clearly, it is not a tender process. On all accounts, there does not appear to have been any representation put to Mr Carter about one of the options to be considered, namely, a 40-year lease to be offered to the University of Adelaide. It is a little puzzling how we jump from a report received in the latter part of 2002 to early 2003

when we have an announcement in February of a new deal. I am not sure who takes credit for it.

There were press releases from the three relevant parties. First, the government, in particular the Hon. Kevin Foley as Treasurer, stated that 'the state government has found a new role'. Mr McWha in his press release takes the view that it is some credit to the university. In fact, they are complimented, also, by the Treasurer for their vision. The wine industry seems to be glad to be out of the deal. What is important—and a little alarming for them if they were to see these documents today—is that in the press release of 18 February 2003 of Mr Ian Sutton, Chief Executive of the Winemakers Federation of Australia, states:

> . . . important significance in that the centre will:
> 1. Provide an exciting destination for national and international students, trade and consumers.
> 2. Add substantial value to the wine research and education activities of the University of Adelaide and the wine industry.
> 3. Concentrate the focus of the centre on wine education with significant national and international appeal.
> 4. Generate significant student and consumer activity, bringing the centre alive in something of a campus environment.
> 5. Remove any doubt about its certainty and establish, once and for all, the permanency of the centre.
> 6. Maintain the integrity of the centre as a wine centre.
> 7. Confirm the national headquarters of the Australian wine industry at the centre. . .
>
> 'No doubt, in a year or two, people will view the wine centre as having had something of a difficult birth but evolving into a vibrant centre of learning and research and an important national and international resource. . .

If Mr Sutton were to read the documentation that is the backing of this bill, he may not be as confident of that outcome. The lead speaker has referred to some aspects of the lease, in particular the capacity of the tenant (the University of Adelaide) to do a number of things, one of which is to close down the visitor facility or exhibition area, which is an integral part of the wine centre as a National Wine Centre. I also wonder whether any of this material has been shown to the commonwealth government, which made a very significant contribution to this National Wine Centre, to be presented and preserved as a National Wine Centre. The concern, as has been detailed—and I will not go through all the clauses—is that, essentially, without any notice to the Treasurer, the tenant can close down 75 per cent of the area. They have to notify the Treasurer only if the number of visitors falls below 3 750 in any quarter. That is their only obligation.

It is not difficult to imagine how, if you wanted to, you could reduce that number by marketing, lack thereof, increase in the entrance fee and the like, or simply by lessening the attractiveness of the environment of the centre, which is to become a campus facility. With due respect to university students—plenty of us in here have been them—it can tend to lower the tone (if I can describe it that way) from a restaurant area to a cafeteria. That is a reality. The function centre, which will have desks and equipment in it during the day, will be cleaned away, apparently, after hours, so there is no security of tenancy or availability or obligation of the function centre at night.

In summary, we have a situation where, notwithstanding the vision of the winemakers association's chief executive, they hope it will continue because, while they embrace the opportunity of an educational facility by taking on the university as a tenant, their understanding is that there is a clear commitment to continue to operate as a National Wine Centre. They say in the press release that the car parking facilities will be increased. One option would be to sell or sublet the use of some car parks. The logical first choice would be the current tenants of Industry House, which has a shortage of car parks. On a rough estimate, I suggest that could create enough income to pay entirely for the annual lease of the university. Some $25 000 would not be difficult to raise, just by leasing out the area for car parking, which is much needed in that area. There could be no display area; there will be no restaurant; there could be no functions because it no longer remains an attractive venue to which to go and it may have limited car parking; and there could be no vineyards. We could have any sort of facility there, but it could still be consistent with the objects of the University of Adelaide, that is, a football oval or anything else. There is no requirement to keep that. We have a situation where this facility could well become—admiral as it might be—an extension of the grounds, facilities and services for the university students of the University of Adelaide. That is an option.

The other option, which may or may not be achievable, is that the university can make money out of this, if they so wish. They could lease out or sublet the facilities, and the sublet lease clauses have been highlighted. In relation to the sublease—I do not think the lead speaker has spoken on this matter—it is important that, under most subletting clauses, there is the opportunity to do that, provided the tenant undertakes all the covenants and obligations of the principal tenant. It is a situation where it requires the Treasurer's consent, but the provision in the lease is that the subletting is not to be 'unreasonably withheld'. It is a situation where, commercially, the Treasurer will have an obligation, provided it is still consistent with the purposes that have been outlined in the bill—and in the act, which is pretty general. It includes the Treasurer also having a discretion to expand that even further. We have a situation where the opportunity to sublet is all but automatic. We have a situation where any portion, whether the car park, a restaurant, or any other part of the facility, could be sublet under the very broad terms that are there.

I do not have confidence that this will be an educational facility for the benefit of all South Australians. I think we need to be clear about this: this will be education benefit for the students of the University of Adelaide. I do not have a problem with that, but I think we need to be honest about it. Secondly, there is no security for the wine industry—and I want this to be on the record from my perspective—that this will be a facility that will ensure, legislatively or via commercial documentation, that this will remain a National Wine Centre. Again, we should be honest about that or, alternatively, if the Treasurer attempts to suggest there is security for that, I invite him to do so. The people of South Australia and the wine industry, which has made a very significant financial contribution to the development of this project, ought to be told honestly they do not have the security for that. They may find they are an extension—a magnificent extension, nonetheless—of the Adelaide University, which will develop on that capacity.

They are the matters I wish to bring to the attention of the house. I congratulate the university on its successful negotiation of these terms. I hope that it will be a magnificent facility for its benefit. The only other matter I raise is that we are considering other legislation in this house—and I will not touch on that because I understand the rules—and, in the near future, there could be a situation where the university will be given very much more extensive powers over the sale of their assets. I think that a 40-year lease of a commercial asset on

North Terrace comes within the ambit of that, and it has not been covered for the purpose of the university. I think that is one of the things that we need to look at, that is, this question of subletting which has been extremely generous to the university.

Ms THOMPSON (Reynell): It has been impossible for me to sit still and listen to this diatribe coming from members opposite. The most amazing part of it is when the member for Waite acknowledged that some bad decisions had been made by the previous government, and he suggested that those bad decisions were made in 2001. Sir, you would know even better than I that those bad decisions go back an awful lot further than 2001. I have 20 minutes allocated tonight, but I hope I do not take that time because I know there is a lot of business to be done and members want to get home. I have merely grabbed some of my papers from my membership of the Public Works Committee and looked at some of the issues that I and other members of the committee raised at that time. I looked to see whether those issues had been resolved and how those issues bore on the situation which faced this government in its finding a way of not having an important National Wine Centre turn into a total pink elephant.

The history of this centre goes back to 1997. On 28 May 1997, the Hon. J.W. Olsen introduced the National Wine Centre Bill. In his remarks he commented that the South Australian government has already shown its commitment to the project by providing $20 million to the centre's construction. He said:

> Construction can start as soon as all approvals are in place. $7 million has been made available in the budget for this year's construction works. . . The choice of Hackney follows an exhaustive selection process in which a number of sites throughout the city were considered. . . It was agreed that the National Wine Centre must be centrally located to ensure its commercial viability.

That was one of the first things that was a problem, that is, its location on the parklands. The community was always concerned about the alienation of parklands for the purpose of a commercial venture such as the National Wine Centre.

The members of the Public Works Committee were unanimously concerned about this siting of the centre. We recommended that, before any alienation of parklands occurred, there should be a majority vote of the members of both houses of parliament and the Adelaide City Council, as we considered that this was one mechanism available for protecting our parklands. It was clear from the reports we had of the public consultation that the community was very unhappy about the notion of the National Wine Centre being on the parklands. However, my recollection from some of the comments made by then Premier Olsen was that he regarded it as a coup to have put this centre on parklands and that, indeed, this was one of the ways we beat the Vics. Sometimes beating the Vics is not worth the price.

Then we go to 1998 and the National Wine Centre (Land of Centre) Amendment Bill. The Hon. Graham Ingerson stated:

> On 21 August 1997, the National Wine Centre Act 1997 was proclaimed, designating the site commonly known as the Old Hackney Bus Depot as the location for the National Wine Centre.
>
> Following discussion with the wine industry and a number of local community and special interest groups, the government now believes that an even better proposal has been identified.
>
> This revised and expanded proposal offers scope for a project of even greater national significance than first envisaged, incorporating the creation of the National Wine Centre, the Adelaide International Rose Garden and Rose Trial Garden whilst providing a seamless transition to and from the adjacent historic Botanic Garden.

He indicated that collocation of the rose garden and the wine centre will increase the financial viability of all operations within the precinct through the attraction of additional visitors and the efficient sharing of resources and common facilities.

Sir, you will recall from the Public Works Committee that that was about the last time we heard about the poor old rose garden. It went west very quickly, and it is lucky that the Treasurer has not had to rescue the rose garden as well as the wine centre, but the Botanic Garden has already done that.

We have had talk about why the centre failed. One has only to look at the documentation provided in evidence to the Public Works Committee of the parliament of South Australia for the proposed stage 2 of the Botanic, Wine and Rose Development, Department of Premier and Cabinet, November 1998, to see that the previous government was well and truly into their flights of fantasy by the time they made this submission.

The issue of car parking was raised. Today we hear that the issue of car parking has still not been resolved. However, the Public Works Committee was assured again and again that this would be resolved, despite our great scepticism about the matter. The proposal stated:

> It is therefore evident that this capacity needs to be replaced—

this is the issue of parking by the Botanic Garden—

> and to that end it is proposed to access the parking capacity of the Royal Adelaide Hospital. The existing ground level facilities of the RAH and those of the University of South Australia are more than adequate to cope with the overflow of major events. In the longer term the capacity of the proposed IMVS car park in the RAH grounds and the temporary capacity of Botanic Park will be sufficient to cater for these events.

That was just a red herring: it was never followed up and never used—and just as well because it was impractical to start with. It involved a walking distance of a maximum of 500 metres. Sir, you will recall, as I do, that I did ask the witnesses whether they were anticipating that anyone wearing high heels was ever likely to visit this function centre, because I could not see myself in my best finery with fancy high heels staggering 250 metres, let alone 500 metres, to attend an event in the wine centre.

An honourable member interjecting:

Ms THOMPSON: I do not think it was walking with difficulty—staggering was the only way I was going to get there, and I would probably get through three pairs of stockings on the way! The business case on page 17 of the proposal put to us said:

> The business analysis shows that there will be a net operational surplus from commencement and that this surplus is expected to increase over the next five years. Consequently, no requirement for recurrent funding for operating and maintaining the National Wine Centre is anticipated.

I think that is all I need to say, although I could say an awful lot more, but I see that time is marching on.

Now for these visitors. In relation to the business case, the proposal stated:

> A business case for the development of the National Wine Centre/International Rose Garden has been prepared by Reed McKibben and Associates. The business case is built on the following visitation numbers—

and this is the low initial patronage. The low estimates were: international, 44 000; interstate, 68 000; and local, 15 000—a total of 127 000 visitors. The high initial patronage was estimated at: international, 66 000; interstate, 117 000; and local, 30 000, coming to a total of 213 000. Sir, I always knew that was cloud-cuckoo-land, and you might recall that

I obtained the visitation figures for the SA Museum and discovered that the idiots who were advancing this proposal were suggesting that a quarter of the number of people who visit the museum in any one year would pay $11 to go to the National Wine Centre. That was the minimum.

They thought that probably 44 per cent of the number of people who visit the museum in a year would pay $11 to go to the National Wine Centre. That can only be described as pure flights of fantasy. Then we have the excuse that what happened was the—

Mr Hamilton-Smith: Prove it.

Ms THOMPSON: I have it here.

Mr Hamilton-Smith: No, prove your claim.

Ms THOMPSON: Which claim?

Mr Hamilton-Smith interjecting:

Ms THOMPSON: Because it was never likely to happen.

Mr Hamilton-Smith: Where's your research? Give us the facts.

Ms THOMPSON: 'Where was your research?' is more the question. This was given to us with the economic analysis. It related to visitation to the Museum, which is a very popular venue visited by many families. How it was ever expected that the rate of visitation would be comparable is totally beyond me.

Then we heard the excuse for what happened to these fantasy visitors: they were explained away by what happened on 11 September and the Ansett collapse. I have just been given a document kindly supplied by our excellent Minister for Tourism showing some information about what happened during that period. For the 12 months ended December 2002 compared with the previous 12 months ended December 2001, overall room nights occupied increased 6.5 per cent in South Australia compared with a 2.4 per cent increase nationally. Demand in the hotel sector in South Australia was up by 9.5 per cent compared with 1.3 per cent nationally. Motels and guest houses were up 2 per cent compared with 1.1 per cent nationally. Serviced apartments were up 12.7 per cent compared with 7.6 per cent nationally. In South Australia, overall occupancy rates were up from 56 per cent in the 12 months ended December 2001 to 57.6 per cent for the 12 months ended December 2002, a rise of 1.6 per cent. Takings from accommodation rose 8 per cent in South Australia compared with a rise of 2.1 per cent nationally. So much for the fact that nobody was coming here because of Ansett and terrorism! They were coming here: they just were not going to this peculiar wine centre, which was forever overblown, over-estimated and the product of somebody's ego rather than any realistic contribution to our wine industry.

Going back to the supposed economic analysis which was presented to the Public Works Committee in terms of revenue, the Wine Encounter admissions for the first year of operations were expected to be $1 564 000. The functions were expected to raise $41 000. By the time the centre was open, we were already hearing that the Wine Encounter was just a nice experience but how the money would really be raised was through the functions. Yes, that was about right—$41 000 a year!

I refer back to the visitor figures and remind members that the patronage that was anticipated in the first year was 127 000 people minimum to 213 000 people maximum, and we have just heard from the member for Bragg who is worried that the university might be attracting only 10 000 visitors a year and that they have to let the minister know if visitor numbers fall below 10 000. We are talking about totally different orders of magnitude.

When the former government came to the Public Works Committee and announced in parliament with great fanfaronade that it was establishing this National Wine Centre and 'beating the Vics', one of the great things about it was that it would be open in time for the Olympic Games. We all recall that the Olympic Games were held in September 2000. When was the centre opened? October 2001! They got that wrong, just as they got everything else wrong. As I said before, this National Wine Centre should have been a good proposition but they let fantasy run away with them and it grew like topsy and became a disaster that this government had to fix up in some way. I do not think that we regard this as a wonderful solution. We are just glad that it is not taking money away from pensioners, removing concessions for electricity or hampering development of decent infrastructure that would allow this state to grow—infrastructure that businesses can use, instead of something that is just there to satisfy somebody's ego, which is the best I can say for it.

I have a lot more information here. There are reports in the *City Messenger* of 31 January 2001 about how the wine centre had already run out of space. I have talked about the fact that initially it was to cost $20 million and ended up costing $40 million. But I think we need to get on with this debate. I have had my say about how this centre was doomed, how it was poorly planned by the previous government and how that government used extraordinarily rubbery figures. I do not know how they can possibly criticise this government's steady work in everything we do when they let fantasy run away with them so that they could have a nice big centre in the parklands.

Mr CAICA (Colton): I will be very brief, unlike a lot of the previous speakers who suggested they would be brief. Speaker after speaker from the opposition has talked tonight about all the things that are seemingly—

An honourable member interjecting:

Mr CAICA: Well, two, but I am sure there will be more. It is like *Groundhog Day*. The member for Waite talks and talks about a certain bill as if he is against it and then he supports it, and I assume that is what will happen tonight. But, to cut a long story short, we heard the member for Waite suggest (and it was the most ridiculous suggestion) that it is the Labor Party's fault (the government's fault, when it was in opposition) that the wine centre found itself in the situation that it was in because we talked it down. That is one of the most ridiculous statements I have ever heard. Then we heard the member for Bragg talk about it being a very good deal for the university, and I will touch on that. It is a good deal, and it is a far better deal than what might have otherwise been the case. But, with respect to the member for Waite, it seems that it is our fault that we find the wine centre in the situation it is in today. Some of the things that the member for Waite says from time to time I find very hard to believe, and that statement is up there with them. The member for Reynell talked very briefly about—

The Hon. P.F. Conlon interjecting:

Mr CAICA: —that is right—business cases, and now we have an opposition (and, quite rightly, in opposition) that purports to represent business, both large and small. I would have thought that some type of business case might be done in respect of the wine centre, and I am sure it was. The member for Reynell gave some figures that are quite astounding but are obviously not based on fact. The reality is that it was a bad decision to build the wine centre—a stupid, poor decision, which should never have been made.

And we are now remedying, as best we can, what was a stupid decision. Why would you build an iconic wine centre in the parklands? Would it not be best to build it in the wine-growing regions? Would you not also take into account the fact that some type of business analysis would have been done—

The Hon. P.F. Conlon interjecting:

Mr CAICA: I do not need your help, Patrick. Would there not have been some type of business analysis that took into account projected revenue against visitors that might come to that centre? It is one of the most ridiculous decisions that I have seen. The party that is now in opposition (and quite rightly so) that purports to represent business was unable to put together a decent, proper business case for the wine centre.

If you want to talk about stupid decisions, we can throw others into the frame. The simple matter is, for the member for Waite's benefit, that it was not really the most stupid decision they made when they were in government. There are others that rank with it. We can include here the Hindmarsh stadium; we might talk about the whole-of-government radio network; and, even, for the benefit—

Mr Rau interjecting:

Mr CAICA: The TAB, as the member for Enfield points out. We might also take into account, for the benefit of the member for Morphett, the Barcoo Outlet, of which the honourable member is a great advocate. He suggests that from time immemorial that was a great decision, and it might have been, but the fact is that it was built too early, as he well knows. So, there is a host of stupid economic decisions that were made by the now opposition when it was in government, and that is the very reason it now finds itself in opposition.

We heard the member for Waite saying that it was our fault that the wine centre failed. It reminds me a little of the film—

Mr Hamilton-Smith: I didn't say that.

Mr CAICA: You said that we were talking it down, and that is one of the reasons it failed. It reminds me of the great Australian film called *The Castle*. How much did you pay for those jousting sticks? Tell him he is dreaming. The fact is that it was built in the wrong spot. It was a stupid economic decision. I am glad members opposite will support the bill before us tonight, because they know it is the right thing to do. It makes good a very bad economic decision that was embraced by the previous government. For the member for Bragg's benefit, it might well be a good deal for the university, and quite rightly so. The alternative might be that we board the place up, it then never gets used and it becomes who knows what thereafter. It was a very poor decision.

Ms Thompson interjecting:

Mr CAICA: As the member for Reynell says, it exhibits the poor abilities that you had in government; it is the very reason why you find yourselves in opposition. On this side of the house, we now have a government that most properly represents the interests of all, and by putting this bill in place we are making sure that we retrieve the best of what otherwise is a very bad decision by the previous government.

Mr RAU (Enfield): I will be very brief in this, too, because there is so little that can sensibly be said about this whole sorry affair. However, I am prepared to have a go, anyway. It is obvious to me that the opposition has a view that attack is the best form of defence, and that is fair enough; if I was in their position I would be doing that, too. They have a great deal to defend, because they made such a shemozzle of this whole wine centre fiasco. I would like to share with the house something that happened in my home the other day, because it reminds me of exactly what is going on over there on the other side of the chamber.

My daughter is three years old, and when she came up to me the other day it was evident that something was amiss with her. There was an awful smell, and I said to her, 'Is that you?' She said 'No, it's not me,' and the closer she got the worse it became. It was overpowering. I called my wife in and I said, 'Look; ask her the question.' She asked her, 'Is that you? Have you got something in your nappy that we should be dealing with?' She said 'No.' We said, 'Well, can you smell it?' and she said, 'Yes.' We said, 'Well, where's it coming from?' She said, 'It's him,' and she pointed at her brother, who has not been wearing a nappy for 2½ years.

That is exactly what this crowd over here have been doing. They are pointing over at this side of the house; they are the ones who have something in their nappy, and they are the ones who should be cleaning it up themselves. The fact that they have left it to us to clean their nappy is not our problem. They should be saying 'Thank you.' They should be handing us the baby wipes and cooperating, making this whole painful process a lot easier than it has been, but, no, they are still pointing the finger across here. I think you can take a lot of courage and inspiration from what happens among children. They can teach us a great deal, and there is very little difference.

Dr McFETRIDGE (Morphett): I was going to sit down and listen to the diatribe and invective, and I certainly will not descend to the level of some of the comments made opposite. Nobody is perfect. When we came into government in 1993, we had 10 billion reasons to look forward, not back, and I ask the members of the government over there to learn from the past and look forward. Do not always point the finger, look for blame or try to hide behind somebody's else's unfortunate lost opportunities. That is what they are: they are lost opportunities. This government cannot look forward and see the opportunities that this state offers them. They sit over there, they interject, they gibe, and they cannot come up with anything constructive other than slash and burn and talk down. No wonder the wine centre is not going, when you talked about it the way you did. You could have given it half a chance. You have had to do backflip after backflip when you have realised your errors. It should not be up to us to keep pointing out your errors. You should be able to move forward. I just ask that you think. No wonder we need a code of conduct in this place. We need to look forward and rise above it. We need some leadership in this place, and we have not seen that from anybody on that side tonight.

Mr BRINDAL (Unley): I am always interested in anecdotes. I listened with great interest to the member for Enfield's anecdote, and I agree with the member for Morphett. The point to be made about your daughter is that one day she will grow up, and when she grows up she will learn to cope with these things for herself and not make the same mistake. That is the analogy the member for Morphett is making. I say this constructively—

Ms Thompson interjecting:

Mr BRINDAL: And you did the state bank, and never forget it.

Mr Koutsantonis interjecting:

Mr BRINDAL: I say constructively to the member for West Torrens that perhaps so have we learnt from our

mistakes, and you on that side of the chamber are now two years in government. You are the government of South Australia; it is your responsibility. As the member for Morphett said, it is quite honestly a bit churlish of you and a bit tiring for us to sit in this place day after day and have a government whose prime excuse is, 'You did it; therefore it doesn't matter if we're doing it.'

Mr Caica: No; 'You did it; we'll fix it.'

Mr BRINDAL: There will come a time, and God grant that it comes soon, when you will take responsibility for your actions as the elected government of this state and not be able to fall back on blaming us because we were once in government.

The only point I want to make in this contribution is that I have a lot of sympathy with what was said by my colleague. I am not quite sure whether the wine centre had wrong planning or whether it never really stood a chance. I do not know, and it is too late to—

Members interjecting:

Mr BRINDAL: No; I am saying as a personal point of view that I am not sure, and I do not want to go there, but I agree with the member for Morphett. What worries me about this legislation is a serious concern; we are leasing this building to the University of Adelaide for 40 years. In a sense, that is fine and it is a very good deal. I would not mind having the deal the university has, quite frankly, and if the minister likes to offer it to me on the same conditions I think I could make it work. Having said that—

Ms Thompson interjecting:

Mr BRINDAL: Go and buy some more henna, please. Having said that, what worries me is the capacity within the lease for the University of Adelaide to sublease on its own terms and conditions. One of the points that members opposite made to us as members of the opposition—and I think with some validity—is that, because it was an iconic building, we chose to predicate to a wine centre an area which most people think is parklands in South Australia. A valid question raised by the opposition at that time was whether we should have been doing this with a piece of the parklands. We are leasing to the University of Adelaide this iconic building because, apparently, for one reason or another, it is not working as a wine centre. That is fine, because the university already occupies part of North Terrace, and a university is a reasonable use of a building that, after all, is there, but I am not so sure that I think the ability of the university council to lease that building for any purpose at all without reference back to the Treasurer or this parliament is a good use of land which, after all, is parklands in South Australia. What will members opposite say if, having passed this bill tonight, because they have to fix the problem—

Mr Koutsantonis interjecting:

Mr BRINDAL: But you are the government. You are putting it—

Mr Koutsantonis interjecting:

Mr BRINDAL: I understand that, member for West Torrens. However, I ask: what will you do? What will we say as a parliament and what will you say as a government to the people of South Australia if the university council uses the wine centre for some crass commercial purpose with which no-one, including all the members of this chamber, agrees? The terms of the lease are such—

Mr Rau interjecting:

Mr BRINDAL: The member for Enfield says that we could not find a crass commercial purpose. From time to time, we do the wrong thing in this place and whoever is in government does not always get it 100 per cent right. However, whether we or members opposite are in government, we all try to do the right thing and, whether or not we get it right, I do not think that we look for the crass commercial purpose. However, the university is trying to operate under the current financial constraints, and university councils are less inclined to the word 'crass' and more inclined to the word 'commercial'; and, as they want a commercial result, 'crass' tends to become a very secondary consideration.

As my colleague the shadow minister has said, we support this legislation but, as with the River Murray measure, the opposition has the right to say to the government, 'You should think about this, because, as we made mistakes—

Mr Koutsantonis interjecting:

Mr BRINDAL: I know that. The government should not—

Mr Koutsantonis interjecting:

Mr BRINDAL: The member for West Torrens says that government should not run businesses. In many ways, I agree. When he quotes things we got rid of which he reckons we should not run, I will repeat that remark to him. Notwithstanding that, we might have made some mistakes when we were in government, but we are trying to learn from those and, as an opposition, it is our job to say to you, as the current government, 'You are giving a lease, and it will allow the following things to occur, some of which you might not want to occur.' We are alerting you to that fact. You have the numbers. It is all very well to tell us to move amendments, but we cannot do so unless you vote for them. You have the numbers, and you have the responsibility. If you give the university unfettered use of the wine centre and it is abused, the consequences will fall upon you and not us. The Speaker is in the chair, and no-one complained, warned or cajoled more about the leisure centre than he did, and he spoke about it until the cows came home.

Members interjecting:

Mr BRINDAL: It might have been. Was he right? Was he wrong? I am not sure, but the government of the day chose not to listen to the Speaker. Whatever he said, the government chose not to listen. Therefore, it falls on the government's head. Today, the government can choose not to listen to me, to any of my colleagues, or to anything that is said, but at least it is being said. Just as the Speaker, if something went wrong in regard to the leisure centre, could say, 'Well, I told you so,' so the opposition can say, 'If this goes wrong—

Mr Koutsantonis: You can wash your hands of it.

Mr BRINDAL: It is not a matter of washing our hands. All we can do in a democracy and in this chamber is put a point of view. It is then for the majority of the members of this chamber to decide whose point of view is right. As the Speaker has pointed out, it is unfortunate that, because of the partisan nature of this chamber, often people are not persuaded by commonsense, eloquence or even intellectual merit. They are persuaded because, in the caucus, the executive government told them, 'This is what it is necessary to do.' Let's face it—that is the reality of both sides of the house. What this chamber still has (and, hopefully, as long as I am here, will retain) is at least the ability for every member to express a point of view and, if that point of view is right but is ignored by the rest of the chamber, hopefully, somebody reading *Hansard* in the future (and perhaps even some of the public) will say, 'That member was, in fact, right, and the government was a fool.'

So, you can take or leave the contributions from me, the members for Morphett and Waite, or from any of the other members on either side of the house, but the government wears the consequences, and all we can do is advise.

The Hon. K.O. FOLEY (Treasurer): I am sorely tempted to spend a considerable amount of time walking members through what has been nothing but an unmitigated disaster—the National Wine Centre. To hear the member for Waite tonight was truly breathtaking. I thought the member for Waite had business acumen, given that he has, in a previous life, run a childcare centre.

Mr Hamilton-Smith: Six!

The Hon. K.O. FOLEY: Six childcare centres.

Mr Koutsantonis: And defended our nation!

The Hon. K.O. FOLEY: And defended our nation, and I can sleep at night. I was just thinking of the Jack Nicholson film *A Few Good Men*.

Ms Bedford: 'You can't handle the truth!'

The Hon. K.O. FOLEY: 'You can't handle the truth!' We need people like him. We all slept well when Colonel Hamilton-Smith was bravely defending our freedom. On this matter, I have to take exception with the member for Waite, and I cannot help but think that there was not a lot of inner belief in what he was saying. I had the feeling that he was somewhat going through the motions as he embarked upon an impressive opening start as a shadow minister, albeit that he had the opportunity briefly to serve as a minister before the Liberal Party lost the election.

I am looking at some advice that I was given when I came to office regarding what we thought the losses of the National Wine Centre would be on optimistic, realistic and pessimistic bases. For the five-year projection that I was given, in the most optimistic scenario the centre would lose $12½ million; in the realistic scenario, $13.3 million; and in the pessimistic scenario (and why would you want to take a pessimistic position on the National Wine Centre?), $14.674 million.

Mr Hamilton-Smith: You believe those figures, do you?

The Hon. K.O. FOLEY: The honourable member is asking whether I believe those figures. The member for Waite cannot escape the fact that the National Wine Centre had a fundamentally flawed business plan from day one. For whatever reason, the bureaucrats and the business people, or whoever was behind the wine centre, signed up to a business plan that was fundamentally flawed.

Mr Hamilton-Smith: Why didn't you change it?

The Hon. K.O. FOLEY: The honourable member asks why didn't we change it. Do you know why we did not? Because we could not. Statements were made that the wine centre was undercapitalised. What is meant by 'undercapitalised'? We spent $40 million on the wine centre. Are members opposite suggesting that we should have spent more? As a community, should we have spent more?

Under any scenario, the wine centre could not break even. It lost money, so were we to capitalise it? Does that simply mean that we should have increased the subsidy and that to properly capitalise it would have been to give it $3 million a year? That is not capitalising: that is subsidising. I make no apologies, because this Labor government is not in the business of subsidising ventures such as the wine centre. That may have been the way of the damp, wet Liberal government, but we are not a damp, wet Liberal government: we are a Labor government that is fiscally responsible and not into subsidising things that do not work. That is a foreign concept to members opposite, and if I have to assist them by educating them on how good government should be provided in this state, that is a role I am prepared to fulfil.

Mr Hamilton-Smith: You're getting a return of half of 1 per cent.

The Hon. K.O. FOLEY: Now they are saying that I am getting a return on investment of less than 1½ per cent.

Mr Hamilton-Smith: No; one-half of 1 per cent.

The Hon. K.O. FOLEY: Less than one-half of 1 per cent. Fair dinkum! If I could break even I would be laughing. If we could break even I would be doing cartwheels, but we could not, because the return on investment was about minus 10 or 20 per cent a year. Can you have a negative return? I do not know how that is expressed, so I will have to ask my advisers for the correct expression of a negative return on investment. However, this investment did that—it was losing buckets. Let us not forget how this baby was born.

My colleague the member for Reynell spoke eloquently about a lot of the history and about the fundamental flaws in the business plan. It needed, I think, about 175 000 people a year to go through the exhibition in order to make a modest profit—'profit' is probably too loose a term; some form of surplus—but they were averaging about 30 000 or 40 000, from memory. No-one would fork out the price to go to it, year after year after year. There was some concept of people jetting in from around the world to visit the National Wine Centre. If they wanted to see the wine industry in this state they would go to Mclaren Vale, the Barossa, the Coonawarra or Clare.

Mr Koutsantonis: Build it and they will come.

The Hon. K.O. FOLEY: *Field of Dreams*—exactly. I don't think Kevin Costner was the lead actor in this one. Build it, they did, but did they come? No, they did not. It did not matter what they did, clearly it was going to cause a problem. At the end of the day, what was this thing called the National Wine Centre? What was the great value that it added to our state? It is a building. I quite like the architecture—it is the style of architecture I like—but it is a building: it is not just four walls, it has round things, and all different shapes. But it is a building: office space for the wine industry. That is fine—let us build office space—but it is a function centre.

Under the business plan and the model that the member opposite keeps saying we should have adopted—Bruce Carter and his team at Ferrier's looked at this—we could have outsourced it to the private sector, but it would have been nothing more than another venue. Where would they have taken the business from? For the National Wine Centre to be successful as a function centre, from whom would they have taken the business? The Convention Centre, the Festival Centre or the Entertainment Centre. It would have been the government cannibalising itself to make this thing work. I reckon that the state government owns more knives and forks in this town than any hotel chain. We have more function centres, more kitchens, more venues than any other show in town. The Art Gallery has a little restaurant out the back. That is another one from which we would have taken business.

Ms Bedford: It's beautiful.

The Hon. K.O. FOLEY: I'm sure it is.

Mr Koutsantonis: Bigger than Fasta Pasta.

The Hon. K.O. FOLEY: Bigger than Fasta Pasta, says my colleague. Is that really the business the government should be in when the Entertainment Centre struggles to make a profit and the Festival Centre is running at a deficit? I do not know about the Art Gallery, but I reckon it would be half right to suggest that it is about to break even or maybe

it makes a profit. At the end of the day, what did the Wine Centre do? It had holograms of Wolf Blass, Max Schubert and others.

I, for one, have never quite seen what the Wine Centre was supposed to deliver in terms of value adding to the wider community. What I do know as the financial minister of this government is that I was not prepared to support a venture which haemorrhaged $3 million a year. Criticise me if you do not like the fact that I do not want to lose money. As this Labor government continues to forge ahead with the best set of figures, the best balance sheet, the best budgetary management that the state has seen in decades, I am prepared to cop the criticism from the damp, wet Liberals opposite, the big spending, subsidising governments of the past. That is the guys opposite: the governments of the past. They spend and spend and spend. Let's not worry about tomorrow; let's live for today: that is the motto of members opposite, but that is not the way of this government.

Mr Koutsantonis: Credit card Liberals.

The Hon. K.O. FOLEY: Credit card Liberals; that's a good line. It did not matter what I did; I had to find a way to make this thing work. There was one idea which I think was a really good idea—it was suggested to me by a number of very senior public servants. Again with the assistance of Ferrier's we looked at asking the wine industry to take it over. We negotiated an arrangement with the wine industry for which I was roundly criticised by, I think the Hon. Rob Lucas, from memory—I might be wrong—for doing too good a deal with the wine industry to allow it to take over the running of the centre.

I remember that day in London when I was about to get on a train to go to a meeting. I had a phone call from the Winemakers Federation to say: 'Sorry, Treasurer, we can't make a go of this, we'd like to give it back to you.' Within three months they could not make a go of it. This is the industry for which the centre was developed. I gave them the centre for a peppercorn rental, and they could not make a go at it—because the concept was fundamentally flawed. They acknowledged that after three months they could not make a go of it.

So we asked Ferrier's to go back in and have a good hard look at our options. A couple of options emerged, one of which was to outsource. I have just been through why you would not want to set up a venue in competition with the government. Why would we want to take the residual risk of simply doing nothing more than operate a function centre with Mario Maiolo, or we could have had Chunky Custard there on a Friday night.

Mr Koutsantonis: Elvis impersonators.

The Hon. K.O. FOLEY: Or Elvis impersonators. But is that really the business of governments? I did not think so, Mr Speaker. I know that you are somewhat of an Elvis fan. No? I apologise for misleading the house. We did not think that was smart. Then the concept emerged of utilising it as the Adelaide university campus. That grabbed me immediately. Why? Because it did not cost as much, we would save some money, but what really struck me about that proposal was that it attempted to deliver the original vision, which I thought was to add value to the wine industry in the state, not simply to have a glorified venue.

The concept of the university campus works—and it works well—because it turns it into a living campus, a venue that can offer great facilities for the teaching of winemaking, and 'The Wine Experience'. The university will endeavour to keep the exhibition going for as long as it can, but if at the end of the day no-one is going to it, I do not think it would be unreasonable for us to relax our earlier position of wanting it to be kept open and say: best endeavours. I do not care too much about the exhibition—if it works, that is good—but I cannot expect the university to run the exhibition forever, to maintain it and refurbish it, if no-one is to use it. That would be silly. So, we will have 'best endeavours' on that.

The physical asset will now become an asset of the university owned by the government but leased for a long period of time to the university. I, for one, would be pleased to walk down their on a weekday and see hundreds of young South Australians learning about wine, allowing the physical asset to reach its full potential. I think that would be an outstanding use of the centre, one that should have been considered much earlier in the piece.

I could go on forever talking about the history of the National Wine Centre and the role of its former general manager, a former staff member of a government minister—

Mr Koutsantonis: Who was that?

The Hon. K.O. FOLEY: I won't go into names.

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: No, she was the general manager. We could talk about the marketing manager who I think was suing the government at one stage. We could talk about Kate Ceberano coming in from LA.

Mr Koutsantonis: How much did that cost?

The Hon. K.O. FOLEY: It was $84 000 for the official gala opening dinner, including a $25 000 fee for Kate Ceberano for two or three songs, and then back on her business class flight to LA. It was $186 674 for weekend activities, including: public entertainment, security, staging, tables and chairs, management fees, and wet weather provisions. The sum of $50 000 was spent on a public open day, a sponsors' dinner and general tourism briefings; and $24 000 was spent on interstate media briefings for New South Wales, Victoria and WA. There was no boundary to the excesses of expenditure used by the management and staff and those involved in the centre. That is all history now. Let us put that behind us.

I want to congratulate the University of Adelaide, Professor McWha and his people for negotiating a very good deal. The member for Bragg said that it is a very good deal and somehow the taxpayer loses out. I find that amusing from somebody—

Mr Koutsantonis: TAB!

The Hon. K.O. FOLEY: In fairness to the member for Bragg, she was on the TAB board, but the government shut her and the board out when it came to the selling process. However, the TAB deal was a doozey, but that was not the fault of the member for Bragg. It is an outstanding deal for the University of Adelaide and for the government because we get rid of a lemon. We get rid of a lemon that was costing the taxpayer millions, and we are turning it into a productive asset for the benefit of this state. That is a great deal. The university has shown courage, foresight and good commonsense in striking this deal.

I also put on the public record that the government welcomes the support of the government officers involved—and there are too many to name—as well as the officers of the staff of Ferrier Hodgson, many of whom are with us tonight. Bruce, Martin and others from Ferriers who have done an outstanding job in getting a final solution to the ongoing problems of the Wine Centre are to be commended for their work. As I said to all the officers in Treasury and elsewhere in government who have assisted, it is a good deal and a good

outcome, and it has been a long time coming. There have been a few hiccups along the way, and I appreciate the fact that, notwithstanding some of the comments of members opposite, the opposition will be in support of the bill. I look forward to its speedy passage.

Bill read a second time.

The SPEAKER: The point I make in the course of my remarks is quite simply that, as I suspected at the time, this was more about personality relationships than it was about planning for the wine industry. It ignored the proposition that had originally been put about the need for a wine museum in South Australia that could have been located at Magill, and set about building a palace. It was always a concern to me that there was never adequate parking, in my judgment, in any way relevant in its location to the facility. That meant that patrons would have to walk far too great a distance to get there; there was an inappropriate arrangement for public bus access and tourist bus access to the immediate messuage of the building to get large numbers of people to go there as patrons, anyway; and proper arrangements could have been made for a bus like the Bee-Line or the C Line to regularly stop in front of the centre for a considerable period of time throughout the day and connect not only to the North Terrace precincts where up-market accommodation is provided but more particularly to the backpacking precincts in the city. That is where the business should have come from.

Let me place on the record my own simplistic analysis. I use the term 'simplistic' and state it so deliberately, because it is not without sophistication and easy to understand that, had we set out to provide an experience for backpackers in this city (which we deliberately did not do but should have done), the revenue that could have been generated would easily have exceeded $2 million a year above what has been generated by marketing it on the basis that, were there to be a helping, in a small recyclable glass or throw-away plastic tumbler, of 50 millilitres of wine, with about 50 grams of three different types of food presented in a buffet style, enabling backpackers to come in there, buy four such samples of wine and buy four such selections of food that went with each of those wines, and retire to a stool next to a bench with their friends and enjoy the experience for $7.50, the contribution margin on that, on my calculation, is pretty accurately around $4. With $30 having been spent in that fashion, automatic admission to the exhibition centre could and should have been achieved. That would have generated the revenue and the attendance that would have made the centre a viable proposition.

However, the people charged with the responsibility of developing the market plan were, in my judgment, really unfortunately up-market snobs, who believed that the wine industry needed to project itself through the National Wine Centre as elitist. That was the big mistake. We will rue the day that we chose to approach it on that basis as the world approaches an excess of wine over and above the capacity for consumption. South Australia could have provided to the world's backpackers, who are the wealthy of tomorrow from the various countries from which they come, the benchmark and the yardstick by which the rest of the world's wines would have been measured. That would have stood us in good stead as we go into a surplus of production over demand during the next two decades.

Altogether, it is an opportunity that so far has been missed, but it is not too late to do something about it. I believe the university probably has the spectrum of professional skills within its various faculties, particularly in business management, aligned with what is taught at the Waite Institute to make it work, by challenging the brighter students from both places to constantly review what is done there and to make recommendations as an exercise in the course of their course work as to how the current commercial practices can be improved. To my mind, that is a challenge that the university should address and, if it does so, it as an institution will not only be a big winner but so will South Australia, because its name as the institution running the centre will be up in lights, as well as South Australia's being seen as a destination for backpackers to come to get a taste of each of the wide range of varieties and styles of wines, at an affordable price, so that they will know the difference between shiraz, cabernet sauvignon, merlot, zinfandel, and so on, along with the same thing in the dry white wines, as well as the sparkling and the sweet wines, all of which cannot be obtained in any other single institution or any place on earth. That is what we should have been marketing, and that is what can now be marketed. I still say the government has some responsibility through the Department of Tourism to assist in that thrust. It makes the rest of the world aware of the uniqueness of what we can offer.

Altogether, though, I commend the Treasurer for finding a way out of the haemorrhage which the taxpayer was suffering in consequence of the ineptitude with which the commercial management of the place had been designed, and in spite of changes perpetuated it did not succeed. This way at least, the taxpayers are not haemorrhaging, and the young and best brains in not only wine marketing but also winemaking, as well as in business management, can get together and do the sorts of things to which other members have alluded and to which I have expressly addressed myself in the course of my remarks. I thank the house for its attention.

In committee.

Clause 1.

Mr HAMILTON-SMITH: The title of the bill is the National Wine Centre (Restructuring and Leasing Arrangements) (University of Adelaide) Amendment Bill, the emphasis being on 'National Wine Centre'. Will the Treasurer assure the committee that the name of the facility will remain the 'National Wine Centre'? Is that predicated in the lease agreement? Is there any way that, subsequently, the centre could change its name?

The Hon. K.O. FOLEY: I am advised that the lease provides for the university to take the name 'National Wine Centre' as part of the intellectual property in the transaction, but they are not obliged to keep it as 'National Wine Centre'. Quite frankly, I could not care what they call it.

Clause passed.

Clauses 2 and 3 passed.

Clause 4.

Mr HAMILTON-SMITH: Subclause (1) provides for the wine centre to be used 'as a facility for tertiary education programs, and scientific or other research, relating to wine'. Will the Treasurer confirm that it is possible for the university to sublease 75 per cent of the wine centre for a purpose not related to this clause, that is, for scientific or other research relating to wine? Will the Treasurer also explain any constraints or restrictions that might apply to that 75 per cent of use? Could it be provided to McDonald's, a car yard, a motor mechanic or for machine engineering?

The CHAIRMAN: I need to point out to the member for Waite that he is entitled to three questions on clause 4, even though it is in two parts. The chair is sometimes more tolerant.

The Hon. K.O. FOLEY: Quite a bit of it is already sublet, but the letting must be in keeping with the legislation in terms of the permitted use of the venue under legislation, which is as a wine centre or for university purposes. It could not become a car yard or McDonald's. It could become a restaurant. But my care factor is nil.

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: No, it has to be under the purpose of the act. It must be as a National Wine Centre or a university facility. I would not have thought that leasing it out to Hungry Jack's would meet any of those definitions, unless you have a burger and a champers. The university has some degree of flexibility as to how it will use the venue over time, provided it keeps to the definition of the act, that is, purposes as a wine centre or part of the learning institution. Without wanting be to too flippant, the care factor from me is nil.

Ms CHAPMAN: Does the Treasurer agree that section 5 of the current act, which we have heard is yet to be proclaimed, but which we are effectively amending today, will leave in subparagraphs (i), (ii), (iii) and (iv). Paragraph (iv) provides:

> to provide facilities and amenities for public use and enjoyment;

In fact, it could incorporate any other kind of activity, not specifically related to wine, because it is as broad as to provide facilities and amenities for public use and enjoyment. It could provide facilities for a chess club or a sporting facility, or some other activity the university might find of benefit to their use; or, indeed, it could provide for subletting purposes.

The Hon. K.O. FOLEY: No. It must be dedicated for the purpose of a wine centre. Subparagraph (i) provides:

> to develop and provide for public enjoyment and education exhibits, working models, tastings, classes and other facilities and activities relating to wine, wine production. . .

We are amending it to allow those functions to remain, and then amending it so that the university can also have educational uses for the venue.

Ms CHAPMAN: Would you not agree that, by leaving in the provision 'to provide facilities and amenities for public use and enjoyment', it could allow other facilities? It does not have to be currently within the terms of the University of Adelaide Act.

The Hon. K.O. FOLEY: No, because it is dedicated for the purpose of a wine centre. It provides:

> (i) to develop and provide for public enjoyment. . . [for] activities relating to wine, wine production and wine appreciation; and
> (ii) to promote the qualities of the Australian wine. . .
> (iii) to encourage people to visit the wine regions. . .
> (iv) to provide facilities and amenities for public use and enjoyment. . .

In the context of what has been said, no, that would not be the potential.

Mr HAMILTON-SMITH: What is the total cost to the government of paying out the termination payments, employee entitlements, and other personnel costs, that have been agreed to by government in its lease with the university? Do we know what the total bill will be?

The Hon. K.O. FOLEY: We can get that information, but I have to say this is a bit odd. This would be like me, when the former government wanted to sell SGIC, getting up and defending SGIC, saying, 'Why are you wanting to sell SGIC?' or 'Why are you wanting to relieve the state of the enormous financial burden that SGIC was?' Honestly, members opposite have more front than David Jones. I am advised that the approximate cost is in the order of $60 000 to $70 000.

Mr HAMILTON-SMITH: Taking that figure into account, could the Treasurer—and if he is not able to provide it now, later will suffice—also indicate what the total accrual costs have been for the centre from the time of the wine-makers notifying him of their decision not to continue until now? What has it cost us to hold off for this period—

The Hon. K.O. Foley: What do you mean by 'accrual'?

Mr HAMILTON-SMITH: In total terms. I am taking into account the depreciation, all the costs associated with holding the building, holding the facility on the books, and so on. Taking all costs into account, can we determine what the total financial cost is for the taxpayer?

The Hon. K.O. FOLEY: I am happy to get all that information for the member and try to work out what it was that the member is after in terms of the final cost. We will do all that. What we will also do is provide a table of what it would have cost had we kept it going, because, as I said previously, the projected losses over five years were potentially as high as $14.5 million, from memory—an extraordinarily large amount of money simply poured down the drain had the thing been allowed to continue. As I said from the outset, when you stripped away at the thing and tried to work out what was its core business, I am not sure what it was. It was a venue, it was a function centre; and it was one that was not making any money.

Ms CHAPMAN: Was the amendment to section 5 at the request of the university and agreed to by the government, or the other way around?

The Hon. K.O. FOLEY: I am advised that it was a matter that was subject to negotiations between the two parties and on advice from parliamentary counsel.

Ms CHAPMAN: I have a supplementary question. I appreciate the Treasurer's indicating that it had the blessing of negotiations, but was this clause incorporated at the request of the university?

The Hon. K.O. FOLEY: I do not know. We were five minutes away from closing this centre and boarding it up. In the end, we were able to reach an outcome that saves the venue on which the honourable member's government wasted $40 million and which set up future governments to lose $3.5 million a year. That is what I was left with. We now have something that will cost us very little and maintain a use. Whether we or the university wanted the clause, I do not know and, frankly, I do not care.

Ms Chapman interjecting:

The Hon. K.O. FOLEY: No, I will get the honourable member the answer. We will go through the records and find out who asked for that clause and, yippee, if it was the university.

Mr HAMILTON-SMITH: I take up that last point which was offered by the Treasurer and which, frankly, was nonsense. To argue that it was going to cost $3.5 million per year for the next 50 years assumes that the Treasurer would be a totally incompetent manager of the centre. It assumes that the Treasurer would not do any marketing, nothing to improve the business basics of the centre and nothing to correct the business plan. It demonstrates a complete lack of knowledge as to how to operate a business. I assume that the Treasurer would acknowledge—

Members interjecting:

The CHAIRMAN: Order! The member for Wright and the Minister for Government Enterprises will come to order!

Mr HAMILTON-SMITH: I note from documents obtained under FOI that the Treasurer has received advice from his own department that, because the centre had been opened for only a few months, it was completely unrealistic to base any financial projections on the trading period, particularly as the advice given to him by his own staff noted 11 September and the Ansett collapse. The figure upon which the Treasurer has based this assumption of liability is based on a totally unrealistic trading period.

Putting that aside, will the Treasurer agree to publicly release or table in parliament the Carter report, even if it needs to have certain sections omitted? The Kowalick report estimated a $42 million benefit to the state economy. I note from documents released under FOI that Treasury staff questioned some aspects of that. Will the Treasurer now agree to engage Kowalick to review that in the light of the new arrangement, and tell us what the benefit to South Australia will be under the government's new plan so that we can compare the benefits that we as a state will experience now compared to what was envisaged had things remained as they were?

The Hon. K.O. FOLEY: It reminds me of that day in the Economic and Finance Committee when the member for Waite walked in proudly with his new masters degree from the university and my colleague nicknamed him 'Homer Greenspan'. I have to say this to the member for Waite: the suggestion that—

Mr Hamilton-Smith: Just answer the question.

The Hon. K.O. FOLEY: No, I am. The member for Waite said words to this effect, 'Are you suggesting that you could not run the wine centre; you could not turn the business plan around; and you could not make a profit?' Absolutely; guilty. I reckon it is a fair bet that government could not have run the National Wine Centre, and I know that because the last lot could not do so—the last lot made an absolute mess of it. It had set up the centre in such a way that I do not think any government could have turned that business plan around without great risk. Excuse me if I am the odd person out when it comes to your side of politics, but I reckon there are some businesses that governments should not be in, and the concept of the wine centre was one such business that the government should not be in. It had no business being in it.

Yes, I agree I was not confident, in fact I was almost certain that government could not run it. The honourable member might have been better at it than I, but from looking at the record they were pretty lousy. However, if the wet, damp Liberals who sit opposite want to give more money to pumping up the economy, priming the economy, subsidising the economy, dishing money out—spend today and worry about it tomorrow, or whatever it is—and if that is how the member for Waite wants to run government, then work on it, and we will take our agendas to the next election. This is not the way of this government. We are out of the wine centre business, and we will keep out of the wine centre business.

As for the Carter report, I am quite relaxed about that. What we will do is check that there is nothing in the report that is commercially sensitive to any participants and, if there is, I will look at having a confidential briefing for the honourable member. If it can be made public, I will make it public. I have nothing to hide. I am proud of the work that Ferriers have done: it is good work. My officers in Treasury and Finance have also done a good job. The work done by the team has been very good. There is nothing by which we would in any way be embarrassed—indeed, quite the opposite. As for Mr Kowalick doing some sort of postscript to his earlier report, quite frankly, Mr Kowalick is too busy at present doing a number of things, including giving this government some advice on how we will move forward with the information technology contract that we have to sort through. I think it would be a waste of time, a waste of money and of no relevance at all to have Mr Kowalick, or anyone, review what has been a tale of woe in terms of a bungled business venture by the failed Liberal government of the past.

Clause passed.

Clause 5.

Ms CHAPMAN: I have two questions on this matter. Was this amendment sought by the university, or by the government? In the event that the minister is not familiar with that part of the negotiations, consistent with the previous clause, will he indicate that he will make that information available on inquiry?

The Hon. K.O. FOLEY: I am told that, yes, it was requested by the university. I can own up to that.

Ms CHAPMAN: The second matter relates to compensation payable to the University of Adelaide provided for in paragraph 9.2 of the lease. This is in circumstances where the state of South Australia resumed the property and, of course, accordingly, terminated the lease entitlement, up to 40 years now under this clause. Can the Treasurer explain how that compensation is to be calculated? I note a dispute resolution procedure set out subsequently in the lease which establishes the process for agreement (paragraph 10, principally) but there does not appear to be any indication as to how the compensation is to be calculated and, in particular, whether it is to be simply a direct loss to the government. Of course, this is an asset which arguably has a value to the university, or any other tenant, at a commercial rate.

The Hon. K.O. FOLEY: This is a clause that will stand the test of time. I cannot be too flippant in this answer, but I would be very surprised if I ever wanted to resume the National Wine Centre. It would have to be an extraordinary course of events for me to want to resume control of the National Wine Centre. But, I am advised that there is a process in place if the government needed to, wished to, sought to or had to take it back. There would have to be an offer; there is a mediation process; then expert advice on dispute resolution is sought. If all that fails, and only then, we would revert to the Land Acquisition Act to get it back. But do not hold your breath in terms of my ever wanting to acquire it. They would have to do something entirely wrong.

Ms Chapman: You might not be the Treasurer then.

The Hon. K.O. FOLEY: No, I am saying I might not be. It may be another treasurer, maybe your treasurer. There we go! This is Homer Greenspan's clause, the member for Waite's clause. The Liberal Party can go to the next state election promising in its platform to acquire the National Wine Centre. The cat is now out of the bag. The agenda of a Liberal government would be to reacquire the National Wine Centre. Go for it! We will argue that one at the next election.

Mr HAMILTON-SMITH: Could the minister confirm his earlier remarks regarding the exhibition? I am reading from the minister's press release of 18 February 2003 in which he stated:

> This exciting development will not exclude the wider community. The university will maintain the public exhibition and even intends to lower the entry fee from $11 to $8.50. It will also continue to make the centre available for functions (outside teaching hours) and will modify the existing public car parking to improve access to the centre.

Given the minister's earlier remarks, can he confirm that there is no commitment by the government to keep the display open (I think this was the thrust of his earlier remarks) and I note that paragraph 5.4 of the lease states in regard to shutdown:

(a) If the number of visitors falls below 7 500 in aggregate in any two quarters in the year, the university may shut down and cease operating the exhibition without any need to give reasons to the Treasurer.
(b) The university must give the Treasurer no less than 20 business days' notice prior to the shutdown.

So, can the Deputy Premier confirm that there is no commitment to the continued operation of the centre—except that I note in paragraph 5.3 the Treasurer requires the university to notify him if visitor numbers fall below 3 750 in any quarter?

The Hon. K.O. FOLEY: As I said on 11 July, the exhibition will remain open to the public, and the university is exploring avenues to enhance its presence. In paragraph 5.3 the lease states:

The university will notify the Treasurer if the number of visitors falls below 3 750 in any one quarter.

And then paragraph 5.4 states, under the heading 'Shutdown':

(a) If the number of visitors falls below 7 500 in aggregate in any two quarters in the year, the university may shut down and cease operating the exhibition without any need to give reasons to the Treasurer.
(b) The university must give the Treasurer no less than 20 business days'—

prior notice of the shutdown of the exhibition. If they cannot get 7 500 visitors in aggregate in any two quarters, why would they keep it open?

Mr Hamilton-Smith: There is no—

The Hon. K.O. FOLEY: When I referred to my press release earlier, that was Professor McWha's quote, not mine. I repeat it: Professor McWha states:

The exhibition will remain open to the public, and the university is exploring avenues to enhance its presence.

I am aware of some of the work they are doing. They want more people to go through it. We want more people to go through it—that is why we put in initiatives such as the wine walking trail, and we are doing a number of things to assist the university. They will come up with their own initiatives to generate more interest but, if after all that and all their initiatives, they still cannot get people to go to it, why would they have to keep it open, maintain it, spend money on it and refurbish it in three or four years' time? Come on; get real! Either this thing works or it does not.

The Hon. P.F. CONLON (Minister for Infrastructure): I move:

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

Motion carried.

Mr HAMILTON-SMITH: My question to the Treasurer relates to paragraph 6—Assignment and Other Dealings. We have talked about paragraph 6.1 enabling the university to sublet 75 per cent of the centre. But, going on to paragraph 6.2, I want to get on record the minister's arrangement with the university that:

The university may assign this lease or sublet or otherwise part with possession of more than 75 per cent—

so it could be 100 per cent—

of the area of the building situated on the whole of the centre land—

etc. I want to get the minister's acknowledgment that the whole of the National Wine Centre could be sublet by the university. Secondly, I note that clause 6(4), concerning the adoption of subleases, provides that if this lease ends—that is, the lease between the Treasurer and the university—for any reason other than a termination due to the university's default and any sublease of this lease subsist immediately before the end of this lease, then the Treasurer will adopt any sublease that the university or the relevant sublessee requests the Treasurer to adopt for the reminder of the term of the sublease. I am trying to establish whether, if in six months time the university decides it wants to sublet 100 per cent of the Wine Centre to ABC Pty Ltd and subsequently for some reason the university decides it wants to cancel its arrangement with the government and somehow or other backs out, the Treasurer will accept in full that sublease that the university has entered into with ABC Pty Ltd for the 40 years specified in the act. Is that the arrangement? Will the Treasurer clarify that?

The Hon. K.O. FOLEY: I am told that if it is more than 75 per cent it will require the approval of the Treasurer of the day.

Ms Chapman interjecting:

The Hon. K.O. FOLEY: Yes, provided the sublessee or other persons are, in the reasonable opinion of the university, solvent, reputable and otherwise able to carry out the university's obligations under this lease. Let us remember what those obligations are: to operate it as a wine centre for the purpose of the act or for university purposes. So, they cannot sublease it to Jarvis Ford, for example, or to Mario Maiolo.

Mr Hamilton-Smith interjecting:

The Hon. K.O. FOLEY: Yes, if it is consistent with the lease and approved by me or the Treasurer of the day, if the Treasurer of the day is of the view that that is what the Treasurer of the day wants to do.

The Hon. P.F. Conlon: Pity the first deal didn't get this scrutiny when you threw the $40 million away. Pity you didn't do a bit of due diligence then.

The CHAIRMAN: Order!

The Hon. P.F. Conlon: I guess you've learnt your lesson.

The CHAIRMAN: Order! The Minister for Government Enterprises is not answering the questions.

The Hon. K.O. FOLEY: Does that answer the question?

Mr HAMILTON-SMITH: Could the minister tell us whether he has any expectation? Flowing on from the Carter report, has any applicant or interested party indicated to the Treasurer or, as far as he is aware, to the university, of any plan to sublease that might already be in train or in the wings? Is there anything already milling about there in the way of a sublease?

The Hon. K.O. FOLEY: The advice I am provided with is that my advisers are not aware of the situation that you have referred to, which we can only assume is hypothetical. If you know something, feel free to bring it to our attention; we are not aware of it. If you are aware of something which we are not and which you think is material to what we are debating, you should bring it to our attention. If you do not do so before we pass this bill tonight, I will assume you have no information. Some existing subleases that relate to the wine industry are already there. If you have information I will take the bill on motion now and we will go out the back and you can tell us all about it. If you do not, we will move forward. All my answers are given in good faith on advice,

and I am happy to receive any information the member might be able to bring to our attention.

Clause passed.

Title passed.

Bill reported without amendment.

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

That this bill be now read a third time.

Whilst I may have been a little flippant and a little short in some of my answers, that probably demonstrates not just that I am tired, because it has been a long day, but also that this has been a long saga. This issue has consumed far too much time of the Treasurer, the Treasury officers who have been involved and the private companies that have assisted government. If the thing had been done properly in the beginning, this energy would not have had to be expended.

It has been a difficult task for my advisers to work their way through, but they have done it diligently and they have done it well. They have achieved a good outcome for the state, and I commend them for their work. I am just highlighting the fact that I am frustrated, because this matter should not have consumed the amount of time that it has. But, as I have learnt very quickly in government, sometimes some of the small issues take more of your time to resolve than some of the bigger issues. This was a mess—a mistake—from day one. It has been corrected by this government. We have done it in good faith, we think it is a good outcome and I again commend the people involved. I commend the university—Professor McWha and his team—and I look forward to a vibrant, exciting, successful and energised campus of the University of Adelaide.

Mr HAMILTON-SMITH (Waite): The opposition is very happy with the bill as it has come out of committee. We share the minister's views in regard to the future of the centre under the university. We recognise the hard work of the Vice Chancellor and the Faculty of Science in negotiating the lease, and also the hard work of the officers of the department and Ferrier Hodgson and all the effort that they put into it. We realise that it has been a long and demanding process, but we also welcome it.

The Hon. K.O. Foley: What about me?

Mr HAMILTON-SMITH: We thank the Treasurer. It is a shame that he boxed himself into a position where this was the outcome that he had to pursue. The opposition hopes that the centre will be vibrant, that it will flourish and that it will become an iconic centre of research and excellence for the state. But we hope that the door is not closed for it to continue to play a role on behalf of the wine industry as a function centre, where people can gather and share their expertise, their knowledge and their time, and as a wine centre of national and, ultimately, international significance. We commend the bill to the house.

Bill read a third time and passed.

CRIMINAL LAW (SENTENCING) (SERIOUS REPEAT OFFENDERS) AMENDMENT BILL

The Legislative Council agreed to the bill without any amendment.

CRIMINAL LAW (SENTENCING) (SENTENCING GUIDELINES) AMENDMENT BILL

Consideration in committee of the Legislative Council's amendments.

The Hon. P.F. CONLON: I move:

That the House of Assembly insist on its disagreement to Legislative Council's amendments.

Motion carried.

The Hon. P.F. CONLON: I move:

That a message be sent to the Legislative Council requesting that a conference be granted to this house respecting certain amendments from the Legislative Council in the bill and that the Legislative Council be informed that, in the event of a conference being agreed to, the house will be represented at such conference by five managers, namely, the members for Bragg, Heysen, Enfield, West Torrens, and the mover.

Ms CHAPMAN: The opposition supports the establishment of the deadlock conference and to the composition as indicated.

Motion carried.

RIVER MURRAY BILL

Consideration in committee of the Legislative Council's amendments.

The Hon. J.D. HILL: I move:

That the Legislative Council's amendments, other than amendments Nos. 1, 19 and 22, be agreed to.

The CHAIRMAN: For the benefit of members, the committee will be dealing with amendment No. 1.

Mrs REDMOND: Mr Chairman, I just want to confirm that we are now dealing with the schedule of amendments to the River Murray Bill. Did we have that announced at some stage? Did I go to sleep for 10 seconds, or something?

The CHAIRMAN: Correct—

Members interjecting:

The CHAIRMAN: Order! The member for Heysen is correct: the matter was called on, so she is entitled to speak. The question is that amendment No. 1 made by the Legislative Council be disagreed to.

Mrs REDMOND: Can I just clarify then whether we are dealing with these amendments en bloc? I want to ask the minister only one question of clarification, but, if we are going through this amendment by amendment, that is fine, I will wait for the relevant amendment.

The CHAIRMAN: I will clarify the situation. The first amendment is being dealt with separately, then—

Mr Koutsantonis interjecting:

The CHAIRMAN: Order, the member for West Torrens! Amendments Nos 2 to 18 and amendment No. 19 will be dealt with separately; amendments Nos 20 and 21 will be dealt with together; amendment No. 22 will be dealt with separately; and amendments Nos 23 and 24 will be dealt with together. We are dealing with amendment No. 1.

The Hon. G.M. GUNN: I support the motion to disagree with this particular amendment because that then allows this committee to work on the same basis as other important committees of this parliament, that is, to be a fully paid committee. I am very strongly of the view that the work that this committee will be doing is in the long-term interests of the people of South Australia. There should be an incentive for members to apply themselves properly to the many tasks at hand and, therefore, this committee should be established on the same basis as the Economic and Finance Committee and the Public Works Committee because its role will be equally as important. I think that it is rather unfortunate that we have reached this stage because the health and welfare of

the River Murray is absolutely fundamental to the long-term economic benefits of the people of South Australia, and I support the minister.

Mr Koutsantonis interjecting:

The CHAIRMAN: Order! The member for West Torrens has already been spoken to by the chair.

Mr BRINDAL: I will wait for the minister because I need to ask him a question. It looks like a chaotic cooking class over there, whip!

The CHAIRMAN: Order! The member for Unley is out of order. We are dealing with amendments, not clauses.

Mr BRINDAL: Am I right in this, at least, that the first amendment to page 1 is an amendment to the long title to leave out the Parliamentary Superannuation Act 1990? I understand the member for Stuart to be saying that that insertion in the long title somehow affects the provisions of the committee. I want the minister to clarify that, otherwise I do not understand what he is doing.

The CHAIRMAN: It does relate to amendment No. 19, which is that the members of the committee are not entitled to remuneration for their work as members of the committee. I guess that the title is being consistent with what is mentioned further down: to take out any suggestion of remuneration.

The Hon. J.D. HILL: Perhaps if I could clarify. We were just doing some further work. The three clauses to which I refer, I am advised, are not sufficient to get the changes the committee seems to desire. The effect would be to return the bill to the state it was in when it left this house.

Amendment No. 1:

The Hon. J.D. HILL: I move:

That the Legislative Council's amendment No. 1 be disagreed to.

Motion carried.

Amendments Nos. 2 to 15:

The Hon. J.D. HILL: I move:

That the Legislative Council's amendments Nos. 2 to 15 be agreed to.

Mr BRINDAL: The opposition supports the amendments.

Mrs REDMOND: Regarding amendment No. 5, which seeks to delete the word 'must' and insert 'should take reasonable steps to', the relevant clause deals with the right of the minister to enter into a management agreement to do various things concerning land with third parties. Under a management agreement, one of the things the minister can do is stated in paragraph (j):

To provide for remission of rates or taxes.

The bill in its original state says that, if the minister is going to insert in a management agreement a provision to remit rates or taxes, he must consult with the local council. I would like an explanation from the minister as to why, instead of requiring him to consult with the council about inserting a provision for the remission of rates, he only has to take reasonable steps to do so.

The Hon. J.D. HILL: The amendment clarifies that the lack of effective consultation between the minister and a local council would not invalidate a registered agreement. The amendment was moved by the government on the advice of parliamentary counsel following points raised by the member for Bragg during the debate in this house. The member pointed out that a requirement for consultation could raise the possibility that the court could find that an agreement was invalid or that the remission of rates was invalid if a council later claimed that it had not been consulted at all or had not been appropriately consulted about the remission.

This is not the government's intention. It is the government's intention that, once an agreement is registered, it will be enforceable (including as to the remission of rates) even if a council later claims that the minister's consultation was inadequate. Parliamentary counsel advice is that changing this clause to use the phrase 'should take reasonable steps to consult' rather than leaving it as 'must consult' clarifies what is required of the minister. The amendment clarifies that consultation which might be less than what a council wanted will not be sufficient to invalidate an agreement for the remission of rates if it can be demonstrated to have involved the minister's taking reasonable steps to consult.

Mr BRINDAL: I congratulate the minister for listening to the member for Bragg on this point. If there is a problem with the Water Resources Act, hopefully we will avoid that with this act. As parliamentary counsel would know, sometimes when we have a problem we load ourselves down too much with consultation to the point where we get tied up for unnecessarily long periods in unnecessarily long processes. As the government has listened to the member for Bragg and taken this on board, I think it will probably produce a much better bill and much less legalistic entrapment for the government.

Motion carried.

Amendments Nos 16 to 22:

The Hon. J.D. HILL: I move:

That the Legislative Council's amendments Nos 16 to 22 inclusive be disagreed to.

Mr BRINDAL: I find this a bit difficult because I negotiated in good faith the position when it left this house. It was, as all things are in the Liberal Party, subject to further discussion between the joint houses. I should say to the party room, in fairness, that the party room reached by majority a decision that is consistent with the amendments that come back here, but it was a consensus decision. Therefore, I feel duty bound to stand and say to the minister that I am disappointed that he is opposing these amendments, because that was my party room's position.

However, I can count. The party room by no means was unanimous, and I am not walking away from the fact that the position as it left this house was a position that I negotiated, so the minister might read between the lines that I might also be one of those people who perhaps is a bit embarrassed by this. I say to the minister that I am fulfilling my duty to my party by saying that by majority the party room would prefer these amendments. However, I believe that the minister's will in this matter will prevail, therefore I do not intend to call 'divide'.

Motion carried.

The Hon. J.D. HILL: I move:

That the Legislative Council's amendments Nos 23 and 24 be agreed to.

Motion carried.

ABORIGINAL LANDS PARLIAMENTARY STANDING COMMITTEE BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 3647.)

Dr McFETRIDGE (Morphett): The setting up of an Aboriginal Lands Parliamentary Standing Committee is a great step forward for this parliament. The number of committees that have been set up over the last decade or even two decades has been incredible, and somebody said to me

that the last thing that Aboriginal people need is another committee. However, the establishment of this standing committee is a great step forward.

The SPEAKER: Is the member for Morphett the lead speaker for the opposition?

Dr McFETRIDGE: Yes, sir. However, I will not take long. This bill will replace the existing Aboriginal Lands Trust Parliamentary Committee with a new seven-member joint standing committee. The Minister for Aboriginal Affairs and Reconciliation is to be Presiding Member, and three members are to be appointed from the assembly and three from the council. I understand that this is to be a paid committee and, as the member for Stuart said about the River Murray committee, that implies that some extra diligence will be incumbent upon the members of that committee—not that members of unpaid committees are not diligent in their actions. However, this is a very important committee for the future of Aboriginal people in South Australia.

The Aboriginal lands cover over one-fifth of South Australia's land mass and, despite improvements in basic infrastructure on AP lands, the absence of an overall progress on key indicators such as health, education and economic development is deplorable. Conditions are often described as 4th world. This time last year, the members for Stuart, MacKillop and Schubert, and I had an opportunity to travel through the Anangu Pitjantjatjara lands. We visited settlements at Fregon, Mimili, Umuwa and Ernabella. I was absolutely gobsmacked at the conditions there. Given that $60 million is being pumped into Aboriginal affairs in the AP lands and given the living conditions there, it is more than deplorable. It is absolutely disgusting and disgraceful that those sorts of conditions can exist in South Australia in 2003.

Closer involvement of parliament is one way of increasing the possibility of action to improve the condition of the inhabitants of the AP lands. However, the performance of the ad hoc committees which have already been established does not inspire confidence, and the establishment of a standing committee should be far more effective. One argument against the proposal of establishing a standing committee is that the last thing Aboriginal people need is another committee. However, with a standing committee—a committee that will be able to meet on a regular basis and meet with the Aboriginal population—there is hope that we will move forward.

The Aboriginal people of South Australia are a proud group of people. I was at the NAIDOC ball on Saturday night at the Show Grounds at the Ridley Centre. Talking to people who are experiencing the difficulties that members of the indigenous communities are experiencing, not only in the AP lands but also in the metropolitan area, is something with which all members in this place should acquaint themselves. The setting up of this committee is something that the opposition does support, and I wish the committee well in its endeavours.

Ms BREUER (Giles): I rise to support this committee. I am pleased to see that it looks as though this committee will come to fruition. I have to make some comments about the hypocrisy of the opposition. The member for Morphett was not here in the last parliament. However, I have to say that for four years we argued and tried hard to get this committee under way. The then minister for Aboriginal affairs refused to bring this committee into the parliament.

I spoke about this a number of times in grievances, as did the then member for Lee. We moved censure motions, asking the minister to reinstate this committee. She constantly refused to do it and said it was patronising, patriarchal and an insult to Aboriginal people. We now have these people coming here saying it is a good idea; their policy amazes me. It amazes me when I hear someone like the member for Morphett, who is new to the parliament, talking about the conditions in the Pitjantjatjara lands. I have been going there for a number of years as it is part of my electorate, and I have complained for many years about the situation in the lands. I talked on numerous occasions about the state of the schools in the Pitjantjatjara lands, and very little was done by the previous government. Nothing seemed to happen, and now it is their mission in life to save the Pitjantjatjara lands. The hypocrisy is amazing and quite appalling.

Tonight I congratulate the current Minister for Aboriginal Affairs for his wisdom in getting this committee into being and on the excellent job he has done in the past 12 months on sorting out a number of issues and problems in the Pitjantjatjara lands. He has now brought some stability to the lands and sorted out some major problems in relation to the Anangu Pitjantjatjara Council and the Pitjantjatjara Council. Those issues seem to have been sorted out very well at this stage, and things seem to be going along well. For the first time for many years, we now have possibilities and hopes that we will be able to do something in those lands. This minister has done an excellent job, and I congratulate him. He was the person who needed to be there to talk to these people.

The previous minister had no ideas. Since Labor came to office, I have on a number of occasions seen the former minister on her feet talking about issues and problems in the Pitjantjatjara lands and in Aboriginal communities. She has made more speeches about those issues since being in opposition than she ever made as minister. I support this committee, as it is a really good idea and we can achieve a lot with it. However, I am amazed at the hypocrisy of members opposite.

Mr WILLIAMS (MacKillop): I will not detain the house for too long tonight, but I wish to put a couple of matters on the record. As the member for Morphett said, last year I had the privilege of travelling to the north of the state and through the Anangu Pitjantjatjara lands with the members for Stuart, Morphett and Schubert. It was a very interesting trip, particularly in the Aboriginal lands. To put it mildly, I was shocked at what I saw. I understand that about 3 000 people live on the Aboriginal lands and that the state government has been putting something like $60 million a year into the maintenance of the lands.

When I came out of that area, I was ashamed to think that we had been spending that sort of money for a considerable number of years and had achieved so little. I certainly hope this committee can make some significant changes to what is happening on the Aboriginal lands. The people in those lands live a lifestyle that bears no resemblance to their cultural heritage or to a modern western lifestyle. It is some nether region in between, where, from what I saw, they have lost any cultural heritage. The younger generations—those under the age of 30 years—have no hope of recapturing their cultural heritage, and those over that age have probably given up hope in despair for the younger members of their community. My disgust at what I saw was nothing to do with the people who live in those lands but rather at what we have failed to do.

Ms Bedford interjecting:

Mr WILLIAMS: The member interjects that we all have failed to do it. I think we all have failed to do it. When I say 'we' I talk about the whole South Australian community and, indeed, the whole Australian community. One of the things I said needed to be done to bring about change in the Aboriginal lands was to open up the roads to public access. If those roads through the Aboriginal lands were open to public access, I am absolutely certain that, if the general public, who are not admitted to those lands—you cannot go in there without a permit, unless you are a member of this house—travelled through those lands and saw the conditions in which those people are living, there would be a demand for action. As a result of the fact that the general public have no idea of the conditions, no understanding of the way in which those people are forced to live, it is a case of out of sight, out of mind. I think that is the key to resolving the situation and giving back to the people of the Aboriginal lands the sense of nobility that they deserve.

We visited the communities of Indulkana, Mimili, Fregon, Umuwa and Ernabella. There were slight variations between those communities. Indulkana is very close to the Stuart Highway; it is only a couple of kilometres off the Stuart Highway. The traffic driving up and down the Stuart Highway—and there is a lot of it these days—has no idea what is going on a couple of kilometres to the west. They have no idea of the situation and life experience of the people there. They have no understanding of the problem of petrol sniffing.

We went to Fregon, and we were told that there was no petrol in the community. There was no access to fuel in the community, yet fuel in small quantities was being brought in from many kilometres away, possibly hundreds of kilometres away, and the young people and the teenagers were quite open in their abuse of petrol. They were walking around quite freely with tin cans around their neck and they were sniffing petrol from the tin can. I chatted to a young girl, who I estimate to be aged about 15, and it did strike me that she showed some semblance of embarrassment. I think there was a flicker in her conscience that what she was doing was not right, but help was not available to enable her to overcome that, notwithstanding the fact that we are spending $60 million a year, some $20 000 per person, in those lands. We still have children walking openly around the streets conducting this abuse on their own bodies and no-one lifts a finger to help.

I hope that this committee regularly visits these lands. One of the things that made our visit somewhat unique was that we arrived unannounced. We were not shown through by bureaucrats; we were not shown through by any community leaders or anyone from ATSIC. We made our own way through. We saw the communities as they are. I hope that this committee will do the same thing: from time to time and on a regular basis visit those communities—and the many other communities dotted right throughout the lands, because they stretch much further west than we went, probably several hundreds kilometres west to the Western Australian border—unannounced to see what really happens there. I do not think one person in South Australia could visit those lands and not be ashamed of what they saw.

Mr HANNA (Mitchell): I support this measure to set up an Aboriginal lands committee. The speakers so far have outlined the predicament of the people up there. I have an interest in their welfare. Not just as a member of parliament but through some of the litigation I have been involved in over time, through the work I have done on native title legislation, and through my own historical research about the colonisation of this part of Australia, I have developed an interest in the indigenous people of the place and their welfare. So, I am very pleased to see that this committee will have some teeth and will be able to be an effective investigative body as far as the plight and the standard of living of people in the north are concerned. It is regrettable that an Aboriginal committee of the parliament has not sat for so many years, but let us leave the recriminations behind and get on with the work of what promises to be a highly valuable committee.

The Hon. J.D. HILL (Minister for Environment and Conservation): Joy is unbounded! I thank all members who have contributed to this debate, for their thoughtful comments, and I am glad that this measure has the support of both sides of the house. I think it is important that we do indicate our unanimous position in relation to this approach. The committee that will be established brings together what in the past were three committees, so it is a sensible measure from an efficiency point of view as well as being a very good process to communicate with Aboriginal communities. I am sure that it will do excellent work once it is established.

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

UNIVERSITY OF ADELAIDE (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 5 June. Page 3464.)

Ms CHAPMAN (Bragg): It is now many weeks since I commenced my contribution on this debate and, on reflecting on the material presented to date, may I just record my apology in reference to one of the appointed members of the council that I mistakenly referred to as Mr Stephen King: it should be Mr Stephen Young; so that can be accurately recorded at least in this part of the debate. I certainly meant no disrespect in referring to Mr Young as the otherwise American science fiction writer. I cannot think of any possible reason why I did, but, nevertheless, I make that clear. So as not to be interpreted as reflecting on the valuable contributions from other members of the council I shall refer to those members. I listed previously only the Chancellor and appointed members, but I duly respect and acknowledge the elected members of the senate currently: Dr Harry Medlin, the Hon. Justice John Perry, Dr Baden Teague, co-opted representative Hon. Greg Crafter, elected members of the academic staff at present—Dr Rod Crewther, Professor Graeme Dandy and Dr Peter Gill, the elected representatives from the general staff—Ms Janet Dibb-Smith and Mr John Cecchin, and the student members—Mr Phil Harrison and Mr Seb Henbest.

In relation to the penalties proposed to be imposed on members of the council, I have now conducted a search in relation to other jurisdictions in Australia. As I had flagged earlier, the penalties inclusion in this bill is unique in Australia. It is described in different ways around Australia but in no other jurisdiction or university in Australia do members of the council face such draconian penalties in relation to alleged offences such as dishonesty or offending behaviour in relation to conflict of interest or not acting in the interest of their university. I last traversed the issue in relation to the consequential removal of regulations after the abolition

of the senate and there being significant amendments to sections 22 and 23 that are consequential upon that. I had started to address that matter and I will now continue.

There is no doubt that the power to make laws by subordinate legislation would now be under these amendments without scrutiny. These laws have the potential to affect the university community substantially and directly, including the academic board, the graduates' association and the university union. Historically, we have already seen the senate bypassed by using the rules power. When looking at this proposed reform, I, too, looked at the University of Tasmania Act and, interestingly, section 13 provides that the university has an academic senate. Its function is to 'advise the council on all academic matters relating to the university'. Its ordinance and by-law powers are in sections 19 and 20. Importantly, section 21 requires the council, first, to publish them at least once a calendar year in consolidated form; secondly, that they be made known to, at reasonable cost and reasonable times etc. to staff and students; thirdly, that they be inspected free of charge at reasonable times, etc., by members of the public; and, fourthly, that it be ensured that the published ordinances etc., may be purchased at reasonable cost by any person.

Our act makes no similar provision but, currently, statutes, regulations and rules require prior approval by the senate and by-laws cannot be made without 14 days notice in writing to each member of the council. Accordingly, I foreshadow that the Liberal Party will propose an amendment similar to the Tasmanian legislation. In relation to the university continuance and powers, firstly, I refer to extending the definition and indicate that the Liberal Party supports this broader definition to include not only the council but also staff, graduates and students. Secondly, in relation to the council's operation outside South Australia, the Liberal Party supports this amendment, which simply confirms existing practices. In relation to the sale of freehold property, can I say that the Liberal Party supports this extension of power, having noted the clear statutory protection for land given directly to the university or held in trust. This cannot be sold without the Governor's approval and it is appropriate that that be protected.

At present, the university can buy property but cannot sell it. This amendment will enable it to engage in more commercial activities. Interestingly, in Tasmania, the council cannot borrow money without the permission of the Treasurer. On inquiry to the university, I understand that the land currently on their land register, which would be in this category and accordingly be able to be sold by the university no longer with the approval provisions is as follows: a 5UV transmitter site at Wingfield; Coobowie property near Edithburgh; Jervois land at Cleve; the Middleback Field Centre out of Whyalla; the Buckland Park Field Station and Buckland Lakes at Port Gawler; the Charlick Experiment Station at Strathalbyn; another, separate Charlick Experiment Station at Strathalbyn; Glenthorne at O'Halloran Hill; and the property at Thebarton, which is now a significant fourth precinct of the university. It is zoned in the general industry area and provides a valuable complement to the university. If I have omitted to identify property that would otherwise be in that category, I am sure that the minister will identify it. Importantly, the Waite, Roseworthy and North Terrace campuses are effectively protected.

We are yet to identify where the entitlement will sit in relation to the subletting of the Wine Centre, in which, as of 1 September, the university will have a legal interest by virtue of a 40-year lease executed recently between the Treasurer and representatives of the university, when it is ultimately approved by this parliament. However, it would seem that the protections that the government intends in relation to the subletting of that legal interest are incorporated in the lease and asset sale documents that provide the commercial protections, such as they are, in relation to that legal interest.

Fourthly, with respect to university continuance and powers, the Liberal Party supports the specification that the university is not an instrumentality of the Crown, although it remains subject to other acts, including the Public Finance and Audit Act, the Freedom of Information Ombudsman Act and the Higher Education Act (commonwealth), and others.

I turn now to the proposals repealing the provisions in respect of discrimination, and indicate that the Liberal Party supports the repeal thereof. Section 5 is now properly dealt with and comprehensively covered under specific legislation at both state and federal level. The amendment to protect the name and logo of the university is a completely new initiative of the government. The Liberal Party notes that it has not been requested by the university.

On page 7, paragraph 2.5, of the university's submission, it suggests that a provision in Statute Chapter 7, dealing with the university seal, could be included in the act and at the same time updated. However, this has either been ignored by the government or it appeared to it to be unnecessary. Instead, and notwithstanding that the government admits that the official insignia and title of the university are already protected under copyright legislation, it considers it appropriate to further protect the intellectual property of the university, and in particular its titles and logos, by creating an offence, being a maximum penalty of $20 000.

The Liberal Party does not oppose this in principle but considers it completely unnecessary. Again, there is no circumstance of a history of abuse by others of the university's title or logo that justifies such a measure. Furthermore, if there is an abuse outside the jurisdiction, that is, overseas, this penalty is likely to have no effect and therefore is useless as a deterrent.

In relation to the conferring of awards, at present all the requirements for admission, assessment or completion of any university academic award are currently contained within the rules of the university. I note on page 7, paragraph 2.4, of the discussion paper that the university has sought an update of the specific power to confer awards on persons who attain requisite standard and, importantly, to confer an academic award jointly with another university or an honorary academic award to a person the university thinks merits special recognition.

The Liberal party supports these amendments. The power to confer honorary awards is consistent with the other two South Australian universities and, indeed, many universities around the world. I have received notice of an amendment by the Hon. Bob Such, but I am not certain whether that will be proceeded with.

In regard to the Chancellor and Deputy Chancellor, a clause is proposed to provide for only one Deputy Chancellor, and both the Chancellor and Deputy Chancellor will hold office for two-year terms (currently four years). This is to enable the council to reaffirm its confidence in its leadership at two-year intervals. The Liberal Party supports these amendments. The role of the Vice Chancellor is clarified as the principal academic officer and chief executive responsible for academic standards, management and administration. Clause 13 makes a consequential amendment due to there

being only one deputy chancellor under the bill, and the Liberal Party supports both those amendments.

As to the council being a governing body, this amendment inserts a requirement that the council must, in all matters, endeavour to advance the interests of the university. The Liberal Party supports that amendment. As to casual vacancies, clauses 15 and 16 clarify the filling of casual vacancies—under proposed section 12(1)(h), the election of two graduates; and clause 16, the saving clause. The Liberal Party supports both of these amendments.

I turn now to the Adelaide University Union. The council, at page 22, section 8 of the discussion paper, sought that the Adelaide University Union have its accountability to the university strengthened. This is because, particularly:

(a) the union operates in university premises;
(b) the union fee is collected by the university; and
(c) the university is likely to be responsible for the union's liability as a matter of public expectation, and to protect its reputation and its students.

It sought to be no longer required to have the concurrence of the union to any guidelines or rules established by the council and that there be more reporting to the council on financial matters; and, further, that the university have the power to require the union to enter into a lease in respect of the premises it uses. It appears that the government has taken up only the financial accountability issue in clause 19, requiring the provision of financial information annually; prior advice of a proposed fee, enabling the council to ensure fees set by the union are appropriate; and, further, that it cannot set fees except with prior approval of the council. The Liberal Party supports that amendment.

I referred earlier in this debate to the national governance protocols for public higher education institutions which had been recently published by the federal minister (Hon. Brendan Nelson) and which formed part of the documents which he released at the time of the federal budget. The protocols are designed to be appropriately undertaken and fulfilled by universities, including the University of Adelaide, which is the subject of this bill. It may be that, depending on what will be required of universities and to what they may be subject in relation to future financial support (a matter that is currently under review), it will be appropriate for the government to introduce further reforms for each of the three universities in South Australia.

I wish to place on the record the concerns raised, as I am advised, as to how our current university act, even with these amendments, might comply with those protocols. They will clearly need to be looked at notwithstanding that the minister may take the view that it is a matter more properly dealt with at a subsequent date.

On protocol No. 1, which requires that the institution must have its objectives specified in the enabling legislation, it is noted that the principal act (the University of Adelaide Act 1971) does not specify the objectives of the university or any of the functions of the university. There is no statement of what the university has been created to do, and this situation is unaffected by the amendment bill or the proposed amendments we have foreshadowed.

Secondly, the institution's governing body should adopt a statement of its primary responsibilities, which are detailed, so I will not repeat them all in the protocol. The institution's governing body should not delegate approval of any listed primary responsibilities. The principal act contains a set of legislative primary responsibilities of the council. This would appear to preclude the council deciding that it has different primary responsibilities. The legislated responsibilities appear sufficiently broad to encompass the responsibilities which must be included as primary responsibilities of the council under the protocol. There does not appear to be any inconsistency between our requirements and the current principal act.

Like most university acts, the current principal act for this university enables the university to delegate any or all of its powers and functions, and this is not affected by the proposed amendments to the delegation powers of the council. The legislated power to delegate any or all the powers and functions of the council does not of itself preclude an institution meeting the protocol requirements. A council could still choose not to delegate its primary responsibilities and, as a result, would be compliant with the relevant protocol. Doubtless, though, as I am advised, it is not necessary, but would be preferable, for the legislation to reflect that protocol.

The third area of responsibility in the protocol is that the enabling legislation of the institution should specify the duties of the members of the governing body and sanctions for the breach of these duties, and they are detailed again. Sanctions should include a requirement that the governing body has the power to and must remove any member of the governing council from office if the member breaches the duties specified above, is, or becomes, disqualified from managing corporations under Part 2D(6) of the Corporations Act.

The principal act does not specify the duties of members of the council; the amendment bill inserts many of the required duties. Clause 11 of the amendment bill requires the council to advance the interests of the university, but this does not appear to be the same as specifying that members of the council have a duty to act solely in the interests of the university, taken as a whole, having regard to its objects or functions. This may ultimately be a question for legal interpretation.

The duty to exercise appropriate care and diligence is included in clause 17 of the amendment bill. That clause also imposes a duty to act honestly in the performance of functions rather than to act in good faith, honestly or a proper purpose, which is otherwise referred to in the protocol. These are not the same. It is clearly possible to act honestly for an improper purpose. An example would be a student or staff member who has had access to privileged information using that information to initiate a political campaign to influence decision making of the council. This would be an improper use of information, unless the council took a decision to consult publicly on the matter. However, the council member may be acting quite honestly in the performance of their functions.

The duty to declare conflicts of interest is included in clause 17 of the amendment bill. However, clause 17(2) appears to exclude from a direct or indirect interest any interest in a matter that is shared in common with a substantial section of the public or with staff members or students of the university generally, or a substantial number of them. This would clearly enable staff members to participate in council decisions about wage levels or certified agreements. These are matters in which they have a clear interest. While there is need to clarify what may be a significant interest in this context, to exclude minor and very indirect interests, the form of this exclusion appears contrary to the intent of the relevant protocol. The duty of a council member to not improperly use their position to gain an advantage for themselves or someone else is not covered in the amendment bill, and that is clearly in the protocol. Clause 17A of the

amendment bill specifies that non-compliance with a duty constitutes a ground for removal of the member from office. There is no detail on how removal from office is to occur, who takes the decision, or how removal is affected. The protocol, however, specifies that the governing body must have the power to and must remove any member of the governing body from office if the member breaches the duty specified or is or becomes disqualified from managing corporations under section 2D(6) of the Corporations Act.

Perhaps as a preferred approach—and the minister may wish to note this for future consideration if it is not to be incorporated—the legislation could specify that a member of the council is removed from the council if (a) the member is or becomes disqualified from managing corporations under section 2D(6) of the Corporations Act; (b) in the opinion of the council the member has breached their duties as a council member; or (c) in the opinion of the council the member is incapable of performing his or her duties. This formulation would mean that the council would need to decide only that in its opinion a member had breached their duty and the person would be removed from the council. The council would not vote on removal, only on whether they believed the member had breached their duty. It is important to note, however, that even those most contemporary governance protocols, which are quite extensive and I suggest highly onerous on councils, nowhere do they require the imposition of sanctions in the form of financial penalties or indeed imprisonment.

There are other aspects, but at this stage I will refer to a fifth area of protocol, which is that the size of the governing council is not to exceed 18 members. This should be at least two members having financial expertise and at least one member with commercial expertise. There should be a majority of external independent members on the governing council and it should not include current members of any state or commonwealth parliament or legislative assembly. Our principal act specifies that there will be 20 members of the council and there is power to appoint an additional member, as I have mentioned.

The amendment bill changes the composition of the council but not the number of members and, as indicated, the protocol requires a reduction to 18 ministers. The principal act requires only one member to have financial expertise. This does not of itself preclude an institution meeting the protocol. A council could still have at least two members having financial expertise and at least one with commercial expertise. Compliance in this matter depends on facts about the composition of the council, not necessarily the legal requirements under the principal act. I think that at present it is clear that this matter will need to be remedied, if not in this debate, if there is to be compliance when other universities in South Australia may need to be considered. I would urge the government to take into account what may ultimately be necessary in further compliance with those protocols.

I have indicated as comprehensively as I can to the government where the Liberal Party has clear areas of concern, where we have given wholesale support to amendments where that is considered to be appropriate and of benefit to the university community and indeed the broader community, and where we have indicated—perhaps with some reservations—some support in other areas. That concludes my contribution.

The Hon. R.B. SUCH (Fisher): I wish to make a brief contribution and, in particular, focus on the matter of honorary degrees. However, I will first make a few general comments. I think that what has happened to our universities in recent times is regrettable and sad because, due to financial pressure put on them by the federal government in particular, there is a constant challenge for the universities to maintain academic standards and academic rigour. I believe that the young people, in particular, who are attending university today are being short-changed. They are paying more and getting less than people of my vintage who attended some years ago. Sadly, the students do not realise that they are being short-changed, because they do not know anything other than the current situation.

It concerns me that the universities are under financial pressure and, in an attempt to be, I guess, modern corporations, run the risk of throwing out their main purpose, which is the constant need to search for truth and a commitment to the highest levels of scholarship. I think we need to be very careful that, in South Australia, as in other states of Australia, we do not have our universities downgraded in quality so that they become, in effect, educational factories. Some people are suggesting that they have already reached that point. I trust that they have not, but I think they are in danger of getting to that point.

I note that the other day the universities were talking about the profits that they had made, which one would have to question, in economic terms, because I did not see any evidence that they had taken into account the capital cost of their facilities, and so on. I think that when they talk about profit it is an unusual use of the term 'profit'.

The universities are a business—we know that—but that is not their principal function. I make the point that universities should be businesslike in the way in which they conduct themselves, but they should never see themselves as just another corporation, because they are more than that, and the day on which they become simply a corporation—an educational factory—will be a tragedy, I think, not only for the universities but also for the whole community.

I just make those general points in relation to what has happened, and what is happening, particularly regarding the commitment to online education, which does have some advantages. But one of the critical and important things about a university education is the experience, the social interaction, of being at university, which one does not get in the same way through online delivery. I know that universities can make money out of online delivery once they have covered their establishment costs, but the price is that the students may miss out on that important element of social interaction.

I want to draw attention briefly to the matter of honorary degrees. The University of Adelaide currently has the power to offer an honorary doctorate of the university, and it now wishes to go beyond that to do what the University of South Australia and Flinders University can do, and have done—that is, offer honorary PhDs in science, law, medicine and so on. That is fine. The university is seeking to confer honorary awards on people who it believes merit special recognition, and I do not have a problem with that. A few years ago, the University of Adelaide sought, in a preliminary way, the ability to confer honorary bachelor's degrees and diplomas. I think that is an absolute nonsense, an absolute travesty and a con. I do not think that any university with any reputation should ever contemplate going down that path, and I am pleased that, under the former government, that never got off first base.

What concerns me is that, in recognising people who are of outstanding merit by awarding an honorary doctorate, they

do not go out in the community pretending that they have a substantive degree. I do not believe that is an honourable way to conduct oneself. It is not a substantive degree: as the title suggests, it is an honorary degree.

However, often through ignorance, the media confer titles on people who, traditionally in most universities around the world, use that title in, around and within the confines of the university in connection with university activities. It is not meant to suggest that the person has a substantive PhD, and to do so (as some people, but not all, are wont to do) is misrepresentation and tells me that the universities are not making clear to the recipient of an honorary award that it is not to be used in a way that suggests that it is a substantive degree.

I will read out the formal and the honorary qualifications of one the great South Australians of recent years, Emeritus Professor Sir Marcus Laurence Elwin Oliphant. He was an AC, KBE, MA Camb and PhD Camb, and he had an honorary doctorate of science from universities in Melbourne, Toronto, Birmingham, Belfast and New South Wales, as well as from the Australian National University and the University of Adelaide. In addition, he had an honorary Doctor of Laws from St Andrews and was a Fellow of the Royal Society, as well as a Fellow of the Australian Academy. So, he was no slouch in respect of his own substantive degrees, nor in respect of honorary degrees with which he was recognised.

Many people who have been given honorary degrees have recognised the fact that they are honorary, and they have not purported to have a substantive degree. I have no problem whatsoever with the University of Adelaide offering honorary PhDs, but it should make it clear (as should Flinders University and the University of South Australia) that the honorary title is not to be used, and should not be used, in a way that suggests that it is a substantive degree. I think that is an important point.

Because people in South Australia are generally fairly easy-going and laid-back, they allow people to get away with other gross abuses, and I am not suggesting that this has happened in the case of the University of Adelaide. For example, someone in the north-eastern suburbs at the moment is calling himself 'Dr So-and-So' in the telephone book. That fraudster does not have any academic qualification whatsoever. In South Australia we are pretty sloppy about these things, and people can get away with claiming all sorts of qualifications.

When I was at what is now the University of South Australia, I remember a character who had the lettersPhD (Can) behind his name. People thought he was from Canada, but he was actually a candidate studying for a PhD and did not have one. However, he fooled a lot of people for a long time, because Australians tend to be a little naive about these things, unlike Americans who want to know where you obtained your qualification and not simply whether you purport to have one.

It is possible to buy letters after your name in Australia. We might think that happens only in Calcutta, or Bombay, or when the aircraft refuels in some place in Asia. However, titles can be bought through one of the accounting associations, and one recent former premier did exactly that. I am not saying that it is illegal, but that is the situation: you pay about $300 a year to the National Institute of Accountants and you can have 'fellow' after your name. So, you do not have to have a diploma but, providing you have done a little accounting in a business, lo and behold, you can be a Fellow of the National Institute of Accountants.

It looks pretty impressive, but it is dependent upon your paying an annual fee. The point I am making is that Australians are easily conned, the media is easily fooled and, obviously, we have some people who have not been told by the universities not to pretend that they have a substantive degree but who have actually got an honorary title. In respect of the other measures in this bill, a few years ago I was the minister responsible for trying to streamline the governance of our three universities. It was when I came to the issue of the University of Adelaide that the heat was turned up somewhat.

However, I believe the changes that took place at that time were for the good of the universities. Prior to those changes, I think that the council of the University of Adelaide had something like 32 or 34 members, which is far too large. That number was brought back to what it is today, which is of the order of 20, or so. I welcome this bill. The University of Adelaide is a great university. I have had the privilege of studying at each of our universities, and I believe that the University of Adelaide has a great future.

I am pleased that it has been able to get its finances back on track, and I look forward to the university continuing to provide high standards of academic scholarship. I trust that, along with the other two universities, it never compromises those standards, that it will maintain them because, at the end of the day, ultimately, a university depends on its reputation. If your reputation goes as a university then, in my view, you cease to be a university and, if you allow those standards to be compromised, after a while you cease to be anything. As a result of financial pressure, as I indicated at the start, our universities are under great pressure.

We have people saying that you should be able to get into university if you can buy your way in. I totally disagree with that. I believe that that is an outrageous corruption. In recent years I have heard members in this place say that, if you can buy your way in, that is fine. I do not accept that. I believe that you should get in and be in there strictly on academic merit. The universities, I think, need to address many issues, including the high drop-out rate in the first year, particularly once the census figures are taken at the end of March.

If you have the ability to get into university I believe that you have the ability to complete a university course, but I am not saying that once you are in there you should get an automatic pass. I am not saying that at all. I think that there is often a disregard for the capability of students who come from a school background, get seduced by the university life and, before they know it, the academic year is just about over and so is their time at university. I commend this bill. I believe that it will be some time before it finally gets through both houses but, I guess, universities have learnt to be patient.

The bill will assist in ensuring that the University of Adelaide can operate in a way which is appropriate to a modern technological society. I wish the University of Adelaide well, along with Flinders and the University of South Australia, which are not part of this legislation, but we are well served by those three universities provided they maintain that high level of academic commitment which I indicated earlier.

Mr HAMILTON-SMITH (Waite): I am going to contribute to this debate as the opposition's shadow spokesperson for innovation and information economy but also as the member for Waite, because within my electorate is the Waite campus of the University of Adelaide. I am very much a stakeholder in this bill, which I have read with interest. I

have also received a number of submissions from interested constituents, some of whom are senior academics within the university and whose views I respect enormously.

As has been pointed out by my colleague the member for Bragg, the bill proposes a number of significant changes to the way the university runs itself. There are changes to the current structure and process of the University of Adelaide Council. The bill aims to increase the freedom to operate within a more corporate structure that will still meet community obligations and expectations. It aims to establish clearer lines of decision-making, including powers of delegation, whilst imposing heavy penalties for breaches of propriety leading to loss or damage to the university. It will protect (via statute) the university's name and devices, remove restrictions on the disposal of freehold property (land owned by the university) but exclude, thankfully, land given in trust, such as North Terrace and the Waite and Roseworthy campuses. I am thankful for that, having championed through the parliament a bill to repeal an act to carve up part of the trust left to the university by Peter Waite which was then being used as a kindergarten. I think that trust land should remain sacrosanct.

The bill also seeks recognition of the Academic Board, the Graduate Association and the Students Association by making their presiding officer an ex officio member of the council. The bill will provide for the election of two graduate members to replace the current senate members and will disband the senate as a formal body of review giving the council the central decision-making power. The bill provides for honorary awards for those whom the university thinks merit special recognition. I share some of the concerns expressed by my colleague the member for Fisher about that, and I will speak to that in a moment. The bill ensures that the Adelaide University Union report its financial position to the council and that the university union's autonomy be preserved, although sufficient information must be provided to the council for setting the fee for union membership.

If I have a principal concern about the bill I would say that it does not go far enough. I am particularly interested in a vision for the future of the university. I regard it as not only a centre of academic excellence but part of the engine room of the economy as well as our culture. The bill could contain more that points to a new vision for the University of Adelaide. It also contains little about quality and standards. I have confidence in the council to champion those great challenges, but it would be nice to see in the bill some focus on quality and standards which must be at the heart of the future of the university.

The bill also contains little about real engagement with the government, business and the broader community. Again, it could be argued that that is not necessary, but I think it is necessary for the character of the university. It has been in the past, but it must be ever more in the future. As I have mentioned, the bill also proposes substantial reform to the current structure of the University of Adelaide Council, which is the governing body of the university.

Some of the things that have been put to me which I feel I should get on the record have to do with the Waite campus (the Waite Institute, as it has been known for many decades). There is a concern that the Waite campus is being swallowed up into North Terrace and that its status and standing as a centre of academic excellence risks diminishment by this bill and also by other actions and changes under way within the university. I have visited the university and spoken with the Vice-Chancellor and other senior officers, and I have also spoken to constituents about this issue. I understand the university's assurance that the Waite campus will not be diminished and that the head of the Faculty of Sciences will fill the important role of Director of the Waite campus, although the stature of the position as we know it will change.

I believe it is important that the brand of the Waite campus be maintained. In some ways, it is a more widely known brand, a more famous brand, a brand which has wider recognition than that of the University of Adelaide. Certainly, in certain aspects of the biosciences that is so. I think that the university has some issues to deal with as to its future vision for the Waite, particularly as to how it brings together the other tenants of the Waite—the CSIRO, SARDI, the new Grain Genomics Centre of Excellence and other institutions there located—into one broader brand of academic excellence, perhaps under the guidance and tutelage of the University of Adelaide. I also express, on behalf of constituents, concerns about standards and the need to maintain them. I note that some of my constituents have raised with me concerns about four major proposals in the bill: the marginalisation of the senate as they see it and the role of the Governor; the conversion of the statutes to rules and by-laws; the change in the composition of the council; and the status of the Students Union. They have raised lesser concerns about the disposal of assets, the award of honorary degrees and the delegation of council powers.

My constituents have put to me that in several places in the proposals the view is expressed that change is needed to make the University of Adelaide more like Flinders University or the University of South Australia, or some other university. The view put to me is that this is a bit of a non-argument. My constituents do not concede that these other universities' ways of working are necessarily superior to those of the University of Adelaide. The argument put to me is: let us not throw the baby out with the bath water. Rather, if it ain't broke, why fix it. In any case, in the view of my constituents, we should aim to have other universities look to the University of Adelaide as an example. They are proud of all that has been achieved.

In regard to honorary degrees, there is a case in point. Adelaide has never been able to award honorary degrees except for academic recognition or for exceptional service in the context of the university itself, and has consistently resisted the power to award honorary doctorates for other reasons, such as large financial contributions. My constituents put to me that that arrangement should remain unchanged, and I put that on the record on their behalf. The proposals to allow for the disposal of assets without the consent of the Governor (that is, the government of the day) may be in order, but the fact that the proposal specifically exempts some trusts, such as the Waite Trust, suggests that a further exemption is needed to protect the future; for example, that such other trusts as may from time to time be established should also be afforded the same protection.

The delegation of council powers caused a good deal of debate at the time of the last revision of the act, and my constituents put to me that the proposed arrangements are probably satisfactory but it is no argument to say that the University of SA does it and therefore so should we. In regard to the role of the senate, the major changes proposed are there because council wishes to change the way in which decision making takes place at the university. As with most traditional universities, the University of Adelaide has a long tradition of what is often called collegiality; that is, the academic members of the university have had a major voice

in the overall governance of the university as well as in determining the academic content of courses and the nature of the degrees offered.

At Adelaide, a major role has been played by the senate in that it must approve major legislation, as must the Governor. The intention of this provision of the original act was to ensure that there was a body of academically qualified persons (that is, graduates) able to review university policy, and 'the Governor' means the government in this context. This was an important provision in the early days of the university, to ensure that standards were maintained. It was based on the then existing British/Scottish practice and is still common in those universities.

In Adelaide it has evolved over the years to adapt to changing circumstances, for example, by including academic staff and graduates not resident in Adelaide. Some argue, but many of those who have spoken to me would argue otherwise, on the ground that the university has already lost a large proportion of its collegiality. The specific proposal does not abolish the senate but effectively removes its legislative function by redefining statutes and regulations as rules which do not require senate approval. This is listed as an item in section 2 of the summary. In effect, this proposal is to modify the collective voice of the graduates of the university. The present council has evidently found it irksome that the graduates of the university as represented by the senate in principle have a deciding vote in approving many items of university legislation, that is, those described as statutes or regulations. It has been put to me by my constituents that such approval is not required for rules. The effect of this proposal is to allow the council to bypass the senate.

A second function of the senate is to act as an electorate for graduate members of the council. It is proposed that such representation be reduced and determined in a different way as a consequence of this bill. Two such proposals are contained in the table within the bill. In neither case would the senate elect anyone. Some of my constituents are opposed to either of these propositions, particularly the alternative in which council itself selects its graduate members. I repeat that it is no argument to say that Flinders University and the University of South Australia do it and, therefore, so should the University of Adelaide, as is implied in the bill.

My constituents believe it essential that graduates retain the right to say who should represent them on the council. The alternative of election of the Alumni Association has possibilities. My constituents note in any case that there should be a place for the Alumni Association in the act. However, on perusal of the definitions, I see that 'graduate association' is included as a definition, and I see that the minister acknowledges that definition.

The other proposal to change the council is to reduce from three to two the number of academic staff elected to council and to include the chair of the academic board ex officio. One constituent found themselves in that position in the past without, he claims, even a voice on the council. He endorses this proposal but believes it should be independently argued and not be used to reduce the elected membership.

There is a common view among many of the people to whom I have spoken that the proposal is deliberately intended to dampen the academic voice. This is seen also in other aspects of the bill, particularly in the area of accountability. Council evidently feels that those elected should be accountable not to their electorate but to the council itself. In the experience of some of my constituents, a good council member will find the means to balance these sometimes competing calls. The bill does not say what happens to someone whom the council considers to be offending against this principle. My constituents recall occasions when they considered that their elected academic colleagues on the council were pushing their own barrows, if you like, a little too far, and it would be interesting to see how the council will weather that hazard in the future as it has in the past.

In regard to the union, my constituents have also expressed some concerns that the general role of the union not be diminished and that its sense of being as a separate corporate body should not vanish, or that its independence ought not be reduced. They argue that this is in part the essence of the collegiality I mentioned earlier.

In overview, the proposals in the bill are designed to make the council more efficient. I recognise that, and so do my constituents. However, universities are academic organisations. The academic voice needs to be heard, and it needs to be understood. Academic staff and their general staff colleagues understand this concept better than many others, particularly others who do not work in the university. It is important that the council should have strong representation of persons from the community. It is certainly in the best interests of the university for that to be so. There is more than a slight suggestion in the present proposals that the internal voice is being reduced so that the council will be more like the board of an organisation from which the external members come, but we need both. My experience tells me that any system will work if its members want it to, and it can be frustrated if they do not want it to. I urge the minister to consider my comments in the days ahead. I will been commenting further in committee.

In overview, the real focus here needs to be upon quality and upon a vision for the future of the university. It needs to include within it a vision and a future for the Waite campus which guarantees the reputation of both the campus at Waite and the university and which takes into account the range of points I have raised in my debate.

The Hon. J.D. LOMAX-SMITH (Minister for Employment, Training and Further Education): I thank the members for Mitchell, Fisher, Waite and Bragg. Each have discussed the provisions of this bill with great care. I particularly thank the member for Waite for his synthesis of all the comments which he has received and which have been very similar to those I have heard as well. It is true that the bill seeks to make relatively minor changes, but ones that change in substance definitions as to role and obligations of the council, as well as changes to the numbers of people occupying positions on the council and their responsibilities.

I accept the comments of the member for Bragg. She is disconcerted by the provisions within the bill for penalties. I understand that point, but those penalties are only for improper actions, should members of council err in ways that are regarded as unacceptable. The matter that she and other members have raised relating to the senate is one that will bring the University of Adelaide into line with other institutions.

Also, the matters relating to honorary degrees raised by the member for Fisher are significant in that he is quite correct: some people do use those degrees as if they were acquired in the normal manner. Certainly, the term 'doctor' is used by a whole range of alternate therapists, dentists and other providers of various services, and it diminishes the efforts of many people such as the member for Fisher, who had to work hard for their degrees.

The most significant issue on the national scene will be the national government's protocols, and we have chosen not yet to make changes in line with those protocols, because we do not know how they might be treated in Canberra or how those recommendations might pan out. It would be sensible to deal again with all three universities at a point when those protocols are in place, and we intend to do that. The hour is late, so I will not debate the matter further. Again I thank members opposite and on this side of the chamber for their considered comments and look forward to the debate in committee.

The SPEAKER: I have strong views about this legislation and about the recent history of the University of Adelaide. I do not agree, indeed I strongly disagree, with the Chairman of Committees, the member for Fisher. The changes that were made to the University of Adelaide Act during the term of his ministry were not successful and have not been successful. Without taking too much time of the chamber, I point out that the remarks made by the member for Waite in reporting what has been put to him are remarks that I would put to this chamber as my very strong views about the Adelaide University. If the Adelaide University were not unique, it would not have achieved the outstanding results it has achieved up until very recent time. It now falls backwards in consequence, in my judgment, of the ill-conceived approach to the interference in its governance in recent times. If we want a model to determine what it is we seek for the University of Adelaide as a future, we ought not to look at the model of the more recently established universities, which came into existence for the purpose of providing degrees for those people who were getting qualifications from colleges of advanced education.

We ought to look at the success which has been achieved by the Ivy League universities of the United States and, more particularly, the Oxbridge universities in the United Kingdom, and the manner in which they are governed. They use the collegiate model. Adelaide University's structure of governance had evolved over a period of 130 years and was very effective in ensuring balance. There was the opportunity for full and proper debate before any change occurred.

I am very disturbed at the proposals to reduce the powers of the senate in the manner in which the legislation proposes. I am equally disturbed at the belief that the University of Adelaide should be seen no differently from those other universities in Australia, and from other universities in South Australia, which aim at producing people with qualifications in what is called an efficient manner. Neither Cambridge nor Oxford nor Yale nor any other similar universities have that approach. If I am mistaken and other members are correct, and the government's proposals are correct, why is it that the sum total of Nobel Laureates in Australia are all graduates of the University of Adelaide? Why is it that it has such an outstanding international institution, such as Waite Institute?

Neither of those two features of the University of Adelaide will be possible under the structure of governance that we propose now, or that currently exists as a result of the changes that have been made in contemporary times. With those remarks, I leave the measure to the house to determine its fate. I trust that members will see further in securing markets for the quality of education that we can provide here, and the reputation that we have for being able to provide it, especially through the Colombo Plan scholars that gave us that reputation, than simply to go and mine that reputation in less than a decade and leave us in a place no different from the bulk of universities in this country. Altogether, if Adelaide is to continue as a university to stand where it has been in the past, then more power, not less, ought to be left to a greater number of people more properly constituted in its council than is presently the case. I close on this note: as it stands, it is possible to govern that university with a faction of five. I find that shocking in the extreme.

Bill read a second time.

In committee.

Clauses 1 to 3 passed.

Progress reported; committee to sit again.

ADJOURNMENT

At 11.57 p.m. the house adjourned until Wednesday 16 July at 2 p.m.