HOUSE OF ASSEMBLY

Tuesday 14 October 2003

The DEPUTY SPEAKER (Hon. R.B. Such) took the chair at 2 p.m. and read prayers.

PAPERS TABLED

The following papers were laid on the table:

By the Speaker—

City of Mitcham—Rate Rebate Report 2002-01—Pursuant to Section 23(4) of the Local Government Act 1999

By the Premier (Hon. M.D. Rann)—

Department of the Premier and Cabinet—Report 2002-03
Economic Development Board—Report 2002-03
Economic Development Board—Status Report on the South Australian Economy—October 2002
Office of Economic Development—Report 2002-03
Operations of the Auditor-General's Department—Report 2002-03
Report of the Presiding Officer of the Disciplinary Appeals Tribunal—Report 2002-03
The Commissioner for Public Employment—Report 2002-03

By the Treasurer (Hon. K.O. Foley)—

Department of Treasury and Finance—Report 2002-03
Distribution Lessor Corporation—Report 2002-03
Essential Services Commission of South Australia—Report 2002-03
Generation Lessor Corporation—Report 2002-03
Lotteries Commission of South Australia—Report 2002-03
Motor Accident Commission Charter
Motor Accident Commission—Report 2002-03
RESI Corporation—Report 2002-03
South Australian Asset Management Corporation—Report 2002-03
South Australian Government Captive Insurance Corporation—Report 2002-03
South Australian Government Financing Authority—Report 2002-03
South Australian Parliamentary Superannuation Scheme—Report 2002-03
Superannuation Funds Management Corporation of South Australia (Funds SA)—Report 2002-03
Super SA Board—Report 2002-03
Transmission Lessor Corporation—Report 2002-03
Regulations under the following Acts—
Police Superannuation—Salary Recognition
Southern State Superannuation– Julia Farr Services Employees
Superannuation—Julia Farr Services Employees

By the Minister for Police (Hon. K.O. Foley)—

South Australian Police—Report 2002—2003
Regulations under the following Acts—
Firearms—COAG Agreement

By the Minister for Infrastructure (Hon. P.F. Conlon)—

Industrial and Commercial Premises Corporation—Report 2002-03
Land Management Corporation—Report 2002-03

By the Minister for Energy (Hon. P.F. Conlon)—

Electricity Supply Industry Planning Council—Report 2002-03

By the Minister for Emergency Services (Hon. P.F. Conlon)—

South Australian Ambulance Service—Report 2002-03

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

Director of Public Prosecutions—Report 2002-03
Legal Services Commission of South Australia—Report 2002-03
Listening and Surveillance Devices Act 1972—Report 2002-03
Public Trustee—Report 2002-03
South Australian Classification Council—Report 2002-03
South Australian Multicultural and Ethnic Affairs Commission—Report 2002-03
State Electoral Office—Report 2002-03
Telecommunications (Interception) Act 1988—Report 2002-03
Regulations under the following Acts—
Criminal Law (Forensic Procedures)—Variations
Rules of Court—
Magistrates Court—
Addendum to Amendment No 20—Errors Corrected
Amendment No 20—Pleadings

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

Regulations under the following Acts—
Conveyancers—Penalties
Land Agents—Penalties
Security and Investigation Agents—Penalties

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

Commissioner of Charitable Funds—Report 2002-03
Dental Board of South Australia—Report 2002-03
Food Act Report—Report 2002-03
Regulations under the following Acts—
Optometrists—Fees

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

Administration of the Radiation Protection and Control Act 1982—Report 2002-2003
Clare Valley Water Resources Planning Committee—Report 2002-03
Environment Protection Authority—Report 2002-2003
Patawalonga Catchment Water Management Board—Report 2002-03
Reserve Planning and Management Advisory Committee—Report 2002-03
South Australian National Parks and Wildlife Council—Report 2002-03
Torrens Catchment Water Management Board—Report 2002-03
Wildlife Advisory Committee—Report 2002-03

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

Report on the Operation of the South Australian Alcohol Interlock Scheme—11 September 2003
Regulations under the following Acts—
Public Corporations—Austrics Dissolution

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

Regulations under the following Acts—
Daylight Saving—Summer Time 2003-04

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

Dried Fruits Board of South Australia—Report 2002-03
Phylloxera and Grape Industry Board of South Australia—Report 2002-03
Veterinary Surgeons Board of South Australia—Report 2002-03

By the Minister for Urban Development and Planning (Hon. J.W. Weatherill)—

Administration of the Development Act—Report 2002-03

By the Minister for Local Government (Hon. R.J. McEwen)—

Boundary Adjustment Facilitation Panel—Report 2002-03
Proposal by City of Port Augusta to extend its boundary into Spencer Gulf.

ASSENT TO BILLS

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

Firearms (COAG Agreement) Amendment,

Statutes Amendment and Repeal (Starr-Bowkett Societies),

Statutes Amendment (Mining).

QUESTIONS ON NOTICE

The DEPUTY 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 16, 18, 20, 27, 31, 33, 45, 47, 49, 51, 52 to 54, 62, 63, 74, 76, 95 and 128.

TOBIN, Prof. M.J.

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

Leave granted.

The Hon. M.D. RANN: Today marks one year since the tragic and senseless death of the Director of South Australia's Mental Health Service, Professor Margaret Tobin. This morning I was honoured to speak at a tree-planting ceremony in Hindmarsh Square to commemorate and celebrate Margaret Tobin's life. The tree was planted by Margaret's husband, Don Scott, and will forever be a reminder of a woman who dedicated her life to improving the lives of others. It will serve as a permanent memorial to her honesty, her commitment, her passion and her compassion.

She is loved, still, by so many, and that was so apparent today at the ceremony which involved not only family members but also her colleagues in the Department of Human Services, particularly in the area of mental health. Professor Margaret Tobin was a pre-eminent and tireless servant of the people of this state. She was a passionate advocate for the most disadvantaged, marginalised and alienated people in our community. I know her family were very proud that Professor Tobin chose to dedicate her life and career to the public mental health service. We were honoured to have her here, working in Adelaide.

It was a measure of the commitment and dedication of Professor Tobin that she spent her last hours organising help for other people. She had been instrumental in organising counselling and other support services for those arriving home from the horrific events in Bali, for the families of those who were lost and for those who survived.

When Margaret was appointed to head the state's mental health service in July 2000, she told her new staff that her motto was, 'This time make things happen.' She was confronting prejudice and passionately challenging us all to do better in mental health. At Margaret's memorial service this morning, I pledged that we would continue her work. It goes on in her name and in her honour.

The government is working to radically improve and reform mental health services in South Australia. In our most recent budget we provided $4 million towards our mental health reforms over the next four years, and last year's budget contained $9 million over four years for a range of mental health initiatives. This included $2 million over four years for pilot programs in the country so that people can be treated in their own communities, and this involved recurrent funding of $100 000 to each of the Whyalla, Port Augusta, Port Lincoln and Wallaroo hospitals the Port Lincoln Aboriginal Health Services. Also, we are building the new $14 million 40-bed acute mental facility at Flinders Medical Centre. It will be named after Professor Margaret Tobin in dedication to her memory and in tribute to her work.

I can also inform the house that plans are being finalised for a $9.8 million 30-bed mental health facility for the aged at the Repatriation General Hospital. A 60-bed facility is being planned for the Lyell McEwin Health Services stage B redevelopment, and that will provide adult, aged acute and youth early intervention services. At the Royal Adelaide Hospital, stage 4 of its renovations will include a 40-bed acute mental health facility incorporating 10 intensive care beds.

Professor Tobin's work continues under the stewardship of new director Dr Jonathan Phillips. Dr Phillips began in August and was appointed to the key role after an extensive national and international search. He is a highly respected clinician, teacher and administrator.

It is with a great deal of sadness that I say that on this day we are remembering and honouring the lifetime commitment of an outstanding person who was making a difference in this very important and difficult area, and I know that all members would ask me to pass on their sympathies to Margaret Tobin's husband and also to say to her dedicated staff that the cause will go on.

CLIMATE CHANGE

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

Leave granted.

The Hon. J.D. HILL: I rise to inform parliament of a landmark report into climate change in South Australia. Climate change is a serious global threat that could radically affect countries and displace whole communities, but up until now we have known very little about future climate change in this state. Early in the life of the Rann government I commissioned the CSIRO to report into climate change in South Australia. This report has now been completed and was presented to cabinet this week. The report by Australia's top scientists relies on advanced computer modelling to predict likely climate change from now to 2030 and 2070. The projections are based on the best available science. However, it is acknowledged that the predictions may change as more research is undertaken in the future. According to the report, the first of its kind for our state, annual average temperatures could increase by up to 6° centigrade in the north of the state and by up to 4.4° in the south by the year 2070. Other key findings include:

- average annual rainfalls tending to decrease over most of the state;
- reduction in winter and spring rain;
- increase in frequency of extreme maximum temperatures, while the frequency of extreme minimum temperatures decreases;
- increase, by up to 10 per cent, in extreme rainfall events, with heavy rainfall in summer in the north of the state projected to result in a 20 per cent increase in flood frequency; and
- increase in the frequency of droughts towards the end of the century.

Members will be interested in the specific long-range forecasts for the number of days of hot weather above 30 degrees centigrade in regional centres. For example, in

Coober Pedy, in the member for Giles' electorate, the number of days over 35 degrees could increase from 79 to 158 by 2070. In Port Augusta, in the member for Stuart's electorate, the number of days over 35 degrees could more than double, from 36 to 78. In Port Lincoln, in the member for Flinders' electorate, the number of days over 35 degrees could triple from six to 23. In Clare, in the Leader of the Opposition's electorate, the number of days over 35 degrees centigrade could increase from 18 to 52.

In Adelaide, the number of days over 35 degrees centigrade could rise from, currently, 14 days a year to as many as 38 days a year by 2070, while the number of very hot days—that is, days above 40 degrees centigrade—could increase from an average of now just one per year to as many as 11 days per year. In Oodnadatta, the number of very hot days—that is, days above 40 degrees centigrade—could increase from an average now of 33 days a year to 110 days per year, which is more than 3½ months of above 40 degrees centigrade days.

Members interjecting:

The Hon. J.D. HILL: It is interesting that members opposite say 'rubbish'. This report has been commissioned by the CSIRO. The effects of climate change will be far-reaching. For example, rising sea levels and more intense storms could mean more floods in low-lying suburbs. This could put pressure on the cost of insurance premiums, energy use, water consumption, planning laws, building design and agricultural and horticultural development. In fact, every aspect of our lives will be affected in some way.

The hotter weather could have major effects on the health of South Australia's ageing population. Currently, about 127 per 100 000 people over the age of 65 die from heat-related illness each year in South Australia. The report finds that this death rate could increase by between 21 per cent and 47 per cent by 2050. Allowing for population growth, this means between 523 and 633 heat-related deaths per year among Adelaide's older citizens by 2050.

Of course, climate change will impact on biodiversity, although specific impacts are still largely unknown. The state's farmers will also be very interested in this report, which notes that the agricultural sector in general is considered to be well adapted to climate variability.

This landmark report will be a reference point for all government agencies and businesses. I have referred the report to the Premier's Roundtable on Sustainability chaired by Professor Tim Flannery. The report will also be sent to the Economic Development Board, the Premier's Science and Innovation Council and all relevant government departments, including PIRSA, Planning SA, the Department for Human Services and the State Emergency Services.

The findings of this landmark study will be of interest to the state's industries, farmers, councils and conservation groups. Therefore, it will be provided to Business SA, the South Australian Farmers Federation, the Local Government Association and the Conservation Council. Later this year, all members of parliament will be invited to a major briefing about climate change by a key author of the CSIRO report.

The report warns that global warming is a very real threat to our quality of life. The forecast is for hotter weather, increased flooding and droughts—all in our children's lifetime. The CSIRO report is another reason why the state government is committed to renewable energy, such as wind farms and solar power, and to conserving water. However, climate change is beyond the control of just one state. We are a state of 1.5 million people in a country of 20 million, amid a global population of 6 billion.

The federal government should do as the state government has urged since August 2002 and ratify the Kyoto Protocol. After all, Australia is a major producer of greenhouse gas emissions. In fact, Australia's rate of emissions (at around 27.9 tonnes per person per year) is the highest in the industrial world. Even the United States of America produces less at 18.1 tonnes per person per year. The report will also be sent to the federal environment minister, Dr David Kemp, and all Australia's environment ministers. I have asked that the issue of climate change be put on the agenda of the National Environment Ministers Council meeting when they next meet in Adelaide in April next year. This report will help governments and the community to better plan for our state's future. I now table the report.

FAMILY AND YOUTH SERVICES

The Hon. S.W. KEY (Minister for Social Justice): I seek leave to make a ministerial statement.

Leave granted.

The Hon. S.W. KEY: Since coming to office, reforming the child protection system has been a top priority of this government. The government commissioned a major report into all aspects of child protection and has made major budgetary commitments of $58.6 million to strengthen our child protection system. The government is currently implementing a number of recommendations of the child protection review and is actively considering all other recommendations.

A key area of reform identified in the Layton report is Family and Youth Services. Robyn Layton recommends a systematic approach to reforming the operations and practices of FAYS. She specifically recommends against piecemeal staffing of FAYS and recommends that a comprehensive workload analysis be undertaken to ensure that the government makes soundly based decisions about future operations and resourcing of FAYS in order that the needs of children at risk can be met. That workload analysis is under way. In the meantime, the government has acted quickly to make an interim allocation of $1.5 million additional funding for FAYS staffing to alleviate workload pressures and address the needs of children at risk.

After discussions with the Public Service Association, an additional 38 positions have been allocated to metropolitan and country district offices and the child abuse report line. These additional staff will provide extra capacity to deal with those very important cases not currently receiving adequate attention.

Yesterday, the Deputy Leader of the Opposition made statements in parliament about FAYS staffing, which he said was based on information provided by the PSA. He said:

> Clearly, no extra staff have been appointed at all. All the government has done is change the tenure of the existing temporary staff within Family and Youth Services.

This is entirely untrue. There are real additional staff in Family and Youth Services offices and more are on the way. The Public Service Association knows this is the case. On 3 October 2003, the PSA wrote to the Chief Executive of the Department of Human Services and asked for the net staff increase through a comparison with full-time equivalent numbers between 1 July and 1 October this year.

On Tuesday 7 October this year the Chief Executive and I met with the PSA to bring them up to date on the staffing

situation. On 8 October the Chief Executive wrote to the PSA confirming that there was an increase in staffing establishment of FAYS of 57 full-time equivalents between 1 July 2003 and 1 October 2003. Of the 57 positions, 38 positions in district offices and the child abuse report line have been created as a result of the additional $1.5 million allocation. These positions are being filled by a major recruitment campaign. Staff have now been appointed to 32.5 of the positions, and it is expected that appointments will be made for the remaining 5.5 positions shortly.

In recruiting for the new positions, existing temporary staff and part-time staff have been given a priority for appointment, because they have the necessary experience and have undergone the appropriate police checks. Where people have been appointed to new positions from within FAYS, their previous positions have been backfilled. It is simply not true to say that no extra staff have been appointed. I want to make it absolutely clear that an extra 32.5 staff are on deck in FAYS who were not there on 1 July. The additional staffing has been created by the recruitment of 28 new staff and extending the contracts or increasing the hours of some existing staff. The remaining 5.5 staff will be on deck in the coming weeks as appointments are finalised.

Members interjecting:

The SPEAKER: Order! The member for Unley knows that he is out of order.

BUSINESS, MANUFACTURING AND TRADE DEPARTMENT

The Hon. R.J. McEWEN (Minister for Industry, Trade and Regional Development): I seek leave to make a ministerial statement.

Leave granted.

The Hon. R.J. McEWEN: I take this opportunity to provide the house with an update on the status of the Review of the Department for Business, Manufacturing and Trade. The house will be aware that the government has accepted 70 of the 71 recommendations put forward by the Economic Development Board following the Growth Summit. Among the recommendations accepted by the government, recommendation 67 requested that:

> The government rigorously examine the functions provided by the former Department of Industry and Trade and now mostly carried out by the Department for Business, Manufacturing and Trade with the intention of achieving substantial restructuring and downsizing.

As a first step towards implementing recommendation 67, in August I acted to appoint a DBMT review team and gave it the task of examining and making recommendations to me on the strategic role, functional responsibilities and structure of the Department for Business, Manufacturing and Trade. This review team comprised two Economic Development Board members, Mr John Bastian (who was the review chair) and Mr Grant Belchamber, together with an independent expert, Mr Michael Dwyer, a partner of KPMG Adelaide. The government has now received the review and has authorised the review team to brief key stakeholders on its content.

In their initial round of discussions, I have asked the review team to speak with the Leader of the Opposition, the leadership team of the Department for Business, Manufacturing and Trade, the Public Service Association and the Economic Development Board. I believe it is imperative that the government move quickly in response to the report. To this end, I intend shortly to announce an implementation chief executive, who will be appointed for a fixed term of six months, with specific responsibilities for implementing the restructure recommendations and arrangements agreed by the government. I indicate that the government will make decisions on the review recommendations and approve new departmental arrangements not later than the end of this month.

The report acknowledges that the department contains many dedicated and talented people. Nevertheless, it notes that during the 1990s the previous forms of the Department for Business, Manufacturing and Trade grew rapidly. Between 1994 and 2002, DBMT's staffing levels increased by 60 per cent, from 194 to 272, and its budget had tripled. The report also notes that there has been a high proportion of executive level staff in the department compared to other state government departments and comparable interstate agencies.

The report further notes that the department had a culture built around 'fiefdoms with a lack of clear and consistent leadership and direction'. The report supports the change in direction of economic development policy started under this government towards building on our skills and infrastructure, developing partnerships with business, the community and government, and a focus on creating the environment for innovation and growth, rather than ineffective business welfare and handout approach of the past. In line with this new approach, supported by the government and the Economic Development Board, and unanimously endorsed at the Economic Growth Summit in April, the report calls for a new agency, rebuilt from top to bottom. Hence the review team calls for all positions in the new structure to be declared vacant, with all existing staff, of course, having the opportunity to seek employment within the new agency.

But, Mr Speaker, it calls for a much leaner and more focused and professional organisation of 98 full-time positions from the current staff complement of more than 200. The smaller and leaner organisation proposed would have measurable, achievable and timely performance indicators—

Mr Brindal interjecting:

The SPEAKER: Order! I warn the member for Unley.

The Hon. R.J. McEWEN: —and provide a strong direction in economic development, focusing on facilitating major and strategic projects, quality business advice and extension services to existing industry and a strong analysis, policy development and advisory capability. The new structure would also entail more stakeholder involvement by business and others. This department has been reviewed many times, but I am committed to implementing this major change. I look forward to the cooperation of the Opposition and to working with the staff of DBMT and the Public Service Association to achieve an orderly transition, following the cabinet's decision on individual recommendations of the review.

Finally, I would like to take this opportunity to thank the staff of the department for their cooperation, patience and professionalism that they have displayed throughout the course of the review. I assure every departmental member that it is my intention to keep every staff member informed of developments during the coming implementation period in a timely and thorough manner. I believe that the basis has now been laid for an effective and productive new department, and I look forward to getting on with the job with the leadership team and staff to provide the best possible outcomes for this state.

Mr BRINDAL: Mr Speaker, I rise on a point of order. The minister was quoting extensively from a report. I wish

to clarify whether that report has been tabled or whether you will order it to be tabled.

The Hon. R.J. McEWEN: I did indicate that I was making a ministerial statement and tabling the report.

The SPEAKER: There was no point of order, and I acknowledge the minister's remark.

QUESTION TIME

PUBLIC SERVICE, SALARIES

The Hon. R.G. KERIN (Leader of the Opposition): My question is to the Premier. How does he explain to South Australians the blow-out of over 30 per cent in the number of public servants earning more than $100 000 in the past year, and what does he intend to do about this broken election promise? The Auditor-General's Report tabled yesterday shows that the number of public servants in South Australia earning more than $100 000 rose last year by more than 200, a total of around 35 per cent. This does not even include the figures for transport, which was not able to get its figures in on time. During the election campaign, the now Premier assured South Australian voters that highly paid public servants would be the first casualties in Labor's plans to fund their election promises. In one of his own media releases he said: 'Labor's priorities would be running the state's schools and hospitals, not feeding fat cats.'

The Hon. K.O. FOLEY (Deputy Premier): How ironical that such a question would be asked immediately following the announcement by the Minister for Industry of one of the most major sweeping restructures and downsizing reforms of the public sector—a large department made smaller. The Liberal Party in South Australia stands for big government spending lots of money. Let us make this very clear. We were criticised when we cut the number of public servants in our first two budgets. We were getting criticised for those cuts. This opposition is all over the place. Today, the minister for industry said that this government stands for more efficient government, and we are backing that up with significant downsizing—

Members interjecting:

The SPEAKER: Order!

The Hon. K.O. FOLEY: —in the Department for Business, Manufacturing and Trade. Since coming to office, this government has made sweeping cuts across government, reducing the cost of government against the backdrop of constant calls by members opposite to spend, spend, spend. As a government, we are balancing the need to get our finances right, to deliver balanced budgets and to deliver a surplus. We will then go further, because we want to spend more money on health. We need to provide better front-line services, and we are working towards doing that.

One way that we are going to do that is by keeping the pressure on the public sector to make it more efficient. We are going to strip out wasteful areas of government. We will attack areas of waste in government and look at ways in which we can consolidate services within government. We will look at shared services with renewed vigour, because we agree with those people who say we should spend more on front-line services. We will do that, and we will pay for it by making the public sector more efficient. So, to all those Johnny-come-latelies out there who do not criticise governments of the past but attack Labor governments when we get into office, my message is: get used to it, we are going to make the public sector more efficient.

SUBMARINE CORPORATION

Mr O'BRIEN (Napier): My question is to the Deputy Premier. How does the recent announcement regarding the contract for the maintenance and upgrade of the Collins class submarines assist South Australia in becoming the centre for naval shipbuilding in Australia?

The Hon. K.O. FOLEY (Deputy Premier): I thank the member for Napier for that question, because he has a keen interest in industry policy and he is a person who, I might add, has been highly successful in business. He has a keen understanding of the commercial sector. This government has made the defence industry in this state an absolute priority. In particular, we have concentrated—and are concentrating—on the development of naval shipbuilding in South Australia. A significant step toward achieving our goal (our dream) of being the nation's home of shipbuilding, creating thousands of new job opportunities and billions upon billions of economic activities, was a decision by the Howard government to recognise the significance of the Australian Submarine Corporation. We have agreed that a 25-year contract should be signed to allow the Australian Submarine Corporation at Osborne in my electorate to maintain, upgrade and enhance the Collins class submarines. The ASC has already commenced recruiting up to 100 engineers and technicians who are needed for this project—that recruitment will continue over the next four years—and we believe that an estimated $1 billion will be injected into the South Australian economy over the life of this particular project.

As I have said, this is an excellent outcome for the Australian Submarine Corporation and South Australia, and it reinforces the strategic importance of South Australia in naval platforms and systems. As I have said, the South Australian government is actively seeking further defence related contracts. Officers including Vice-Admiral Shackleton, from memory, travelled with the Premier to the United States and the United Kingdom to meet with key defence personnel. A week or so ago, I, myself, was in Perth looking at naval shipbuilding opportunities from the west, and I had a look at shipbuilding capacity and the opportunity for South Australia to strategically align itself with the ship building industry in Western Australia. Our competition for this contract will most likely come from the larger states of Victoria and New South Wales, and there is a need to ensure that we have a strategic relationship with the Western Australians to see where we have complementary capacity to bid for this work.

As members would already be aware, we have recruited the best of the best to help us. We have recruited a number of senior business people, former politicians and the former head of the navy, Vice Admiral David Shackleton, to assist us in that work. I am sure the member for Waite would be a strong supporter of this initiative. We are better utilising the defence teaming centre and other resources that we have available to us.

The decision to award the bulk of the submarine maintenance to the Australian Submarine Corporation will ensure that critical skills are retained here in South Australia. For South Australia to become the centre for naval ship building in Australia, and for all the navy's largest ships to be built here—including support amphibious lift ships—we need to ensure that we maximise every opportunity. We will be

leaving no stone unturned to deliver significant defence capability to this state. This means jobs, investment, and a secure future for our state.

PUBLIC SERVICE, SALARIES

The Hon. R.G. KERIN (Leader of the Opposition): Will the Treasurer advise why he has allowed the number of employees in Treasury earning in excess of $100 000 a year to increase by over 25 per cent?

Members interjecting:

The Hon. R.G. KERIN: Front line services! During February 2002, the Treasurer did the media rounds, targeting what he called Public Service fat cats. He said that he made no apology for going after them and estimated that 'up to 50 public servant fat cats earning enormous salaries will be required to leave the Public Service under a Labor government'.

Instead of the government's cutting 50 fat cats, the Auditor-General's report shows that the numbers have increased by over 200, with 12 in the Treasurer's own department. Before the election, the Treasurer said that he 'relished the opportunity in tapping a few fat cats on the shoulder with their contracts and saying good-bye.'

The Hon. K.O. FOLEY (Treasurer): I certainly tapped a few public servants on their shoulders: quite a few hundred public servants exited the system in our first budget, and a few hundred more, I understand, in the second one—and I got criticised for it. So when we downsize the public sector we get criticised. When we spend more money on child protection we get criticised. When we spend more money on health or education, we get criticised.

This opposition has no financial credentials. When we look at the nonsense of the opposition, we see that only a few weeks ago the hapless member for Unley wanted us to spend $100 million fixing up water pipes. The member for Davenport on the weekend wanted us to spend $15 million, one report said. The member for Waite never misses an opportunity to say to us, 'Spend more money on dance companies. Spend more money on theatre. Spend more money on steam railways. Spend more money on the Masonic Lodge. Spend more money here, spend more money there.' The only way this state can have a secure future is if we balance the budget, deliver surpluses and have a—

An honourable member interjecting:

The Hon. K.O. FOLEY: Rubbish! The member for Mawson says, 'It is rubbish to balance budgets.' What a load of arrant nonsense. That might be the economics of the discredited Liberal Party of this state, the big spenders, the advocates of big government. You can sidle up to and walk arm in arm with the Public Service Association, but this government will remain vigilant. We are about efficient government and effective government. We are about good government and we will ensure that this state achieves its AAA credit rating by good budget management, even if members opposite do not want that outcome.

Members interjecting:

The SPEAKER: Order! For the last time, until and unless standing orders are amended, debate in Question Time is over.

The Hon. R.G. KERIN: I have a supplementary question, again to the Treasurer. How many so-called 'fat cats' has the Treasurer tapped on the shoulder with their contracts and said goodbye?

The Hon. K.O. FOLEY: From memory, I can recall tapping on the shoulder of the discredited head of the Education Department for one, I think the head of Human Services was tapped on the shoulder, and I think the Minister for Education has ensured that a number of senior public servants in education are no longer employed. The head of Energy SA has also gone. So, quite a few readily come to mind, because we have not been afraid to ensure that those whom we do not believe are effective, are of quality, and are what we want to run the public service have been tapped on the shoulder.

Mr BRINDAL: I rise on a point of order. Mr Speaker: you ruled that ministers replying to supplementary questions should not enter into debate. I ask if the word 'discredited' in connection with a senior public servant does not in fact canvass debate, and brook a reply from the opposition.

The SPEAKER: I acknowledge that I have no recollection of a charge against a public servant being successfully prosecuted for any purpose whatsoever and, therefore, whilst the use of such pejoratives is unwarranted in the personal opinion of the chair, that of itself did not constitute debate.

SCHOOLS, MAWSON LAKES PRIMARY

Ms RANKINE (Wright): My question is to the Minister for Education and Children's Services. What are the new initiatives that are a part of the new government school which opened at Mawson Lakes yesterday?

The Hon. P.L. WHITE (Minister for Education and Children's Services): It is in a very good electorate—it is in the electorate of the Premier. The state's newest government primary school at Mawson Lakes opened yesterday with approximately 220 reception to year 7 students moving into the $7.6 million state of the art Mawson Lakes school buildings. Since the school started operation in 2000 the students have been temporarily housed in buildings at the University of South Australia's Levels campus. I would like to place on the record my appreciation to the University for its support during this time while there was some considerable wait in delivery of these buildings, due entirely to the inaction of the previous Liberal government.

Members interjecting:

The Hon. P.L. WHITE: The members opposite scoffed, and I am—

The SPEAKER: The honourable minister will not respond to interjections, other light-hearted comments or any other kind of sounds emanating from whatever part of the anatomy from any other part of the house.

The Hon. P.L. WHITE: Certainly, sir. Members would be interested to know that, when I took office in March 2002, even though the school had been operating since the year 2000, the land for the new school had not even been purchased, nor had anything been done beyond that. In fact, the project had not even been before the Public Works Committee which, of course, is a legal step to proceed to construction.

I sped up the project and brought funding forward, the land was acquired and construction began last year. I am pleased to say that this week there has been a very exciting celebration for the Mawson Lakes community, as they now have their very own permanent school, complete with the most progressive environmental design features in the nation. The school has solar climate control in the classrooms and electronically driven windows which are controlled by the sun and which open automatically, depending on the climate

in the classroom. The school is dependent upon very little electricity, as there is a lot of natural lighting. Inside the four classroom blocks there are easy to move walls so that they can be simply reconfigured into a variety of shapes and sizes.

The builders have built windows into parts of the walls so that students can see the insulation and wiring. The whole building process was part of the curriculum experience for school students at that school. The school has an activity hall, canteen and administration area and will share the use of Mobrara Park with the City of Salisbury. The school will access the gymnasium of the Performing Arts Centre at the nearby university. The landscaping has been designed to match the state's climate, and there are four courtyards and a greenhouse for seed and plant propagation at the school.

Students of the school have been involved right through the design and construction phase, visiting the site regularly and talking with the builders, plumbers, architects and other tradespeople working on the site. From the start of next year a new preschool will open which will use part of the school until its new premises are ready.

I am delighted that the Rann government has been able to deliver on this important project, even though the federal education minister, in a very embarrassing gaff, threatened to withhold capital contribution from that school. The government fast tracked the construction to deliver a school from scratch in record time.

Ms Chapman interjecting:

The Hon. P.L. WHITE: The member for Bragg interjects that money was cut. She deliberately misleads the parliament in saying that because the previous government allowed the school to build up an expectation that over time there would be further provision of programs beyond the primary school, but they did that without any firm budget or commitment to provide the facilities. So, she is quite wrong. This week, the Mawson Lakes community celebrates a very important facility for it, a project that has been delivered from scratch in record time.

PUBLIC SERVICE, SALARIES

The Hon. R.G. KERIN (Leader of the Opposition): Why has the Attorney-General allowed the number of employees earning in excess of $100 000 within his own department to increase by 48—or 60 per cent—in one year? The number of employees earning over $100 000 in the Attorney-General's Department has blown out from 76 to 124, an increase of over 60 per cent. It means that the Attorney's own department fat cat pay-roll rose by nearly $6 million—four times the savings made by the Attorney in scrapping the very successful crime prevention programs.

The Hon. K.O. FOLEY (Treasurer): This is clearly a budget matter. I have to stand up and be responsible for the budget in this house, as I have, and I will be responsible for questions that clearly relate to budget matters, and I will defend the budget passionately. As I have already indicated, this government has embarked upon a deliberate policy of budget management and fiscal responsibility that has seen hundreds of millions of dollars taken from government expenditure, including payrolls. To reduce government outlays, to do what the last government could not do, that is, control spending, you have to manage the wages budget and the wages policy. We have significantly reduced the payroll of government. If on the one hand we can be criticised for reducing government, for making cuts, for getting the budget right—

Members interjecting:

The SPEAKER: Order! The Treasurer will enable me to help the opposition understand that it should have had its party meeting this morning. If they want to talk to each other they should sit beside each other and not yell. I am not sure that they are trying to communicate with anyone else because no-one else is listening.

The Hon. K.O. FOLEY: I appreciate that, sir, because this requires a degree of consideration by members opposite. When we entered government, we had a haemorrhaging budget. We have delivered fiscal rigour to this state.

Members interjecting:

The SPEAKER: Order! The Treasurer has made it plain to the house on several occasions today, in a peripheral fashion to the question that has been asked, that the government has taken some difficult decisions. No further repetition of that is required. The substance of the question is what must be now addressed. If there is nothing further to say in relation to that, I will call the next inquiry.

The Hon. K.O. FOLEY: Thank you, sir. I think that I have more than covered the matter.

WIND FARMS

Mr CAICA (Colton): My question is to the Minister for Energy. Is South Australia's first wind farm, Starfish Hill, now fully operational?

Members interjecting:

The SPEAKER: Order! The wind farms are not on the back bench of the opposition!

The Hon. P.F. CONLON (Minister for Energy): Thank you, Mr Speaker. I would have thought that the house—and certainly this side will—would take more interest in such a question on a day when we have heard from the Minister for Environment and Conservation about the report from the CSIRO and global warming. I notice that members opposite do not seem at all interested, but I believe that it is one of the most important issues of our time.

On that basis, I am pleased to announce that South Australia's first wind farm, Starfish Hill, was officially opened on 4 October and that all 23 turbines are up and running. It will generate enough energy to power 18 000 South Australian homes and will reduce greenhouse gas emissions by up to 2.1 million tonnes over its operating life.

The wind farm has already produced more energy than was used in its building, including producing the blades, turbines, gearboxes and transporting components to the site. NEG Micon estimates that 23.7 million kilowatt hours of energy were used to build the wind farm, and as of 3 October the wind farm had produced 33.4 million kilowatt hours, which is already 9.7 million to the good over and above that used to create it. It is all free from there.

What we will have now is something around 30-odd megawatts of power generated for free, without fuel and without emissions from that fuel, over the 20 to 25-year lifetime of the project. The $65 million project is estimated to have provided jobs for 160 South Australians, and contracts worth more than $25 million have been awarded to South Australian businesses, as well as the skills transfer to local manufacturers, who now have a competitive advantage when competing for work on other wind farm projects.

It is important that wind farms are built in the right locations and after going through the proper planning processes. Tarong Energy is to be commended for the level of consultation with the local community and the incorpora-

tion of the results of that consultation into its final plans. I was also pleased to hear the Queensland energy minister, Paul Lucas, announce Tarong Energy's plans to build another wind farm on the Eyre Peninsula 100 kilometres south-west of Whyalla.

This demonstrates that there are considerable advantages to states that have maintained ownership of their electricity assets. What we see is, instead of the South Australian government owning its assets, the Queensland government making wise investments around Australia with government-owned assets.

South Australia has wonderful natural wind resources (with much wind on the other side but, as we know, that is of very little use). According to a recent survey, we also have one of the nation's most supportive communities for wind energy. That is why as a government we have been arguing for an increase in the commonwealth's mandatory renewable energy target.

This is very good news for the state. It is also very good news for Australia and the national electricity market, with those big coal burners interstate. When we hear the sort of information on greenhouse gas emissions and global warming that we have today from the Minister for Environment and Conservation, I can say that the government has been very proud to be involved in assisting this project to come about.

PUBLIC SERVICE, SALARIES

The Hon. R.G. KERIN (Leader of the Opposition): My question is again to the Treasurer. Does the Treasurer understand that an increase of 200 rather than a decrease of 50 is an actual net increase of 250 over what was promised, and that salaries in excess of $100 000 cost his budget tens of millions of dollars more and not less?

The Hon. K.O. FOLEY (Treasurer): When the Leader of the Opposition refers to what senior person will get tapped on the shoulder, I just wonder how long it will be before the Leader of the Opposition gets a tap on the shoulder.

Members interjecting:

The SPEAKER: Order! This is not Lewis Carroll's edition of *Wonderland*: it is question time.

The Hon. K.O. FOLEY: I will just come back to this point: we have reduced government expenditure right across government, and we will continue to seek reforms.

Members interjecting:

The Hon. K.O. FOLEY: No, I can't win. I am criticised when we cut, and I am criticised when we spend. I suppose that is the lot of a hapless opposition.

TOURISM, PROFILE

Ms CICCARELLO (Norwood): My question is to the Minister for Tourism. What is the government doing to raise the profile of the tourism, education, training and research sectors?

The Hon. J.D. LOMAX-SMITH (Minister for Tourism): I thank the member for Norwood for her question. I know she has a keen interest in the tourism industry because of its impact on employment, amounting to some 10 per cent of the state's growth in exports and, numerically, 43 000 individuals being employed in the industry.

As in other sectors of our community, the impact of research, training and education is profound. Of course, it goes without saying that those operatives and business owners in the industry need to be well trained. We have implemented online training schemes through our TAFE institutes (our so-called TOBE online training scheme). In addition, of course, it is important to have trained staff, and they extend from events management, marketing and sales through to the hospitality industry, and a vibrant tourism industry requires these employees as well.

More importantly, and often forgotten, is the requirement of our university and education sector to provide proper research, and that research can be used by the industry in planning, developing products and filling niches. One of the processes I was personally very keen to implement was a way of bringing together our training institutions to work collaboratively and in a collegiate manner with the industry in order to bring benefits to the state and the industry sector. We did this by bringing together the three universities and our TAFE institutes—the latter, of course, having significant tourism training roles and the former being involved in research matters and training, through degrees. As a consequence of bringing together these institutions, we have developed a centre for tourism, which is a first both within Australia and worldwide. It has a direct interface with the industry, is facilitated by government and works with all the education institutions together.

The role of the Centre for Tourism will be to produce proper links between the industry and academics so that research carried out by the education sector can not only feed back in the industry but also be purpose designed to benefit the industry on request and be supported by the industry sector. It will also help to foster a single interface with government so that many of the issues we see as required in our strategic planning can also be supported through the education sector and, as a way of producing advice for government, it can produce a unified voice from the academic sector. It is particularly important, because it is a shared resource between our institutions; it brings them together to work in a unified manner. The centre is currently being housed in and run out of the University of South Australia, but the other education partners will, in time, I am sure, host the main office of the organisation.

The centre's first major forum and activity will be in October, when it will host an activity that will be relevant across regional and rural South Australia. Two of Australia's best known tourism economists, Professor Trevor Mules from the University of Canberra and Professor Larry Dwyer from the University of New South Wales, will be discussing the impact of tourism on local economies. That is of particular significance when there continue to be debates in regional and rural South Australia about the profound impact that tourism has on those regional economies. So, I am very pleased to make known this centre. It is a first in Australia and probably the world and, I think, will play a very good part in developing our tourism industry in the next few years by bringing about proper links with research and education.

PUBLIC SERVICE, SALARIES

The Hon. R.G. KERIN (Leader of the Opposition): Is the Minister for Administrative Services aware that the number of SA Water employees earning over $100 000 per year has increased by 40 per cent in the past year and, as minister with specific responsibility for SA Water, what will he do about it?

The Hon. K.O. FOLEY (Treasurer): Mr Speaker, that—

The Hon. R.G. KERIN: On a point of order, sir, the question was: is the minister aware? I do not know how the

Treasurer can actually answer whether or not the minister is aware.

The SPEAKER: I know that the logic of the situation is such that, well, it defies my brain, and maybe that is an addled one. However, cabinet is a collective organism and if, on its behalf, one or other of its voices chooses to speak, it is not within the purview of the chair to determine whether or not that is an appropriate voice.

The Hon. K.O. FOLEY: The nonsense of the line put forward by the opposition today is that, since Labor came to office 18 or 19 months ago, there have actually been wage increases. We are not operating from the base from which we were operating nearly two years ago. I do not know the level of increase, because it depends on the level of the public servant involved. However, it would be fair to say that there would probably have been 5, 6, or 7 per cent wage increases over the past 18 months or more which would have taken many public servants into a higher band. Members opposite should not be surprised by this.

Members opposite had a very poor wages policy, and those of us who were here at the time, including you, Mr Speaker, would recall the nearly 7 per cent, from memory—I may be wrong, but I think I am correct—wages outcomes in the year leading up to the 1997 state election, when then Premier Olsen was trying to buy some industrial harmony across the public sector. Wage increases do occur: surprise, surprise! And that takes many people into new bands. But this notion that the government has gone out and recruited hundreds more public servants on higher salaries is just plain wrong, misleading and deceptive. The truth is that, whilst some public servants have been hired, many other public servants would have seen their salaries increased from below $100 000 to in excess of $100 000, simply through the natural process of wage increases.

MURRAY RIVER

Mr RAU (Enfield): My question is directed to the Minister for the River Murray. What is the latest information about the future of the River Murray, due for release by the Murray-Darling Basin Commission?

The Hon. J.D. HILL (Minister for the River Murray): Earlier today at a meeting of the Murray-Darling Basin commissioners in Melbourne, the Interim Report of the Living Murray Scientific Research Panel into Environmental Flow Reference Points was approved to be released to the public. When I obtain a full copy of that report, I will table it in this house. There had been speculation in some quarters that this report would not be released in time to help inform debate at the next ministerial council meeting to be held in November. I recently wrote to the federal minister, Warren Truss, urging the publication of this report. I understand the report's release was supported by the federal environment minister David Kemp and environment ministers Knowles in New South Wales and Thwaites in Victoria.

The interim report shows that a significant allocation of water is required to reverse the decline in the health of the River Murray system. The report suggests that maintaining the status quo will not achieve a healthy working river, and concludes that annual allocations of water at the lower end of the reference range—and members will remember that three reference points were given: 350, 750 and 1 500—that is, the 350 gigalitre per year mark, may provide significant local benefits for some parts of the River Murray, but substantial 'whole-of-river' benefits only start to appear at 750 gigalitres, and more generally for 1 500 gigalitres, which is very much in keeping with the views established by the select committee into the River Murray by this parliament.

South Australia's position has been to support a 1 500 gigalitre target, with a first step of 500 gigalitres over the first five years—and that is consistent with the forum that we held in this parliament in February or March this year. The report concludes that, for the longer term, 1 500 gigalitres will provide the best likelihood of achieving a healthy, working River Murray, if well managed and combined with additional structural improvements. I would emphasise those two points: it has to be well managed and it has to be combined with structural improvements. The report does not provide recommendations on environmental flows, nor does it specify water recovery mechanisms or from which regions water might come, but it does provide scientific advice on what the potential ecological outcomes might be.

The report will contribute to a first step proposal focusing on five significant ecological assets to address the declining health of the River Murray system. The assets include the Barmah-Millewa forest, Gunbower-Pericoota-Koondrook forest, Chowilla flood plain, the Murray Mouth, Coorong and Lower Lakes, and the River Murray channel. I inspected all these sites just a fortnight ago with the federal environment minister, David Kemp. Two independent experts (one international) have reviewed the interim report and confirmed that it is the best compilation of the current available science. The key findings of the interim report are:

- For the majority of river zones, ecological habitat improves with increasing allocation of water from 350 gigalitres to 1 500 gigalitres.
- The distribution of potential ecological outcomes varies across the system.
- The 350 gigalitre and 750 gigalitre scenarios provide some improvement in waterbirds, with 750 providing substantial improvement.
- Targeting flows to areas of high conservation flood plain may provide some localised benefit.
- The full benefits to be derived from water recovery cannot be realised until other impacts are addressed, for example, water quality problems, dryland salinity, desnagging, overgrazing, logging of forests and the spread of exotic species.

The decline in the health of the river system has occurred over 100 years and recovery will take time.

The report and results are interim in nature and should be seen as providing guidance on the potential ecological benefits that may be achieved, although there is still a lot of work that must be done before the final report, which is due in mid-2004. However, the $500 million funding package negotiated by Premier Rann at the recent COAG meeting puts us in a very good position to take the first steps.

TUNG NGO

Mr WILLIAMS (MacKillop): My question is to the Attorney-General in his role as Minister for Multicultural Affairs. As the Minister for Multicultural Affairs, will the minister act on the offensive and racist comments of councillor Tung Ngo of Port Adelaide Enfield Council; and, further, was the minister involved in councillor Ngo's council election campaign or in having him employed by the member for Playford? The *Standard Messenger* of 24 September carried a front page article headed 'Labor's grip on council'. This article identified councillor Ngo as an ALP member and

a shareholder of the online sex shop, adultshop.com. In a second article published in October, councillor Ngo said:

> Most Australian families would have some sort of sex toy. In Asian culture we don't do that sort of thing but that is how Australian culture is.

A Labor source has advised the opposition that councillor Ngo, who is employed as a personal staffer to the member for Playford, is a factional colleague of the Attorney-General.

Members interjecting:

The SPEAKER: Order! Before the minister answers any part of that question, so much of it as relates to the prerogative of the member for Playford or the prerogative of any other member will be ignored—it is out of order. It is the responsibility, as much as the privilege, of each and every member to determine whom they shall employ, and whatever subjective reasons there are for such employment is a matter for them alone.

The Hon. M.J. ATKINSON (Minister for Multicultural Affairs): I just do not think I am responsible to the house for any of that.

HEALTH SERVICES

Ms THOMPSON (Reynell): Has the Minister for Health written to the Hon. Tony Abbott, the recently appointed federal Minister for Health and Ageing, to seek a better deal from the commonwealth for our public hospitals and health services?

The Hon. L. STEVENS (Minister for Health): Members will be aware of the failure of the Howard government's new Medicare package, the medical indemnity crisis and cuts made by the commonwealth to state funding under the next five-year Australian Health Care Agreement. I invite the shadow minister to support my call for a better deal for South Australia after his recent support of the commonwealth's cut to funding for public hospitals in South Australia.

I wrote to the federal Minister for Health and Ageing on 8 October congratulating him on his appointment and requesting that he widen his reviews into the medical indemnity levy and the new Medicare package and reconsider other issues impacting on public hospitals and health services in South Australia. As important as they are, GP issues are only part of the Australian health care system that is in crisis as a result of the Howard government's policies.

The issues that I raised with the new minister include: federal support for reforms to the South Australian health system in the wake of our Generational Health Review; the need to reconsider the Howard government's cut of $75 million over five years to South Australian public hospitals as a result of the Australian Health Care Agreement; the need for a comprehensive national reform package; and, finally, medical work force shortages, which includes not only doctors but also nurses, dentists and other allied health workers.

Obviously, the loss of $75 million of commonwealth funding over five years will have a significant effect on our public hospitals. Medical indemnity issues are particularly affecting doctors in rural South Australia, resulting in the cessation of some services and the imminent threatened closure of many others. I advised the minister that the state government has been working with doctors to maintain services while awaiting details of the new arrangements announced by the Prime Minister on 23 May this year. I also informed the minister that there is a critical shortage of general practitioners, that this will lead to significant gaps in services for some areas, and that South Australia could easily absorb at least an additional 50 GPs just to address the immediate demand in rural areas, as well as the northern and southern metropolitan areas of Adelaide.

I also advised the minister that South Australia believes it is important to reinstate the programs for reform of the health system that were being developed through the Health Ministers Council to provide a platform for national reform. I suggested that work force issues be listed for discussion at the next meeting of health ministers in November 2003, and I sought the minister's support for work now being undertaken by our department and this government on initiatives flowing from the Generational Health Review. I am seeking a meeting with the new federal minister to discuss these issues, and I will certainly keep members informed.

TERRORISM

Mr BROKENSHIRE (Mawson): My question is to the Minister for Emergency Services. What changes has the minister made to training programs for public servants who may be involved in counter-terrorism, including those in internal security and risk planning?

The Hon. P.F. CONLON (Minister for Emergency Services): Perhaps the shadow spokesperson would like to seek the leave of the house to explain the question so that I can understand it better. I assure the house that I do not draw up training programs for things such as anti-terrorism. I think this state would be in a lot safer hands if we allowed someone fully qualified to do that. I am the Minister for Emergency Services. The government plays a very important role in disaster management following a terrorist event, and the police, of course, play a very important role in the prevention of such events, but I would have to seek more detail to understand just what the member for Mawson is getting at.

ABORIGINAL YOUTH

Mr SNELLING (Playford): My question is to the Attorney-General. What is the government doing to address the high rate of offending—

Ms Chapman interjecting:

The SPEAKER: Order!

Mr SNELLING: Sorry? You want to borrow the discount card? Is that what I heard from the member opposite? What is the government doing to address the high rate of offending amongst Aboriginal youth?

The Hon. M.J. ATKINSON (Attorney-General): A special ceremony is being held at Port Augusta today to mark the official launch of the town's Aboriginal Youth Court. It is a disturbing fact that Aboriginal juveniles accounted for almost 20 per cent of all juvenile apprehensions in South Australia in the year 2001-02—and this in a state where the Aboriginal population is about 2 per cent of the total population. In the same period, almost one-quarter of Aboriginal apprehensions involved Aboriginal juveniles.

The Aboriginal Youth Court is based on Aboriginal court days, which are designed to be more culturally appropriate for indigenous offenders. Aboriginal court days began at Port Adelaide in June 1999 and now also operate at Murray Bridge, Port Augusta and Ceduna and have attracted international interest. Aboriginal court days have had great results in helping offenders, victims and their families to feel more comfortable with, and have respect for, court processes.

Importantly, attendance rates by indigenous offenders have gone up in those places with Aboriginal court days.

The magistrate sits at eye level with the court next to a senior representative of the Aboriginal community, who can talk directly to the offender, as can the victim and other members of the community. The presence of community elders helps the magistrate to determine effective sentencing alternatives and the offender to understand what the sentence means. Port Augusta is the first Australian town to run an Aboriginal Youth Court. It began operating three months ago and sits once a month. The court hears trials and guilty pleas in criminal cases for youths between the ages of 10 and 18. Like the adult version, offenders must plead guilty to be eligible. The people who come before the Aboriginal Youth Court will not be getting it any easier. They are subject to the same laws as any other offender. It is only the process that changes to cater for their cultural needs, and I hope the new court will benefit the whole of the Port Augusta community.

The Aboriginal Youth Court was sponsored by the Senior Judge of the Youth Court, Alan Moss, and is the result of extensive consultations by the Registrar of the Youth Court and the Justice Strategy Unit of the Attorney- General's Department with local communities and agencies, including the ATSIC Regional Council. This initiative is part of the ATSIC-government partnering agreement.

The court joins the other specialist courts operating in South Australia, including: the Drug Court, the Mental Impairment Court and the Family Violence Court. By tackling the causes of offending behaviour (whether it be mental illness, drug addiction or a disposition towards violence), we are diverting an increasing number of offenders from the criminal justice system into programs that offer treatment and long-term solutions. I hope soon to be able to report to the house on the effects of these initiatives on reducing the rate of recidivism and improving the safety of the public.

TERRORISM

Mr BROKENSHIRE (Mawson): My question is to the Minister for Emergency Services. Will the minister advise the house what the government is doing to identify and review critical infrastructure protection for public and private assets at potential risk from terrorism?

The Hon. K.O. FOLEY (Minister for Police): I will stand to be corrected, but the issue of critical infrastructure was work undertaken by former assistant commissioner for police, Neil McKenzie. In terms of the reporting role, that particular piece of highly confidential information for government was provided to the Emergency Management Council of Government, of which I am a member, as is the Minister for Emergency Services.

An honourable member interjecting:

The Hon. K.O. FOLEY: Yes, well, I am answering the question as the Minister for Police. I think it is fair to say that anything relating to the security of public and private infrastructure in this state is an extremely sensitive matter.

Mr Brokenshire interjecting:

The Hon. K.O. FOLEY: The member for Mawson says it is important, and that is exactly why we did it. This government has continually improved and ramped up its commitment and involvement in ensuring the state is as protected as we can ensure as a state government. We will continue to ensure that the interests of the state are protected to the best of our ability. The government has committed a number of resources, including the secondment of a very senior serving police officer to the Department of Premier and Cabinet, as part of our increased resourcing in the public sector for issues of security. The state has had a wide-ranging review of as much public infrastructure as was deemed appropriate and possible, as well as issues of private infrastructure, such as our power stations and reservoirs, etc.

The Hon. P.F. Conlon: And work with the commonwealth.

The Hon. K.O. FOLEY: Indeed, as my colleague quite correctly says, including liaison with the commonwealth. But I do not think the honourable member would be expecting me to comment in a public place on any specifics. I have no intention of doing it. And, indeed, much of the work undertaken by our forces, as he would appreciate, as an operational matter, would not be provided to me. But that information that I am in receipt of I do not intend to share with the house.

The SPEAKER: Order! Before proceeding to this question I had considered at length, before I called the minister to answer, whether or not the minister ought to answer that question. I understood that there was bipartisan agreement on that most serious of all matters of security for the state and its assets, in which the Leader of the Opposition would be taken into confidence by the government of the day, regardless of who was in government, and that, to that extent, the opposition would be satisfied, or otherwise cause a debate in the house after informing the government accordingly that its belief was that security was inadequate. Any other approach to security for the people of South Australia would be ridiculous in a democracy. I know that I am consulted, as the Chair in this place, insofar as security for this building is concerned. Not only am I consulted but so also is the President of the other place, as has always been the practice and I trust will forever be the practice.

It is not, I would have thought, the subject upon which any member ought to embark on serious questioning during questions without notice, and to imply, by asking such a question, that it is a matter that can be pursued in such fashion is to mislead the public into thinking that there is policy difference, in a way which is trite, rather than serious and with greater gravitas. If there is a problem, I would be pleased to learn about it. I am now so disturbed by the fact that it has happened that I wonder if the honourable member knows of something the public want to know and need to know, or do not. If it is in breach of the convention he should have disclosed it in an explanation of the question, pointing out that he was doing so on behalf of the leader.

JAM FACTORY

Ms RANKINE (Wright): My question is to the Minister for the Arts. What is the most recent information in relation to the payment of artists by the highly regarded Jam Factory?

The Hon. M.D. RANN (Minister for the Arts): On 25 June I read out a response provided by Arts SA to a question without notice regarding the payment of artists by the Jam Factory. Further to that response I can now add that Arts SA has since advised that as of 12 June the Jam Factory owed its artists a total of $45 000, not $80 000 as stated, in payments over 90 days. As I explained to the house previously, the Jam Factory generates approximately 74 per cent of its income through its own business activities, including its retail outlets. The Jam Factory's cash flow was impacted in 2002-03 by the marked decrease in international tourists and, I am told, by the unexpected collapse of its major glass-

blowing furnace. I am pleased to be able to inform the house that as of 1 September the Jam Factory was paying its craft practitioner suppliers within the 60 days required of it under current contractual arrangements. I would like to thank the member for Coles for raising this matter.

CFS, ACCOUNTS

Mr GOLDSWORTHY (Kavel): Will the Minister for Emergency Services explain to the house why there is a delay in the transfer of funds to individual CFS brigades? I have been advised that CFS brigades in my electorate have had to wait for at least two months for funds to be transferred from the government for the payment of outstanding accounts.

The Hon. P.F. CONLON (Minister for Emergency Services): I will take that question on notice and bring back an answer. My understanding is that we transfer the funds to the Country Fire Service, which is then responsible for devolving the funds to the brigades. I was not aware of any issues but, now that I am, I am quite happy to get an answer. I can assure you that the service is provided with the funds so we would hope that the brigades get them.

RAIL TRANSPORT

Ms BREUER (Giles): My question is to the Minister for Transport. What is happening in regard to the government's commitment to work with industry to shift some of the state's freight task from road to rail?

The Hon. M.J. WRIGHT (Minister for Transport): I thank the member for Giles for her question and for her ongoing interest in this area. Approximately 5 000 grain farmers represent the future of South Australia's grain industry. In a good year, grain is worth nearly $2.5 billion to the rural sector and the state. Our rural producers and industry partners have taken South Australia to record tonnages in recent years, with predictions of a 15 million tonne crop within 10 to 15 years. Constantly improving and monitoring freight logistics operations is critically important to meeting the expansion of this and other industries.

Ausbulk owns and operates a grain logistics network, which stores and handles grain with a current storage capacity of 10 million tonnes, encompassing more than 100 country silos and seven export terminals in South Australia and Victoria. Ausbulk has made a commitment to support industry development, and this has resulted in the fast grain rail loader. Mr Speaker, recently I was delighted to launch that in Karoonda with you present at that time. This new loader is an important step forward. It will improve the efficiency of shifting grain from existing silos, leading to the greater use of existing storage facilities. Another benefit of this is that more grain will be transported by rail and shifted away from the road freight network, reducing damage to our roads. Grain loaders also support the ongoing viability of the regional rail network. The productivity and competitiveness of rail is as much dependent on the speed of rail loading and discharge facilities as it is on infrastructure and trains.

South Australia's share of the national hay export market is worth around $74 million, with 60 to 70 per cent of our hay exported from Port Adelaide to Japan, Taiwan, Korea and the Middle East. In a similar vein to the AusBulk example, Australia's leading processor and exporter of high grade oat, hay and grain products, Balco, is improving rail freight options with a new intermodal export container terminal at Bowmans near Balaklava. I recently launched that and was delighted to have the member for Goyder present at that launch.

By developing an international container depot and rail intermodal at Bowmans, the hay logistics chain has been enhanced and other industries and producers will benefit. The Bowmans facility is expected to transfer about 3 000 containers from road to rail, again resulting in less damage to the state's road network. This intermodal terminal will also support the ongoing viability of the industry by providing an environmentally safer transport mode in the region. The competitive boundaries between freight modes are increasingly diminishing, and we see the important and unique role that rail can and will play now and in the future.

DOCUMENT, TABLING

Mr BRINDAL (Unley): I claim to have been misrepresented and seek the leave of the house to make a personal explanation.

Leave granted.

Mr BRINDAL: In making a statement to the house today the Minister for Industry, Trade and Regional Development, the member for Mount Gambier, started his statement with the traditional words 'I seek leave to make a ministerial statement.' The house, according to *Hansard*, then granted leave. The minister made his statement. At no time did the minister say that he was tabling anything.

The Hon. P.F. CONLON: On a point of order, sir, if the minister said something that was not true—

The SPEAKER: Order! The minister will resume his seat. Leave has been granted to make a personal explanation. The member for Unley has that leave and is entitled to be heard in silence. He is providing a dissertation of the facts.

Mr BRINDAL: After the speech was made I simply asked you and this house whether, as he was quoting from a report, the report had been tabled or whether you would order it to be tabled. The minister then indicated that he had said it was to be tabled. That is simply not true and I ask for his apology.

The SPEAKER: Order! That is debate. The member for Unley raises a legitimate point. I understood that the report was to have been tabled. It is as much my fault as any other member's. The chair therefore apologises to the member for Unley.

SCHOOLS, MATERIALS AND SERVICES CHARGE

The Hon. P.L. WHITE (Minister for Education and Children's Services): I seek leave to make a ministerial statement.

Leave granted.

The Hon. P.L. WHITE: Funding that schools will receive for disadvantaged students will increase for the first time in six years as part of changes proposed for the school materials and services charge for 2004. Government schools will attract a grant of $114 for primary and $176 for secondary students, plus a social inclusion supplement of $52 for primary and $47 for secondary students eligible for School Card assistance. This new supplement will replace the disadvantaged student payment, which was paid by the

former Liberal Government only to schools that joined its Partnerships 21 scheme. In addition, both the School Card payment and the new social inclusion supplement will be indexed annually.

The state government is also moving to clearly define for the first time the range of materials and services that government schools can charge parents for their child's schooling. School councils will retain the power to set the level of materials and services charge. In 2004 the maximum they will be able to legally recover is $223 for secondary students and $166 for primary students (a CPI increase on the 2003 charge). However, no student will be denied essential materials or services by reason of non-payment of charge. Schools will be able to impose a charge for core materials and services purchased on behalf of parents such as text books, stationery, excursions, camps and photocopying. The invoices will be very clear for parents and will detail exactly what they are paying for.

Schools have traditionally purchased various materials and services on behalf of parents over and above those funded by government. These include things such as entry to a swimming pool, theatre or cinema, transport to and from plays, camps or exhibitions, and materials provided for students to borrow or keep, such as computer disks, stationery items and woodwork materials. As part of this charge, and for the first time, training on effective management of school budgets will be provided for administration officers, principals and school councils. This will assist schools to ensure that they deliver maximum value for money for their school community.

This government has lifted education funding to record levels in this state, and the focus of our increased investment has been to provide more teachers, services and programs aimed at helping every child to progress well in their education.

BURRA SWIMMING POOL

The Hon. P.L. WHITE (Minister for Education and Children's Services): I seek leave to make another ministerial statement.

Leave granted.

The Hon. P.L. WHITE: Yesterday the member for Stuart asked me a question with regard to a joint use agreement for the Burra swimming pool and I can now provide further information. In 1993, the Education Department entered into negotiations with the District Council of Goyder for the joint use of the Burra swimming pool. The agreement provided for the council to construct the pool and for the minister to transfer the land to the council. The pool was officially opened in 1994. I am advised that this has not been a straightforward matter to progress. It required the land to be surveyed and a plan of division to be prepared. There was a series of delays over a number of years, requiring the plan of division to be rectified.

However, I am pleased to report to the house and to the honourable member that both the council and school have provided comments in relation to the joint use agreement, and I have been assured that the joint use agreement will be forwarded to council this week for its consideration. In addition, the surveyor has been instructed to update the plan of division and include easement for drainage purposes. This was necessary as the stormwater pipes traverse the proposed council land between the wading pool and the main pool. The surveyor has indicated that this should be finalised in two weeks.

The Crown Solicitor's office has been contacted to ensure the smooth lodgment of the plan of division and the preparation of the necessary documentation. SA Water has also been contacted in relation to the agreement for the shared services. It requires both parties to sign an agreement as there is only one sewer service feeding both the school and the swimming pool. The various agencies are now aware of the urgency of this matter and are working towards a satisfactory resolution that will allow the pool to be opened as soon as possible.

MINISTER'S REMARKS

The Hon. W.A. MATTHEW (Bright): I seek leave to make a personal explanation.

Leave granted.

The Hon. W.A. MATTHEW: Yesterday, after question time, the Deputy Premier made a ministerial statement in which he claimed that I called one of his constituents and 'encouraged him to approach the police about allegations concerning a government minister'. The Deputy Premier's claim is misleading and, as a consequence, carries implications about me that are untrue. The facts as they relate to me—

The Hon. K.O. Foley interjecting:

The SPEAKER: Order! The honourable member has leave and it is a serious matter. It is leave to make a personal explanation.

The Hon. W.A. MATTHEW: The facts as they relate to me are as follows. A constituent brought a man who resides outside my electorate to my office. The man made a series of serious allegations about a number of high profile people, three of whom he identified by name, one of whom is a Labor government minister. The man claimed to have video and photographic evidence to support his allegations. I did not see any of the claimed evidence, nor did I ask to. In view of the serious nature of the man's allegations, I advised that the matter should be reported to the police. The man claimed to be scared to do so.

On a later occasion, the man rang my office and indicated that he was prepared to report his allegations to the police but wished me to identify a police officer who could investigate his allegations. The man gave me his email address and asked me to email the names and contact details of the officer. He also sought information about the police powers to investigate past child sexual abuse and about Liberal Party calls for a royal commission into child sex abuse. The man claimed to have been a victim of sexual abuse when he was a child. I also advised him to report this to the police.

I telephoned the Acting Commissioner for Police, who gave me the names and contact details of two detectives. I emailed these to the man but have not had any communication from him since. It is not my role to judge the accuracy of such claims, as that is the role of the police. I advised the man that he go to the police—and he did—so that the police could investigate his many allegations.

The Hon. P.F. Conlon interjecting:

The SPEAKER: The Minister for Infrastructure is out of order.

The Hon. P.F. Conlon interjecting:

The SPEAKER: I warn the Minister for Infrastructure.

An honourable member interjecting:

The Hon. K.O. Foley: Just get the member for Bragg to raise it in parliament. That's all right; we'll raise a few things about a few other people.

The SPEAKER: Order! That is a very serious allegation made by the Treasurer.

The Hon. K.O. FOLEY: I did not make any allegations, sir.

The SPEAKER: I will consider during the next hour the position the chair will adopt in relation to the last remark and report to the house.

GRIEVANCE DEBATE

ROADS, OUTBACK

The Hon. G.M. GUNN (Stuart): I wish to raise a matter brought to my attention by constituents of mine at Yunta who belong to the Yunta District Hall Incorporated. Their concern is the condition of the important road between Yunta and Arkaroola. I wish to read the following letter that was sent to the Minister for Transport (Hon. Michael Wright):

Dear Sir,

It has been brought to our attention by Emergency Services personnel of the deplorable and dangerous condition of the Arkaroola Road between Yunta and Arkaroola. In the last twelve months the condition of this dirt road has deteriorated and bulldust holes and severe corrugations now existing.

This is particularly so near the historic Waukaringa (40 kilometres north of Yunta) with several large bulldust holes, also the first 12 kilometres of road north of Yunta is deeply rutted and the rocky base of the road is exposed.

This section of road is approximately 300 kilometres in length and is used by numerous local and overseas tourists and also heavy vehicle freight companies carting various types of freight from the Beverley Uranium Mine (including road trains) and the local Mail Contractor, four days a week. Pastoralists also utilise this road in day to day running of their properties.

A bulldust hole warning has been placed on the Transport SA Road Condition Report for the Arkaroola Road between Frome Downs and Yunta. At the last Yunta District Hall Inc committee meeting a lengthy discussion occurred about the condition of the road. Local residents are fed up and frustrated with the state of the road and the minimal amount of repairs that have occurred to repair the surface. This has been an ongoing problem for many years.

Contact has been made with Transport SA Port Augusta by the Yunta District Hall Inc committee on several occasions in recent years, but to no avail. Our concerns are that if work is not carried out in the near future to repair the entire length of road, a serious vehicle crash is going to occur resulting in persons being killed or seriously injured.

We ask that this matter receive your urgent attention and that funds are sourced or allocated as soon as possible to repair the surface of the road before an unfortunate and avoidable accident occurs.

Sir, as you would know, this road is the alternative route for tourists going to the northern Flinders Ranges, particularly to Arkaroola, and it attracts a great deal of traffic. It is unfortunate that it has been allowed to reach such a poor condition. People have complained to me, and I am pleased to—

The SPEAKER: Order! The member for Unley ought to know better. He seeks the chair's indulgence to hear points of order from him all the time, knowing that by doing so he is out of order and causes the chair a great deal of discomfort in having to draw attention to it. The member for Stuart has the call.

The Hon. G.M. GUNN: Therefore, it is necessary that this important road be upgraded and maintained to a reasonable standard.

The second matter to which I wish to draw the house's attention is a letter I received from the Mintaro-Farrell Flat Primary School. It is addressed to the state education officer and states:

On behalf of our Governing Council I would like to express concern at the manner in which schools are billed for service. A recent fee charged for electricity and water from 2002 is an excellent example. This account arrived unexpectedly and with little detail, the money was withdrawn from the school with no opportunity to question procedure, or details. Schools are currently debited for costs for utilities and other services with no detailed accounting or information supplied. This makes it almost impossible for our school to budget effectively when we have no idea of what accounts have, in fact, been paid.

For schools to have an effective local management, we need to be able to plan our budget cycle to best support our students' needs. This is currently difficult to do, because of the severe shortcomings in the manner in which many costs are passed on to schools.

Is there any current plan to improve accounting processes to schools?

Will the budgets for 2004 be available soon, so we can begin planning for next year now?

I sincerely hope that the comments of this small school are taken into account by those who are administering the budgets in the headquarters of the education department as a matter of the highest priority, as these small communities do a great job running their schools. They need to be supported, not hindered or frustrated, as it is difficult enough to get people to serve on these committees in a voluntary capacity without undue interference or difficulties being created. The greatest way to get good management is the cooperation of all concerned.

WHYALLA, CRIME

Ms BREUER (Giles): First of all, I congratulate the Whyalla police on their efforts in reducing crime in Whyalla. Recently, at a meeting with the council, Chief Inspector Jim Jeffery was able to report a 16.2 per cent reduction in crime in the past two years in Whyalla. This is a wonderful effort, and I congratulate all those officers involved. Inspector Jeffery said that the main crimes to decrease were break-ins, illegal use and interference, thefts from a vehicle, other minor thefts and property damage. Inspector Jeffery noted that there had been minor increases in the number of serious crimes, such as assaults, rapes and robberies. However, the majority of those occurred within residential premises and were not happening on the streets. Of course, most of these offenders were caught, or the reports were eventually determined to be false. I can say with confidence that Whyalla is a very safe place to live, and certainly that is through the efforts of our police force. It is a great place in which to live, work and visit and of which we can be proud. The police are very confident that they can reduce the crime rate even further in the future.

Property damage has reduced in recent times in Whyalla; however, it is still a big problem for police and is one area in which they are looking to improve their work. It is of great concern, because it constitutes about 30 per cent of the crime rate in Whyalla, most of which is trivial, such as windows, letterboxes and fences knocked down and some school damage. It certainly is an annoying problem but, on the whole, Whyalla is doing extremely well. One of the problem areas which the police have managed to overcome is that of graffiti. In recent weeks, I have spent a considerable amount of time travelling around our metropolitan area because of my committee and electoral commitments which have enabled me to look at some of the areas in Adelaide which are similar to Whyalla.

One of the things I noted was the amount of graffiti in the various areas of Adelaide. I was able to compare that with my own city of Whyalla, and I realised that we have very little graffiti in our city, and that is a great plus for us. The reason

for this is an organisation called 'Tagbusters', which is a local initiative that has been set up. They go out and clean up whenever there is graffiti in the city. The idea for this was conceived back in about 2000 by Mr Ray Leane when he saw a graffiti trailer operating in Adelaide. It was not until the Whyalla council and an organisation called 'Advancing Whyalla' attended a graffiti forum that the idea started to take shape. With the assistance of Mr Mike Blythe from the council, the former chief inspector in Whyalla Mr Terry Harbour, and Keren Patrick from Advancing Whyalla, they started looking at ways of dealing with the graffiti problem in Whyalla.

They decided that the best way to deal with the problem was to form a rapid removal response team, and this is what they did. A 6.4 trailer with canopy was decided upon, and they received a local government grant of $2 500 from the Attorney-General's office, which was matched dollar for dollar by the Whyalla City Council. Neighbourhood Watch received a grant of $500 to assist in the purchase of equipment to treat the graffiti and, by November 2001, the graffiti trailer had its first graffiti removal trial. In 2001, they were awarded the inaugural gold award for a community graffiti removal program.

The interesting name of Tagbusters came about when the team came together and the trailer was hitting the neighbourhoods, and an article entitled 'Who are you going to call? The 'Tagbusters' appeared in the local *Whyalla News*, and that name has stuck. When graffiti is reported, this trailer is out there either within a few hours if the graffiti is of an offensive nature and, if it is not, the graffiti is removed on weekends. They continue to remove the graffiti, so that if the young people go out and paint fences, the team clean it up and, if it happens again the next week, they go back and clean it up again, and so on; and eventually the young people get sick of doing it. The program has worked very effectively in the city, so we are very pleased to have this trailer.

I understand that some funding problems might need to be resolved in the future, but it is a wonderful initiative for our city. The trailer has been active for 164 hours, and the total amount of graffiti removed is 1878 square metres. I congratulate everyone concerned and urge other communities to look at this example in our community.

GLENELG NORTH FLOODING

Dr McFETRIDGE (Morphett): It is nearly four months since the floods occurred down at Glenelg. As recently as last week, I was talking to some of the residents, looking at their homes and the disaster scene that still exists in many of those homes. Yesterday, I asked the Minister for Infrastructure a question in this place about the alleged cause of the malfunction of the lock gates on the Patawalonga because I had been twice informed by a senior public servant (once last week and once as late as yesterday afternoon) that the lock gates at the Patawalonga failed to function on the night of 26 June because someone had incorrectly programmed them—someone employed by the subcontractor and who supposedly had not been given permission. As a result, the lock gates did not work and caused millions of dollars worth of damage. Initially, the damage bill was estimated to be about $20 million.

On the Friday morning of the floods, I was over there talking to the emergency services workers, who did a fantastic job. I spoke to the insurance assessors, and they estimated the damage to be about $2 million. In my first press release I said that the damage was estimated to be about $2 million. In Saturday's *Advertiser*, the Minister for Infrastructure (Hon. Pat Conlon) said:

> ...the latest 'guesstimate' of the total damage bill is about $1.7 million, well down on the $20 million...

The whole point of my grieve this afternoon is that the damage bill is far less than originally estimated, so why cannot the government step up and help these people get on with their lives? The government should not worry about what the insurance company is saying, such as 'You might set a precedent,' or 'You might leave the gates open for another claim.' That is not the fault of the people who have had their houses flooded. Many of these people are elderly. I visited one couple; the chap is 82 years old and his wife is 78 and she had only come home from hospital that day after her second fall. She had her first fall on the night of the floods, which was caused by the wet, slippery floor boards. Now that she has no carpets and the floor boards in her house are buckled, she tripped again and had been in hospital.

I know of one person who suffered a heart attack, and a couple of families have suffered quite dramatic separations. They are situations that must not be allowed to continue. I saw one house where the plaster was off the walls about one-third the way up the walls throughout the whole house. Although in other cases the water did not actually go into the house, it went under the house, and sections have been cut out of the floor to let the under part of the house dry. These houses are starting to smell and go mouldy. This cannot be allowed to continue.

People are asking the South Australian Government Insurance Corporation for some assistance and money, and they are being told, 'No, you will have to wait until it has all been assessed because you will get only one go at this. You can't have interim payments; you've got to wait your turn and wait until the assessors have completed their assessment.' Assessors are not being anywhere near as generous as they were initially going to be. They are becoming very tight-fisted. These assessors are now saying to these people, 'No, you will have to wait, and you will have to cut back on your claims.' The stress and suffering alone that these people have endured for almost four months since the floods is something for which they should be compensated. Compensation should not only be for the replacement of the TVs and carpets. These people are very tough and are getting on with their life. The community is hanging together.

The government needs to step up on this. I have heard stories that the government is worried that if they give these people a payout the people in Unley and Wayville will say, 'Well, we had floods over here, so you need to pay us.'That is not the case, because that was an act of God. This is a stuff-up by some person unknown to me who interfered with the programming on the lock gates, as a result of which the locks did not work and the water built up in the Patawalonga and all the homes flooded. This will happen again if the government does not pay strict attention to the management of the contracts that are in place and if it does not put money into the flood mitigation schemes further up the catchment.

In the meantime, the people of Glenelg North are still suffering, and they should not be suffering any more. The government needs to step up to the line. I know that the Treasurer is managing the books in the way in which he thinks fit, but in this particular case surely these families can be shown some compassion and helped out. I have tried to speak to SAICORP, but they are under ministerial direction

not to speak to me or my staff. As an ordinary person, I could speak to them. As the local representative of the people down there who have suffered, I should be able to talk to them. All I want is to help these people, and that is all I want from the government. These people are not being greedy, and I think this government should step up to the mark, show some leadership and let these people get on with their lives.

OPEN SPACE

Mr KOUTSANTONIS (West Torrens): I was pleased to see the government in action last week when the Minister for Urban Development and Planning approved an open space grant of $120 000 to the City of West Torrens for the further development of Kings Reserve in Thebarton.

For a long time, the western suburbs were excluded from these grants by the previous government. This government now applies these grants fairly and equitably to the communities most in need and, finally, the western suburbs has its share of the cake. The aim of the open space grant is to ensure that a safe and high quality public use area is made available to the residents of Thebarton and the City of West Torrens, who have to deal with a great deal of industry located within their neighbourhoods and suburbs; so, anything we can do to increase open space that is safe as well is to be welcomed. The grant was made through the government's Regional Open Space Enhancement Subsidy Scheme (ROSESS) program, which is aimed at improving public use of open space in partnership with local government.

Kings Reserve, which was once an old quarry, will become a significant open space in an area which needs its fair share of recreational facilities. The project includes improved public access, landscaping and new visitor amenities. It will be a place for residents to hold gatherings ranging from picnics to festivals and will provide a place of which to be proud and which will be a major addition to the state's open space system. I invite the member for Unley to come and visit King's Reserve any time he likes, to see the beautiful open spaces in the western suburbs. The $120 000 will go a long way to making this park a very enjoyable place for the residents of Thebarton and the western suburbs to enjoy with their families. The area around it has needed upgrading quite urgently, and the cabinet has come through.

Another matter of concern to me is that part of Sir Donald Bradman Drive between Brooker Terrace and Marion Road. One lane has been sealed off, due to the pipes being eroded and unsafe and risking the road collapsing while cars are driving over it. I understand that the reason why the road has been closed is because former government agencies, such as ETSA and SA Water, were drilling through the pipelines to pass their pipes, wires and cables through, and they eventually decayed and rotted the structure, which made it unsound, so that lane has been blocked. I remind members that Sir Donald Bradman Drive is a major access point to the airport and a major access point for residents of the western suburbs travelling between work and home. What is happening every morning now is that Henley Beach Road is congested because of this delay, and people are taking short cuts through adjoining suburbs to get into the city.

Mr Brindal: You need a tunnel!

Mr KOUTSANTONIS: The member for Unley says we need a tunnel, but we will not be going to that expense. But I think that the council and the state government have to work a bit faster to get this resolved. The residents deal with a lot of noise and heartache from the airport simply because we live alongside it. The last thing we need now is extra traffic. I would ask the local authorities who are doing the repair work, the City of West Torrens, to ask if they need assistance from the state government. If they need the government in any way to help, I am happy to lobby on their behalf. But I believe that the inconvenience caused to residents is dragging on a bit too long. I have not seen any work begin, although there might be work underneath the road that we cannot see from the road.

I understand that the West Torrens Residents' Association has called on the road to be fixed as quickly as possible. I know that the good people of the City of West Torrens are doing as much as they can as quickly as they can, but sometimes these things get prioritised in a certain way. It is unacceptable in any major city for the major arterial road to the airport to be reduced to one lane for this period of time. The residents on either side of that suburb, along with airport noise, now have to deal with traffic creeping into their suburbs to take short cuts to Marion Road or up to Henley Beach Road through to the city. The local businesses are complaining, local residents are complaining, and this has to be fixed.

WATER LOSSES

Mr BRINDAL (Unley): In grieving to the house today I wish to draw the house's attention to the statements made yesterday by the Minister for Administrative Services (Hon. Jay Weatherill) in response to a question asked by my friend the member for Colton. The minister made light of the losses within SA Water, which he said I had claimed were 10 per cent and which he claimed were only 6.7 per cent. The member for Colton, the member for West Torrens and I have the honour of representing the house on the Public Works Committee, and both of them will recall that, when I questioned SA Water in the committee, I used the figure of 10 per cent to senior officers of SA Water, who are on the public record as never having refuted that figure.

If the minister comes into this house and says that it is not 10 per cent but 6.7 per cent, then I apologise to the house for having used a wrong figure. But I do say that if I have put that figure before senior public servants, people responsible, and they do not correct it, then like all of us I am right to assume that the figure that I have been given is the correct figure. However, I apologise: I stand corrected. The minister then pointed out that I had put the cost of repair at $100 million. That is simply not true. The minister said, in answer to a previous question in this house when I asked him about leakage: 'What do you want? The cost could be $60 million, $80 million or even $100 million.' So I then started using his highest estimate of $100 million.

Then the minister comes in and says, 'We're really good: we've only got a 6.7 per cent leakage.' He ignores the fact that we are the driest state on the driest continent with a crisis in our major and most reliable source of water, the River Murray. He ignores that fact and says that, because this is good benchmarking, it is fine to lose 6.7 per cent of our water. What is more—and I think he does this house a disservice—he quoted the UK, where there was 25 per cent water leakage in the pipes. That is absolutely true: 25 per cent water leakage in the pipes in the UK, which is one of the major reasons why the UK government sold the water asset. It was faced with either repairing that enormous leakage at huge cost to the Treasury or taking a profit and getting the private sector to repair it. So, it took the money and ran.

It gave its water asset to the private sector, which then repaired it—and water rates in the UK went up 300 per cent to repair ageing infrastructure that previous UK governments of all persuasions had ignored. So, putting up the UK as a glorious example of how well we are doing is false economics. We should learn the lesson of the UK and not make the same mistake here. In fact, 6.7 per cent of water usage in South Australia is 11 214 517 kilolitres. Those figures are taken for last year from SA Water. That is $11.214 million worth of water per year which is not bought by South Australians or used even to hose down drives but which is simply wasted: $11 million worth of water a year.

If the minister comes in here and says to the people of South Australia, 'Save water'—and we all must—for him to say that we lose $11 million worth of water and it is not worth repairing the damage is absolute and arrant nonsense. It may well be that water is underpriced. It may well be that this government pushes up the price of water, and when it does it will therefore be throwing away not $11 million worth of water but $12 million, $13 million or perhaps up to $20 million worth of water. When does it become best for this state actually to repair something that is wasteful? The minister says, lastly, 'Where does the money come from?'

Every year governments of all persuasions have creamed $200 million from SA Water, and if for six months they forwent their profits, it would mean that over the next decade we would save more than we spend in water that we are currently wasting. In forgoing six months' greedy profits, we could do some good, and we should.

NUTRITION

Ms THOMPSON (Reynell): Today I would like to talk about an extraordinarily important topic, that is, what our children eat. In doing so, I would like to congratulate the Noarlunga Health Service, which has run yet another innovative community program with its Community Foodies course. This course is designed to inform community members about healthy and balanced eating, how to achieve it and how to advocate for it. These community volunteers talk with community organisations, if necessary schools, families, anyone, just to be advocates within our community for healthy eating. It is an excellent grass roots initiative and we have still to discover where it really leads. So far, only the first steps have been taken.

And why should such a program be necessary? It is related to a report released by the World Health Organisation earlier this year, which shows very much that we are what we eat. The food our mothers eat affects how much we weigh when we are born, and this affects our health when we are adults. The food we eat as children affects how we grow, and what we eat in childhood can help prevent diseases such as cancer, diabetes and heart disease when we are older. The food we eat when we are young can even help prevent our breaking bones if we fall over when we are old. It all seems pretty obvious that we need to eat healthy food to be healthy. However, a recent study of what children in Australia are eating shows a very grave picture.

I was fortunate to get access to an analysis undertaken by Dr Anthea Magarey of Flinders University pointing out some of the difficulties we are confronting as a community in terms of what our children eat. We all know that it is important that each day we eat cereals, milk products, protein, fruit and vegetables. Yet a survey of Australian children shows that 39 per cent of 16 to 18 year olds ate no fruit on the survey day; 19 per cent of four to seven year olds ate no protein on the survey day; and about 20 per cent (with the maximum being in the two to three year age group—23 per cent) of children ate no vegetables on the survey day. Fortunately, all groups were doing pretty well in terms of eating cereals and milk product. However, while the vegetables figure does not look too bad, with 80 per cent having vegetables, it was found that 13 per cent of the children surveyed only consumed potato and 9 per cent only consumed fried potato. So, although they were eating vegies, they were not doing very well.

When we look at what they are eating, we look at the non-food groups, that is, the party food, the special treat foods of cereal based products—FruitLoops, Pringles, or whatever—snack foods, beverages (meaning soft drinks and fruit juice drinks as opposed to fruit drinks), confectionary and sugar products, and we find that our children are eating huge quantities of these foods every day when they should really be party treats, not staples. We find, for instance, that 67 per cent of four to seven year olds were eating sugar products on the day in question. Pretty well across the board, 50 per cent of them ate confectionery on the survey day. Again, just over 50 per cent of them had soft drinks and fruit juice drinks, not pure fruit juice, the treat sort of drinks that, when I was a kid, you had on Christmas Day, Mother's Day, your birthday and when you were sick. I do not expect everyone to live in such difficult circumstances as I did, but I do think that we need to take seriously the fact that our children are not eating healthy food.

The old Vegemite sandwich and an apple in the lunch box is something that went out before the dinosaurs came in—certainly before the popularity of the dinosaurs. Children now focus on snack foods and we have to help them focus on real food.

SELECT COMMITTEE ON THE CROWN LANDS (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on motion of Hon. J.W. Weatherill:

That the interim and final reports of the Select Committee on the Crown Lands (Miscellaneous) Amendment Bill be noted.

(Continued from 13 October. Page 381.)

The Hon. I.F. EVANS (Davenport): I am happy for the report to be noted, and I will make some comments as a member of the select committee in relation to the interim and final reports of the select committee. I understand that some leeway has been given with regard to making some comments about the bill, given that the second reading contribution to the original bill was curtailed somewhat for the establishment of the select committee. For those who wish to follow what this debate is about, I would recommend the reading of the contributions of the members for Stuart, Chaffey, MacKillop, Schubert and Goyder. They made some very succinct and accurate contributions to this particular debate yesterday. I take the opportunity to congratulate all members of the committee, particularly the member for Fisher, who was chair of the committee.

After about 15 months of debate on the crown lands issue, we are now in a position where, in my view, crown leaseholders in this state have been treated to an act of political

bastardry by the government. I say that because what they have been forced to do is to make a lifelong commercial decision about whether or not they should freehold without having all the information before them. The parliament is about to debate the bill and a series of amendments that will set out the rules for freeholding—or at least we will have the debate about the rules for freeholding—then, of course, the upper house will have to deal with the legislation. No-one is sure what the rules for freeholding will be when the debate exits the parliament. However, this government, for reasons of its own political choosing, set 30 September as the deadline for when people had to make up their mind about whether or not they would freehold.

What they have basically done is bludgeon the people into freeholding, because they do not know whether or not an annual indexed service fee will apply. A $300 fee has been floated as a minimum. If you are in a position where you are not sure whether or not that service fee will apply, and the government says to you, 'Freehold for the cost of $2 000 or pay $300 minimum forever', that will have an impact on your decision compared with no service fee applying, because then some people will not choose to freehold because their rentals are so low that it is not in their economic interest. The government will run around saying, 'Isn't this good, 85 per cent of people have applied to freehold?' Yes, they have applied to freehold based on not knowing the rules to which freeholding would apply or whether an indexed service fee would apply. There was no reason why the government could not have extended the deadline for another three months or so—until the parliament had dealt with this debate—so that the people making this decision did so with the full rules in front of them.

I believe that this has been an act of political bastardry by the government in its treatment of crown leaseholders, and it goes right back to day one of the budget announcement when it was clear from the minister's press release that the minister had no idea about what the department had sold him in relation to this decision. The press release of 11 July talks about the minister saying that a minimum and indexed rent of $300 per annum would be introduced for all crown lease and licence holders—not just leaseholders but licence holders as well—and that the freehold purchase for the perpetual lease would increase to a minimum of $6 000. The press release states:

> These changes. . . are aimed at making sure South Australia receives a fairer remuneration for the use of its land assets.

Of course, the select committee has now heard evidence—and members on this side of the house were aware of it anyway—that, in effect, people have basically paid freehold price for this land, anyway. I think it is stretching it to say that they are trying to get South Australians to receive a fair remuneration for the use of its land assets. The press release further states:

> In some cases the existing rent paid for crown leases turns the land into a taxpayer funded gift for the leaseholder.

That would be an insult to every crown lease and licence holder in the state.

The reason why the select committee received so many submissions—from memory it was around 800 submissions—was that so many of them were offended by the minister's press release and its lack of understanding about how crown leases were established and what their purpose was, and what the contribution of the leaseholder was to the development of the land and the lease in particular. The reason why the select committee received so many submissions was that many crown leaseholders were offended by what the government had said in this press release. The press release goes on to state:

> These annual rents are minuscule when compared to commercial rents for a similar property and represent an unfair subsidisation of businesses which have crown leases over those that don't.

If ever there was a misunderstanding about how crown lands and crown leases work, it is in this particular statement. How anyone can interpret it as 'an unfair subsidisation of businesses which have crown leases over those that don't' is beyond me and the opposition.

So, the problems with this bill and the issues that the select committee had to deal with go right back to day one when cabinet and the minister when signing off on the submission obviously did not understand what they were doing. From that point on, it was a battle to try to educate (through the select committee) every one of us about these issues. I think it is fair to say that members on this side of the house certainly learnt a lot more detail. I think there were about 30 different types of leases and about 16 000 leases. The intimate details of a lot of that we had not gone into before, so all of us learnt something. However, I am sure that the government and the minister learnt a hell of a lot about how crown lands actually work on the ground from the landholders.

Another statement in the media release that really upset crown leaseholders was the following comment by the minister:

> Crown land leases are often for very long periods and this prevents other taxpayers from having the opportunity to use it, so it's reasonable to expect individuals or companies which are using Crown land to give something back.

I know that offended a lot of our rural landholders as well. So, it goes back to a lack of understanding by the government of exactly the make-up of crown lands and how they are used. I remember calling radio at one stage (when the Premier was up in the Mallee saying how pro-farmer the government was in relation to drought issues) and saying that the government was talking about helping farmers in drought affected areas but at the same time it was introducing a minimum $300 per annum fee. On 5DN on 4 October, the minister said:

> Crown leases aren't where the drought affected parts of the State are. We're talking about pastoral areas which aren't subject to these lease payments in any event, so, he [that is me] has just seen an opportunity. . . he's decided to try and frighten a few people in the bush and it's just not fair.

For the minister not to know that drought affected areas were covered by crown leases again goes to show his lack of understanding of this issue and the lack of care in the preparation of the submission. Of course, areas where the drought was having an effect were covered by crown leases. In fact, the select committee said that if hardship was caused by the drought there might be some opportunity for some form of concession. So, we went from not having crown leases in drought affected areas to having so many that we might actually have to provide some form of concession. The problems with this go right back to the minister and the government generally. There has been a total lack of understanding around the cabinet table about how crown lands work and the issues that affect South Australia.

I say that this is an act of political bastardry because for the last 15 months crown lease and licence holders have not known whether there would be a service fee or a rental charge increase. Originally, there was going to be an increased rent

to a minimum of $300 per annum (indexed). Now the government has made some changes and it is trying to introduce a service fee. The problem with both of these concepts is that the government is saying that they are happy to retrospectively change up to 16 000 contracts. A crown lease is a form of contract with the government, and the lease states quite clearly—as the member for Stuart pointed out quite rightly in his excellent contribution yesterday—that it is in perpetuity, and most of them refer to a set rent. This government wanted to say, 'Even though you people have basically developed the infrastructure on this land and made it income producing for the economic long-term benefit of this state—some of you over four and five generations—we want to retrospectively change up to 16 000 contracts (in other words, crown lands leases) and, not only that, we want to increase the rent to a minimum of $300 per annum (indexed).'

We were not sure what the maximum was going to be, but we knew the minimum was going to be $300 per annum (indexed). So, the first problem with this issue was its retrospective nature. The second problem is that, to this day, the 85 per cent of crown leaseholders who have applied for freeholding do not know whether the service charge will apply to their crown lease. This government has forced them into making a decision about freeholding their land and spending, in some cases, thousands of dollars. Someone said on radio the other day that it might cost them up to $30 000. Some of them are spending tens of thousands of dollars on making a decision that they may not need to make, because if the service charge does not apply it changes the whole economics of the decision.

That is why I say it is an act of political bastardry by the government: they have forced people into making a decision before they knew all the rules for freeholding and prior to parliament having the debate, because parliament might decide to introduce rules for freeholding different from what the minister has applied in the marketplace. There was no need for the government to do that. The government could have extended the date for a further four or six weeks (if need be) to give the parliament time to consider the matter, but the government chose not to do that. So, I think it is unfortunate—a snub to rural South Australia—that the government has done this.

The government will run around saying, 'Haven't we made big fellas of ourselves; our policy is so successful that 85 per cent of crown leaseholders have applied.' However, if you have a gun held to your head and the bullet is a $300 minimum per annum indexed service fee, which you have never paid before, and if you have a choice between that and a $2 000 fee, most people will pick the $2 000 fee. I do not see this as a great policy initiative by the government or as a great success; I see it as an outrageous act by a government that has little understanding and, unfortunately in my view, little care for the people of rural South Australia and the way that they have handled this issue. They could have held the freeholding process over for a further few weeks so that the people knew what the rules were when they were applying for freeholding.

No-one in metropolitan Adelaide would be asked to make a decision about their land without knowing the rules that apply, but this government has expected rural South Australia to do just that. I do not understand for the life of me why rural South Australia should be treated differently from metropolitan South Australia. I accept that we want more people to freehold because it does lighten the department's load by reducing administrative costs, but they should be freeholding because the freeholding policy is right; they should not be freeholding because they have a gun held to their head with a $300 per annum service fee.

Of course, this was the government that came to this parliament saying there would be no new taxes. If there is no service fee and the government's own amendment provides that it wishes to introduce a service fee, by definition, that is a new tax. The government has brought a bill into this place to break its election promise. The way in which the government handled this issue in my view is absolutely outrageous! The minister is on record as saying on radio that the leaseholders had voted with their feet. They have not voted with the feet; they are trying to run away from a loaded gun held to their head.

As late as 9 September this year, the minister was still promoting the concept of a $300 annual service fee. Trying to round up the last few sheep into the freeholding pen, the minister was out there beating up the case that they would introduce a minimum $300 per annum service fee. That was in a press release dated 9 September 2003 so, only three weeks before the deadline date, the minister was saying, 'We want to introduce a $300 per annum minimum service fee', trying to put the last bit of pressure on those few remaining people who had to make a decision. I say to the house that there are not too many families with a lazy $2 000 or $3 000 just sitting there waiting to freehold their property.

I know that if my family got a bill for $2 000 or $3 000 that I was not expecting it would create some hardship. In rural South Australia, the bills for tens of thousands of dollars in some cases will give some people great hardship. The only reason that they will give the people great hardship is that this government, for its own political purpose, has sought to introduce a deadline of 30 September before the parliament dealt with the freeholding rules. Why did it do that? It did that to maximise the number of people who were forced with a gun at their head to freehold their property. Why did it do that? It did that to collect as much revenue as possible from rural South Australia with as little complaint as possible; it is all about a budget measure.

When we come to debate the bill later, we will have a number of amendments before the house. They are amendments that seek to adopt the 13 principles which the Liberal Party put out on 30 April in regard to freeholding and which seek to give the crown leaseholder a matter of choice. If parliament says that people should not have a choice about their own land, then what should they have a choice about? I would also like to pick up on a little bit of barter yesterday between the minister and the member for Chaffey—it is there in *Hansard* for all to see—about who agreed to the interim committee's report. It is true that the interim committee was signed off by the select committee, but I think it was obvious to all of us that, if we did not sign off on that, the minister was going back to the original proposal, which was a $300—

The Hon. J.D. Hill interjecting:

The Hon. I.F. EVANS: The minister says, 'Rubbish!', but this is my understanding. My interpretation of it was that the minister had made it reasonably clear that we would go back to the $300 per annum minimum rent proposal and the $6 000 freehold. On the surface, it could be argued that the committee was—

The Hon. J.D. Hill: So, why did you have a second go at it? Why did you go back and do it a second time?

The Hon. I.F. EVANS: We went back and did it again because there were 800 submissions telling us we had got it

wrong. So, we had to go back and redo it, because we got it so wrong in the interim report. I support the member for Chaffey's interpretation of those particular events. The way that the government has handled this issue is a disgrace. I think no-one should be put into a position of having to decide about the future of their own land without having the rules in front of them. In due course I hope the parliament will support some of our amendments when we get to the debate later in the evening.

The Hon. J.D. HILL (Minister for Environment and Conservation): I thank all members for their interesting contributions to the debate on the two reports, although I note that a number of the contributions included some insults. I have been accused of bastardry, blackmailing and bullying; I suppose is interesting to face those kinds of comments. I would just comment briefly on some of the issues before the house in relation to this bill. Before I do that, I also commend the member for Schubert for what I thought was an even-handed contribution to the debate. I will talk more about the member for Schubert's position in a while.

Before I do that, I would like to talk briefly about a number of comments made by some members in relation to public servants. I stand here to defend the public servants who have been associated with this process and say to the house that the public servants in crown lands have worked very hard over a year and a half or so to make the amendments that have been requested of them by the select committee. I think it is very poor form to come in here and insult and attack them when they are unable to come into this house and defend themselves. I am happy to stand here and take the insults and cop the abuse that comes from the other side. I take full responsibility for what I put before the parliament. You do not have to look behind me and start blaming public servants for it. I am the minister who brought it in. If it is wrong, I am the one who is responsible: do not attack the public servants. That is just poor form in my opinion.

In its budget last year the government introduced a number of measures to raise revenue and cut expenditure. We needed to do that to get the state's books in shape. One area that I proposed in my budget submissions was that we should lift the rent on crown leases to a minimum of $300. We did this as a way of raising revenue, and I have never pretended that it was anything but that. The facts are that the crown land section of my department was under-resourced; it was costing money to collect rent, and that was an unsustainable situation. The technology in the department was antiquated and needed to be replaced, and the whole area was just run down. This area had been ignored by past governments, and had always been seen as an area into which funding did not need to be directed and in which savings could be made. I decided to do a range of things in one go, and amongst those was to raise revenue for government, in part to satisfy the needs of Treasury and the budget and also to reform the crown lands section so that it could have modern systems and be appropriately staffed. That is what I intended to do, and I went into that with my eyes open. I recognise and understand that this was not a popular thing to do with crown lessees. It is never popular when you are increasing charges or imposing upon people payments which they hitherto had not made.

In the course of introducing legislation into this parliament to give me the powers to introduce that minimum rent, a select committee was established on the motion of the member for Fisher. Through the process of that select committee, I admit to changing my position in relation to policy, and I think the position that I adopted was common to all of us on the select committee; that is, regardless of the background, and who started it, and whether it was fair to put $300 on, and all the rest of it, I think one thing on which all of us on the committee agreed was that it was in the best interests of the state and the individual lessees if all those properties could be freeholded. We thought it was worthwhile.

Mrs Maywald: At a fair and equitable price.

The Hon. J.D. HILL: You can put whatever conditions you like on it, but the basic principle that, I think, all members of the committee agreed to was that we should get out of the business of having perpetual leases. We are really talking about 19th century rules established to suit 19th century conditions. We are now in the 21st century and it no longer makes sense. On the basis of the advice of that committee, I arrived at a new policy stance, namely, that we should try to get to that position. We went through that process with the committee and arrived at a package of measures, some of which might be put into the category of carrot and some of which might be put into the category of stick. Basically, that is what we came up with.

Through that process, I made some concessions to the opposition members of the committee to satisfy what I thought were their demands and the demands of those who had made submissions and, as I said yesterday, we reached unanimous agreement about the package. I acknowledge that there were on the other side those who did not like particular elements of the package, but they agreed to the package. We went away from that committee, I introduced the interim report, and I was hopeful that we could then introduce legislation.

I could have continued with that and introduced legislation or finalised the committee in a rush, but members opposite raised further concerns after the package had been made public and their constituents and lessees had made known to them their continued objection to some of the elements of the package. So, acting in good faith and with a desire to get a consensus about how to proceed in relation to this new policy position, I went through an extensive period with the support of my public servants to get a package which could be agreed upon by the other side.

It is fair to say that we got a long way towards achieving that. There were a number of sticking points and they will be the subject of debate in committee on this bill. To summarise, we ended up with a package that contained considerable concessions to classes of people who had never found it attractive to freehold in the past. The former government, much on the urging from the member for Schubert, changed the rules or policy settings in relation to freeholding perpetual leases in the 1990s and reduced considerably the cost of freeholding. Prior to the introduction of the $1 500 freeholding fee, I think 15 per cent of the value of the land was the fee to be paid. So the fee was reduced considerably in many cases during the former government's term and as a result a greater number than normal in an average year took up the offer of freeholding.

However, still it did not shift all the lessees. The package the select committee eventually agreed upon and which the government has endorsed gave considerable concessions to a range of people who were not able, under the former conditions, to see their way through to freeholding. There were considerable carrots in this package. While the opposition attacks the government's position in relation to a $300

minimum fee, it should, to be fair, point out the concessions contained within the package. In addition to the particular concessions that are notated in the package, there is also a general catch-all provision where certain classes of people can apply to a committee I have established—a tribunal—which will allocate available funds from the freeholding process to those who have applied on some sort of equitable basis as determined by that committee. That committee will be chaired by a judge. That is where we got to.

I have been accused of unfairly forcing people to take up this offer. When this bill was introduced back in July last year I indicated that the cost of freeholding from that date would be $6 000 and that would stay in place so everybody was captured by that new arrangement. Many lessees contacted my office and said, 'If we'd known you were going to do that we would have freeholded on the $1 500 basis—can you give us a window of opportunity to allow us to do that?' Through the committee process and on reflection I agreed to do that. I said that we would give them six months' notice. It was my honest and anxious hope that the legislation would have been through by the end of the six month process.

Unfortunately, the negotiations over the final report of the select committee went for a much greater time than I anticipated and the legislation was not able to be dealt with. I regret that happened, but having given six months notice and having set up a whole mechanism to freehold the properties, I thought it appropriate to have closure in relation to that offer.

Finally, on the issue of the service charge, the government's original intention was not to have a service charge but to have an increase in the minimum rent because we recognise that a large number of leases paid particularly small amounts of rent and it was costing the government money to collect them. The original report of the select committee recommended a service charge. It was not my suggestion, but I accepted that suggestion. If the house was so minded I would go back to a minimal rent position, if that is the way people would like it.

With regard to the number of leases and lessees who have put in an application fee: there are 14 205 eligible leases. Something like 1 400 leases remain without an application having been put in. Approximately 400 or 500 have waterfront aspects and such leases have a longer period of time in which to put in an application. On a rough basis we would assume that between 1 000 and 1 200 leases will be left over at the end of this period. Applications are still being processed in the department, so there is a guesstimate in this. Around 85 to 90 per cent of all leases have been applied. In terms of people, there were 7 701 customers—and some are entities and there may be some people who are customers in different categories—and all but 855 have put in an application, so we are dealing with less than 900 people. I am informed that this is the most profound change in crown lease management of legislation in South Australia since the legislation was put introduced in, I think, in 1929.

I agree that the process has been difficult and not ideal, but we are getting to a good outcome. We will have a reformed crown lands system with minimal numbers of perpetual leases, which I believe the committee thought was the right outcome. Those who had not had crown leases will now have freehold title if they accept the offers put to them over the next few months and they will no longer have to be managed by the Department of Environment and Heritage through the Crown Lands Office and that will mean that the resources the government currently puts into doing that job can be put into more productive things.

Finally, I will accept two amendments that have been proposed by the member for Davenport as they are consistent with the policy we have put, namely, the amendments to section 14(3)(5) relating to the lower of fixed purchase price or prescribed price to apply and the subsequent amendment, which is to section 14(3)(6) relating to the lowest price always applying. The majority of the remaining amendments put conflict with the recommendations of the second report of the select committee and thus are not accepted by me.

Finally, I offer my thanks to the members of the select committee, particularly the chair (Hon. Bob Such), and all other members. While it was a difficult process for some members, particularly the member for Chaffey whose electorate contains many of the lessees, we worked productively and cooperatively together and the outcome, if not ideal, is a better outcome than the one we would have had without the select committee being formed. I thank again the officers who attended to the select committee, both from within parliament and within my department, and who provided extremely good service over that entire period.

Motion carried.

CROWN LANDS (MISCELLANEOUS) AMENDMENT BILL

In committee.

(Continued from 26 November. Page 1979.)

The Hon. J.D. HILL: I move:

That standing orders be so far suspended as to enable me to move an instruction to the committee without notice.

The CHAIRMAN: There not being a majority present, ring the bells.

An absolute majority of the whole number of members being present:

Motion carried.

The Hon. J.D. HILL: I move

That it be an instruction to the Committee of the Whole House on the bill that it have power to consider a new clause relating to amendment of the Irrigation (Land Tenure) Act 1930.

Motion carried.

The CHAIRMAN: For the information of the committee, at the moment we are circulating the latest versions of 5(1) and 5(2), which are amendments to be moved by the minister and by the member for Davenport. Members will note that some renumbering has been done by hand in order to expedite matters.

New clause 1A.

The Hon. J.D. HILL: I move to insert the following new clause:

Commencement

1A. This Act will come into operation on a day to be fixed by proclamation.

New clause inserted.

New clause 1E.

The Hon. I.F. EVANS: I move:

Minister to advise lease holders of effect of Act.

1E. (1) The minister responsible for the administration of the principal Act must, as soon as practicable after the commencement of this Act (and, in any case, within one month of that commencement), ensure that a written notice is sent to each person who has made a relevant application advising him or her—

(a) of the effect of this Act; and

(b) of the person's right to withdraw the application.

(3) In this section—

'relevant application' means an application under section 212 of the principal Act to surrender a perpetual lease of land and purchase the fee simple where—

(a) the application was lodged before the commencement of this Act; but

(b) the lease has not been surrendered.

The opposition has moved this amendment because, now that it is debating the bill, the parliament may well set different freeholding rules from those that currently apply. If that occurs, we think the minister should, no later than a month after the act commences, write to every applicant who has applied to freehold to say, 'Here are the new freeholding rules; these are the costs; and a service fee either does or does not apply.' If the $300 minimum service fee does not apply, that will change the economics quite considerably for a large number of applicants about whether or not they wish to freehold. So, we think they should be given the opportunity to withdraw their application if their decision is that it is in their best financial interests to do so.

During the debate noting the report, the minister said that about 85 per cent of the crown leaseholders have applied for freeholding. The opposition makes the point that, if they are facing a $300 minimum indexed annual service fee and their rent might have been only $5 a year, suddenly they are facing the $300 minimum fee and a freeholding cost of $1 500 or $2 000, it may well be in their best interests to freehold. It is a six year cost (six times $300 is $1 800), so they basically save money after the sixth year. However, if the service fee does not apply, it may never be in their best interests to freehold, because, if they are charged $2 000 to freehold and their rental is only $5 (and a large number of the rents are less than $5), they would then never choose to freehold. Why should they?

So, we would argue that, once this bill is passed, the minister should then write to advise all those who have applied for freehold to say, 'These are the new rules and here is the new cost structure. Do you still want to freehold? If you do, that is fine; if you don't, you can withdraw.' That is what this amendment does: it allows them to withdraw. What the government is saying—given the minister's final contribution noting the report when he indicated that he would not support this amendment—is that it is not going to write to advise these people of a new cost structure. In other words, the government is saying that now that the application has been submitted it will ultimately be dealt with on the cost structure that applies. We are saying that the government should write to the people so that they are very clear. It has been their argument all along that they should not have been asked to freehold until they were clear about the rules, and they can only be clear about the rules straight after the legislation is dealt with and the act commences. The government should then write, explaining the rules and letting them make the decision and, if need be, withdraw their application.

Mr VENNING: I support the member for Davenport's comments. The matters he has raised are very relevant, because, as we know, 85 per cent of the applicants expressed interest in freeholding, not knowing what the legislation would contain. In relation to whichever comes first, whether it is the cart or the horse, in this instance, as I said previously, I am amazed that 85 per cent of the people have expressed interest in freeholding, but they have. They are obviously waiting to see what the legislation is going to do. I think it is fair and reasonable that, after the legislation is passed, the minister should, first, write to those 85 per cent and advise them how the legislation will affect them individually.

The second part of this, as the member for Davenport has said, is to give them the right to opt out when they can work out for themselves what would be financially best for them to do. I think we differ here because I do not think the minister will have any problem writing a letter, and the point of difference right now is whether these people have the opportunity of opting out. That is the point we are making, is it not? I think they should have that option, because, normally, the legislation would have been in place first, and they would not have applied unless they knew. So, I hope the minister will listen.

As I also said previously, the minister might also give them the option (that is, only those 5 per cent who have not applied, as the minister himself identified), under the new legislation, to then make application under the old formula. That would be an honourable and admirable thing to do.

The Hon. J.D. HILL: I do not accept the amendment, but, after discussing it with my adviser, the department will write and put out the facts to all leaseholders, whether or not they have accepted, and explain what the conditions will be at that time so that they will be able to make a decision based on those appropriate facts. In addition, of course, those people who have put in an application will be written to in series over the next couple of years and made an offer, and that will continue the legal process. At the time of writing, it will be pointed out to them that they do not have to accept the offer, and the consequences of doing one thing or the other will be explained to them.

So, I give an absolute undertaking that, hopefully, before Christmas, depending, of course, on when this bill gets through this house and the other place (it could be there for a longer period of time, but certainly within a reasonable time after the passage of the legislation through both houses), we will write to these people.

The Hon. I.F. EVANS: Can I clarify what the minister is telling the house? Is the minister giving an ironclad guarantee to the house that he will undertake to write to the people who have made a relevant application and undertake to offer all that is outlined in the amendment (that is, within one month) and give them the option to withdraw, making it clear in the letter, etc?

The Hon. J.D. HILL: I said—and I repeat it—that, whatever shape the legislation is in at the conclusion of this process, we will give a synopsis of that, with all the rights, options and consequences included within it. That will be sent to all leaseholders, including those who have not put in an application, and they will be able to make a judgment. In particular—and I stress this—over the next couple of years, on an ongoing basis, all applicants will be written to with a particular offer, based on the application—

The Hon. I.F. Evans: So, why won't you accept the amendment?

The Hon. J.D. HILL: We do not need an amendment of this sort within the legislation; I am giving an undertaking to do it. This is an extraordinary amendment in terms of administrative detail, which is just not necessary in this legislation. I have given an undertaking that I will do these things.

The Hon. I.F. EVANS: The amendment puts on the minister specific requirements to write within one month to make the offer and to make clear that a person has a right to withdraw. Is the minister giving a commitment to the house

that he will, in writing, match their requirements as set out in the amendment?

The Hon. J.D. HILL: I do not necessarily accept the time scale, because I am not sure that it is physically possible for us to do this necessarily within a month. It depends on when the legislation gets through.

The Hon. I.F. Evans: It says 'the month after the act commences'.

The Hon. J.D. HILL: I am still saying I am not necessarily accepting the time scale. I give an undertaking to do it within a reasonable time scale close to a month. We will do it as quickly as we can and we will make sure that all the conditions that will apply will be within that bit of correspondence. As I said to the member for Chaffey, we will do it by way of a newsletter. It will not be a personalised letter, because that is a more expensive and time-consuming process, but it will be a newsletter of some sort that has all the detail in it.

New clause negatived.

The Hon. J.D. HILL: I move:

After clause 1, insert:

Amendment of section 5AA—Power of the Governor to resume certain dedicated lands.

1B. Section 5AA of the principal act is amended—

(a) by striking out paragraphs (a) and (b) of subsection (1);

(b) by striking out subsection (2).

Amendment of section 5—Minister's powers to grant or otherwise deal with crown lands.

1C. Section 5 of the principal act is amended—

(a) by inserting before paragraph (a) the following paragraphs:

(aa) grant the fee simple of any crown lands to any person; or

(aab) grant to any person the fee simple of any dedicated lands in trust for the purposes for which the lands were dedicated; or;

(b) by inserting after its present contents (now to be designated as subsection (1)) the following subsection:

(2) Nothing in this act empowers the minister to grant to any person the fee simple of any foreshore.

Repeal of section 6A.

1D. Section 6A of the principal act is repealed.

I am moving 1B, 1C and 1D together, as they relate to each other in that they are administrative arrangements to mean that these processes will no longer need to go through the Governor. They can be done by the minister or through delegation.

New clauses inserted.

New clause 2A.

The Hon. I.F. EVANS: I move:

After clause 2 insert:

Insertion of section 34.

2A. The following section is inserted after section 33 of the principal act:

Rent may be paid in advance.

34. Despite any provision to the contrary in this act or any other act or in a perpetual lease, the lessee may pay instalments of rent due under the lease in advance of the times specified in the lease (provided that such instalments are in respect of a period not exceeding 25 years).

This clause relates to putting a provision into the act that allows for crown leaseholders to pay rent in advance. One of the government's arguments as to why the crown land section is so inefficient and loses money in the collection of rents—about $500 000 a year is the net loss for the operation of that area—is in regard to the fact that they have to send out invoices or administer very low rents. A lot of rents are less than $5 or $10 a year. What this amendment does is allow for crown leaseholders to pay in advance rentals on crown leases. We have put a maximum of 25 years, so you could pay up to 25 years' rent in advance, which would save both the leaseholder and the government a large administrative expense in having to issue notices etc., in regard to the collection of rents.

Even though 85 per cent have applied, we believe that a lot of those will not proceed if a different price structure comes into play, particularly if the service fee does not come into play. A lot of those people will then not wish to freehold but, if they are on a low rent, will want to take the opportunity to pay rentals in advance, which will lighten the burden of both the government and the crown leaseholder. We see this as a deficiency in the act. We see it as a simple measure. Why should you not be able to pay your crown lease rentals in advance?

We have put a cap on it of 25 years, which we think is reasonable, because we do not think it should be open ended. We seek the parliament's support for what is a very logical and simple amendment that gives the leaseholder the chance to pay in advance and get on with their life, be it farming or whatever else they do on their property. It does not burden the officers, who surely have better things to do than chase a $3 or $4 rental bill each year. This would make it easier on both sides. We cannot see how there would be an objection to this quite simple amendment.

The CHAIRMAN: We have moved ahead of ourselves. We need to put clause 2 before the committee can debate proposed new clause 2A.

The Hon. I.F. EVANS: I want to speak to clause 2 as well, because the government is proposing a number of provisions.

The CHAIRMAN: To get this in order, we will deal with clause 2 and hang fire on 2A. With the indulgence of the committee, the member for Davenport wishes to speak to clause 2.

Clause 2.

The Hon. I.F. EVANS: The government is introducing a number of provisions that seek to simplify and quicken the freeholding process. We have just voted on some of those with amendments to sections 5AA, 6A and 41D, and there are other examples later in the bill. We support the administrative tidying up of the bill to quicken and simplify the freeholding process. So, where the government seeks to move powers from the Governor to the minister or give the minister the opportunity to delegate to the director, if that quickens or simplifies the freeholding process, the opposition will support those provisions. We are not totally against everything in the bill. We are supporting and trying to develop a streamlined freeholding process.

The CHAIRMAN: Does anyone else wish to speak to clause 2?

The Hon. J.D. HILL: Yes. This provision allows an extension of the minister's capacity to delegate to officers in relation to easements and dedications of land, and that is consistent with streamlining the administrative processes. However, I am not too sure that it is controversial.

Clause passed.

New clause 2A.

The CHAIRMAN: The member for Davenport has moved this new clause.

Mr VENNING: I support the member for Davenport and say that, in the true spirit of what the government is trying to do, this tries to save the government a lot of money in collecting these small rentals. This amendment would put money up front for the minister and the Treasurer because people would be able to pay their lease for 25 years up front.

It would give surety to the lessee and it would result in a once in 25 years administration cost for the government and give it the money up front. In looking at the letter of the act and the intention of the parliament, particularly the government in this instance, the minister should, with good will, support this amendment.

The Hon. J.D. HILL: I am sympathetic to this new clause, but because we only saw it yesterday we would like to do some work on it between here and the other place. We are not sure about the 25 years. That is possibly too long.

Mr Venning interjecting:

The Hon. J.D. HILL: I doubt it very much. We would like to have a think about how the scheme might operate. It might be sensible to have up to 25 years and then, depending on how many leases are left, if there are a thousand or so, it could be a rolling thing, so 200 each year would come up for this five-year process. We can manage the way we deal with it. I would like to do a little more work. I am sympathetic to it and, if we can get something that works, I will introduce it in the other place, and we can then bring it back here if the house is happy with that.

Mrs MAYWALD: I would like to say that I am also sympathetic to this notion and would appreciate the minister's offer to consider how it might be improved upon between houses. I do have some concerns regarding the 25 years, but I would be happy to look at it between houses and have it come back to this place in an amended form.

The CHAIRMAN: The minister has given an undertaking to look at it between houses.

Amendment negatived.

The Hon. J.D. HILL: I move:

After clause 2—Insert:

Amendment of section 41D—Purchase of fee simple of Whyalla town lands

2A. Section 41D(4) of the principal act is amended by striking out 'Governor' and substituting 'minister'.

This is another reduction in the kind of formality of the legislation to replace 'Governor' with 'minister'.

I do not think this is a remarkable amendment.

The Hon. I.F. EVANS: This is just another one of the tidying-up clauses that the minister is moving in relation to simplifying the freeholding process. I do not think this new clause will come into play very often, and the opposition will be supporting it.

New clause inserted.

Clause 3.

The Hon. J.D. HILL: I move:

Page 3, Leave out lines 7-21 and insert:

Insertion of sections 47A and 47B

3. The following sections are inserted after section 47 of the principal act.

Annual service charges

47A.(1) The regulations may fix, or provide for the determination of, an amount to be paid to the minister by the holder of a lease, or a lease of a specified class, as an annual service charge in relation to the lease.

(2) An amount to be paid as an annual service charge—

(a) is payable in addition to the rent payable under the lease; and

(b) must be paid at the time fixed for the payment of rent under the lease.

(3) If a person fails to pay an amount payable under this section—

(a) the amount is recoverable in the same way, and to the same extent, as a payment of rent due under the lease; and

(b) the minister may, in relation to that failure, exercise any power that the minister may exercise in relation to a failure to pay rent under the lease, as if failure to pay the amount were a failure to pay rent under the lease.

(4) A regulation fixing, or providing for the determination of, an amount for the purposes of this section cannot come into operation until the time for disallowance has passed.

(5) This section applies to a lease—

(a) whether granted before or after the commencement of this section; and

(b) despite any provision to the contrary in this or any other act or in the lease.

(6) In this section—

'lease' means a lease granted under any of the crown lands acts or any other act dealing with the disposal of crown lands, other than a lease of a prescribed class.

The original set of amendments to the draft bill had the capacity for the government to set a minimum rent, and we indicated through the budget that that would be $300 and that that rent would then be subject to regulation. As I have already mentioned, as a result of the select committee process, that was substituted with a service charge which was also subject to regulation, and the government indicated that would be $300.

I suspect that this is the most controversial element of the legislation. My feeling is that this matter will be dealt with by a committee of the two houses at some stage. However, for the record, I would say that this is part of the government's budget from last year, and it attempts to put in a minimum platform so that there is a return to government from the management of these perpetual leases. It is $300 in each case and it will cover the costs to the department for managing it and provide some surplus to government. The detail will need to be worked out, as I said, by a committee of the two houses, but the original proposition is worth having: it acts as a disincentive to those who may be considering holding on to perpetual leases. So, it acts as a stick. As I say, there is a range of carrots in place. This is one of the sticks. I know it is not popular, and I accept that, but I think it is a necessary part of the package to achieve the reform outcomes that the select committee embraced.

The Hon. G.M. GUNN: It is unfortunate because, if you will not accept the original amendment, you are then saying to people aggrieved by this decision, 'You can go to the courts.' The government is insisting on increasing the rent which applies to a perpetual lease which, it has been accepted from time immemorial, cannot be changed, and there is a very strong view about that. The committee took evidence from a former director of lands who is a highly regarded person, and it is my understanding that this matter will end up in the High Court and the government will line the pockets of lawyers day after day and not get anything. It will stop the whole process because, immediately this provision is enacted and becomes law, it will be challenged. If the minister persists with any of these changes, he is leaving himself open. I think the minister should tread very carefully.

Mr VENNING: I agree with my colleague on this matter. I understand one of the reasons the minister put the fee in the bill was to focus all of the stakeholders, and it certainly has done that: putting in the forecast fee has certainly focused the stakeholders. I think that is one of the main reasons that 85 per cent of people have responded. So the minister has been successful in that. But I think, in the end, I agree with my colleague that this $300 fee is exorbitant and is leaving some people no choice but to make application and wait on the legislation.

I certainly support what the member for Stuart just said. It certainly will be contested. I urge the minister to reconsider that $300 fee. It was put in there as a carrot to ensure that all the people got involved and made application, but now they

are on the record and there are only 5 per cent of people not there. The minister should reconsider this fee and not proceed with it.

The Hon. J.D. HILL: This is not an increase in rent, as the member for Stuart intimated. I think the legal argument being put was that there was a contract in place and that the rent was specified within that contract. That is true and it is why we needed to amend the legislation but, in fact, we are not doing that now. We are introducing a new service fee. Who knows what the High Court might do? Certainly, people may attempt to take action there, but I think the reality is that 85 per cent or so of lessees have accepted the offer. Whether there are those who would want it to go down that track, I do not know.

We will persist with this measure, but I accept the political reality that it is unlikely—and I have said this in public forums—to get through both houses of this parliament, and it is one of the measures that I think will be discussed at some stage in a conference of the two houses. We think this is appropriate policy. We have been pursuing this now for 18 months and I will not back down at this stage in relation to this measure.

The Hon. I.F. EVANS: Can the minister explain to the committee why he is breaking an election promise not to introduce any new fees or charges?

The Hon. J.D. HILL: As I have explained, the government attempted, in the select committee process, to increase the rent in relation to these leases. That was opposed in the initial stages of that process. The alternative of a charge on the property was suggested—I am not sure by which member of the opposition, but it certainly came from the opposition side of the committee—and that became part of the package, to which you will recall we agreed and on which a number of us shook hands.

Mrs MAYWALD: I think that is an interesting recollection of events. As I said in my speech noting the select committee report, consideration was given to a fee as an alternative to rent, but the $300 fee was all the minister's. In his final remarks noting the report, the minister commented that he and other members of the committee recognised the difficulties referred to by constituents who had perpetual leases as a result of the release of the interim report and that he needed to do a bit more work. Consequently, the committee recognised that the $300 fee was a sticking point and that it had not been unanimously supported at any stage by the committee in its final report. That is the point I make.

I strongly oppose this measure, as I believe it is an infringement on the rights of those people who have purchased land in good faith on the basis of existing legislation. They entered into transactions to purchase land with a market that dealt with them in a particular way, and there was no advice to the market from government that it was acting inappropriately in the years that it was doing that. Therefore, I believe that the government should not hold the market responsible for treating them in the same manner as freehold properties. This is an enormous impost on all sectors of the community. It is an unfair fee, because it has no basis. A person who has one hectare, a quarter acre block or 100 000 acres would pay the same $300 minimum fee, and that is hardly fair.

An honourable member interjecting:

Mrs MAYWALD: It has just been pointed out to me that the proposal put before us by the minister does not actually state $300; therefore, that $300 fee could be increased by regulation at any time. I do not believe this is good policy; I do not think it is a fair and equitable tax; and I think it is a breaking of the Labor Party's pre-election promise.

The Hon. J.D. HILL: I have made my points plainly. Clearly the member for Chaffey and I have a different view about what happened in that process, but I will not burden the house with a repetition of the arguments. I think she now clearly understands my view and I clearly understand hers.

The Hon. I.F. EVANS: During his contribution, the minister mentioned that this service charge is a new measure. I think that is important for the house to note, because this is not the measure that was announced by the government in the budget last year. The measure announced in the budget last year was to increase the rent. The minister agreed in his contribution that this is a new measure, a service charge, and there is a difference. That is important, because the minister tried to say in his opening remarks on this clause that this was part of the budget back in July 2002. No service charge was announced as part of the budget in July 2002.

What was announced in July 2002 was an increase in rent to a minimum of $300. There has never been, interestingly enough, a maximum figure announced by the government. Even with the service fee, $300 has been floated, but there is actually nothing in the legislation that says that this government will not charge $1 000, $5 000 or $10 000. That would really be an incentive to freehold, far more than $300. There is nothing in the bill that says what the service fee will be. Of course, we have all experienced in the parliament, under governments of all colours, ministers knocking off regulations and the next day introducing and reinstating them.

The point I bring to the attention of the committee is that there was no announcement in July 2002 of the introduction of a service charge. The service charge we are debating in this amendment is not the rental announcement that was made in July 2002. The government, of course, made a commitment—and I think that it might be on the pledge card; it might be one of the four pledges—that there would be no new taxes or fees.

An honourable member interjecting:

The Hon. I.F. EVANS: Fees or charges, okay. We are debating today whether the government should be able to break its election promise. We would argue that the government should not be able to break its election promise. What the minister has not said to the house is that, as part of the government's announcement in the July 2002 budget, it was not expecting to get 85 per cent applications for freehold; and there will be a multimillion dollar windfall gain to this government if all those applications for freehold proceed. If they all proceed there will be tens of millions of dollars—and the minister might want to give us the figure because I am sure that his office has got it—

An honourable member interjecting:

The Hon. I.F. EVANS: Well, if he has not got it we are happy for him to get it over the tea break. However, a figure of tens of millions of dollars that is a windfall gain to the government was not announced or expected as part of the July 2002 budget. I do not think that we should be taken into the belief that this is all about the July 2002 budget announcement. That is not true at all. The service fee was not part of the July 2002 budget: a rental issue was, and the government has decided to change its approach in relation to the matter.

That is not a matter for us: that is really a matter for the government. If that affects its budget, so be it; it changed it. We also remember, on the morning of estimates (just after the July 2002 budget was brought down), the Treasurer announcing a new tax regime for the poker machine revenue. That was not announced in the budget. That gave the government,

I think, a windfall gain of around $18 million a year extra. The government is receiving at least an extra $18 million a year that was not announced as part of the July 2002 budget. I do not think that, at this stage at least, we should get too caught up about the rental or service fee that was part of the July 2002 budget.

The fact is that the government has a windfall gain out of poker machines. It was not part of its July 2002 budget. It got a windfall gain out of stamp duties that was not part of its July 2002 budget. It got a windfall gain out of the freeholding process because the numbers to freehold are way above what it ever expected. And the reason it has got that is because it has held a gun at the head of the people who wish to freehold. The gun it has held is the $300 minimum service fee. The opposition totally opposed the concept of the introduction of an increase in the rent or the service fee because, prior to the election, the Premier said that there would be no new taxes and charges, and we are here tonight discussing that exact point.

The opposition totally opposed the introduction of a service fee. We note that part of this amendment also deals with the GST issue and, if I am right, that allows the government to collect GST on rents paid. The opposition does not have a problem with the government being able to collect GST on rents paid, which, I understand, takes effect from 2005. We have an amendment on file that allows the government to do that. We oppose the introduction of the service fee. We would like to know, as part of this process: what is the range of service fees that you are anticipating? A minimum figure of $300 has been floated but what is the maximum figure you are considering and what are the criteria for setting the service fee? Is a town block going to be charged the same service fee as a 10 000 hectare property? Is an irrigation block going to be charged the same as commercial premises? By what criteria is the service fee to be set and what is the range of service fees?

The Hon. J.D. HILL: There are a couple of issues that I will pick up in response to the member's comments. In relation to how the regulations work, as I understand it, the regulations are written in such a way that a fee can only come into effect after the time for disallowance has passed. So, that would mean that the parliament would have an opportunity on every occasion to move a disallowance in relation to any fee that was set. In relation to the proposition for the fee, the government's intention is that the fee would be $300 and it would be capable of being indexed and reviewed on an annual basis; but it is not our intention to have it any greater than that.

The committee divided on the amendment:

AYES (20)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Ciccarello, V.
Conlon, P. F.	Foley, K. O.
Geraghty, R. K.	Hill, J. D. (teller)
Koutsantonis, T.	Lomax-Smith, J. D.
O'Brien, M. F.	Rankine, J. M.
Rann, M. D.	Rau, J. R.
Snelling, J. J.	Stevens, L.
Thompson, M. G.	Weatherill, J. W.
White, P. L.	Wright, M. J.

NOES (21)

Brindal, M. K.	Brokenshire, R. L.
Brown, D. C.	Buckby, M. R.
Chapman, V. A.	Evans, I. F. (teller)
Goldsworthy, R. M.	Gunn, G. M.

NOES (cont.)

Hall, J. L.	Hamilton-Smith, M. L. J.
Kerin, R. G.	Kotz, D. C.
Lewis, I. P.	Matthew, W. A.
Maywald, K. A.	McEwen, R. J.
McFetridge, D.	Meier, E. J.
Redmond, I. M.	Venning, I. H.
Williams, M. R.	

PAIR(S)

Key, S. W.	Penfold, E. M.
Caica, P.	Scalzi, G.

Majority of 1 for the noes.

Amendment thus negatived.

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

The CHAIRMAN: In order to clarify the situation (this has been a somewhat messy experience), the member for Davenport will put his amendment, because there may have been some confusion about the consequences of that earlier vote.

The Hon. I.F. EVANS: I move:

Page 3, lines 7 to 21—Leave out all words in these lines and substitute:

Insertion of section 47A

3. The following section is inserted after section 47 of the principal act:

For the clarification of the committee, my understanding of what we have done is that, prior to the tea break, the minister moved to remove the rental and insert a service fee. On division, the committee voted against that. These amendments confirm that the rental is left out—so, there is no rental or service fee in that respect—but the GST provision that allows the government to collect the rental under GST remains in, and the opposition supports the concept of the government being able to recuperate GST when that comes in, I think, 2005. So, we are confirming that there will be no rental charge, no increase in rental—or the $300 minimum rent is not charged—and we have already voted that there will be no service fee, but we confirm that the GST, when it becomes available in 2005, can be collected. That is the purpose of this amendment.

The CHAIRMAN: Is the committee clear, then, that the annual service charge was lost in the division? We are taking out the annual rent, but allowing the GST provision to remain, or to be incorporated. Does the member for Mitchell want to ask something on this point?

Mr HANNA: I want to clarify the Greens' position on this issue. It has been a difficult issue to resolve, because there are two contrary arguments—and I am referring to the clause in general to begin with. On the one hand, I can understand the frustration of government at having a number of perpetual leases on the books where the annual return is not much more than the cost of a postage stamp. Clearly, that is inefficient, and it is a wasteful exercise. On the other hand, there are the perpetual leaseholders who have a lease that states that they have a certain annual rental to make and it is in perpetuity. So, they do have a legal document that entitles them to a certain payment—albeit very low and administratively inefficient—and I think the prevailing concern has to be the entitlement that they have because of the document they have in their hand. Parliament has to be very slow to override people's rights, even if administrative efficiency is involved. I am not sympathetic to the government's position in that respect. Therefore, I was happy to see the service charge idea

defeated, and I support this opposition amendment. However, I indicate that I have little sympathy for the other opposition amendments.

The Hon. J.D. HILL: I acknowledge the reality of the numbers and that the government does not have support to get through its proposition of either a minimum fee or a service charge. I think that is disappointing because, at the end of the day, once we have gone through this freeholding exercise (and I believe that the majority of people will freehold), there will still be a quantum of leaseholders who will be paying a very trivial amount of rent, and it will cost government money to collect that. There will be no incentive for those people to freehold, and we will just have to live with those consequences.

However, I accept the political reality, and I acknowledged earlier in the debate that I thought that, even if this measure were to pass in this house, it would be highly unlikely to get through in the other place. So, this is just bringing forward an inevitability in relation to this measure. Over the dinner break, it was interesting to talk to an officer from crown lands who indicated to me that, over the years, a number of attempts have been made to change the law in relation to crown lands, and it has proved difficult on every occasion.

So, I accept that I will not get this provision through, but I thank the member for Mitchell for indicating his general support for the government's position in relation to the other measures. That will give us a significant package to take to the other place; to take to the community; and to resolve some of these complex issues.

Amendment carried; clause as amended passed.

Clause 4.

The Hon. I.F. EVANS: The opposition's understanding of this clause is that it allows leaseholders to have their leases freehold and, therefore, to become owners of the property but still be members of the Lyrup Village Association. That is our understanding, and we are advised that the Lyrup Village Association supports this clause. On that basis, the opposition supports the clause.

The Hon. J.D. HILL: I thank the opposition for that support. I express some potential interest in relation to Lyrup. My wife's great-grandmother was the first European woman to step on shore at Lyrup during the commencement of that association in whatever year that was. The main street in Lyrup, Wilson Street, is named after her family. I had a very pleasant time talking to some of the members of the Lyrup Village Association during the course of the negotiations on this bill. So, I am pleased to see this amendment being supported.

Mrs MAYWALD: I thank the minister for the way in which he handled that meeting of the Lyrup Village Association and for the time he gave to the association and its members, and the national support for this amendment in that it provides the opportunity for members of the Lyrup Village Association to freehold their land. It enables them to do so under the current perpetual lease accelerated freehold provisions, which means they will not be adversely impacted upon by any provisions that may come out at the end of this debate. I support this clause.

Clause passed.

New clause 4A.

The Hon. I.F. EVANS: I move:

Amendment of s.212—Power of lessee to surrender lease and purchase the fee simple.

Section 212 of the principal act is amended by striking out subsections (2) and (3) and substituting:

(2) If an application is lodged under this section—

(a) in the case of an application relating to a perpetual lease of land situated outside of metropolitan Adelaide or a prescribed miscellaneous lease—the application must be dealt with in accordance with schedule 14; or

(b) in the case of any other application—the application must be dealt with as follows:

(i) if the minister approves the application, the board must recommend to the minister, and the minister must fix, the sum at which the fee simple of the land may be purchased and must give written notice of that sum to the applicant;

(ii) the applicant must, within three months after the giving of such notice, notify the minister whether he or she accepts or refuses the terms offered;

(iii) if the applicant accepts the terms offered and, within one month (or such longer period as may be allowed by the minister) after notifying the minister of that acceptance, surrenders the lease and pays the purchase money and any other fees that are payable in relation to the transaction, the applicant is entitled to receive a land grant for the land.

(3) In this section—

'metropolitan Adelaide' has the same meaning as in the Development Act 1993;

'prescribed miscellaneous lease' means a miscellaneous lease of land that is used for cropping or is of a class prescribed by regulation.

New clause 4A is a test clause, which talks about the amendment of section 212—the power of the lessee to surrender lease and purchase the fee simple—and sets up schedule 14. One would assume that if the opposition loses this clause we will not get to debate the schedule. Am I right in that understanding?

The CHAIRMAN: If the schedule cannot stand and the other components of the member's amendment cannot stand in their own right, his argument is accepted.

The Hon. I.F. EVANS: My understanding is that if this clause falls over schedule 14 cannot stand. This is a test clause that also encompasses schedule 14. There will be a little debate on this new clause because schedule 14 sets up a lot of the issues that the Liberal Party feels are important issues in the freeholding process of crown leases. This clause takes the freeholding cost structure, which is currently an administrative decision by the minister or government of the day, and brings it into legislation. We set out a cost structure for freeholding in schedule 14. Currently, the minister or the cabinet of the day signs off on the freeholding costs, whether that be $2 000 or $6 000, or whatever the regime may be. This bill brings that decision into the parliament and into the legislation. The Liberal Party has made it known that it believes the freeholding costs should be $2 000 for the first six leases, $300 per lease for leases seven to 10, and $200 per lease thereafter. Each lease should be able to be replaced with a title. If it is a residential property of less than one hectare, then the cost should be $1 500.

This clause sets out the principles or processes of freeholding. It puts in place a range of matters that the Liberal Party believes are important as freeholding principles. It sets out, for instance, that those people who operate various leases as one farming unit in a council area should be allowed to freehold under the same conditions as those with contiguous leases. It sets out that perpetual lease land used for community purposes should be transferred to local government or its nominee at no cost. It also sets out that any title with a heritage agreement on any portion should be able to be freeholded as per the 13 principles we put out in our April 2003 press release, except that the fees are to be

charged on a pro rata basis in line with the percentage of unencumbered land. So, attached to this clause are some important principles tied up in schedule 14. If this clause is defeated, we will not be able to debate them. Therefore, I will touch on a number of those principles, given that it is a test clause.

Tonight, we have dealt largely with the service fee cost and the rental, where the government has sought to increase the rental and introduce a service fee. In this clause, and through schedule 14, we have also sought to introduce what we believe are fair costs for freeholding. I think it was the member for Chaffey, during an interjection, who said that everyone wanted to make freeholding easier, and that is true. I think that the member for Chaffey interjected with the line 'at a fair and reasonable cost', and we believe that the costs we have outlined are fair and reasonable. So, this is really a vote between the minister's cost structure for freeholding and that put forward by the opposition.

Schedule 14, which is attached to this clause, also sets out the fact that, as we have done with emergency services levies and the like, we view the farming unit in a council area as one structure to try to keep the cost structure under control. That is a principle that has been won in the Emergency Service Levy Act and, I think, one other act, although I cannot recall which one. However, I am sure other members who have followed those other debates more closely than I have could bring that to the attention of the house.

I think that the issue about heritage agreements and statutory encumbrances, as they are called on the title, is important, and it is an interesting issue for the committee to consider. What we are saying here is that, if a title has a heritage agreement on it (a heritage agreement is a statutory encumbrance on the title that says that the landholder agrees not to farm a certain section of the property, because it has important native vegetation on it), that therefore is not, in effect, an income producing section of the farm but is a part of the nature reserve that is privately managed by the farmer under the heritage agreement.

We say that, if someone has a heritage agreement (or other form of statutory encumbrance) on their property, their cost to freehold should be reduced pro rata in accordance with the statutory encumbrance. So, if someone has 50 per cent of their property under a heritage agreement, the freeholding cost should be 50 per cent. The other 50 per cent (the heritage agreement land or the native vegetation land) they are holding in the best interests of the state, and they are doing that really as a favour to the state and for the long-term benefit of the state.

The minister has announced a program to try to link the private nature reserves under heritage agreements with the public nature reserves (that is, national parks) into wildlife corridors. That is an example of where heritage agreements on private land are actually a public good. So, if we believe that they are a public good, and we think the landowners need some incentive to put property under a heritage agreement, one way we could do that is to reduce the cost of administration of having land under a heritage agreement. We would argue that, where land is under a heritage agreement, the freeholding costs should be pro rata to the amount of land that is not under a statutory encumbrance. That is also tied up in schedule 14, which is tied to this clause. That particular concept came from the impassioned argument of the member for MacKillop. If I recall correctly, although all the properties in his electorate are rural based, a number of the properties have significant heritage agreements on them, and we do not see why they should be disadvantaged to that extent.

In relation to perpetual lease land used for community purposes, that should be transferred to local government at no cost, which we think is a sensible proposal. For instance, bearing in mind that almost all the 16 000 crown leases are in rural South Australia, we do not see why the local ratepayer should have to pay the costs to have the local community hall freeholded because it happens to be on crown lease land. We think that the government would be pleased to get them off its books because they can become a long term maintenance issue. If the local community tends to retreat in population it becomes an issue for the government as to how to maintain them. We think it is sensible that the policy be adopted—and schedule 14 does this—to transfer the community property, if it happens to be on a crown lease, to that the local council at no cost.

What this particular clause does is take out of the government's hands the procedure of establishing the freeholding charge. It brings it into legislation so that parliament can debate it. We have made it at what we think is a fair and reasonable cost. We have put an automatic inflator in there, an automatic CPI inflating index, so that the government is not out of pocket in that respect. Every year the charge increases slightly in relation to the CPI which, we acknowledge, is fair. As a result of that, in the schedule 14 we then bring in a number of other matters that I have mentioned. However, if we lose this particular clause we will not be able to get to debate those matters, because we will not be able to debate schedule 14. So, I apologise for being long-winded in this particular section of the debate, but it is the only way we can make our points on a range of issues. This amendment brings to the parliament a whole range of other debates, and we will ultimately be seeking the parliament's agreement to this amendment.

Mr HANNA: I would like to ask the member for Davenport a question about the outcomes of the Select Committee on the Crown Lands Amendment Bill. There are a few recommendations where it is quite clear that the views of the committee were not unanimous, but many of the recommendation seem to have been unanimously supported by the committee, and, of course, there were two members of the Liberal Party on that committee. To what extent does the position put by the member for Davenport this evening vary from the recommendations of the select committee report?

The Hon. I.F. EVANS: I am trying to find a copy of the select committee report. Do you have one there?

Mr HANNA: I will add another aspect to that to make it easier for member for Davenport. My question is driving at why the member for Davenport might be varying from recommendations of the select committee report.

The Hon. I.F. EVANS: If there is any variance it is because the party room of the Liberal Party took a different view to the select committee. If there is a variance, that is why. The member for Chaffey has just given me a copy of her recommendations. Recommendation 5 states:

> The committee notes that it is government policy that the freeholding price will increase to a minimum of $6 000, or 20 times the rent, whichever is the greater, at the conclusion of the application period.

The fact that the report says that the 'committee notes' means that generally it was not unanimously supported in the committee. We put out a press release on 30 April outlining our 13 freeholding principles, including the fact that the 20

times the annual rent no longer applies as the basis for establishing the cost of freeholding, which is consistent with recommendation 5(b). We have flagged in the report that we were not happy with those charges, and we have been consistent.

The Hon. G.M. GUNN: In relation to the matters raised by the member for Mitchell, the opposition did move in the select committee a 13 clause document which has been incorporated in these particular amendments. The members for Davenport and Chaffey and myself were unsuccessful because the government blocked us off. A number of points were involved in that. We believe that the costs of freeholding, as outlined in the government's new policy, were excessive because people were going to be compelled to freehold whether or not they had the money. Further, the amount of 20 times the annual rent was a historic quirk where some people got clobbered through no fault of their own because of a set of circumstances beyond their control. There is only a few of those people. For example, some of my constituents at Jamestown will be clobbered with thousands of dollars while their neighbour will be in a different situation. It is quite unfair, unreasonable and improper, in my view. I am sure that that clause will face a rough road upstairs.

Another matter of contention has been dealt with by the minister relating to the survey costs of people who have leases that front kilometres of the River Murray—including one of my constituents—and also on Eyre Peninsula and other places, where people have leases that run right to the high water mark. The survey costs there will be very significant if an arrangement cannot be entered into. Another issue in relation to this matter is why people who hold miscellaneous leases cannot freehold on the same terms and conditions as perpetual leases, because in many cases, they are used for the same purposes. Therefore, that in itself is another anomaly which needs to be addressed. It is quite unfair and unreasonable, and I look forward to deliberations in another place on that matter.

In relation to the other matters, we have had ongoing debate about whether you should be able to freehold four leases for $2 000. We say it should be six leases, because at the end of the day we believe that as many people as possible should be able to secure their title quickly and efficiently. It is not the lessee's fault that over the years governments have been advised to put these impediments in the way of freeholding. The honourable member probably would not be aware that there has been an ongoing battle from our time in government to move this process forward. The advice that was tendered to ministers on many occasions was 'No, no, no'. There was a course; I don't know if the honourable member is aware—

Ms Breuer interjecting:

The Hon. G.M. GUNN: The honourable member let her constituents down. She has done nothing to support the perpetual lease holders in her constituency. She sat there silently and said nothing, so she should not interject on someone who has been sticking up for the rights of individuals, including her constituents. The honourable member will have to face some of these people at the next election, and we will make sure they know how she voted. So I suggest that the honourable member go back and have another nap.

Members interjecting:

The Hon. G.M. GUNN: Well, I have been in a very good mood tonight; unlike the member for Davenport, the voice is not too good—

Members interjecting:

The CHAIRMAN: Order, the member for Giles and the member for Stuart! The member for Giles has not got the call and the member for Stuart has, but he is losing his voice.

The Hon. G.M. GUNN: I know; that's unfortunate, because—

The CHAIRMAN: That's a tragedy.

The Hon. G.M. GUNN: Mr Chairman, as you know, I am normally retiring and shy, and it takes a fair bit to get me on my feet.

An honourable member interjecting:

The Hon. G.M. GUNN: The honourable member is trying to disrupt my line of thought in relation to these matters. I come back to the point that I was going to make to the member for Mitchell. In the time of the Walsh government, a restriction was placed on the amount of perpetual lease country that people could own or transfer, so we have moved a long way from those archaic, unnecessary and unwise divisions. What we now want to do is—

An honourable member interjecting:

The Hon. G.M. GUNN: Well, they were unwise and archaic. It was just before my time in parliament, which is a day or two.

An honourable member interjecting:

The Hon. G.M. GUNN: And I've got a way to go yet, for the benefit of the honourable member.

Mr Hanna: We've had climate change since then!

The Hon. G.M. GUNN: I say to the member for Mitchell that we know that on the road to Damascus he saw the light. We know that he saw the light. Let me say in conclusion that what we want to do is remove these unnecessary impediments and get on and finish this project, because after we have completed this project the Liberal Party looks forward to ensuring that those people who hold pastoral leases are given permanent tenure over them.

Mr VENNING: I am enjoying this debate this evening because it is actually constructive. I feel that the parliament is working, and we are working our way through this legislation and doing what is best for the end users. I acknowledge all the work that has been done over many months by the minister and his staff but also particularly by the shadow minister, the member for Davenport, and the members for Stuart and Chaffey, who have spent many hours not only working through this bill but also on the select committee. A lot of thought and a lot of work has gone into this. But the problem I wish to raise now is this $6 000 fee. As I have said in private discussions with the minister, I say again that this $6 000 fee was a bit of a shock tactic to many people. This is probably one of the main reasons why 85 per cent of the people have responded.

I have to say that that has worked: it has shocked people into responding but now that we have them on the record what is wanted is time to soften this blow, because it will have a huge impact in many instances. Thanks to the Liberal Party, through the member for Davenport, the amendments under schedule 14 will mean a relaxation of these huge impacts for those who have multiple leases. We know that no two situations are the same, and we have to make sure that it is fair. We in the Liberal Party are trying to convince the minister and the parliament to introduce a progressive principle; that is, the more leases a person has, the less per unit is payable. It softens the blow.

Some will be impacted very greatly, as we all know, and if there is anything we can do to soften that blow we should legislate accordingly. I reiterate that freeholding of multiple

leases should be permitted under the following conditions: that the first six leases should be freeholded for the $2 000; for the next 10 it should be $300; and thereafter $200. It still works out to be a lot of money for some people, particularly understanding that they were paying practically nothing in the first instance, and also realising—and I cannot say this often enough—that they bought this land at auction and paid top dollar for it; in fact, for the same price for which it was already freeholded. So, no-one is getting away with anything here: all we are doing is enabling a process that will make the freeholding available.

I will give the minister the credit: he has got 85 per cent of the people up to the line. However it has happened, he has 85 per cent of the people on the record, and we can all walk away from here able to say that we did make a difference and we did help these people. Twenty times the annual rent should no longer apply as the basis for establishing the cost of the freeholding. That is one of the 13 points that the member for Stuart just raised, as is the provision that compulsory freeholding on transfer of ownership should no longer apply. As I said in my speech yesterday, it would become an encumbrance on the land and the family selling the land that was not freeholded. This would be an encumbrance and a further hardship for people selling these properties.

The hardship cases should be given three years to meet the cost of freeholding. I have no problem with that and I think that is a reasonable thing, because these are costs that these family farms would not have budgeted for. These are extra costs that we have put upon them and, if they can show cause to the minister, they ought to be given the three years to meet that full cost. Also, those people who operate various leases as one farming unit in a council area should be allowed to freehold under the same conditions as contiguous leases. That is a very important clause.

A lot of these leases are historic: they were put there a hundred years ago. These small leases appear there often as water leases. Farms that had no water on them would have two or three acres alongside the river as a water lease, and they would drive their stock there each day to water their stock. They were all over the countryside. A lot of people have several of them, particularly near the towns. I have a constituent who has 23 blocks, and none of them join. If we pass this provision, that person could call them a contiguous lease and pay the one fee rather than 23 different fees.

All lessees with multiple leases should be advised of the costs and future consequences associated with future options to amalgamate or include multiple leases on one application prior to the freeholding. The government should recommend to lessees that they take professional advice on a decision to freehold. Also, all lessees who determine that it is not economically viable to amalgamate or freehold should be permitted to pay 20 years' rent in advance. We discussed that earlier this evening, and I think that the minister should take up that option, particularly with those 5 per cent of people who, as the minister will tell us, have not made any application at all. If the 5 per cent who have not applied pay the 25-year fee up front, the government has money in its pocket and it saves the admin fee. In fact, the government would be a three times winner.

The Hon. J.D. Hill interjecting:

Mr VENNING: Irrespective. If you look at it the other way, you cannot win. This is one way out. It gives surety to those lessees, and the government gets the money in its pocket without the hassle. It would be nice to tidy this up in this chamber because I appreciate the goodwill and openness of the minister. The minister has not been shoving this down our throats, although he has been standing his ground, and we are getting close to a solution. I believe that the $6 000 fee is exorbitant, and if we extrapolate that over some of the anomalies that will occur there will be some huge impacts. The minister knows that, and I know that he will create a review panel to which people can take their grievances, but if the minister adopted this measure under schedule 14 it would save a lot of hassles and put more surety into the legislation by a vote here tonight.

Mr WILLIAMS: I want to make a number of points, but first let me say that I have a personal interest in this matter. My wife and I hold one crown perpetual lease. A few years ago I was the holder of two crown perpetual leases. One was a substantial parcel of land, some 222 acres, and I freeholded that under the existing terms a number of years ago. The other one is a very small parcel of land, 23 hectares. About half of it has scrub on it, and it also contains a council stone reserve. A guesstimate would be that 10 acres of it would be arable land. I have always considered that it was not worth my while paying out $1 500 to convert it to a freehold title.

I express my interest, but I also point out the details of that land-holding so that the committee can appreciate where a lot of land-holders in rural communities find themselves with regard to this issue. Those farmers who held crown perpetual leases and other leases which are subject to this bill and who could afford to—who were in the position to freehold them—have taken advantage of the generous terms to freehold that have been around for the last seven or eight years. Those farmers who could afford to, who were generating income or who were holding a lease, a parcel of land, that was going to generate income to cover the cost of freeholding have taken advantage of it. The minister is probably unaware that the people who are left holding leases are only doing so because they probably cannot afford it and the lease concerned is probably not worth spending that sort of money on.

I spoke some six months ago on this issue with a farming family in the Mallee, and I am related to that family through marriage. As members know, in the past 12 months these people have suffered what was probably the worst drought in living memory. I asked one of the principals of the family business, 'Why didn't you take advantage of the generous situation that has been around for a number of years?' He said, 'We have been trying to build a viable business for the past 20 years—since I left agricultural college.' He said, 'We made a bit of money the previous year because we had a good year. I sat down with my accountant, banker and stock agent and we had a list of seven priorities on which we could spend some money, including capital upgrade, increasing the amount of fertiliser used, upgrading the fencing, doing a bit of work around the house and also freeholding the land'. He said that everybody sitting around that table put freeholding of the land at the bottom of the list of seven options because there were many more important things to spend the money on to maintain and build the viability of the property. That is the sad reality.

I am disappointed that so few members of the government who are pushing this bill are here participating in this debate, because I am certain that very few members on the government side fully understand, or even understand partially, what this is about. They talk about social conscience but they fail to recognise that this matter is hurting the most vulnerable people in the farming community. Those who could afford

to do something about it have already taken the appropriate action and freeholded their land.

The member for Stuart a few minutes ago in his contribution talked about the times of the Walsh government when there were restrictions on the area of leasehold land that any individual could hold. Then we went through the 1970s when the catchcry in the farming community—and, principally, of the state and federal politicians at the time—was to get big or get out. That is when policy changed and governments right across this nation moved to allow farmers to amalgamate leases because they saw that the only way we would continue to have a viable primary sector in this country was to encourage and allow farmers to amalgamate properties and become bigger and more efficient. What we are dealing with today is a hangover from those days.

A lot of history is involved in these crown leases. In my second reading contribution I alluded to the fact (and it is fact) that the reason a large number of these leases were created in the first place was that the amount of money it took to develop the land in the first place—to clear it, fence it, put water points on it and pour tonnes of superphosphate on it over generations—was about what the land was worth. So, the person who was responsible for developing the land could not afford to purchase it and therefore it lay idle as crown land. So the crown, according to the wisdom of the day, created crown perpetual leases so people could get on to this land at a low rent—although a lot of them were not low rents in those days—and turn it into productive land for the benefit of the state. That is where these leases came from. So, that is a little bit of the history.

The shadow minister has said that this is a test clause and, without this clause, schedule 14 will fail. He, and other members on this side, have talked a little about schedule 14. I will take this a step further. As we all know, getting to where we are now has been a long, drawn-out process. This was announced in the 2002-03 budget, and the first tabling of the bill was, from memory, on 11 July 2002.

As a leaseholder, I have been privileged to receive a plethora of mail from the minister and his department. I think the last letter I received from the minister was dated 17 June. It talks about some of the changes that have happened. With the letter is an enclosure headed 'Crown Lands—Perpetual Lease Accelerating Freeholding—Revised Freeholding Offer', which sets out some of the details of what the government is actually offering. In this letter, the minister states:

> The terms of reference for a review panel have been established to assess fairness and equity issues for particular categories of applicants.

I hope the member for Mitchell is listening to this because, basically, schedule 14 puts into legislation what the minister has agreed to have assessed by a review panel. The minister knows that his bill contains some flaws and some built-in inequities which would cause a very severe cost penalty to fall on certain categories of leaseholders.

Mr Hanna: Why not address it case by case?

Mr WILLIAMS: The member for Mitchell says, 'Why not address it case by case?' What we are saying is that they can be put into broad categories, and it would be very simple to put this in the legislation. The reason the Liberal Party would like to see this put into the legislation is because there are about 15 000 leases and the holders of those leases would have some surety. The government brings down a budget once a year and it tries to live within it for the rest of the year. These farmers, who are putting up with the vagaries of the weather and seasonal conditions and the vagaries of world commodity markets with prices rising and falling, are also trying to live within a budget. They are trying to maintain their farms and an income to support their families, and they have no idea what this review panel might do.

This parliament (this house) has no idea. If we pass this measure, as the minister would have us do, this house has no idea what the review panel might do with it. We do not know whether they will be sympathetic to cases of hardship. We might make an assumption that they will be—we might hope that they will be—but what the opposition is asking the house to do is to say categorically that this is the way these people will be treated. Let me get down to the nitty-gritty. The minister's letter to me as a leaseholder states:

> The review panel will address fairness and equity issues for the following categories of applicants:
>
> · where the cost of freeholding is greater than $2 000 based on a price equal to 20 times the annual rent.

That is all it says. So, it will be subject to revision by the review panel, but the leaseholders have no understanding of what the review panel might do. A constituent approached me six or eight months ago. He holds two leaseholding properties in the Upper South-East, both around about the same size. For one of his properties, the lease was created many years ago and is relatively small, a matter of a couple of hundred dollars a year or maybe even less. The 20 times factor still brings him under the $2 000 dollar fee, so it must be under $100. The other block, which is only five or six kilometres down the road, if he has to pay 20 times the annual rental, to freehold that it would cost him somewhere between $20 000 and $30 000. He tells me that the two blocks are around about the same size and have around about the same productivity. These blocks are held by the same person, but there are other examples where they are held by different people. Why would the government of the day say to one leaseholder that they are going to charge him $2 000—

The Hon. J.D. Hill: Why was there different rent charged?

Mr WILLIAMS: I'll come to that in a moment, minister—and to someone down the road they say they will charge them $20 000. You are going to end up with the same thing. The minister interjects: 'Why did they charge different rent?' The reality is that the rents were set at the time the leases were created. So, if a lease was created in 1930, the rent was set at a certain level and, if the other lease was created in 1950, it was set at another level.

The Hon. J.D. Hill: That establishes the state's interest.

Mr WILLIAMS: That establishes the state's interest. The minister has overlooked the point that these leases were only ever created to encourage people to take up and develop the land. If the minister had listened to my second reading contribution last night he would have heard me talk about those leases in the Mallee where, in the 1930s, in the depths of the Great Depression, a drought year came along and farmers literally walked off their land. The government begged the neighbours to take up and manage that land, and those leases were created. I implore the committee to say to the minister, 'Minister, you have written to these people saying that you are willing to review it. You have talked about fairness and equity so, obviously, you understand the unfairness and the inequity of your proposal.' Why not allow it to be put in the legislation so that the leaseholders are all treated equally and all understand what they are facing somewhere in the next year or two when the bills are introduced?

The second point relates to lessees operating a single farming enterprise, and a definition is given. This principle has been established by this parliament over the last few years. It was first established in, I think, the first amending bill to the emergency services legislation, and the member for Chaffey and I had a little to do with that. We established the principle that a single farming enterprise (albeit that different family members might have held the title to the land which formed the basis of that farming enterprise) was treated the same as a farm that was under the one name so far as the title was concerned. Again, that recognised the historic fact that the original part of the farm might have been handed from father to son and, during that period when farms were growing to maintain their viability, the son might have bought the block next door or down the road, but at that stage he was married and he bought it in joint names with his wife. A few years later they expanded again by buying another couple of hundred acres. They might have bought that land in his, his wife's and his son's names or just in his son's name, but it continued to be operated as a single farming enterprise.

That situation should be encouraged to allow the handing on of the farming business through generations. That was done specifically so that we did not encourage farming families to do the other: where the father retained ownership of the property rights and, when he passed on at 70, 80 or whatever, the family had to work out how the titles would be spilt up. That was recognised at the time the first amendment was made to the emergency services levy. It has since been recognised not only in the Water Resources Act but also in the Local Government Act. It has been firmly established by this parliament that farming families often run their business based on land-holdings which are held in different names but which are run as one single business entity, and they should not be discriminated against because of that. The minister recognises that and he says, 'We are willing to look at it.' Again, I implore the committee to put it in the legislation so that those people know what is going on.

The minister in his correspondence also mentioned where the lease is subject to a heritage agreement. This issue was raised with me by a number of constituents who have heritage agreements and, as the shadow minister alluded to earlier in his contribution, I spoke vigorously in the party room to have this incorporated in our policy. Heritage agreements are signed not for the benefit of the farmer but for the benefit of the state. Why should someone who has had half or three quarters of his lease—and I can quote one example involving 100 per cent of the lease—signed over into a heritage agreement be subject to the whims of a review panel?

This parliament has set down the principle that if you have a heritage agreement you get rate relief from your local government authority yet, under this minister, it will not accept that the state will recognise what a heritage agreement is all about. By and large it is written for the benefit of the state to maintain biodiversity for the enjoyment of the state. I would argue that if you signed off on a heritage agreement on a leasehold property you should get a pro rata reduction in all the fees associated with freeholding that property. I cannot for the life of me understand why the Minister for Environment and Conservation and the government would not agree with that proposal.

The next point is where the lease is subject to the requirement to pay for crown improvements. There are a number of these crown leases where historically crown improvements occurred on the land and, again, I cite the case of a property I have been on in the Mallee where the landholder some years ago moved to freehold his leasehold title. He got correspondence back from the department saying that, in addition to the $1 500, he would have to pay $700 for the crown improvements. After a tour around the property he found what the crown improvements were. There was supposedly a dairy. It was a pile of rubble in the corner of one paddock—$700.

The Hon. J.D. Hill interjecting:

Mr WILLIAMS: The minister says that this was part of the contract. I do not think that a dairy cow had been on that land for a hundred years.

The Hon. J.D. Hill interjecting:

Mr WILLIAMS: I am trying to impress upon the minister his lack of understanding of what is really happening out there. The minister is making it very difficult.

This landholder in particular, and I assume this is the same for a lot of them, was unaware of this and told me that there was nothing in his contract about those crown improvements. He was absolutely unaware of them until he tried to freehold the land.

The Hon. J.D. Hill: If it is not in his contract he will not have to pay.

Mr WILLIAMS: I hope that is the case.

The Hon. J.D. Hill: It is the case.

Mr WILLIAMS: According to the document that the minister sent to me, that will be subject to the review panel. I can only go by the document. That is another issue.

The last issue is where the land is used for community purposes. What government in its right mind would not give some relief to landholders, but put to the whim of a review panel whether or not there is some relief for land that is being used for community purposes?

I fully support the shadow minister's amendments. I think it is only fair and reasonable. The minister has talked the talk: he has recognised these inequalities; he has written to every leaseholder stating in black and white that he recognises these inequalities. Why does the minister not walk the walk, and put it in the legislation so that these leaseholders know what they are up against? Why is he insisting that the review panel adjudicate? Who knows when? Who knows how? Who knows what?

I thank the committee for its indulgence. I do not know how long I have been on my feet but it is probably getting close to 15 minutes, which I am entitled to. I implore the house to support the opposition's amendments. I can assure this house that if they do not get up here, the amendments have a very good chance of getting up in the other place. I can assure the minister that he will do himself and his party a world of good in the bush if he accepts these amendments. If he is true to his word about the review panel, the net effect will be about the same, apart from the fact that leaseholders right across South Australia will have surety.

Mrs MAYWALD: If this clause is defeated—as I can see it is likely to be, because I can count—I would like to make a contribution on schedule 14 issues. A couple of the issues that were raised during the course of the deliberation on the second part of the committee, which resulted in the final report, highlight a number of areas where there was not unanimous support in the committee. Most of this schedule 14 relates to those matters of dissent between the members of the committee.The member for Stuart and I worked together on a motion that he moved and I seconded which was then supported by the member for Davenport, and later became Liberal Party policy. It outlines a number of the provisions within this schedule 14. There are a couple of—

An honourable member interjecting:

Mrs MAYWALD: Interesting, isn't that? It was worked together with the member for Stuart and with the member for Davenport, but it was moved by the member for Stuart and me. However, I would like to point out a couple of issues, although I am sure the minister would have done this. The motion we moved contained a provision seeking to have the freeholding costs for multiple leases extended to $2 000 for the first six leases, $400 per lease for seven to 10 leases, and $200 per lease thereafter. I conceded to the minister that that was actually changing the previous Liberal policy, which was that the first four leases could be freeholded for $2 000 and so forth, which has ended up as one of the recommendations in the final report. That was one of the matters in which I conceded to the minister that my motion was just continuing the policy of the previous Liberal government. I was not at all supportive, however, of the service fee, and I have made my point on that.

The other issue is the increase in the freeholding cost to $6 000. The ill-informed, and those on the other side of the house who think that that is a reasonable cost for people to pay for purchasing crown lands, have no understanding of the processes involved. A lot of these leases were issued over 100 years ago, and they were issued—as the member for MacKillop quite rightly pointed out—to assist the state to move forward and to have the interior lands inhabited and productive. A significant investment was made by many individuals who went out there with not much more than a few horses and a few tools to clear vast tracts of land to make it productive at their own expense. A lot of those people then walked off the land because many of the properties turned out not to be viable. The leases were reissued in later times as marginal lands leases, perpetual leases, and those leases had a higher rental than other leases. But those marginal lands leases quite often had encumbrances on them for the crown improvements of the previous holder of the lease.

What happened then was a quite extraordinary set of circumstances, because in the ensuing 50 to 80 years those lands changed ownership several times, and the people who bought those leases purchased them at market rates. In many instances these encumbrances for crown improvements did not show up in any of the transfer documentation. Interestingly, I have a constituent who has 10 crown leases in the Upper Mallee area, and seven of those were supposedly subject to encumbrances that she only found out about through this government's crown land freeholding policy initiative. When she got all her documents out to test that, of the seven on which the crown lands department told her there were encumbrances, only four had it listed on the lease and the other three did not. The record keeping by that department in years gone by left something to be desired. It is no reflection on current public servants, but there was no record of any of those encumbrances entered on the lease.

The other thing that is really bizarre is that at the time that that was pointed out to the department it said, 'Well, we can't enforce that, so we will let them off.' Yet other people who have these encumbrances are still being required to pay. The ridiculous thing is that usually in any property transaction, when the ownership is transferred, encumbrances must be paid out. In every other transaction that is the case, yet in relation to crown leases people were not even advised at the point of transfer that those encumbrances existed. In many instances they were not picked up by the conveyancer, and in a number of instances they do not appear in the contract of sale. It is only when you very finely analyse the lease afterwards that you find them, with 10 or 12 different transfers thereon. It is quite extraordinary for the minister and the department then to say, 'But that's okay; they should have seen them.' The fact is that most people, when they purchase a lease, do not actually see the lease. It goes from one mortgagor to the other, and if it does not appear on the conveyancer's document or on the contract of sale they have no idea that those encumbrances exist. And that is what has happened in most instances.

The other point I would like to make relates to the survey costs on waterfront properties. This is a huge issue, because it is quite extraordinary—and I do not know of any other example where it happens—that a government can come in and demand that people give up land, give them a marginal reduction in the cost of purchasing the remainder of the land for the privilege of doing so, and then expect them to pay exorbitant survey costs. I understand that the minister has agreed to take those leases out of this current debate. I appreciate that, so I will not dwell on that issue. That was part of schedule 14.

The other provision that concerns me is compulsory freeholding. That is holding a gun to people's heads. We need to work through the issues that are preventing the different individuals from freeholding their leases and making it attractive for them to do so. Heritage agreements are another issue. By way of example, I have a leaseholder who purchased a property for a considerable sum of money. It happens to be a waterfront property 300 hectares in size. It has some significant wetlands at the waterfront edge. The policy of the claw back of land for freeholding is 50 metres unless the department deems it to be of significance, and then it takes more land. Not only does it take 50 metres but also it does not reimburse them any further. It also charges them the cost. This person was looking to develop 50 of his 300 hectares. To do so, he had to clear some revegetation. It was not native vegetation; it was regrowth on an area that had been grazed for some years.

Some significant revegetation had been undertaken on that property over recent times. In the discussions with the Native Vegetation Council, it was apparent that this gentleman was required to enter into a heritage agreement over the other 250 hectares. So, he would have had 50 hectares he could develop with vineyards and 250 hectares he had to enter into an agreement on to be able to clear that 50 hectares. However, the problem with it was that, when you took away the land that the Crown Lands Department was about to take away from him with no reimbursement, he did not have 250 hectares left to put under a heritage agreement. It was a huge conundrum, and we managed to work through the issue with the department. I thank the minister for his indulgence in that matter. That highlights to me the issues that we have had with this whole process. Each individual case is different and has a whole heap of complexities that cannot be easily lumped into certain categories.

That brings me to the matter of the review panel. I supported the establishment of the review panel. My view differs with that of the member for MacKillop with respect to the review panel. The reason why I differ from him is that, at the time we were discussing this during the select committee deliberations, considerable work was done by the department on what it believed was going to be the income from the perpetual lease accelerated freeholding process. Basically, it was presenting figures based on a 60 per cent uptake. So, it was calculating what it could apply to reduce the cost for 20 times the rent and to reduce the costs to people who had crown improvements, multiple non-contiguous

single farming unit enterprises on the basis of the figures they had determined on a 60 per cent uptake.

It was my view that, if people could get out of it after the pain and stress that they had been put through, we would have a much greater uptake than that. If we locked ourselves into a rate of reduction at that point in time, we would have been doing an injustice to people and we would not have been giving them the opportunity to maximise the amount that we could reduce.

During the course of the deliberations, we negotiated this independent review panel, and the South Australian Farmers Federation will be represented on the panel, as will an independent retired judge. I believe that they will apply the money fairly and squarely that will be available in excess of the amount expected to be retrieved by the department. I wanted the negotiated figure at the end to be cost neutral. I did not win that argument. I might continue to pursue it, but I do not think that I will get much further than I already have on that one. I recognise that that is a battle I have probably lost.

I must admit that getting the review panel established ensures that we get all those anomalous circumstances and individual cases referred off to be reviewed independently, and any available money that can be applied to reducing those costs will go to them and not be a windfall for the department. That was the basis on which I supported the establishment of the review panel.

I apologise for the length of my contribution at this time of the evening. However, as I stated at the beginning of my remarks, I do not believe that we will get the opportunity to speak on schedule 14 if this amendment is lost. I look forward to the debate that will occur in another place, and I look forward to its coming back in an amended form and dealing with it again at a later date.

The Hon. J.D. HILL: It was interesting listening to the contributions of members. I thought I would try to deal with some of the matters that have been raised and also put on the record some of the history—because history has been referred to but, as we all do, we choose the bits of the history that support our argument. So, I would like to choose a few facts that support my argument.

I will just go through a potted history of the cost of freeholding of perpetual leases since they were introduced in the 1880s, 1890s, or thereabouts. I am advised that, from the time they were introduced until about 1982, the cost of freeholding was about 100 per cent, in fact, of the unimproved value of the land. That is how much it cost until that period. So, only 20 years ago it was 100 per cent of the unimproved value of the land. When you listen to those opposite talking about how things have been changed, and contracts torn up, you realise that the history of this matter has been ignored.

The facts are that, for almost 100 years, the cost of freeholding perpetual leases was 100 per cent. The Liberal government of the day (the 1979-1982 Tonkin government) changed that and, some time in 1982, reduced the cost of freeholding to 30 per cent of the unimproved value of the land. It did that because it was obviously looking after its own constituents and wanting to—

Members interjecting:

The Hon. J.D. HILL: I am happy for you agrarian socialists to pursue your ideology. The great thing about you is that you do it consistently. The bad thing about you is, of course, that you do not admit that you are doing it. If you just admitted what would you were doing, we could all understand what you are up to. But you agrarian socialists wish to pursue benefits for your constituents. Well, we all want to pursue benefits for our constituents, but—

Mrs Maywald: It's not benefits, it's rights.

The Hon. J.D. HILL: Where did that right to getting freehold of perpetual leases come from? It came from a Liberal government between 1979 and 1982, when it reduced the cost of freeholding from 100 per cent to 30 per cent. That 30 per cent lasted, I understand, for about six months, because that was not sufficient enough of a benefit to satisfy the perpetual leaseholders or their elected representatives in this place. After being in place for six months, the cost was reduced to 15 per cent of the value. Then that government was—

Mr Venning interjecting:

The Hon. J.D. HILL: That government then lost office, I was going to say, on the back of that reform. That 15 per cent stayed in place for some years—in fact, until the former Liberal government came into power, and in 1996 it changed the rules again and reduced it from 15 per cent to $1 500. At the time of reducing it to $1 500 it transferred the obligation of survey costs from the state, where it had been hitherto, to the person who was seeking to freehold. The government did that because it realised that there were not sufficient funds in the $1 500 to pay for the survey costs. But if you listen to the arguments of those opposite, it is terribly unfair for the government to expect those who want to freehold at this discounted rate to have to pay the survey costs.

Mr Venning: You're forcing them to do that.

The Hon. J.D. HILL: I am not forcing anyone to do anything. The reality is that the former conservative government—the former agrarian socialist government—in fact placed those conditions on the books. It said to people who wished to freehold, 'If you want to freehold, you have to pay the survey cost,' and that is why that condition is in place. It had to do that because it reduced the cost of the freeholding down to $1 500—from 100 per cent of unimproved value down to $1 500. We know what it was: it was a gift to its constituents. I do not criticise the government for that; that is what it did. But let us accept and understand what it was. That is the—

Members interjecting:

The Hon. J.D. HILL: You had your turn. I sat and listened in patience—

The CHAIRMAN: Order! The minister has the call.

The Hon. J.D. HILL: —to your—

Mr Venning interjecting:

The CHAIRMAN: Order! The member for Schubert is defying the chair.

The Hon. J.D. HILL: I sat and listened patiently to your contributions. I am just putting on the record a different perspective on the whole set of facts. This is a perspective that I think the record needs to show. At some stage in history, someone will write a PhD on crown lands, and all of us will form a very interesting footnote to this history. My officer here will, no doubt, have several chapters written about him, because he has been working in crown lands for 30 years. So, that is why we got to the situation that we had before the government attempted to make the changes. Even at $1 500—and I know that the member for Schubert is an enthusiast for having people freehold their land, as is the member for Stuart—the majority of people would not freehold. That is the reality. They had a very good bargain, but they would not accept it. It has taken this government to develop a package—

Mr Venning: Force!

The Hon. J.D. HILL: No—I said a carrot and a stick. There is no force. There is no compulsion. They are not compelled to do it if they choose not to. Now that there is no minimum rent or service charge, if they continue to hold that land and pass it on to their children and grandchildren, there is no obligation to pay anything in addition. So, there is no force in place. However, it has taken this government, with a package of carrots and sticks, to get a real acceptance of the principle that freeholding is superior to perpetual leases. I will just go through some of the issues that were raised. In relation to local government, in the package proposed by the member for Davenport, for the cost of the fees we will allow dedication of the community halls and other pieces of land for which there is no commercial use. In the case of some local government land—such as golf courses and caravan parks on which there is a profit centre—they would have to go through the normal process.

The member for MacKillop raised the issue of his 23-hectare piece of land. He did not say whether he had applied for freeholding, and I will not invade his privacy, nor will I ask my officers to go through the records of the 85 per cent of people to see whether or not he sought to freehold. My guess is that he has sought to freehold that land. However, if his argument was that this was such a low value piece of land that it was not worth the $1 500 or $2 000, I would point out to him that, under the arrangements that the government has in place, he would have been able to have the cost adjusted. In the case of low value pieces of land we would make an assessment for the cost of the paperwork—the conveyancing and so on. We have already said that; as I understand it, that is in the report.

Much has been made about heritage agreements. I will explain to the committee that heritage agreements were developed in the 1980s and, at the time that they were developed, land-holders were given sums of money to heritage protect their land. I guess that not everybody who has a heritage agreement owned that piece of land at that time, so they may have bought a lease that had a heritage agreement on the land attached to it.

Mr Venning interjecting:

The Hon. J.D. HILL: Yes—that is what I am saying. If that were case, they would have bought the land at a much reduced price and would not have paid the higher price for the land. There may well be some who voluntarily heritage listed land without any compensation. If that were the case, they chose to do so but, of course, they would have got a benefit in not having to pay council rates on that piece of land. So, I would say that all those people have received a benefit for heritage listing their land. I congratulate them and encourage more people to do the same. However, they have already been compensated. It would not make sense to go through that compensation process again.

I find quite interesting that a lot of members have raised the issue of the contract, saying it is an inviolable contract; how dare the government try to alter it in any way at all; it is a sacred document; and you cannot change any of the conditions in relation to that contract. They point to my attempts to increase the rent and say, 'That contract said the rent on this lease would be 5¢ forever. You cannot change that, and that is what the price will be.' There are leases where the rent is 5¢. The majority of them are under $25. Members opposite say that we cannot change very low rentals, yet the member for MacKillop made the point that one of his constituents had a lease which had improvements on it. He said that the lessee was responsible for paying for them, but that he could not find the improvements because they were a pile of rubble. I understand that may well be the case, yet that condition, which is in the lease, the member for MacKillop is saying is ridiculous and should not be included when we take into account the cost of freeholding.

Members opposite cannot have it both ways. If we want to take the lease as a contract which is a sacred document, then we cannot then start picking and choosing the bits in that contract of which we approve. That does not make logical sense. In any event, if the improvement is not on the lease we will not pursue our rights in relation to that, because I agree that that would be unfair.

Mrs Maywald interjecting:

The Hon. J.D. HILL: This is the beauty of these agrarian socialists. They are given one concession and then they say, 'That group is advantaged because there was a mistake, it was not on their lease. So everyone else who has it on their lease, should not have to pay, either.' Members opposite cannot have it every way. We are trying to look at these issues as best we can on the basis of equity. If on the face of the lease there is no reference to the improvement, we will not pursue our legal rights in relation to that improvement. However, in relation to the others, we believe that should continue.

Reference has been made to the advisory committee. The question has been asked: why should we have that? Why should we not legislate to put it in the bill? The select committee looked at many examples of hardship or difficulty or inequity, and it became problematic to codify all those issues. In the end I suggested—and I had a long negotiation with the members for Chaffey and Stuart in relation to this issue—that we bundle up and put together all the issues, all the odds and sods, if you like, all the difficult bits, to work out a process. In that process, an objective person—and we will get a retired judge, I hope, to do this—with some advice from two advisers from the Farmers Federation and two advisers from crown lands, can make recommendations to me, which I will accept, about how to deal equitably with those hardships or difficulties and problematic cases. I believe that is a better way of dealing with it, rather than the codified system that the member for Davenport is attempting to put into this legislation. It is a genuine attempt to try to deal with what may be hardship issues. I ask the house to consider going in that direction.

On the issue of the waterfront, which has been raised by the member for Chaffey, I was very delighted to discover that the extension from 30 metres to 50 metres in the amount of coastal land, which the government wishes to hold as part of its crown reserve and which it would insist upon in any freeholding of waterfront, was made in 1982 by Mr Arnold—a former member from your district, member for Chaffey. It was a Liberal initiative in the 1980s. The cost of freeholding that coastal land was also imposed upon the leaseholder in 1996, I guess by the Hon. David Wotton who was responsible for this legislation. Those two things, for which I am being attacked, are in fact elements put into legislation by the former Liberal government; as was the 20 times the rental provision which was introduced in about 1982 by the Hon. Peter Arnold and his government. I am happy to cop the criticisms of this legislation, those bits for which I am responsible, but it is a bit rich when the opposition criticises me for elements in the bill that were put in there by members from their own side under previous governments.

I think the government has gone as far it can to try to deal with this issue in a sensible and sensitive way so that we can get a good outcome. It is interesting listening to (and I will not mention the members or refer to anyone in particular) what members have to say in the house and then listening to what they say outside the house. I believe that a number of members opposite at least support the ideas that the government has to encourage people to freehold and to get the government out of the business of running perpetual leases. I encourage members to support this package and to oppose that proposed by the member for Davenport.

The Hon. I.F. EVANS: Very quickly, I will pick up two points and we can then put this clause to the vote and go onto other matters. The minister gave a history of the freeholding process, which we will have a look at. The way the minister presented it, we might actually nominate it for the Nobel Prize for literary fiction. The minister would have us believe that, when the freeholding cost was only $1 500 per lease, not many people applied. Now that the minister has put the price up somewhere between $2 000 and $6 000, depending on when you apply to freehold, thousands of people are flooding in because the freeholding policy is somehow fairer.

I again make the point to the minister and to the committee that the freeholding process opted for by the minister is not fairer. The minister is basically bludgeoning crown leaseholders into the decision because of the threat of the $300 service fee. I think, minister, that the three appropriate words are bludgeoning, bullying and blackmailing crown leaseholders into their decision, because they are quite rightly concerned that the minister will introduce the $6 000 freeholding cost (which he has announced previously) and a $300 per annum minimum service fee or rental, depending on which announcement one reads.

Anyone considering that would make a commercial decision on that basis. So, in no way, shape or form should the government interpret or try to sell the fact that 85 per cent of crown leaseholders have applied to freehold because the freeholding policy is fair and equitable. The fact is that the minister is charging them such a high fee that they are trying to get in at the lowest cost possible under the minister's high charging regime. That is the truth of it.

The Hon. J.D. Hill interjecting:

The Hon. I.F. EVANS: Well, that is not the picture the minister painted in his history. The minister then said that he will not name the members who say they support more people freeholding. Everyone on this side of the house has said that we support more freeholding, but the difference is that we go on to say 'at a fair and equitable price'. That is the difference. The minister also makes the point about the contract, and you cannot have it two ways. The minister is legally trained, but I am not. However, I do know this much about contracts: if the two parties to a contract actually agree to change a clause, there is probably a way to change it. So, if the government wants to change the clause in relation to the writing off—

The Hon. J.D. Hill: That's sophistry.

The Hon. I.F. EVANS: It's not sophistry, John. Even you as a lawyer would know that if the two parties to a contract agree, for instance, in the writing off of the assets, the two parties can agree to do that and they will change the contract. The government's problem is that it came in unannounced and without discussion with any one of the 16 000 contract holders and announced that it was going to change about 16 000 contracts, some of which had been in place for 100 years. There was not another party to the contract that agreed with you, and, when you have a contract signed, sealed and delivered and one party wants to change it and the other does not, you are not going to change it. That is the difference. As the minister put it, we can actually argue it both ways, because on one clause in the contract there was agreement to change and on the next clause of the contract there was not agreement to change.

This has been a long debate on this clause, as it takes in a range of matters. As I think we on this side of the house have outlined, there are a range of matters that this clause captures and which we think should quite properly be part of the bill, and we seek the parliament's support for this amendment.

Mrs MAYWALD: I have a question about crown improvements. Your department and you have indicated that—

The Hon. J.D. Hill interjecting:

Mrs MAYWALD: It is not your clause but in answering questions about this particular clause you have made statements about the crown improvements and that you do not intend to charge if they are not on the contract or lease. Can the minister advise the committee whether the department will go through all of the leases that have crown improvements, according to its records, and check whether they are on the leases, or will it pursue its right to those moneys only if people happen to raise the issue? It raises the issue that, unless people actually mention it, they will be lumbered with improvements that are not necessarily on the lease.

The Hon. J.D. HILL: When the department assesses an application, it looks at the leasehold title and checks the conditions. That will happen as a matter of course.

Mrs MAYWALD: The minister is quite right. A number of the provisions that I have debated tonight which I believe are unfair are not necessarily of this minister's making. However, it is not good government policy to perpetuate a previous government's bad policy.

Mr WILLIAMS: I will be much briefer on this occasion. I do want to point out a couple of things. The minister, in his little history lesson to the committee, made a very good argument to support my own. My argument is that those people left holding crown leases are the very people who cannot afford to freehold them under the previous regimes. The minister said that, prior to 1979, to freehold you were charged 100 per cent of the unimproved value. I make two points: a number of people took the opportunity to freehold crown leases in those days, but in those days we had a much better idea of what the real unimproved value was.

I challenge the minister to go to the Upper South-East, to the Ninety Mile Desert (I doubt that the minister knows where that is), and walk out there and determine what the unimproved value is. Because without the application of trace elements and super phosphate on that country, it has, today, no unimproved value. The value has been put there by the land holders. Without the application of those trace elements it would have no agricultural value whatsoever, no tradeable value. We have seen how good governments have been at managing parks. That would all be crown land—tens of thousands of hectares of crown land would all be national parks. Every couple of years Ngarkat, which is just up the road, gets burnt out.

Under the former government it got to the point where those people who could afford to freehold did so. When they saturated those with that ability between 1979 and 1982, as you said, it was reduced to 30 per cent, and another swag of applicants came in and freeholded at that reduced rate. They thought it was Christmas. Again, only those who could afford

it at that level took advantage of that. Then, there was a whole lot left who determined that there was no value to them to pay 30 per cent of the unimproved value because the unimproved value determined by the Valuer-General, they believed, was substantially more than the actual unimproved value. The Valuer-General, by and large, fails to take account of the cumulative benefits of the application of fertiliser and trace elements over a long period of time.

As a practising farmer, I can tell you that I do understand this, and the farmlands of this state are still being improved and will continue to improve over the next generations because of the diligent application of appropriate fertiliser by the farming community. And again in 1996, because we had reached the saturation levels of applicants there, it was reduced down to 1 500, and another swag came through and chose to freehold.

For the first time in the history of this state, minister, you are reversing the process. You are reversing the process, when you said yourself that you are trying to encourage people to freehold. I would argue that you are doing the opposite. I understand from statements that you have made that about 15 per cent of the leaseholders out there have not applied to freehold under the terms that you have bludgeoned most of them into accepting. I reiterate the point that the member for Davenport made earlier, do not for a moment, minister, believe your own rhetoric that these 85 per cent of leaseholders have taken up your option because they think it is a good option. They have taken it up because they do not trust this government.

Minister, you are saying one thing, that you want to encourage, and yet you are doing the opposite. You are increasing the cost to $6 000, to those 15 per cent who are left, who are the very people who are sitting on land which is of very, very low value or their means are very, very limited. You are bludgeoning the worst off in our society. For those who are least able to come on board you are upping the cost to, and I think that is reprehensible for you and your government to do.

Mr VENNING: I have just had a revelation, and every now and then I have one of these. I could never work out why the minister would not wait until legislation was through the parliament before he put out the letters of demand. I know why and it has become quite clear this evening. To even think that his deal was a better deal than that of the previous government is way off beam. The 85 per cent of the people certainly have applied, purely because of the $6 000 and a $300 fee, which, of course, was subject to legislation. Well, we know that by the time it goes through both houses probably neither will exist. The minister probably knew that, and so he did not wait for legislation; he just put these draconian measures out there, and, yes, he has been successful. He has got these people on his record. He can deal with them individually. As the member for MacKillop has just said, these are the last of the people who have not chosen to freehold before because of the quality of the land, because it was not financially viable for them to do so.

So, minister, you are coming in on the end of a process. Many governments over many years have changed legislation to assist farmers freehold the land, because that is surely the best way to hold your land. But I will pay credit to the minister because Labor ministers of years ago would never ever contemplate freeholding of land. The member for Mitchell would know this—and in fact it was a report called the Mitchell report. This was a report of many years ago that said that Labor governments should never contemplate freeholding of land, that in fact the land should belong to the people and that no Labor government should ever go along with giving the control of land to individuals. You can check the history; it is a long while ago—

Mr Hanna: The mid ‘70s.

Mr VENNING: It was before that. That was the Mitchell report. To our credit we have come a long way. But for the minister to insinuate tonight that the deal he has put out there has attracted 85 per cent of these people, more than 15 500, to insinuate that his deal was better than the previous government’s is laughable, because we made no threat to the people when we were in government. We put out what I thought was an attractive package, and the member for Stuart and I had a lot to do with that. It was an attractive package, it did cost people, but they had a choice to take it up or not. They had a choice.

The Hon. J.D. Hill: They still do.

Mr VENNING: The minister says that they still do. If they did not, prior to this legislation, the threat was there of paying out the fee of $6 000 plus the $300 fee. We have already addressed part of that and I hope that, by the time this bill comes back from the other place, we will have addressed all of it. But it has worked for the minister: he has those people on his records. I hope that this process will make it easier for all these people who have these little leases all over our state that are an encumbrance from the past, as members have said. They are old water leases and old holding paddocks around the local sale yards. They are all over our community, these little pieces of land, even including old townships that were never developed. All these little pieces of land exist on separate leases, and this would be a great opportunity after all these years to close the book on this. The minister has the opportunity, but let him not try to con us into believing that his deal was anywhere near as good as that of the previous government.

The committee divided on the new clause:

AYES (19)

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

NOES (23)

Atkinson, M. J.	Bedford, F. E.
Breuer, L. R.	Caica, P.
Ciccarello, V.	Conlon, P. F.
Foley, K. O.	Geraghty, R. K.
Hanna, K.	Hill, J. D. (teller)
Key, S. W.	Koutsantonis, T.
Lewis, I. P.	Lomax-Smith, J. D.
McEwen, R. J.	O’Brien, M. F.
Rann, M. D.	Rau, J. R.
Snelling, J. J.	Stevens, L.
Thompson, M. G.	Weatherill, J. W.
White, P. L.	

PAIR(S)

Penfold, E. M.	Wright, M. J.
Scalzi, G.	Rankine, J. M.

Majority of 4 for the noes.

Amendment thus negatived.

The Hon. J.D. HILL: I move:

After clause 4—Insert: Amendment of s. 224—Saving of estates and interests in surrendered lands

4A. Section 224 of the principal Act is amended—

(a) by striking out from subsection (1) 'No' and substituting 'Subject to subsection (1a), no';

(b) by inserting after subsection (1) the following subsection:

(1a) If the Minister believes that a person whose consent to a proposed surrender is required under subsection (1) is unreasonably withholding his or her consent and is satisfied that the interests of the person would not be prejudiced by the surrender, the Minister may accept the surrender despite the absence of that consent.;

(c) by inserting in subsection (2) '(however created)' after 'estate or interest'.

This is an important administrative provision. I understand that certain individuals occasionally refuse to consent to the transfer of land, unreasonably, and this allows us to overturn that. It is similar to a provision in the Real Property Act.

New clause inserted.

New clause 4B.

The Hon. I.F. EVANS: I move:

Section 225 of the principal act is amended by inserting "(other than a perpetual lease)" after "lease".

I advise the committee that the principle that is established in this amendment is also established in the amendments to clauses 7, 8, 9 and 10, so if this amendment is lost the opposition will not proceed with the other amendments. The purpose of this amendment—and, indeed, the other amendments that flowed from it—is to ensure that the minister cannot place conditions on the transfer of perpetual leases. The concern is that the minister will place on perpetual leases a condition that requires the freeholding on transfer, which will mean that in the future a family will have to find a $6 000 fee as a condition of transfer because it will automatically be made freehold. So the amendments to clauses 6, 7, 8, 9 and 10 essentially say that the minister cannot put conditions on the transfer of a perpetual lease, thereby preventing that happening. It is an issue that we were lobbied on quite heavily by the rural constituency. It just becomes another tax on the transfer, and we do not think there is any reason for the government to tax that transfer, particularly to the tune of $6 000.

So, that is the purpose of the amendment. I do not intend to keep the committee any longer on it. The principle is quite clear: either you support the amendment or you do not, and we seek the agreement of the committee on it.

Mrs MAYWALD: I rise briefly to support the amendment and agree with the sentiments of the member for Davenport with regard to this issue. I think that the forced requirement to freehold in some instances will put undue hardship on people, and I do think that is fair. I therefore support the amendment.

Mr WILLIAMS: I support the amendment. In the relatively short time I have been in this place, experience has taught me that it is very dangerous for this parliament to give ministers powers or to allow ministers to continue to hold powers which they have historically held. I say that because when we give powers to a minister we do not know how any minister in the future will exercise that power. I believe it is a dangerous principle to give powers of any sort to a minister to be exercised at his or her will, when they can be changed from time to time. Experience has taught me that we would provide much better for the people of South Australia if our legislation was much tighter and reflected and secured the will of this parliament rather than just giving a bit of an overarching head power and allowing the minister of the day a huge amount of latitude. This measure reflects the belief that we should set down the rules a little bit tighter than what we often do.

A lot of people have contacted me through my office, particularly people in the brokerage industry, about some of the practices which have occurred historically and which may occur in the future, and particularly some of the practices that might occur during the period that we will be entering following the passage of this bill in whatever form it ends up leaving this place and the other place. So, I support the measure that has been introduced by the shadow minister, the member for Davenport, because I think it will in fact say to those who will be exercising these powers in the future exactly what parliament wanted and intended.

Mr VENNING: I wish to speak briefly in support of the member for Davenport's amendment. I remind the committee that this will become a rather large encumbrance on the land. Over the years since I have been in this place we have tried to make it easier to get farmland from the hands of the older generation into the hands of the younger generation, and we have been rather successful. You, sir, were a member of the government at the time, and we had some fantastic victories putting the land into the hands of the younger generation of farmers. That was done by transfer at no cost.

If this encumbrance is put on the land, a $6 000 up-front fee will have to be paid. Irrespective of the size of the land—we may have a four or five acre block behind the home that we wish to transfer within the family—at a cost of $6 000 it will not happen. It is all very well to be acting on this bill now, but in 20 or 25 years this will long be forgotten, apart from what is written in *Hansard*. The letter of the law will be laid down to anyone wishing to transfer land within the family. They will have to pay this $6 000 fee. I think it will be an encumbrance and it will stop the transfer of land.

Mrs Maywald interjecting:

Mr VENNING: That's right. When the existing owner dies (the father or the mother) the money has to be paid before the land passes to the children. No consideration is given to the size of the block; a blanket fee must be paid. I think this is totally counter-productive. I do not think the minister really wants this to happen, but that will be the final result of this.

As I say, it is all very well to discuss this now, but 20 years down the track when the minister and I are not here—the minister might be—the letter of the law will prevail, and this will be a huge encumbrance on families. They will be very hard hit, particularly by the impact of the death of a family member. This goes against what we have been trying to do for the past 10 years: that is, to get our land into the hands of the younger people. This will be a negative effect of that.

The Hon. J.D. HILL: The provision which is being referred to has been in the legislation since 1929 at least. We are not sure whether it was here—

Mr Venning: Not the $6 000.

The Hon. J.D. HILL: That's not in the bill. You're inventing something. There is nothing in the bill which says—

Mr Williams interjecting:

The Hon. J.D. HILL: Will you let me address the point in my own way? What I was saying to the member for Schubert is that there is nothing in the legislation that is additional to the power that has been there since 1929. As a

matter of policy I have said that I will use this power in a particular way to encourage freeholding: that is, I will reserve my right to transfer it under certain circumstances. We discussed this in the select committee, and I think it was the member for Davenport who raised the issue of transfer on death. I agreed that we would allow a transfer without freeholding on the death of one person transferring it presumably to another member of their family. We also said we would look at issues to do with hardship. So, there is flexibility to use it.

As I said to the member for Schubert, who is an enthusiast for the furtherance of freeholding, this package has carrots and sticks and, if you like, this is another stick which the government has. This is a policy position of the government—it is not a legislative position of the government—and, if a future conservative government, a future government of agrarian socialists, decided that it did not want to use this measure, it can change its policy, but do not get rid of this power, because it is appropriate for a landlord to have, and the government is, in fact, the landlord of this land.

There is this continual whittling away—and we have seen it over the last 25 years—of the interest of the state, of the taxpayers in general, the people in general, in this land. If you were to remove this power this would be another example of that whittling away. If you just want to give the land to these people and have the taxpayers generally pay the costs of all of the transfer arrangements, just say that, but we do not agree with that. We believe this is a sensible provision and we oppose the amendments moved by the member for Davenport.

While I am on my feet, I will address a similar issue which is to reinstate into the legislation the government's ability to have a power over transfer in relation to land held under the Irrigation (Land Tenure) Act 1930. As I understand it, prior to 1982 the government had that power but minister Arnold, when he was responsible for this legislation, changed the act to take that power away. We are intending, with this provision, to restore that power.

The Hon. I.F. EVANS: Will the minister confirm that this government's policy is not to charge a fee on transfer of a perpetual lease in the case of death?

The Hon. J.D. HILL: That was the undertaking I gave to the select committee.

The Hon. I.F. Evans interjecting:

The Hon. J.D. HILL: I have.

New clause negatived.

The CHAIRMAN: What were labelled as clauses 4D and 4E drop out and we are back to the minister's amendment. If new clauses 4F and 4G are accepted they will become new clauses 4B and 4C, relating to section 228B and section 228C respectively.

New clauses 4F and 4G.

The Hon. J.D. HILL: I move:

4F. Section 228B of the principal act is amended by striking out 'Governor' and substituting 'minister'.

4G. Section 228C of the principal act is amended by striking out 'Governor' and substituting 'minister'.

Both these amendments are consistent with other measures. They are similar to other amendments to streamline the freeholding process.

The Hon. I.F. EVANS: The opposition supports both these amendments, for that very reason.

New clauses inserted.

Clause 5 passed.

New clause 6.

The Hon. J.D. HILL: I move:

After clause 5—Insert:

Amendment of Irrigation (Land Tenure Act 1930

6. The Irrigation (Land Tenure) Act 1930 is amended—

(a) by striking out from section 35A(1) 'Governor' and substituting 'minister';

(b) by striking out subsection (2) of section 35A and substituting the following subsection:

(2) The minister must not grant the fee simple of any town allotment under this section unless the minister is satisfied that the grantee will, within a reasonable time after the grant, build, or cause to be built, residential premises on the allotment.;

(c) by striking out from section 40 'Governor' (wherever occurring) and substituting, in each case, 'minister';

(d) by striking out section 48E and substituting the following section:

Consent of minister required to transfer, etc., of lease, agreement or land grant

48E.(1) The following must not be transferred, assigned or sublet without the written consent of the minister:

(a) a lease of, or an agreement to purchase, any lands within an irrigation area, being a lease or agreement from the crown under the act or any other act dealing with the disposal of crown lands;

(b) a land grant issued in respect of a town allotment under this act.

(2) This section applied, to a lease, agreement to purchase or land grant—

(a) whether granted before or after the commencement of this section; and

(b) despite any provision to the contrary in the lease, agreement to purchase or land grant;

(e) by inserting after the words 'And the lessee must not—'in clause 3 of schedule 2 the following paragraph:

i. Transfer assign or sublet without the written consent of the minister;

(f) by inserting after paragraph 11 of clause 4 of schedule 2 the following paragraph:

iii. The land is transferred, assigned or sublet without the written consent of the minister; or if;

(g) by inserting after paragraph IX of clause 3 of schedule 3 the following paragraph:

X. The lessee will not transfer, assign or sublet his or her interest in the land, or any part of the land, without the written consent of the minister;.

I have spoken to this measure previously.

New clause inserted.

Title.

The Hon. J.D. HILL: I move:

After 'Crown Lands Act 1929' insert:

; and to make related amendments to the Irrigation (Land Tenure) Act 1930.

Amendment carried; title as amended passed.

Bill reported with amendments.

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

That this bill be now read a third time.

I will not take much time of the house. I just want to thank all members for participating in this debate. Probably few bills have been introduced in July of one year and agreed to in October of the subsequent year. I hope not many more of my bills suffer these consequences, but it has been a very thorough and interesting process. One thing on which I agree with the member for Davenport is that we may have had different levels of knowledge before the select committee process, but we have certainly learnt a lot through the process. I now know more about crown lands than perhaps I thought I needed to know. I certainly know a lot about crown lands and people who hold perpetual leases.

The bill is substantially the one the government brought to the house, with the one amendment which was the loss of the ability to put in place a fee or a lease in relation to crown lands. As I said to the house, I anticipated that I would lose that anyway in the upper house. This legislation now leaves this place on an interesting voyage of discovery into another chamber. No doubt we will have some interesting debates in that place. I assume that at some stage it will come back here and maybe go to a committee of the two houses to resolve. I hope the other place does not attempt too many amendments to this. I think this is a good package. The reality is that if this is altered in too many significant ways the government will just let the bill lapse and the powers that we currently have and the package which we are after will be maintained. The only difference will be that the administrative improvements which will reduce costs and therefore allow more money to be available for those who are going through the freeholding process in places of hardship will not be there. I think it would be disappointing if that were to happen. Finally, I thank Doug Faehrmann from the Department of Environment and Heritage crown lands division for his assistance to me tonight and throughout this whole process, parliamentary counsel's Aimee Travers for her assistance and also you, sir.

The Hon. I.F. EVANS (Davenport): I place on record our thanks to parliamentary counsel, the advisers and the staff involved in the select committee. It has been a long process. I would also like the house to note that the minister has confirmed tonight that the budget matter is not that important in relation to this bill. He is happy to walk away from the bill if there are too many amendments in another place. So, the government's argument that this is all about a budget measure really does not stand up when you consider the government is prepared to walk away from the budget announcements that were inherent in the bill. The government has admitted tonight that it is happy to walk away from it. The upper house will no doubt take that into consideration.

Mr VENNING (Schubert): I just want to say that I have enjoyed participating in this debate. I think most members of parliament come to this place and, when they finish, they like to think that they have made a difference. I think that this is one of those issues. As a farmer and from a rural area, if it can be sorted out and resolved to the satisfaction of all parties I will be very pleased in the future that we did this, because it has been a problem for generations. As I said earlier, it was one of the issues that I raised on my first day in this place, and I am confident that the upper house will not completely vandalise the work that we have done here this evening, and will come up with a solution that will advantage all of us. I think we should all be able to go home and say 'Well, we did a good job'. Many people have put a lot of work in here and, again, I give them credit for that, particularly the minister and the shadow minister, the member for Stuart and the member for Chaffey. I know that one day when I leave this place I will be well pleased that we have tidied this issue up once and for all.

The SPEAKER: The measure that comes to the third reading in the form that it does is, I think, an improvement on that which was proposed in the first instance. The committee to which it had been referred has done a great deal in securing that improvement. I think the further amendment, which took some of what I regarded as an unfair sting from the proposal, makes it an even better measure.

All honourable members would, I believe, join with me in saying—if they studied the science of agriculture—that in its natural state the land in question was largely useless. Leasehold land was of limited fertility in the first instance, and it was more for that reason than any other that the government decided to make it leasehold rather than available for freehold. The improvement in the capacity of the land to generate income over and above the costs incurred in doing so has arisen largely as a result of the efforts of both researchers financed by money derived from farmers and/or other users of the land and, more especially, from the expenditure of capital by the holders of the leases in improving the fertility of the land and improving the soil utility through the rotation of cultivation and grazing. That being the case, I could not support the proposition which would cost landholders, as the original proposal put it, a much higher amount than had been the case two years ago, when the government came to office. However, I strongly hold the view that the days of the Crown being a landlord and the farmer being the peasant tenant are well and truly over by a few centuries, and that South Australia—more particularly, this parliament—well understands that principle by giving passage to this legislation in this form.

All farmers and other people who use land as leaseholders ought to take this last opportunity and freehold it, or otherwise accept the fact that the Crown and the taxpayer, through the Crown, have a vested interest in that land which is more than just a token vested interest, but a substantial interest. For them in future to freehold it and enjoy the benefits of freeholding such as they now remain, whatever one may think of them, it will cost a good deal more than it ever has in the past to do so. We do not need to have well trained people simply collecting rent on behalf of taxpayers from those who occupy land as leaseholders in a way which detracts from their capacity—those same people—to otherwise contribute to the expansion of wealth, for such service is merely churning money. It is a service industry and a transfer payment, not a wealth generating effort. People qualified enough to do that work can contribute far more to the multiplier effect in the economy than by being required to do that work, and the requirement for the work remains only so long as leasehold remains.

It is for that reason as much as any that I commend the measure that the house has taken to the third reading, and I urge all leaseholders to now find the finance necessary, if they do not have it within their means at present, and make the application and the change while the window of opportunity is open. For I doubt that after six months any one of us will revisit this issue, either in the particular or the general case, to plead for any alteration than that which the law would provide. They accept responsibility for their own futures from this point forward, having the advice before them that they do not need, nor should they attempt to proceed in a framework of being tenants to the Crown.

The only other remark I make is that, whereas in the past more effective management of the land and its vegetation was exercised through leaseholding, and that in some measure that was a reason for having the category of leaseholding in all its subcategories, that no longer applies. We have other legislation that manages what can be grown and what can be grazed, and in what intensity each of the enterprises of cropping or grazing can be undertaken. That other legislation is far more effective than what has applied to council leases in the past. There is no excuse remaining for anyone to claim that the government is being difficult.

Mr VENNING: Mr Speaker, I appreciate your remarks. By way of point of order or clarification, do you make those remarks as the member for Hammond or as the Speaker?

The SPEAKER: I make those remarks as the member for Hammond, and I use the first person pronoun 'I'. I am as frail as any other human being in that, whilst I try to use the term 'chair' when I speak to the chamber as its chair, I may lapse into using the first person pronoun rather than the descriptive title. In this case I have made the remarks as the member for Hammond.

Mr VENNING: On a further point of order, Mr Speaker, if the member for Hammond is speaking on the floor of the house, then the Speaker is not in the chair. I am just worrying about the technicality of the issue. It is late at night. Sir, I appreciate your wise words. I am concerned about the technicalities versus the standing orders in relation to your doing that.

Bill read a third time and passed.

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

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

Motion carried.

The SPEAKER: Before the member for McKillop speaks, I point out to the member for Schubert that I am not quite sure what he was saying to me. If the honourable member thinks that the member for Hammond, whilst occupying the chair and speaking to the third reading, has acted without the propriety that should have been observed by the chair, I do not deny that the standing orders allow him to put a substantive motion to the house.

Mr VENNING: Sir, I rise on a point of order. I believe that, in the past, during the committee stage, the Speaker could come on to the floor of the house and make any comment that he wished. That does not seem to have happened for quite some time.

The SPEAKER: I have mentioned this before—and the chair now makes it plain—that it is the view of the chair that the consequence for all members at the third reading stage is no different in relation to where the remarks are made from. They stand on the record and leave the member who occupies the chair accountable for them, regardless of where it is they are made from.

TUNG NGO

Mr WILLIAMS (MacKillop): I seek leave to make a personal explanation.

Leave granted.

Mr WILLIAMS: During question time today, while explaining a question directed to the Minister for Multicultural Affairs, I referred to comments I understood to have been made by Port Adelaide Enfield councillor Mr Tung Ngo, who is a shareholder in the internet-based sex shop adultshop.com. I had been advised that Mr Ngo was reported in the *Standard Messenger* of 8 October 2003 as saying that most Australian families would have some sort of sex toy. It has since been pointed out to me that this and other comments I believe to have been racist, and which were included in that article, were comments that Mr Ngo had attributed to a work mate. I now accept that Mr Ngo was not the originator of those comments, and I apologise to him and the house. As such, I withdraw the request for the minister to act on this issue.

PUBLIC SERVICE, SALARIES

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

Leave granted.

The Hon. M.J. ATKINSON: Earlier today, the Leader of the Opposition asked a question about the number of public servants in the Attorney-General's Department earning more than $100 000. The leader claimed that the number had increased from 76 to 124. Both these figures are incorrect. In fact, the number has decreased from 74 employees at the end of the 2001-02 financial year to 70 employees currently in the Attorney-General's Department who earn more than $100 000. The leader demanded to know why the numbers had increased by 60 per cent. In fact, the Attorney-General's Department has seen a 5.4 per cent reduction in senior staff.

I am advised by my departmental officers that they have guessed the source of the leader's error. The Attorney-General's Department has a particularly efficient payroll system. The department provides a payroll service to a number of other agencies. These agencies include the Art Gallery, the South Australian Museum, the Office of Economic Development and Artlab Australia. When the number of senior employees processed on behalf of these agencies is added to the number of senior staff employed by the Attorney-General's Department, the total is around 120. This payroll arrangement allows other agencies to concentrate on their core business. It also makes the best possible use of the expertise developed in my department. I thank the leader for bringing the attention of the house to an example of government thrift and efficiency.

STATUTE LAW REVISION BILL

Received from the Legislative Council and read a first time.

ADJOURNMENT

At 10.07 p.m. the house adjourned until Wednesday 15 October at 2 p.m.