LEGISLATIVE COUNCIL

Wednesday 6 November 1985

The PRESIDENT (Hon. A.M. Whyte) took the Chair at 2.15 p.m. and read prayers.

PETITION: CLEVE AREA SCHOOL

A petition signed by 147 residents of South Australia praying that the Council prevent any of the proposed staff cuts at the Cleve Area School was presented by the Hon. Peter Dunn.

Petition received.

PUBLIC WORKS COMMITTEE REPORTS

The PRESIDENT laid on the table the following interim reports by the Parliamentary Standing Committee on Public Works:

Elizabeth Urban Aboriginal School (Establishment),

Happy Valley Water Filtration Plant Distribution System Augmentation (Revised Proposal).

PAPERS TABLED

By the Attorney-General (Hon. C.J. Sumner)—

Pursuant to Statute—

Rules of Court—Supreme Court—Service and Execution of Process Act 1901—Interstate Custody Procedures.

By the Minister of Consumer Affairs (Hon. C.J. Sumner)—

Pursuant to Statute—

Liquor Licensing Act 1985—Regulations—Exemptions.

By the Minister of Health (Hon. J.R. Cornwall)—

Pursuant to Statute—

Botanic Gardens Act 1978—Regulations—Parking.

Controlled Substances Advisory Council—Report, 1984-85.

Department for Community Welfare—Report, 1984-85.

South Australian Psychological Board—Report, 1984-85.

By the Minister of Labour (Hon. Frank Blevins)—

Pursuant to Statute—

Forestry Act 1950—Proclamation: Hundred of Young—County of Grey—Forest Reserve Resumed.

By the Minister of Tourism (Hon. Barbara Wiese)—

Pursuant to Statute—

South Australian Trotting Control Board—Report, 1985.

MINISTERIAL STATEMENT: DEPARTMENT OF PUBLIC AND CONSUMER AFFAIRS

The Hon. C.J. SUMNER (Attorney-General): I seek leave to make a statement on the subject of the Department of Public and Consumer Affairs.

Leave granted.

The Hon. C.J. SUMNER: In today's edition of the *Advertiser* a statement was attributed to the Hon. Mr Gilfillan who apparently decided to release to the press, prior to placing 33 Questions on Notice in the Legislative Council, what he intended to do. The heading of the *Advertiser* article is 'How consumers go unprotected'. There are so many distortions and untruths in this statement of the Hon. Mr Gilfillan that I am compelled to make this statement. The suggestion that the Department of Public and Consumer Affairs is protecting offenders rather than consumers by turning a blind eye to offences is simply untrue. It is a further example of the way in which the Hon. Mr Gilfillan will go to any lengths to seek publicity on the basis of unsubstantiated allegations. No doubt he is, as other members are, influenced by the atmosphere of the moment, but I would have expected more of him.

In particular, it illustrates the inconsistency of the Democrats in the fact that they seem to be absolutely incapable of a consistent line on anything. Earlier this year, the Government sought to amend legislation to provide increased powers of investigation to the Department of Public and Consumer Affairs. The Democrats opposed this, and I should indicate what those powers were: they were to ensure that the Commissioner of Consumer Affairs could carry out an investigation without having to have a complaint of a consumer, without it having to be at the request of a Commonwealth, interstate or Territory consumer authority, or without there having to be the Commissioner suspecting on reasonable grounds that excessive charges are being made or that an unlawful or unfair practice or infringement of the consumer's rights has occurred.

They are the current restrictions on the right of the Commissioner of Consumer Affairs to carry out investigations. We sought to remove most restrictions, and *Hansard* of 30 October 1984 reveals that the Hon. Mr Gilfillan, along with the Hon. Mr Milne, voted to oppose that extension of those powers. I should also point out that, in the debate on that matter, it was indicated that a recent report by the Australian Federation of Consumer Organisations on the role of prosecution and consumer protection, while critical of consumer affairs agencies, indicated that South Australia in fact had done more in that area than any other consumer agency in the country—facts apparently unknown to the Hon. Mr Gilfillan.

What I find even more surprising are the remarks of his Leader, at the moment at least, when talking about these additional powers which we wanted to give the Commissioner for Consumer Affairs and which the Hon. Mr Gilfillan voted absolutely squarely against. This is what his Leader, the Hon. Mr Milne, Democrat, said:

> There should be some machinery perhaps where the Commission can say to the Minister, to the Executive or someone that action should be taken at once and a decision can be made. I do not object to that, but I do object to opening the flood gates and saying to every business that inspectors can walk in at any time they like. What sort of country would we live in? The odd bad case that we have does not justify constant monitoring. What does constant monitoring mean?

He goes on to say:

> We have to go back a step or two and make up our minds as to what the Department of Public and Consumer Affairs is all about. If one likes to take a broad view of what the object of the department is, one could conclude that the department could take over the whole State . . . We have to stop somewhere. Wherever we stop, someone will be affected where it is not quite fair, but I do not believe for one moment that the Department of Public and Consumer Affairs was ever meant to monitor every business. I do not believe it was meant to be another branch of legal aid. It is bad to even suggest that that is what it would be . . . I have seen investigators in the premises of small businesses and the investigations are most oppresive.
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> People are nervous and cannot go on with their normal work; people have to answer questions all the time and produce books; they have to produce more information and answer more questions; if they travel a lot they cannot do it or it is restrictive; and altogether it is a horrible business.

Those are the propositions put forward by the Hon. Lance Milne, Leader of the Democrats in this place. Then his Deputy comes along and gives a pre-release statement to the press about 33 questions that he intends to ask about the attitude of the Department of Public and Consumer Affairs to investigations and prosecutions. The facts are these: the vast majority of complaints do not involve offences, but contract-type disputes which the consumer seeks to have resolved by conciliation. For example, if a consumer

buys goods that turn out to be unsatisfactory, he or she has a valid claim against the retailer and/or manufacturer and the role of the department is to try to assist the consumer if the other parties cannot fix the problem. However, it is not an offence in most cases purely to sell unsatisfactory goods.

There are some cases in which the investigation of a complaint does reveal that an offence has been committed. In fact, officers are required to consider this question on every complaint they investigate. Before closing a complaint file, they are required to complete a form, which is checked by a senior officer, in which they must report specifically on whether or not they consider that an offence has been committed.

Not every offence, however, is prosecuted through the courts. In many cases, a warning letter is sent and written undertakings are sought from the traders that the conduct will not be repeated. This procedure is used in cases where the trader has no previous history of convictions or warnings and/or the offence has been committed through inadvertence. I take it that the Hon. Mr Gilfillan is suggesting that these people should be prosecuted with the full force of the law, from his remarks in today's paper. Is the Hon. Mr Gilfillan suggesting that the department should prosecute every simple offence that it finds, regardless of how trivial it may be and regardless of the surrounding circumstances? If he is, let him come out and say so and I am sure the business community would be most interested in his suggestion, as I am sure that his Leader the Hon. Mr Milne would be interested in his suggestion in the light of the Hon. Mr Milne's comments during the debate on the Prices Bill last year.

The Government believes that the policy of sending warning letters is appropriate in some circumstances. Prosecutions are certainly launched in cases in which this is necessary in order to deal with the offender and to deter him or her and other traders from committing offences in the future. The suggestion that warnings to the public about traders that are operating in breach of the law are given only in the Commissioner's annual report are equally incorrect.

Again, it is not necessarily appropriate to issue a public warning every time a trader admits an offence or is involved in an isolated case of unfair conduct. Each case must be examined on its merits, but public warnings are certainly issued where there is a clear need to inform the public about a particular practice, or a particular trader. The Hon. Mr Gilfillan may recall that it was investigations carried out by the department and a statement subsequently made by the Commissioner for Consumer Affairs that exposed the loan sharking racket conducted by Action Home Loan Pty Ltd, which was made public and resulted in this company ceasing its business throughout Australia.

The honourable member may also recall the Commissioner for Consumer Affairs taking action with respect to the construction of swimming pools, and that led to major changes in that industry. I shall be happy to provide answers to any questions asked by the Hon. Mr Gilfillan when he places them on notice. However, I believed that it was my duty to put to the Council, first, the facts with respect to the activities of the Department and of the Commissioner for Consumer Affairs; secondly, to point out to the Council that the honourable member's comments in this regard in the press today are completely inconsistent with the view he took when voting on the Prices Bill last year. I am certainly prepared to enable him to be briefed on the situation should that be necessary in order to enable him to overcome and clear up some of the confusion that obviously exists in his mind.

QUESTIONS

HOSPITAL BEDS

The Hon. J.C. BURDETT: I ask the Minister of Health:

1. Has the Salisbury Private Hospital been promised or allocated 48 or any other number (and, if so, how many) of public ward Medicare-funded beds?

2. If so, was Mike Rann, the Labor candidate for Briggs, involved in the arrangements?

3. Was an undertaking given previously to extend the number of beds in the Lyell McEwin Hospital?

4. If so, is it a fact that this undertaking will not be honoured?

5. Have any other public Medicare funded beds been allocated in private hospitals in South Australia and, if so, how many and at what hospitals?

6. Has the Minister been asked to provide three Medicare beds in the Keith Hospital and, if so, has he refused?

The Hon. J.R. CORNWALL: I must say as this Parliament draws to a close how singularly fortunate I consider myself to have been shadowed by the Hon. Mr Burdett. In fact, I believe that I have had a dream run. He has excelled himself today, of course. The Hon. Mr Burdett asked, 'Has the Salisbury hospital been offered 48 or any other number of public Medicare funded beds?' Wherever did the honourable member obtain an outrageously wild story like that?

The Hon. R.C. DeGaris: The answer is 'No'.

The Hon. J.R. CORNWALL: The answer is 'No'. Then, of course, the Hon. Mr Burdett tried to implicate Mr Mike Rann, the outstanding candidate for the seat of Briggs. What a disgraceful performance—what an amazing and disgraceful performance. The Hon. Mr Burdett also asked whether any undertaking had been previously given to extend the number of beds in the Lyell McEwin Hospital. The Hon. Mr Burdett is really quite stupid—a silly and incompetent man. The reality is, as everyone would know—

The Hon. L.H. Davis: What a nice guy!

The Hon. J.R. CORNWALL: You poor sick people.

An honourable member interjecting:

The Hon. J.R. CORNWALL: I feel tremendous.

The Hon. C.M. Hill interjecting:

The Hon. J.R. CORNWALL: Members opposite really are comedians—not very good, mark you. Any genuine shadow Minister and anyone who had done their homework would know that we have a very firm commitment to build a major health village at Elizabeth—the Lyell McEwin Health Village. Anyone who had even a passing knowledge of the health industry would know that stage 1 of the Lyell McEwin Health Village, which will be built at a total cost of $13.5 million, is currently being constructed. We anticipate that it will be completed by June or July of next year, and three further stages will follow.

Upon completion of all stages there will be a major community health and multi disciplinary centre. There will be brand new accident, emergency and outpatient departments; and there will be shops and the whole attractive prospect of health in the widest and best sense of the term. Through stages 2, 3 and 4 operating suites will be set up and so on, concluding with the construction of 200 acute care beds. That will increase the bed stock of the Lyell McEwin by something in the order of, from memory, 20 or 21 beds.

To show total ignorance and suggest—I think very maliciously—that any undertaking has been given to the Salisbury Private Hospital by me as Minister of Health or by anyone in the Health Commission is absolutely outrageous. In fact, it is disgusting, dishonourable and dishonest. However, that is the sort of behaviour we have come to expect from the Hon. Mr Burdett, who flails about in his ignorance;

he then comes in here as one of the desperate men opposite with a totally drummed up and totally false story. Unfortunately, that is just the sort of level of behaviour that we have come to expect from the Opposition in this place. Members opposite demean the processes of Parliament and they diminish the stature of the South Australian Parliament by their behaviour. It is quite disgraceful to somehow try and tell a completely false story. I make it quite clear—it is a totally false story.

The Hon. J.C. Burdett: Answer the question.

The Hon. J.R. CORNWALL: I am giving the answer. You are a disgrace to this Parliament, carrying on like that. There are clear inferences—and there was no attempt to check it out—that some sort of deal has been done, and you know it is wrong.

The Hon. J.C. Burdett interjecting:

The Hon. J.R. CORNWALL: Well, why did you not check it with the Health Commission—why did you not do the honourable thing? Let me say that what you have suggested to this Council is totally wrong and totally misleading, and is a complete falsehood. Regarding any other publicly funded Medicare beds in any other hospital in South Australia at this moment, the answer is 'No'. Specifically, with regard to Keith, again the hospital was offered, as it was offered in 1975, the opportunity to become a public recognised hospital as recently as early this year. There was a public meeting at which the numbers seemed to be engineered by one or two members of the mad right in Keith, friends of the Hon. Mr Burdett, and that public meeting voted to reject the offer.

The Hon. K.T. Griffin interjecting:

The Hon. J.R. CORNWALL: Of course it is. If they wish to disadvantage continuously the one-third or more of pensioners and other low income earners in the Keith area who cannot afford to go to their private community hospital, as the Hon. Mr Griffin says—the sort of person who gives Christianity a very bad name—

The Hon. L.H. Davis: That is disgraceful!

The Hon. J.R. CORNWALL: It is disgraceful, and his performance in here, hiding under the cloak of Christianity, is disgraceful.

The Hon. L.H. Davis: That is terrible! That is a disgrace!

The Hon. J.R. CORNWALL: I know he is disgraceful—the little crumb. Don Dunstan got it right. He is a little crumb. For him to suggest that it is perfectly all right for the people of Keith to deny public hospital care to the 30 per cent or 40 per cent of low income earners, pensioners and other people in the Keith district is, quite frankly, as far as I am concerned, disgraceful, but that is the sort of unchristian behaviour we have come to expect from Mr Griffin. So the offer to Keith is still open.

I talked to the Chairman of the Tatiara District Council as recently as the lunch at the LGA annual conference only a week or two ago and he told me, among other things (and, of course, he is from Keith), that he would very much like to see the Keith Hospital become a public recognised hospital. I told him that, despite the fact that that would be of considerable cost to the taxpayers in 1985-86, I would be happy to reconsider any proposition that came forward as a clear expression of majority support from the Keith district. So the Keith offer is open. There have been no offers to any other hospital in South Australia regarding publicly funded Medicare beds, and there most certainly has been no offer to the proprietor of the Salisbury private hospital for profit regarding publicly funded beds in any way, shape or form—by Mr Wran, John Cornwall, officers of the Health Commission or anyone else who would have any authority to make the offer.

SEXUAL ASSAULT SERVICES

The Hon. K.T. GRIFFIN: I seek leave to make a brief explanation before asking the Minister of Health a question about sexual assault services.

Leave granted.

The Hon. K.T. GRIFFIN: A constituent has informed me that on the holiday Monday of the Labour Day holiday weekend in October she endeavoured to contact the Sexual Assault Referral Centre but was told that it was not open on that day. She wished to make a contact because she desired to have a child who was alleged to be a victim of sexual assault examined by the service. In fact, she was told by the person who answered the telephone that she should try the Rape Crisis Centre. Therefore, on that holiday Monday she telephoned the Rape Crisis Centre but all that she got was a recorded telephone message that said that contact should be made only between 10 a.m. and 4 p.m., Monday to Friday. She was very concerned about that.

Therefore, some other examination of the child had to be arranged on that day. She expressed to me a grave concern about the difficulties she experienced with both of those services indicating that it was not always possible to ensure that assaults only occurred during the hours that these two services were open. My questions to the Minister are:

1. Does the Minister agree that this is not a satisfactory position?

2. What is the Government able to do to ensure that at least one of these services is available at any time?

The Hon. J.R. CORNWALL: The desperate men are really in full flight today, Mr President.

The Hon. K.T. Griffin: There's nothing desperate about that. I just want some answers.

The Hon. L.H. Davis: No abuse, just answer the question for a change.

The Hon. C.M. Hill: With some normality.

The PRESIDENT: Order!

Members interjecting:

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: When you have pulled them into order, Mr President, I will continue. If members opposite do not want an answer, I will sit down again.

The Hon. L.H. Davis: Give an answer without giving abuse.

The Hon. J.R. CORNWALL: Is he not pathetic? This is far too important a matter for the Hon. Mr Griffin to try to drum up some sort of story about lack of service. The fact is that I have had a great deal to do with the Sexual Assault Referral Centre at the Queen Elizabeth Hospital. I know most of the personnel employed there. I was personally responsible for increasing funding from $104 000 by $174 000 only a few months ago. Their funding has, in fact, under this Government and during the period I have been Minister of Health, been trebled.

The Rape Crisis Centre, during the period I have been Health Minister, and directly out of my budget area, has had its funding trebled, so it will not do the honourable member much credit to try to drum up stories about a lack of service at the Sexual Assault Referral Centre or the Rape Crisis Centre. Each of these services provides quite different service. The Sexual Assault Referral Centre provides acute forensic services for victims of sexual assault. There is a female doctor available on call 24 hours a day, seven days a week.

The Hon. K.T. Griffin: She wasn't available on this occasion.

The Hon. J.R. CORNWALL: The honourable member interjects and says, 'She wasn't available on this occasion.'

They liaise directly with the Rape Inquiry Unit, which is staffed by female detectives or police officers. It is an all female unit. Again, I happen to know a good deal about it and can assure the honourable member that this service is without parallel and their handling of victims is at all times carried out in the most sympathetic and constructive way. They, in turn, as I have said previously, are able to make available a female doctor from a panel of female doctors on call 24 hours a day, seven days a week.

They do not work in conjunction or cooperation with the Rape Crisis Centre. They work in conjunction and very closely with Crisis Care, which has 24 hour telephone answering and conselling, and with the Rape Inquiry Unit, So, Crisis Care, the Rape Inquiry Unit and the Sexual Assault Referral Centre run a 24 hour service, seven days a week. The Sexual Assault Referral Centre in addition runs short, medium and long-term counselling. That counselling is available not only to the victim, where it is, of course, of extreme importance, but also to other members of the family and to close friends who may have been touched or in other ways been traumatised by sexual assault or by the sexual assault on the victim.

Comprehensive services are available that follow right through. I understand that in some cases that may take as long as two years. These people are very dedicated. I am delighted that I have been able to very significantly upgrade the funding and services available to the Sexual Assault Referral Clinic. On the other hand, the Rape Crisis Centre is run on a collective basis. As a matter of interest, it has recently become incorporated under the South Australian Health Commission Act. Because of the flexibility that the Health Commission Act provides, the Rape Crisis Centre was able to retain its collective style of management, which is written into its constitution. It has a feminist perspective and its services are somewhat different. It has a somewhat different orientation.

The Hon. R.J. Ritson: Very Marxist.

The Hon. J.R. CORNWALL: 'Very Marxist' says the Hon. Dr Ritson: a man of great compassion! We are talking about sexual assault and rape and the sort of services that are available to the victims of incest, and the Hon. Dr Ritson interjects and says it is 'Marxist' in its orientation. He is some kind of human being. He is really some kind of worm. I am sorry, I will withdraw that, Mr President, and apologise, before he jumps up. However, it really is the pits for him to interject on that note.

The Rape Crisis Centre has a feminist perspective, as I said. It provides services that are oriented, consequently, in that direction. It has a perfectly valid role. It is because of that that I have also increased its funding very substantially directly, and indirectly, by a factor of some 300 per cent. I am very pleased that the Hon. Mr Griffin raised this matter because it is a story that I am happy to be able to relate to the Council. I am unaware why his particular constituent was unable to find the services, either emergency or otherwise, that she needed on the Labour Day holiday. If it is a fact that for one reason or another the 24 hour service of Crisis Care, the Sexual Assault Referral Clinic or the Rape Inquiry Unit of the South Australian Police Force was not available—and they are three immediate avenues that could have been pursued—for one reason or another on that particular Monday at a particular time, then I would certainly like to know why.

If the Hon. Mr Griffin would like to give me some details, with his constituent's permission, I will promise to respect that person's confidentiality and to undertake inquiries. I repeat: Crisis Care has a 24 hour service; the Sexual Assault Referral Clinic, in terms of acute forensic services that may be required, has a doctor available 24 hours a day; and the Rape Inquiry Unit (the all female unit of the South Australian Police Force) provides in this State a service that is probably unequalled anywhere else in the country.

MINISTERS' CARS

The Hon. C.M. HILL: I seek leave to make a short statement before asking the Minister of Labour, representing the Minister of Transport, a question about Ministers' cars.

Leave granted.

The Hon. C.M. HILL: Residents who live in and around Gilles Street near the Government Garage have told me that they understand that a host of brand new big white cars, far larger and more powerful than the present Ministers' cars, was recently delivered to the Government Garage, and that these cars are presently stored, unregistered, at the Government Garage, under wraps. These residents believe, too, that strict instructions have come from the Government that these cars must not be put on the road or registered prior to the forthcoming State election. If this is so, one can assume that public money has already been spent on these vehicles. Is this information correct? If so, will the Government give the reasons why the Premier and his Ministers are ashamed to use these new big white Government cars before the next election?

The Hon. FRANK BLEVINS: What a remarkable question!

The Hon. J.R. Cornwall: If that's all they can ask during Question Time, they really have run out.

The Hon. FRANK BLEVINS: Yes, this may well be the last Question Time before the election; I do not know. This is it—the coalface. This is Her Majesty's Government on the line. What do we get? We get the Hon. Mr Hill standing up, desperately attempting to keep a straight face, and failing miserably, and asking about some phantom cars that are driving around Gilles Street. Let me tell members what decision this Government has taken regarding cars for the Premier and Ministers.

The decision, taken some months ago, was that the Government fleet would be downgraded. Instead of the cars we presently have—top of the range GMH cars, which are no longer produced—we had to go to another model. We had a choice of whether we got the top of the range, as we presently have—

The Hon. C.J. Sumner: And like they had.

The Hon. FRANK BLEVINS: Of course, we just carried on with the range that they had. They made a lot of fuss—

Members interjecting:

The Hon. FRANK BLEVINS: Just a minute. They made a lot of fuss—

The PRESIDENT: Order!

The Hon. FRANK BLEVINS: —before the last election saying that—

The Hon. C.M. Hill: Are they or are they not down there?

The Hon. FRANK BLEVINS: I will tell you in a moment.

The Hon. C.M. Hill: Tell me now!

The Hon. FRANK BLEVINS: I am coming to that.

The Hon. C.M. Hill: You know they're there. Are you frightened to put them on the road? Are you scared of the people—

The PRESIDENT: Order! The Hon. Mr Hill has done enough shouting. The Minister is attempting to answer the question, and honourable members should let him.

The Hon. FRANK BLEVINS: The vehicles we presently have are the model of vehicle that the previous Government had. Before the 1979 election, the Tonkin Opposition said that it would downgrade the ministerial car fleet, and it did. How long did that last?

The Hon. C.M. Hill: Three years.

The Hon. FRANK BLEVINS: That did not last three years at all because, very quickly, the big white cars crept back in. Not only did the big white cars creep back in, but they had a flag at the front waving in the breeze—something never seen before in this State.

The Hon. C.J. Sumner: What about the number plates?

The Hon. FRANK BLEVINS: I am coming to that. Then there was an incredible sequence of events that went on for months and months of these personalised number plates—of who was having SA 1 and who was having SA 2. I remember the Hon. Mr Sumner, as Leader of the Opposition in this place, I think in one day had three different number plates because they could not work out what his position was. I also seem to remember that the President's car was involved in this shemozzle.

The Hon. C.J. Sumner: He was upset that he was down below me.

The Hon. FRANK BLEVINS: That is absolutely correct.

The PRESIDENT: Order! I would just like to say that there is no truth in that.

The Hon. FRANK BLEVINS: You cannot enter into the debate, Sir. When we are talking about Ministerial cars and status, when the present Opposition was in Government, it wrote the book. We made a decision to downgrade that fleet. The cars are now to be Ford Fairlanes; not LTDs.

The Hon. C.M. Hill: You've got them in the garage now.

The Hon. FRANK BLEVINS: Just a moment. I will get that from the Minister of Transport. We had a choice. Did we go to the top of the range, as the Liberals did? We did not.

The Hon. K.T. Griffin: We had Fairlanes.

The Hon. FRANK BLEVINS: You had Holden Statesman DeVilles and Caprices.

Members interjecting:

The Hon. FRANK BLEVINS: That is quite all right. That was your choice, but we have made a very principled decision.

The Hon. C.M. Hill interjecting:

The Hon. FRANK BLEVINS: Indeed, especially in Gilles Street.

The Hon. C.M. Hill: Let the people see them. You're frightened to show them.

The PRESIDENT: Come on!

The Hon. FRANK BLEVINS: I can assure members that the cars are common or garden Ford Fairlanes, not Ford LTDs, not the top of the range. I have no idea how many are there.

An honourable member: They've got names on them.

The Hon. FRANK BLEVINS: What names?

An honourable member: Ford.

The Hon. FRANK BLEVINS: I see. I have no idea how many are there. What happens is that the Government Garage, I think, gets cars as they come in and replaces them. It has a system which I am sure works very well. However, I will refer the honourable member's question to my collegue in another place and bring back a detailed reply very promptly.

TOURIST GUIDES AND LANGUAGE AIDES

The Hon. M.S. FELEPPA: I seek leave to make a brief explanation prior to asking the Minister of Ethnic Affairs a question about guide and language courses.

Leave granted.

The Hon. M.S. FELEPPA: The Grand Prix has forcibly projected South Australia on to the world map. Adelaide now is a focal tourist place. The winners of the Grand Prix were all of non-Anglo Saxon origin and this will no doubt attract many non-English speaking tourists in the future. Our hotels and restaurants are reasonably providing a service in this area, but in general terms we are not organised to cope adequately with the non-English speaking tourists visiting South Australia.

I believe that we need a course to train guide and language aides to cope with an increased tourist situation in 1986 and beyond. I must congratulate the Minister for Ethnic Affairs on this great occasion. His portfolio, as well as the one of the Minister of Tourism, has now acquired great responsibility.

Also, the South Australian Ethnic Affairs Commission will be faced with more responsibility due to the success of the Adelaide Grand Prix of 1985. The commission already has taken initiatives to do all possible to give our State the tools to cope successfully with this new tourist influx.

It would be far too arrogant and contrary to the spirit of South Australia to expect the world to speak English or to communicate with them by shouting slowly. Will the Minister take all the necessary steps to assure the immediate start of a course with TAFE for language aides and tourist guides in order to cope with the non-English speaking tourists whom we expect to come to Adelaide in 1986 and in the following years for the Grand Prix?

The Hon. C.J. SUMNER: The honourable member raises a very good question. I am sure that as someone who arrived here some years ago as a migrant from Italy he knows all about someone interpreting the English language to him by shouting slowly. That was certainly a very apt description of what happens when one feels that one has to communicate in English with someone who does not speak the English language. The English speaker usually believes that the level of comprehension of the recipient will be greatly increased by raising the level of the voice and doing it in a sort of half-pidgin style and very slowly, but whether that will be good enough for the future tourists of Adelaide and South Australia is a point that the honourable member has well made in his question.

It has interested me recently, and more attention needs to be given to this area. I will certainly examine his suggestions and the propositions that there could be some kind of TAFE language course particularly designed to deal with tourists who do not speak English. I will certainly examine the suggestion made by the honourable member.

FLINDERS MEDICAL CENTRE

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the Minister of Health a question about nursing staff at Flinders Medical Centre.

Leave granted.

The Hon. L.H. DAVIS: On Thursday 24 October I asked a question of the Minister of Health about nursing levels at Flinders Medical Centre. I stated that the Flinders Medical Centre had 965 full-time nursing equivalent positions but that its budget provided for only 895 and that the hospital was effectively 90 positions short. I noted that the shortage of staff was placing extraordinary stress on the nursing staff, and I made particular reference to the neonatal unit and the problems created by the staff shortage in that specialist unit.

In his answer, the Hon. Dr Cornwall claimed that the nursing staff problem at Flinders Medical Centre was due to a shortage of nurses. He claimed that the shortage of nurses was 'the biggest single problem in the entire health spectrum'. The Minister of Health has clearly got his facts wrong again. I have checked and rechecked: Flinders Medical Centre does not have a problem recruiting staff, unlike some other public hospitals. It is able to fill funded staffing positions. Flinders Medical Centre is a popular institution

for nursing staff. For the second time in two weeks the Hon. Dr Cornwall has misled the Council deliberately or recklessly. He has fallen down his own credibility gap. He will fall down again in response to this because there is simply no answer to the claim that he made, which was that there was a shortage occasioned by an inability to recruit staff. The fact is that Flinders Medical Centre has a high occupancy, currently well over 90 per cent, as the Minister knows. The turnover of patients is rapid. The average length of stay of patients has been steadily reduced, and that all places additional stress on nursing staff.

The Hon. J.R. Cornwall interjecting:

The Hon. L.H. DAVIS: I will tell the Minister again in a minute. I understand that two recent consultancy studies, including one instigated jointly by the South Australian Health Commission and the hospital, recommended that Flinders should have 965 full-time nursing equivalent positions, which is the number the Minister was after, but that the budget provides for only 895. The shortage of nurses is due to lack of money and not lack of nurses.

Why did the Minister deliberately or recklessly suggest that nursing staff numbers at Flinders Medical Centre were under strength because of difficulty of recruiting staff rather than admitting the truth that nursing staff numbers at Flinders Medical Centre are down because of lack of money?

The Hon. J.R. CORNWALL: That is an even weaker effort than the last time the honourable member tried to pull a trick on Flinders.

The Hon. L.H. Davis: The last time that you got caught with your pants down.

The Hon. J.R. CORNWALL: Last time, the honourable member got caught with egg all over his face, rushing to conclusions. I presume that he is referring to the Royal Adelaide Hospital. He cannot even read a preliminary computer print-out. Somehow, he staggered into two degrees, but he must have got them under false pretences. How the hell he ever got an economics degree is completely beyond me: he cannot count! It is not a question of whether he can read print-outs or whether he can interpret figures: he cannot count. The fact is—

The Hon. Frank Blevins: This Parliament is out of control.

The Hon. J.R. CORNWALL: It really is: the sooner we get up, the better. I can assure the Hon. Mr Davis that silly questions like that will not get to me one way or the other. If he can tell me where I can get extra nurses, I will find the money to pay for them.

MURRAY RIVER CRUISES

The Hon. DIANA LAIDLAW: Has the Minister of Tourism an answer to a question that I asked on 19 September regarding Murray River Cruises?

The Hon. BARBARA WIESE: Honourable members will recall that on 19 September the honourable member asked me a question concerning a radio report and remarks that were alleged to have been made by Captain Veenstra on that radio program concerning my lack of action and lack of replies to his letters and calls for help. At that time, I was surprised to hear that this was so, because there was no letter that I could recall.

I am pleased to inform the Council that following the honourable member's question I had my files checked and ascertained that the only letter that had been received by me from Murray River Cruises was a letter congratulating me on my appointment as Minister. Then, officers of my department contacted Captain Veenstra and asked him about the comments that were attributed to him on radio. Captain Veenstra denies that he said, 'Well, our company has written to her and she has chosen to ignore our calls for help.'

The correspondence between Murray River Developments and me concerned a letter congratulating me on my appointment as Minister, written in Captain Veenstra's absence overseas. My letter in reply, thanking Murray River Developments, was apparently not received. Captain Veenstra wrote to me saying that he did not receive a reply. On receipt of his letter, my office sent Captain Veenstra a copy of my earlier reply, which he advised that he received two weeks ago. Last week, I met Captain Veenstra—the first opportunity for us to meet following his return from overseas. It was a very amicable and useful meeting, and I look forward to building on that meeting and developing a mutually satisfactory working relationship with Captain Veenstra in the development of South Australian tourism.

CANCER TREATMENT

The Hon. R.J. RITSON: I seek leave to make a brief explanation before asking the Minister of Health a question about cancer treatment.

Leave granted.

The Hon. R.J. RITSON: A number of my medical colleagues have expressed alarm to me on becoming aware of a Health Commission plan to set up a system of committees—intra-hospital committees and Health Commission committees—to oversee and coordinate the treatment of cancer in South Australia. The concern stems in the first place from the fact that cancer is not a single disease. It is a very diverse condition, and the protocols for its treatment depend not only on the specific condition, the specific tumour and its stage but also on variable matters affecting individual patients, their general health, their psychology, occupation, and so on.

There is a great fear that there will be a bureaucratic imposition of fixed protocols from above. This concern extends to members at the very peak of their specialties in the treatment of cancer. The two other reasons for concern are that, first, protocols that issue from committees tend to become fixed and finally received sets of wisdom that are hard to change and penetrate when new discoveries come along. I am quite sure that it is not going to be the individual health administrators in the Health Commission who are attending all the international symposia on brain tumours and on tumours of the urogenital tract. Indeed, people in the Health Commission do not have the training and background to enable them to understand in the same way as the top specialists at the coalface of cancer treatment understand the proceedings of these meetings at the growing edge of medical science.

Furthermore, and it pains me very much to say this, it is a general belief among persons expressing this concern that the personnel from the Health Commission who have been assigned to deal with this project have an inappropriate level of understanding and academic background. It may be that my friends and colleagues are inappropriately concerned; and it may be that the Minister can enlighten us with a very detailed explanation as to what is proposed and why it is a good thing. Will the Minister explain to the Council the basis for Health Commission plans in relation to the coordination of cancer treatment? Will the Minister also explain—hopefully without personal abuse (although that is a forlorn hope, judging from his performance today)—how the proposed set-up will overcome the inherent dangers of bureaucratically imposed treatment protocols?

The Hon. J.R. CORNWALL: I shall reply to that with good humour. However, before I do so I take the opportunity to defend those very senior physicians in the Health

Commission and in hospital administration. The Hon. Dr Ritson would know to whom I am referring. I take this opportunity, in their absence, to defend them. That was a cowardly, malicious and a bit of a mongrel attack, actually. I take great exception to a second rate GP like Dr Ritson, who has not practised for years—

Members interjecting:

The PRESIDENT: Order! I do not think the Minister has the right to make a judgment on whether or not the Hon. Dr Ritson is a second rate GP, and I ask him to withdraw that statement.

The Hon. J.R. CORNWALL: You've got to be joking.

The PRESIDENT: I am not joking whatsoever. The Minister has had a wonderful run.

The Hon. J.R. CORNWALL: From you? I have had the lousiest run of anyone in this place.

The PRESIDENT: I take exception to that statement and ask the Minister to withdraw.

The Hon. J.R. CORNWALL: Both of them?

The PRESIDENT: Yes—both of them.

The Hon. J.R. CORNWALL: You are coming to the end of your run, anyway. I withdraw both of them. I take great exception to someone of Dr Ritson's calibre within the medical profession coming into coward's castle and directly attacking senior physicians in the Health Commission or anywhere else. Dr Ritson knows to whom he is referring, and it is quite disgraceful. Having said that in good humour, I will describe what we are about. The Hon. Dr Ritson brings continuous disgrace on his profession by his performance in this place. That is not my opinion—it is the opinion of his peers. I have a great deal to do with the Hon. Dr Ritson's peers and I can assure the Council that they believe that the Hon. Dr Ritson continually brings discredit upon himself and upon the noble profession to which he belongs.

The Hon. M.B. Cameron interjecting:

The PRESIDENT: Order!

The Hon. J.R. CORNWALL: Mr President, why do you not make the Hon. Mr Cameron withdraw?

The PRESIDENT: I did not hear what he said.

The Hon. J.R. CORNWALL: You have very selective hearing. I have a friend in EN and T who could fix you up.

The PRESIDENT: Order! If the Minister wants to go through that again, I do not suppose—

Members interjecting:

The PRESIDENT: Order! If what the Leader said was offensive to the Minister and he brings it to my notice, I will ask the Leader to withdraw.

The Hon. J.R. CORNWALL: No, I am not that concerned. Mr President, you will not be in this place much longer, but I am sure we will part on good terms. As I said, I will now respond in good humour.

The PRESIDENT: Order! Will the Minister repeat what he said? Was the Minister making another accusation against the Chair?

The Hon. J.R. CORNWALL: No, Mr President. Cameron reflected on me. The Hon. Dr Ritson refers to the organisation of a State cancer service. This is being done with the cooperation and support, as I understand it, of the specialist oncologists. It has been felt for quite some time that there should be a better degree of coordination across the hospital services. As I understand it, it is regarded as a quite exciting initiative by most of the people associated with it. Normally, in terms of organisation we tend to do these things very well in South Australia.

In the field of integrating and coordinating specialist cancer services I believe that in the past the integration and coordination across the board has not been terribly good. In Victoria, for example, there is a State cancer service which has run for many years through the Peter McCullum Clinic; and in New South Wales there is an integrated and coordinated State cancer service. What is being done in South Australia has my full support. We are asking hospitals to cooperate in a trans-hospital arrangement that will ensure that our very good and very highly specialised cancer services in the various hospitals are coordinated and integrated in the very best way possible for the clear advantage of the very many patients who are treated for cancer each year.

Somewhere between one out of four and one out of five South Australians develop cancer at some time in their lives. It is important that we have the best, most coordinated and integrated services possible. It has nothing to do with bureaucratic committees, and it has nothing to do with the alleged heavy-handedness of the bureaucrats, of the Health Commission, the Government or anyone else. It is a quite deliberate, sensitive, intelligent and well conducted operation which I hope will result in our having one of the best coordinated State cancer services in the country.

GRAPE PRICES

The Hon. PETER DUNN: I seek leave to make a brief explanation before asking the Minister of Consumer Affairs a question about grape prices.

Leave granted.

The Hon. PETER DUNN: Because of the difficulties facing vignerons who, like the rest of the rural community, are under great financial stress, they would like to know the cost per tonne of various grape varieties. They are now attempting to build budgets to present to their bankers and money lenders so that purchases of fertiliser and other capital purchases can be planned. When will the grape prices for producers be announced?

The Hon. C.J. SUMNER: I do not know exactly.

The Hon. Peter Dunn: It comes under your portfolio.

The Hon. C.J. SUMNER: Yes, sure. The Prices Commissioner assesses the price—in that sense it comes under my portfolio. The policy issues involved, of course, are for the Department of Agriculture. We act as the price fixing authority because the minimum grape price legislation is in the Prices Act. I will try to obtain an urgent reply for the honourable member and let him know as soon as possible.

NATIONAL AIDS CONFERENCE

The Hon. R.I. LUCAS: Has the Minister of Health a reply to the question I asked on 23 October about the national AIDS conference?

The Hon. J.R. CORNWALL: A provisional list of nominees is as follows:

Prof. G. Andrews, Chairman, SAHC.
Dr C. Baker, Acting Executive Director, Public Health Service.
Dr S. Cameron, Chairman, AIDS Advisory Committee.
Ms M. Ryan, Assistant Director of Programs, Department of Correctional Services.
Ms M. Thomson, Community Health Nurse, Sexually Transmitted Disease Services.
Mr R. Willoughby, Counsellor, AIDS Program.
Mr P. Kerr, R.N., AIDS Educator, FMC.
Mr T. Dudzinski, Gay Counselling Services.
Dr D. Thorne, AIDS Action Committee.
Mr A. Ewart, Haemophilia Society of SA Inc.
Dr J. Verco, President, SA Branch, Australian Dental Association.
Dr S. Heley, Senior Medical Officer, Sexually Transmitted Disease Services.

Furthermore, Dr M. Ross, AIDS Co-ordinator, will attend from South Australia as member of the national AIDS task force.

CHEMICAL POLLUTION

The Hon. PETER DUNN: Has the Minister of Agriculture a reply to a question I asked on 15 October about chemical pollution?

The Hon. FRANK BLEVINS: The Minister of Water Resources and I are aware of a proposal for establishing a pine wood treatment plant near Coonawarra. The proposed plant in which copper chromium arsenate will be used for the preservation of timber will be built and operated according to specification determined by the Standards Association of Australia in consultation with the timber industry. The design and planned operation of this plant has been scrutinised by officers of the Engineering and Water Supply Department and local government authorities and I understand that the precautions taken will safeguard the aquifer from pollution.

It is recognised that good housekeeping at this plant is crucial to protect the interests of all water users in the area—the vignerons, other irrigators, the local community and the processing company itself. I have been informed that inspectors of the Engineering and Water Supply Department and the local council will visit the plant regularly to ensure that the standard of operations is upheld.

YOUTH EMPLOYMENT SCHEME

The Hon. L.H. DAVIS: Has the Minister of Tourism a reply to a question I asked on 18 September about the Youth Employment Scheme?

The Hon. BARBARA WIESE: The Service to Youth Council is operating the Youth Enquiry Service which is supported by the Community Employment Program and some have suggested that the YES acronym for this service and the YES acronym for the Government's Youth Employment Scheme may be confusing for some young people.

There is no evidence to suggest that young people have been confused by the use of the same acronym. I am advised that to date only five calls have been received by the Youth Enquiry Service from young people asking about the Youth Employment Scheme. In these few instances the young people were referred to the YES hotline in a manner quite constant with the functions of an inquiry and information service. Of the hundreds of calls received by the Youth Employment Scheme hotline, none have been meant for the Youth Enquiry Service.

Both initiatives are complementary and both offer information to young people to increase the access of young people to education, training, employment, information and general youth services. It is already clear that the council's information service and the Government's employment schemes are benefiting many, many young people. The YES acronym is an extremely positive one to describe what I believe are positive initiatives on the part of the Government and the Service to Youth Council.

Clearly, the Service to Youth Council in 'borrowing' the YES acronym and the YES program from Scotland believed in the positive image it conveyed. In Scotland the Youth Enquiry Service (YES) program has been operating for some three years. After some five years of research and pilot projects the Scottish Community Education Council promoted a comprehensive development of local Youth Enquiry Service outlets throughout Scotland. Like the program operated here by the Service to Youth Council, the YES program aims to offer free information, advice and support to young people to assist in their personal, social and vocational development.

In New South Wales the YES acronym is used extensively to advertise a range of youth services. The YES acronym is used by the Minister of Employment to advise employment schemes and it is used by the Department of Youth and Community Services to advertise accommodation services that are titled Youth Emergency Services (YES). There are no ill effects of both of these services using the same acronym. The YES acronym is used quite extensively throughout Australia and, indeed, overseas.

The two schemes in South Australia are about creating opportunities for young people to participate more fully in the community. The two initiatives are highly complementary in meeting the needs of young people and this is to be welcomed; the success of both services is in no small part due to the foresight of the planners of each in using the acronym YES.

CONSTITUTION ACT AMENDMENT BILL (No. 3)

The Hon. I. GILFILLAN obtained leave and introduced a Bill for an Act to amend the Constitution Act 1934. Read a first time.

The Hon. I. GILFILLAN: I move:

That this Bill be now read a second time.

To many members, this is a familiar subject, because it is identical in substance to an amendment that we moved in the earlier Constitution debate in April this year. A lot of the argument and debate was canvassed quite widely then. It is an interesting and I do not think altogether remarkable coincidence that in both cases the *Advertiser* editorial, which is often the source of some of the more erudite and perspicacious remarks on contemporary politics, had substantial comments in favour of this move and I intend to read the editorial for the benefit of Council members.

The intention of the Bill is to put meaning into the words 'the fixed four-year term'. That would be expressed in an election date on the second Saturday of March every fourth year. Of course, under the Constitution Act, there are already certain situations in which a premature election can be called, but my amendment would mean that the result of that election would restrict the successful Party to government only until the next fixed term date. This morning's *Advertiser* editorial regarding the next State election, and reflecting on the fact that my Bill to be introduced this week fixes a Government for a four-year term, states:

> As it is, the next Government, although permitted to go for four years, will still be able to call an election any time after three years. And thus will continue the disease of election speculation which has bedevilled local politics this year, peaking this week, which is the latest that the Premier, Mr Bannon, would be able to announce a 1985 election. Such speculation, on which the media inevitably feeds, damages commercial confidence, postpones business decisions, permits greater opportunism by politicians and raises public suspicions that a Government is posturing rather than governing.
>
> A set date would lessen the uncertainties and abolish the cat and mouse game Premiers play with the Opposition and the public mood. And if any Government elected as a result of an early election were to serve only the remainder of the existing four-year term, it would reduce any temptation to engineer 'emergencies', such as an Upper House blocking of Supply.
>
> Any Government limiting its flexibility for choosing when to go to the polls would be brave. And any Opposition likely to have its turn at government some day would be brave to support it. But although Mr Gilfillan's Bill has no chance of success in this Parliament, it is to be hoped that in the public interest there will be a bipartisan look at the idea after the next election, whenever it is held.

There are some other modifications to be made to that statement, which I think was a very effective and accurate statement of the situation in South Australia and of the mood of many, many thousands of South Australians to this conjecture of 'Will it be or won't it be today, next week, or whenever the announcement is going to take place?' The editorial erroneously indicated that it would be a fixed term of three years. As another enthusiastic supporter of this move, the Hon. Robert Lucas, observed in April, even the first three years is not fixed, and the question of Bills of special importance does leave an opportunity for a Government determined to manipulate the situation to achieve an election even in that first three years.

However, that is not the issue that I am currently wanting to debate in bringing this Bill forward. Before concluding my brief remarks I will read an extract from a speech made by the Hon. Robert Lucas on 3 April 1985 because he has proved himself to be a courageous and an original thinker, which is, I suppose the cynics would say, rare in politics anywhere. Therefore, it is with particular significance that his support for this Bill and comments on it have certainly stayed in my mind (and I believe in the minds of all members of this place and the minds of an increasing number of members of the public at large), so I am looking forward to continued support from him over the years.

The Hon. R.I. Lucas interjecting:

The Hon. I. GILFILLAN: I hope *Hansard* picked up that interjection. There was a hypothesis that the Hon. Robert Lucas might become a Democrat. He is a democrat in heart and spirit; that is quite obvious. In his speech he stated:

> The problem with the Government's proposition of what is not really a fixed term, but is a hybrid or semi-fixed term—

That is precisely what has been misleading about the so-called fixed four-year term currently in the Constitution Act and, I believe, quite misleadingly argued by the Government and the Opposition when the Bill was debated in April, so I repeat what the Hon. Rob Lucas said, 'It is a hybrid or semi-fixed term.' He continued:

> —is that the Government of the day still retains an undoubted advantage over the Opposition Parties in that it has the opportunity to select the date of an election over a period of some 17 months. It is not, as the Attorney might argue, taking away all the power of the Government of the day with respect to the setting of an election date. Sure, there is a three-year fixed component, but that can now be manipulated by Bills of special importance, so an election can be engineered earlier than the three years. After the three years there is a 17-month period in which the Government of the day can choose the right economic and political climate in which to go to an election when it believes it has the best opportunity to win and the Opposition Parties have the least chance of winning.
>
> There is no doubt at all that Governments, whether Liberal or Labor, will use what the Attorney sees as the flexibility in that 17-month period. All the compromises that have been worked out, which are evidently acceptable to the previous opponents in this Chamber with respect to the problems of Government legislation and Supply (therefore making the concept of a fixed three-year term acceptable to a majority of members), can be equally applied to the concept of a fixed four-year term. For a fixed four-year term, which is proposed by the Hon. Mr Gilfillan and which I support, all the compromises that the Attorney and others have worked out for the fixed three-year component can be used for the fixed four-year term.

That is a very convincing comment on the Bill. I consider that the opposition to the Bill early in April was very feeble and a faintly veiled cover over what major Parties have relished in power, this quite unacceptable right to impose on the public and other political Parties the date of an election.

The editorial picked up the fact that we have been suffering for 12 months from this uncertainty. I have felt it most keenly. In the time that I have been in the Parliament there has definitely been a deterioration in the cooperation and the productivity in the Parliament in this year as compared to the previous two years. I am not saying that that is the particular fault of the people in this place, or in the other place; it is the fact that we are living with this uncertainty.

The Premier even said this morning that he has not made up his mind about an election, which means that, if he is to be believed, the people of South Australia are still in a quandary about when the next State election will be.

Members interjecting:

The PRESIDENT: Order!

The Hon. I. GILFILLAN: The financial statement of an ordinary private enterprise has to be published at fixed dates. Local government has fixed dates, yet for some extraordinary reason we cling to this anachronism that it is the divine right of the Premier of the day to pick the date of the election. I totally reject that. I cannot see that there is anything but an advantage for South Australia on all fronts if we have a set election date.

The sort of carnival atmosphere that hits this place when there is a whiff of an election in the air is extraordinary. No doubt it is entertaining and I enjoy the lively and humorous debate and the badinage and give and take. However, we are not paid to be here for 12 months carrying on in that way. The draining of energy and this hyping up 'will there or won't there be an election; we must be prepared for it' is completely counterproductive to the work for which we are paid. I urge the Parliament to treat seriously the Bill I have brought before the Council.

Unfortunately, Parliamentary Counsel has pointed out that with the complications of proclamation and the uncertainty of reservation for the Queen's assent I could not incorporate in this Bill any clause that will fix the date of the next State election. If I could I would dearly have liked to pick a date so that everybody could have gone home tonight comfortably reassured. However, it is not to be for this election. We shall have one more State election which will be not in the lap of the gods but which will be in the lap of an opinion poll, an editorial, the weather at the Grand Prix, and how the Premier ran in a corporate cup. If those are the sorts of bases on which elections are run—

The Hon. L.H. Davis interjecting:

The Hon. I. GILFILLAN: We picked up and finished ahead of the Hon. Mr Davis. We can take a few handicaps and still finish quicker than any of the Liberals. I think that the important thing is that the use of this Bill for this Parliament is for the election after the next one, so that both major Parties can view it objectively and, as the editorial pleaded, on a bipartisan basis. They realise that the tripartisan approach is such that the Democrats have resolved to support it and they are pleading with the major Parties to give this matter very serious consideration. I bring the Bill before the Council pleading for support on the basis of good, sensible, calm and rational government of South Australia.

The Hon. G.L. BRUCE secured the adjournment of the debate.

IDENTITY CARDS

Adjourned debate on motion of Hon. Diana Laidlaw:

That this Council conveys to the Federal Government its strong opposition to the introduction of a national identification system, incorporating the Australia Card, because the proposal—

1. Was a simplistic response to the need to combat tax avoidance and social security fraud.
2. Represented an unwarranted intrusion into personal liberties and basic rights.
3. Had the potential to legitimise false identities.

4. Ignored overseas experience which confirmed it was virtually impossible to confine their use.
5. Could not guarantee that personal information would be secure.
6. Did not address how the system would be enforced.
7. Was questionable in terms of the cost benefit estimates.

(Continued from 30 October. Page 1630.)

The Hon. R.J. RITSON: I will not speak in great detail about all the points in this motion. All members are aware that a motion such as this does not have the force of law but is an expression of opinion. I see this debate as an opportunity to add my support to the sentiments expressed by the Hon. Diana Laidlaw, who spoke in great detail to it. I am concerned that the Federal Government is proposing to number us all with an Australia Card. The single reason given to the Australian people for thus labelling them is that it is necessary to prevent social security fraud. Nothing prevents social security fraud and I doubt whether any country can demonstrate such a prevention.

I am told that in the United States, in a State where such a system exists, a skydiver fell to his death with a quantity of marijuana in a bag attached to his body—some 70 kilograms according to the report—and that on his person were six different identity cards. Obviously, there has to be a starting point in identifying someone. Where will the start be to give us all these new foolproof identities if such a scheme is introduced? Are people's birth certificates to be taken as the premise on which identity cards are issued? If so, what safeguards are there against the obtaining of false birth certificates?

Members are aware that presently birth certificates are readily obtainable, and that a large amount of social security fraud takes place because the perpetrators of this fraud obtain false birth certificates. I understand that it is possible to visit cemeteries, record dates of birth and names appearing on the tombstones, and to take those records along to the Registrar and obtain extracts of birth certificates.

When it introduces this scheme, how will the Federal Government ensure that the initial issue of these cards is foolproof? I have heard nothing to indicate that that will be so. I find it strange to be on the same side of an issue as the radical left of the Labor Party. But there it is: we are on the same side on this point. The cost of this measure worries me. Medicare produced something like 7 million small plastic cards at, I guess, $1 or so a card. However, this national identity card, if it is to be relatively tamper proof, will obviously be more expensive. I have heard figures of $4 a card bandied around, and that is without a photograph. I do not know whether or not these cards will have magnetic coding. That may make it more expensive.

The Hon. M.B. Cameron: That will be a small cost, compared to what else is involved.

The Hon. R.J. RITSON: Yes. I am just talking about the plastic at $4 a card for about 8 million people over the age of 18 years—some $30 million or $40 million. We then have to worry about the computers and bureaucrats. It has been said that the purpose of the Australia Card would be strictly limited to transactions involving taxation and social security.

The Hon. Frank Blevins: And banking.

The Hon. R.J. RITSON: Yes. Earlier today I asked the Minister of Health a question about the new co-ordinated cancer services. He passed that off as a fairly small bureaucratic exercise. However, the documents relating to the planning of that service have since come into my hands and I discover that the registry of patients is to be based on their Australia Card number. Obviously, arrangements have already been made between the South Australian and Federal Governments to use Australia Card numbers for all sorts of other purposes. The documented evidence of the State Government's plan to use the Australia Card for medical records is evidence that the card will not be confined to the sorts of purposes to which the Federal Government has stated it will be confined.

We cannot assume that we can infallibly establish the identity of every person in this country as the premise for the issue of these cards because all sorts of fallible documents will be used to produce this infallible card. Even if we could assume that identity could be established infallibly, making the cards tamper proof would be very difficult. The forged document industry is viable throughout the world. It is possible, with photographs, to make the cards more difficult to tamper with, but not tamper proof. Even a tattoo would not be tamper proof. A tattoo is fairly tamper proof on a dog because a dog does not know how to tattoo itself. However, all members are aware of the number of self-inflicted tattoos on people. This is perhaps more common among people in emotional and social distress than in other sections of society, and is very common in prisons. It is simple for a human being, unlike a dog, to tattoo an additional digit or alter a digit. I do not know how far we have to go in the pursuit of numbering everyone infallibly in Australia.

The initial cost, of course, is a drop in the ocean. I do not know what the inflation projections for the cost of replacing the cards are. If we guess at a relatively cheap $4 tamperable card, I suppose its life would be approximately that of a Medicare card. The Medicare card has an estimated life of some three years. I do not know what bureaucracy the Government would set up at a federal level to handle the problems created when a person presented for a social security service, such as an interview at the CES office or at the counter to complain about loss of a pension cheque. I know that, as far as Medicare is concerned, there is a hotline set up so that, every time a patient presents at the doctor without the card, the doctor can ring a central bureaucratic point and be given the number over the telephone.

That is an interesting point from the aspect of security, because I could get your Medicare number, Mr President, within 10 minutes. I would not invade your privacy in that way, but I could. I would merely have to ring up the central office and say, 'I have a patient by the name of Mr Whyte who has lost his Medicare card. Can I have his number? It is Dr Bloggs speaking.' They would give the number to me over the phone. But what sort of bureaucratic method of dealing with the crisis at the counter will be instituted by the Federal Government when people lose their cards? What percentage of people would lose their cards and require replacement short of the physical life of the card? I really do not know. I fear that this whole matter has been decided without being thought through. I fear that somebody jumped up and said, 'If we do this, we will not have any fraud'; and without anyone thinking it through at all, the Government of the day in Canberra said, 'I think that is a good idea because fraud is a bad thing; let us do it.' I do not think that the Government has costed it.

I am terrified of it. It does not matter how much one argues that it is a privilege to be a citizen and it is a privilege to receive social services, the culture in Australia is not ready for it. There will be an intangible feeling from one coast of this nation to the other that civil liberties are being interfered with, that we are being depersonalised.

The South Australian Health Commission's proposal to use Australia Card numbers for health records is but one example of the fact that it does not matter what the Federal Government says it will confine the card's use to: it will be a tag, something that will be demanded for all sorts of purposes. The list of purposes for which the card is required will grow year by year. Having said that, I want to thank

and commend the Hon. Miss Laidlaw for raising this issue. I know that the final wording of the motion and the vote has no force of law and does not really matter, except as a vehicle to hang these sorts of comments upon when using this Parliament for one of its legitimate functions—that is, its expressive function. So, for that reason I support the motion.

The Hon. PETER DUNN secured the adjournment of the debate.

TOBACCO SMOKING

Adjourned debate on motion of Hon. K.L. Milne:

That this Council, being aware of the harmful effects of side-stream tobacco smoke on non-smokers in the community, requests the Minister of Health to introduce legislation that would—

1. prohibit tobacco smoking in confined working and public places;
2. enforce the provision of non-smoking areas in all recreational, retail, restaurant and working areas not covered by 1 above;
3. prohibit the advertising or sale of all tobacco and tobacco smoking products on Government premises.

which the Hon. J.C. Burdett had moved to amend by striking out all words after 'That this Council' and inserting the following:

being aware of the possible harmful effects of passive tobacco smoke on non-smokers in the community, requests the Minister of Health to develop proposals in conjunction with Local Government that would—

(1) prevent tobacco smoking in confined working and public places.

(2) support the provision of non-smoking areas in all recreational, retail, restaurant and working areas not covered by (1) above.

(3) where practicable prohibit the advertising or sale of all tobacco and tobacco smoking products on Government premises.

(Continued from 30 October. Page 1646).

The Hon. R.I. LUCAS: I move:

That this debate be further adjourned.

The Council divided on the motion:

Ayes (10)—The Hons J.C. Burdett, M.B. Cameron, L.H. Davis, R.C. DeGaris, Peter Dunn, K.T. Griffin, C.M. Hill, Diana Laidlaw, R.I. Lucas (teller), and R.J. Ritson.

Noes (11)—The Hons Frank Blevins, G.L. Bruce, B.A. Chatterton, J.R. Cornwall, C.W. Creedon, M.S. Feleppa, I. Gilfillan, Anne Levy, K.L. Milne (teller), C.J. Sumner, and Barbara Wiese.

Majority of 1 for the Noes.

Motion thus negatived.

The Hon. R.I. LUCAS: I am really not prepared to speak to this motion this afternoon. I am substantially in agreement with the amendment moved by the Hon. Mr Burdett, but I am concerned about one aspect of it: and I had hoped to have some discussion with Parliamentary Counsel, and when we next came back to this Council for private members business on 20 November I had hoped to move an amendment to the amendment of the Hon. Mr Burdett. Suffice to say that what we have just been through prevents my being able to do that. In that respect, I apologise to the Council for not being better prepared in respect of this debate.

An honourable member interjecting:

The Hon. R.I. LUCAS: I suppose that it is fair enough. The Hon. Mr Milne wants to see his motion (at least amended) through in some form just in case there is an election. I was thinking that we would be back on 20 November. I found myself substantially in support of what both the Minister of Health said and what the shadow Minister has indicated, in particular, their emphasis on the fact that legislation ought not to be seen as the only way to go with respect to programs to reduce tobacco smoking in the community. The amendment that the Hon. Mr Burdett canvassed last Wednesday (30 October), as I said, I substantially agreed with.

He indicated in his explanation that he, too, does not believe that legislation is the only way to go. The amendment reads:

That this Council, being aware of the possible harmful effects of passive tobacco smoke—

and that was an amendment to the original motion, and I support that—

on non-smokers in the community, requests the Minister of Health to develop proposals in conjunction with local government that would—

(1) prevent tobacco smoking in confined working and public places...

The word that concerns me is 'prevent', and the discussions that I wanted to have with Parliamentary Counsel would have hinged on using a slightly less strident word, perhaps along the lines of 'discourage'. Whilst I concede that the proposal means that we as a Parliament are moving away from legislating—and I support that, and it appears that everyone in the Council will support that move away from the original motion—I am concerned that when we talk about developing proposals in conjunction with local government we are talking in terms of, as the Hon. Mr Burdett mentioned, the Canadian experience and, as the Hon. Mr Milne would be well aware, the county experience in the United States of America, where local governments, certainly in America, have instituted by-laws (or whatever their equivalent is in America) to prevent tobacco smoking in the workplace.

In effect, what has occurred, on my understanding, there is that whilst the State Parliament has not made the rules and compelled industry to prevent tobacco smoking, the next tier of government down from the State Parliament (that is, local government) has taken over the role of legislating in that respect. I had hoped not only to have discussions with Parliamentary Counsel but to seek more detail, over the two weeks prior to debating it on 20 November, on exactly what local government has done and how it has achieved that in America. That will not be possible now, so I cannot support not only the original motion of the Hon. Mr Milne but also, reluctantly, the amendment of the Hon. Mr Burdett, only in relation to, in effect, paragraph (1) of his amendment.

I find myself in substantial agreement with paragraphs (2) and (3) of the amendment to the motion moved by the Hon. Mr Burdett. Again, I apologise to the Council for not being better prepared. With those few words, I indicate opposition to the original motion and to the amendment.

The Hon. K.L. MILNE: I would be prepared to change the one word that the Hon. Mr Lucas brought up if it suited the Hon. Mr Burdett. The alternative of 'discourage' instead of 'prevent' is sensible in view of the attitude that we have all adopted towards this suggestion. Is there some way of doing that simply, without delay?

The ACTING PRESIDENT (Hon. C.M. Hill): Is the Hon. Mr Burdett prepared to remove the word 'prevent' and in lieu thereof add the word 'discourage'?

The Hon. J.C. BURDETT: I am prepared to accept that. I seek leave, if this is the appropriate machinery, in my amendment to change the word 'prevent' in paragraph (1) to 'discourage'

Leave granted; amendment amended.

The Hon. K.L. MILNE: I thank the Minister of Health for his very substantial speech, on which a great deal of research and time had been spent and the bulk of which I certainly agree with, and I think that many more in the Council feel the same. I thank the Hon. John Burdett for his support and amendments, which were very sensible in view of the difficulties that the Hon. Dr Cornwall foreshadowed had I persisted with my suggestion of introducing legislation. Obviously, the society is not ready for that. The Government was not prepared to do it, and this is a very substantial step forward, which I hope is a compromise on which we can all agree. I hope that this Council will be able to support this motion.

The ACTING PRESIDENT: I put the motion:

That the words proposed to be struck out stand.

Motion negatived.

The ACTING PRESIDENT: I put the motion:

That the words proposed to be inserted be so inserted.

Motion carried; motion as amended carried.

ENERGY RESOURCES

Adjourned debate on motion of Hon. K.L. Milne:

1. That a select committee be appointed to inquire into and report upon—
   - *(a)* The pricing and supply of natural gas in South Australia including reserves, prospectivity,. cost of exploration for and production of gas and the need for any change in current and future contractual arrangements.
   - *(b)* The role of the South Australian Oil and Gas Corporation and the extent to which this organisation should be subject to public scrutiny and control.
   - *(c)* Present energy decisions regarding future power needs in South Australia.
   - *(d)* The most economical means of providing South Australia's future power needs with due consideration of environmental factors and local employment and in particular the relative advantages of—
     - (i) an interstate connection
     - (ii) importing black coal
     - (iii) development of local coal fields
     - (iv) Northern Power Station unit 3 and further development at Leigh Creek.
   - *(e)* Possible technologies for the development of South Australian coal resources.
   - *(f)* The 'Future Energy Action Committee, Coal-Field Selection Steering Committee, Final Report'.
   - *(g)* Alternative sources of energy.
   - *(h)* Methods of conserving energy.
   - *(i)* The advantages and disadvantages of having the portfolios of both Mines and Energy in one Government department and under the control of one Minister.
   - *(j)* Any other related matters.
2. That in the event of a select committee being appointed, it consist of six members and that the quorum of members necessary to be present at all meetings of the committee be fixed at four members and that Standing Order No. 389 be so far suspended as to enable the Chairman of the select committee to have a deliberative vote only.
3. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence presented to the committee prior to such evidence being reported to the Council.

(Continued from 30 October. Page 1630.)

The Hon. M.B. CAMERON (Leader of the Opposition): This kind of motion to establish a select committee is very unusual at this stage of a parliamentary session. Anyone experienced in the forms of the Council would know that on the day the election is called the select committee will disappear and, in fact, I think that day will be tomorrow. In the event of this phoney war being stopped and the Government getting on with the job of having the election, the select committee will never sit. It will never sit because no-one will have time tomorrow night to even call a meeting to appoint a Chairman.

The motion deals with matters that are already the subject of a Bill in this Council today in relation to the price and supply of natural gas in South Australia. I once sat on a select committee looking into uranium; that committee had terms of reference as wide as those of the Hon. Mr Milne's proposed select committee. I have no great desire to repeat that experience, even though I was able to spend quite a bit of time with the Hon. Mr Milne in various parts of Australia.

An honourable member: And with Norm Foster.

The Hon. M.B. CAMERON: Yes, the Hon. Mr Foster was involved. In the end, the select committee did achieve something because commonsense finally prevailed with the Hon. Mr Foster and through him with the present Government. However, that is another matter and, Mr Acting President, you would be quite right to draw me back to the motion. As a matter of form the Opposition is prepared to support the motion. However, I point out that I anticipate—in spite of the Hon. Mr Milne's very good motivation—that the select committee will never sit. However, we will certainly go through the form of supporting the motion because I am sure that the Hon. Mr Milne's motivation is 100 per cent correct.

I find it surprising that we are debating this motion at this stage, even though I am aware that the Hon. Mr Milne introduced it some time ago. The Hon. Mr Milne has had some difficulty in obtaining Government support for the motion. I would like to know of some of the behind the scenes negotiations which preceded this move. I wonder whether the Government told the Hon. Mr Milne that the select committee would disappear the moment Parliament was prorogued. I wonder whether he was aware of that situation and that it would not sit unless it was reconstituted later. In any event, I point out that the Hon. Mr Milne will not be present in the Chamber at that stage, anyway.

The terms of reference proposed by the Hon. Mr Milne are very wide ranging, and, in fact, I think they are too wide. I think they extend into subjects that are really the role of Government and committees set up by Government rather than of the Council. The select committee would have to do a tremendous amount of work investigating the various subjects. That work would have to be done by members of this Council and, let us face it, we are only ordinary citizens and, as such, we do not have the detailed knowledge necessary to make decisions and recommendations on some of these matters.

The Hon. Mr Milne would be aware that in relation to coal the Stewart committee has been sitting for some time. I am quite sure that the members of that committee have special expertise which allows them to investigate coal resources and other fuels for South Australia. That committee will take some time to explore all the available information, as would members of the Hon. Mr Milne's proposed committee. The select committee would have to call evidence from expert witnesses and because the terms of reference are so wide ranging and complicated a number of members of this Council would be tied up for many months.

The Hon. Frank Blevins: Years.

The Hon. M.B. CAMERON: Yes, years—I think that is the right word. It would be very wide ranging indeed. I think all members should carefully consider whether it is appropriate for a select committee of this Council to investigate such a wide ranging area. As I have said, the subject will involve a lot of expertise. As an analogy, I well recall the uranium select committee which sat for about 12 months when a slight change was made in the method of measuring products and other items related to nuclear power and uranium. That change completely threw members of the select committee: we found ourselves in a very difficult

situation, having received a considerable amount of evidence based on one particular set of parameters and then having to change overnight to another set of parameters. I know that members of the uranium select committee found the subject extremely complicated, difficult and tedious.

Public funds were spent on the uranium select committee for virtually no result because we had three reports all at variance with one another and all setting out to prove the others wrong. The uranium select committee did not achieve a lot. For that reason I am rather doubtful about the success of any select committee set up to look into a very technical area such as future energy requirements, the supply of gas including reserves and prospectivity. The subject of reserves alone would tax most members of this Council. We would have to seek advice from geologists, and that advice would have to be understood (and that is not easy). While I accept that the Hon. Mr Milne has a very good motivation for this motion, before it is considered again I think it should be carefully considered.

The Hon. K.L. MILNE: I thank the Government and the Minister for agreeing to this select committee. My colleague the Hon. Ian Gilfillan and I have felt strongly for some time that the question of energy supplies in South Australia was becoming more and more complicated, that it was being addressed in separate parts which should be brought together. During the debate the Minister was kind enough to say that he agreed with us, and that encouraged us to move this motion. I thank Government members and the Opposition for their support and trust that the motion will be successful because I think it can and probably will be brought forward after the election, no matter which Government is in power. I think the select committee will be very valuable indeed for the future of this State.

Motion carried.

The Council appointed a select committee consisting of the Hons G.L. Bruce, M.B. Cameron, B.A. Chatterton, I. Gilfillan, Diana Laidlaw, and Anne Levy; the committee to have power to send for persons, papers and records, and to adjourn from place to place; the committee to report on 12 December.

NATURAL GAS (INTERIM SUPPLY) BILL

Adjourned debate on second reading.

(Continued from 5 November. Page 1768.)

The Hon. M.B. CAMERON (Leader of the Opposition): This is arguably the most important measure to come before this Council during the three years of this Government. It is important because it symbolises the willingness of the Government to break agreements and to change laws retrospectively for clearly political ends. It would be very interesting to know the background to this Bill, and I am not quite certain what role the Hon. Mr Milne has played in this matter but I suggest to him that, if he supports this Bill, he will be leaving a very unfortunate legacy in this Parliament. The Bill will change laws and break agreements that have been entered into not by outside people but by this Parliament, and I suggest to the Hon. Mr Milne that he consider his position in this matter very carefully in the later stages.

The Bill has been hastily put together, nominally considered by a select committee and rushed into this Council on the eve of an election by a Government whose record on the issue of taxation and charges is appalling. Every member of this Council needs to have no illusions as to the real motivation of the Government in introducing this Bill. Some months ago the Premier announced temporary cuts in power bills. He hoped to finance these cuts by squeezing the price of gas, which of course is the main fuel used by ETSA, and this Bill seeks to do that. However, it is about more than just the price of gas: it is a Bill that strikes at the heart of the value of any agreement between the Government and another organisation.

I am sure that all members would be aware of the significance to South Australia of the Cooper Basin, which is the major source of gas supplies for South Australia and one of the State's most valuable resources. These resources have been developed by a consortium of companies that has been prepared over a long period to risk millions of dollars in an effort to establish reserves and supplies of gas to South Australia. In that sense, the Cooper Basin is a community asset on which royalties are paid by the producers, and so everyone in this State benefits from the Cooper Basin. Jobs are created and, obviously, our economy benefits. It is estimated that at present 6 000 South Australians directly and indirectly are employed as a result of the Cooper Basin gas scheme. Total investment alone amounts to $1 600 million. What an enormous investment in this State by people who have been prepared to help in its development!

That is put at risk by this Bill, which overturns previous agreements that have proved to be the basis for massive borrowings by the developers of the Cooper Basin. Can anyone imagine going to borrow money without having an agreement that had and was considered to have a sound basis? When the Minister of Mines and Energy in another place first introduced the Bill into the House of Assembly he said that he did so with considerable disappointment and he bemoaned the fact that the action he was taking was necessary. I suggest that, in fact, the Minister was weeping crocodile tears.

I wish to deal in considerable detail with the history of this matter, which is a sorry one indeed, and the evidence I will give makes clear the cynical willingness of this Government to betray agreements and withdraw commitments in an effort to further its own political advantage. There is no doubt that since 1982 the Government has been fully aware of problems faced by South Australia in guaranteeing the long-term security of our gas supplies. In fact, at one stage the Premier indicated that it would all be fixed up in a matter of weeks—that was back in 1982. Now three years down the track we see a measure being rushed into Parliament, probably the day before an election is called. What a farce, after waiting for all that time! What is the motivation? One does not have to be a genius to know what the motivation is.

In August last year the Government set up what has become known as the Barnes committee to investigate the supply of gas from the Cooper Basin, and for more than 12 months the Government engaged in negotiations with the Cooper Basin producers to reach a new agreement governing price and supply of gas. The Barnes committee negotiated with the producers and offered them $1.77 per gigajoule. During this stage of the negotiations little concern was expressed about the actual level of reserves, in other words about quantity: the principle concern was price. There was some discussion about the level of reserves, but when that discussion took place, as I understand it, no real concern was expressed in the final analysis and certainly no figures were produced to indicate a wide disparity between the figures of the Department of Mines and Energy and those of the producers, as was evident on Monday last. We certainly found that situation very surprising indeed. An article in the *News* today, which sets down a very clear situation, states:

The State Government had refused to reveal supply calculations to Cooper Basin gas producers during negotiations, producers said today. Santos Ltd Managing Director, Mr Ross Adler, said pro-

ducers had been given no hint of the figures until they were revealed yesterday in a select committee report.

'The Premier, Mr Bannon, in a full-page advertisement, talks today about supply and discrepancies between our figures and those from the Mines and Energy Department,' Mr Adler said. 'The facts are the Government asked about our position months ago and we went into great detail with them. When our people were being questioned by the select committee on the basis of discrepancies, they [the Government] refused to give us details of their figures'.

And that, I understand, was last Friday—after three years. It continues:

'This is not the way to negotiate. If there were wide discrepancies, why weren't we told earlier? It's quite disgraceful.' Mr Adler said producers would seek legal opinion today as to whether supply legislation was constitutional. 'It's highly likely that we'll challenge the State Government on that basis.'

I have read carefully all the correspondence associated with this matter, the select committee report and the majority of the select committee evidence, and it is fairly clear to me that that situation is correct.

I believe that last Friday there was an indication given to the producers of discrepancies and then they were given the figures, as I understand, for one afternoon to check. Anybody with an ounce of commonsense would understand that when it comes to very complicated situations relating to the geology of the Cooper Basin, and where there is a difference of opinion one cannot just arrive at a decision or an agreement as to where the differences lie in an afternoon—that is just impossible!

That is the farcical situation that the producers were faced with. One knows that these days in arriving at any decisions on differences one has to use computers and computer studies. In fact, as I understand it, the producers have taken some months to arrive at their figures. The variations of opinions that were given to them to look at for an afternoon really do suggest that the select committee and the differences of opinion that have been brought forward at this stage are just put up as a reason for introducing the Bill—they are trumped up for that reason!

If there were differences, why were they not brought to the attention of the producers and why were they not given the opportunity of a reasonable study of those figures? Surely that would have been a reasonable and commonsense thing to do. As I indicated previously, the price situation is one that was offered by the Government last February, and at a higher figure, I might say, than that of the Goldsworthy agreement that the Government is always so keen to bring up of $1.62 a gigajoule. By coincidence, the Government has now brought forward a figure of $1.52 a gigajoule. The clear reason for that is to show that it will bring prices down a bit.

Of course, that is a bit farcical, too, because that is only for the short term. We have no idea what the price will be in the very near future because the Bill sets up a situation where when a new price payable by AGL comes into operation the authorities shall pay that price and thereafter shall pay the same price as AGL for natural gas from the Cooper Basin region. What happens if, as a result of these negotiations occurring in New South Wales, a price higher than $1.52 is introduced? Of course, straight away we will be up for the higher price. I wonder whether the Government has an answer to that question. Does it know that the price will be low? Does it have hidden knowledge of what is to occur? Why have they set us up to pay a potentially higher price rather than having the certainty they had during their negotiations, a certainty that went on well into the 1990s? It is a very doubtful situation that the Government has put us in and one that makes a farce of its claim to have lowered the price of gas—it cannot know that.

It can only know that in the short term. It is exactly the same as the Government's offer to give back taxes to ETSA in order that ETSA might reduce the price of electricity. We all know what a farce that was, that it is only in the very short term that that occurs. As I have said before, it is the equivalent in return to each customer of ETSA receiving two Mars bars a week, a very real drop in electricity tariffs indeed! For the sake of achieving that the Government is setting out to break what were very serious contracts entered into by people who have invested in this State.

In February, having offered the price of $1.77 a gigajoule, the Government ceased negotiations without indicating what further action would be taken. I gather the inference was, 'Don't bother to contact us, we will contact you.' It was not until nearly five months later that the Government again contacted the producers in an attempt to resolve the situation.

I refer now to a letter of 18 July to Mr Adler, Managing Director of Santos Ltd, one of the consortium, from the Minister of Mines and Energy. The Minister, in his letter, expressed a great deal of urgency on the matter, wanting it to be resolved in 12 days. This is an extraordinary about face, given the fact that he had been prepared to let the issue lapse for five months—five solid months—without any contact in relation to the negotiations. The letter states:

The Government has given careful consideration to the major issues outstanding in the gas negotiations. The attached heads of agreement contain a number of modifications aimed at resolving the matter. Recognising that in requiring the producers—

and listen to this, which is a key point in the Government's letter to Mr Adler—

to take a reasonable degree of commercial risk in accepting their obligations under the contract and that in meeting those obligations they will have to commit to further investment in exploration, the Government has offered a real price increase over the first part of the contract period. During that time a further price review will take place in the light of the actual circumstances prevailing at that time.

That is the only time that the Government has really recognised the problems that the producers face; that is, that they have borrowings and investments and have entered into those investments on the basis of a return. The Government recognised that, which was quite proper.

However, of course, that has all gone by the board; that particular attitude has disappeared. In fact, the Government is now prepared to place at risk all the assets of the producers by changing the bases of the agreement and contracts with the Government. The letter continues:

The Government cannot permit the price of long-term supply arrangements for gas to remain unresolved and has determined that this matter must be finalised before the end of July. I will be seeking a meeting with the producers' representatives to take place as soon as possible so that that will be achieved.

Attached to the letter were the heads of agreement which dealt with very many complex issues and which were expected to be signed, sealed and delivered within 12 days—an extraordinarily hasty request given the complexities of the issues involved. The letter and heads of agreement gave the Government's offer for 1986 a price of $1.72 per gigajoule, which was arrived at by applying an escalator based on the CPI and other factors to a base figure of $1.60 per gigajoule.

On 26 August Mr Guerin entered the fray as the Government's new whizz-bang negotiator. Again, the Government offered a price increase to apply for 1986 to lift the price to $1.72 per gigajoule. So, again, there was an expectation on the part of the Government that the 1985 price would be lifted by at least 10c to $1.72 per gigajoule in 1986. It is important to reiterate that as late as August the Government remained committed to a gas price increase next year—August, I make that point!

On 29 August Mr Guerin, who is now on a personal mission for the Premier, wrote to Mr McArdle, General Manager of Santos. This was three days after his previous letter to Mr Adler. The Government had revised its position

in relation to certain matters within that three-day period. That is how long it took it to change its mind on some issues. In the letter of 26 August the Government sought to require the producers to maintain a minimum exploration effort. However, in the letter of 29 August Mr Guerin spelt out that no specific exploration commitment would be imposed under the agreement. Again, the price for 1986 was to be $1.72 per gigajoule with subsequent increases in subsequent years. On 3 September Mr Adler, representing Santos, Mr Ainsworth representing Delhi Petroleum and other members of the consortium wrote a detailed six-page letter to the Premier in response to Mr Guerin's letter of 29 August. In their letter they made a number of very important comments. They said:

Before detailing our response, however, it is opportune to remind you of the importance of the future requirements agreement to the producers. As an existing commercial arrangement upon which major exploration and capital expenditure commitments, financing arrangements and investment decisions have been made and continue to be made, the prospect of its termination cannot be regarded lightly. In entering into negotiations in July 1984, the Barnes committee, acting on behalf of the Government and PASA, recognised these facts and undertook negotiations on the basis of satisfying the Government's problems with the agreement while recognising the need to retain the basic commitment to, and certain rights of the producers.

This point made by the producers is very important. The Cooper Basin project involves an investment of $1 600 million—an enormous amount in anyone's terms. The money for that comes from loans and arrangements negotiated over a long period of time on the basis of accepting Government commitments at face value and relying on prices applying under such agreements. To terminate agreements that have formed the basis for such borrowings and to renegotiate is a very serious matter, and obviously would be viewed by any potential investor with great concern.

One can imagine the concern of those involved in developing Roxby Downs should the Government decide it wanted to change the terms under which it has invested many millions of dollars. What we are doing here is laying down that sort of precedent. There can be no certainty associated with anyone who has signed an agreement with this Government once this matter has gone forward. The letter continues:

In this context the producers expressed a willingness to accommodate the Government with respect to the four fundamental changes sought by the Barnes committee and set out in Mr Adler's letter to you of 26 July, and have negotiated in good faith on this basis for the last year.

Some of these changes afforded both the producers and the State some commercial advantage. Others, such as a waiving of the fuel oil reference and the reduction in contract quantities clearly adversely affected the producers' commercial position. Nevertheless, the producers were prepared to accept these changes while there remained some balance in the arrangement which preserved some of their basic rights and the State's basic commitment to the Cooper Basin.

We have already recorded our shock and dismay at the turn of events which occurred upon the receipt of the Minister's letter on 18 July. In addition to the fact that the modified heads of agreement attached to that letter repudiated the pricing proposals previously put by the Minister's representatives, it also reversed the Government's position with respect to one of the fundamental prerequisites (the sourcing of gas from beyond the subject area) and modified its position on a matter previously accepted by both sides as an essential component of any new arrangement—an equal treatment priority rights clause.

Since your meeting with Messrs Adler and Ainsworth on 13 August, negotiations with the Government's new negotiating team have been constructive. The misunderstanding on the State's side as to the extent of the producers' declared reserves and the upward movement in them over the past two years has been clarified and the number of issues between the parties has been reduced.

In relation to the issue of prices, the representatives of the consortium said:

We register our continued concern that, despite indications of a preparedness to make a substantial compromise on the part of our representatives, the State's representatives have not made any substantial change to the pricing proposal put by the Minister on 18 July.

That was $1.72 per gigajoule. They continue:

We remind you that the latest offer by the State remains substantially below the offer previously put by the Minister's representatives in February. For our part, in an effort to reach an agreement with your committee, we have offered prices below the State's previous offer, but without success... As part of an overall package, our proposal accepts prices indicated in Mr Guerin's letter of 29 August on the basis that they are firm prices only to be adjusted by the application of an index referred to in clause 6 of the attachment.

In other words, the producers agreed to a price of $1.72 per gigajoule for 1986. Prior to this acceptance of the price by the consortium, the Government announced with much flurry a revised electricity tariff schedule. This is where, I think, the tricky part comes in. As I indicated, I am not sure what part the Hon. Mr Milne has played in the whole matter. He seems to have developed a very big interest in this issue and seems to have some special and particular knowledge of events that have taken place.

To achieve some temporary reduction in ETSA tariffs the Government has been able to offer the ETSA board an avenue for reduced costs. Of course, that avenue was a reduced gas price, as well as giving back some of the money it was already robbing from the consumers of this State because it reintroduced the tax on the tariff, which we, in Government, got rid of. There has been some misleading advertising on this matter by the Premier and others. I make absolutely clear that the Liberal Party, in Government, removed that tax, and the present Government put it back on. What it is now trying to do is make a big fellow of itself by giving some of it back. That is nonsense.

ETSA as a main user of gas clearly would not have been happy with the Government's request for it to cut its tariffs unless the Government could guarantee that gas prices would be lower. I believe that that is exactly what happened. The Government set out to achieve that. As I pointed out, it is only in the short term because there is no guarantee in the long term. There is less guarantee for consumers under this Bill than there was under the offers made in February and July by the Government to the producers.

All this has occurred as a result of a strategy for the election. That is what it is all about. On 23 October, the day the Bill was introduced into the House of Assembly, the Premier wrote a letter to the producers indicating a number of points. A new price was offered—$1.54 per gigajoule. It suddenly came out of the air. It is interesting to note that the letter had clearly been prepared prior to 23 October because, although the month and year were typed, the date (23) was handwritten.

The Hon. C.M. Hill: That is very significant.

The Hon. M.B. CAMERON: Very significant—all carefully prepared ready for the kill. One suspects that the Government had prepared this strategy well in advance, that it had always been a carefully prepared plan—a set up job. In his letter the Premier, in part, said:

The current arrangements on pricing require significant modification.

That is the first time we have heard that. Before then the price being offered was an increase on what had been paid previously. The letter continues:

Whatever the antecedents, the current disparity between prices charged by the Pipelines Authority of South Australia and those charged to AGL Limited for the same gas produced from State resources is unacceptable and steps must be taken to remove this anomaly.

It is extraordinary that the Premier made this comment when not once in any of the earlier negotiations had that attitude been introduced by the Government. This is the first time this matter came forward and not one person in

this State, except perhaps the Premier and his Ministers, was aware of that difference. If they suddenly became aware of that after three years, what an extraordinary Government we have had. Why were they not aware of it earlier? Why did they promise to do something about it three years ago within weeks and why was it not done? An avenue was open, which we suggested to the Government time and time again—that is, charging an overall royalty and reimbursing the users in this State by this royalty. The Government has tried to say that that is not legal and would not stand up in court. Who gave that advice? I do not believe that that advice would stand scrutiny.

I believe that the Government has not once been prepared to take on the Government of New South Wales and get some sort of basis for equal distribution of the price, and that could have been done. Now, suddenly after three years, and days before an election, the Government has realised it has let down the people of South Australia by allowing this disparity between New South Wales and ourselves to continue all this time, right through that period. Not once did it raise that matter, as I understand it, and certainly in none of the letters that I have read has that been brought forward. The first time that the Government introduced the question of the disparity between AGL prices and the charges made by the Pipelines Authority of South Australia was the day that this Bill was introduced into Parliament. The price disparity is an issue that has been raised by us consistently over the last three years.

The Government's Bill is gravely deficient and in many respects objectionable. It has argued for prices in February of $1.77 for 1986, and in July for $1.72, and what the Government seeks today is a complete about face. The Government has introduced into this Bill Draconian provisions which give the Minister of Mines and Energy widespread powers and lay open and leave producers liable to fines of millions of dollars each—not just one, not just the company as a whole, the partners, but each producer. They have a potential of $11 million between them plus $100 000 a day for breaching the Act even in a minor way.

If the Bill is passed as it presently stands, with its retrospectivity and its Draconian fines and penalties, then producers could find themselves, even as a result of an accidental breach, losing their petroleum licence, paying massive fines amounting to millions of dollars, and being forced into a position of having to repay their complex and extensive loan arrangements. The Hon. Mr Milne must surely, as an accountant, understand that, if you borrow money, you have to have a sound basis. No bank, no organisation will lend money unless there is a sound base. They are able to borrow money to develop this field because they had a sound base for it, built on agreements put through this Parliament, not through some outside organisation, and yet as I understand it, that is all going to be thrown aside and we will start again.

In this way, the producers, as I have indicated, are subject to all these problems and could have their assets virtually confiscated, because that is really what it amounts to. Although the Minister claims that he would not exercise the provisions in a harsh or unfair way, the potential is left open for gross abuse of power by a Minister with the potential for a sort of a nationalisation of the Cooper Basin, because the producers would no longer have control over the basin. The Bill really changes all that, and I would doubt whether they could borrow money in the same way as they have before, because in fact the whole basis for their agreement has been altered.

It is a very serious matter indeed that this Parliament is considering. I believe that the Bill is unnecessary. It has been brought about by the desire of the Government to cut out the embarrassment that it feels because of its failure to cope with the question of the disparity of prices between ourselves and New South Wales. It has allowed that situation to drift along now for three years. It has left us in South Australia over that three-year period sitting on the fence. It has had a cure available to it, and that is by way of royalties. It has failed to take that up, and now, at the last minute, to try to gain some cheap political advantage, it puts the whole basis of investment of this State at risk.

If the Bill passes, who on earth would then come to this State in the future and invest on the basis of an agreement between the Government and the people concerned which was put through Parliament and on which they would base their borrowing of money? Nobody in their right mind would do so. Therefore, Mr Milne, a senior member of this community, who well understands the action he will take, and who will leave this Parliament shortly will do so with a sad legacy indeed. When he sees in future that the State is not obtaining the advantages from investment that it should, he will sit back in his vegetable garden knowing that he was responsible for it, because he is the key person, and I believe that he has played a much greater part in this whole issue than any of us is aware. I urge the Council not to support the Bill.

The Hon. K.T. GRIFFIN: I want to address some questions of principle in respect of this legislation and reflect to a little extent on the history. The Bill seeks unilaterally to override a negotiated agreement, negotiated some 10 years ago involving the then Dunstan Government, the producers and Government agencies, an agreement negotiated by parties at arms length but with the desire to ensure the proper development of the resources in the Cooper Basin in South Australia, and the availability of those resources to South Australia and to consumers in New South Wales. The real difficulty with that 1975 agreement, as we have heard on numerous occasions, is the preference which was given to AGL over the consumers in South Australia. One can only reflect upon the incompetence which must surely have been demonstrated by the then Dunstan Government's attitude towards the agreement at that time. It was brought to the Parliament and ratified.

It was subsequently amended in the time of the previous Liberal Government with the development of the Stony Point project, which involved a substantial amount of Australian and overseas capital. One would have expected that the indenture which had been negotiated and any amendments which had been made by agreement to facilitate development in the Cooper Basin and Stony Point, having been approved by the Parliament, would remain as a valid and binding agreement between all of the parties and would not be subject to unilateral action by the sovereign Parliament of this State to change obligations, responsibilities and liabilities without those being amended as a result of agreement between all of the parties. My colleague, Hon. Legh Davis, will address the commercial consequences of that, as he makes a contribution to this debate.

It is interesting to note that during the life of the South Australian Parliament a number of indentures have come before the Parliament as a result of negotiated consultations between various parties. Probably the most notable in recent times is the Roxby indenture which was ratified by the Parliament of South Australia after all the parties to that indenture had reached an agreement. It would be intolerable, I would suggest, that 10 years down the track the Government of South Australia should unilaterally seek to require the Parliament to amend any of the terms and condtions in that indenture, without the joint venturers agreeing to the changes made. The negotiations were hard but fair, and one could expect that the agreements which were then reached in relation to Roxby should be the agree-

ments which all parties have to live by in the decades ahead. Otherwise, of course, the Roxby project just would not have got off the ground and those who were undertaking to finance the project would not have been prepared to put up their money because of grossly inadequate security.

We have also in the life of the present Parliament an indenture relating to the substantial development in the Golden Grove area, again evidenced by an indenture. We have also the West Lakes indenture, which was approved by the Parliament after agreement had been reached by all the parties. One may remember the debate concerning the West Lakes indenture with respect to the lights at Football Park. The Government of which I was a part was not prepared to introduce amending legislation to override the indenture and the agreements that had been reached between all the parties, although I reflect on the fact that the previous Labor Government did indicate that it was prepared to take that course of action.

We go back further into the history of South Australia and note the indenture which Broken Hill Proprietary Limited entered into, which was the basis of major development at Iron Knob and in the Whyalla shipyards, an indenture that again was approved by an Act of the Parliament of South Australia. Although over time there have been amendments to that indenture, they have been made with the agreement of all parties and have not been imposed unilaterally by the Government of South Australia. I expect that many more indentures will come before the Parliament of South Australia in the next decade, evidencing agreements between the parties, including the South Australian Government and its agencies, focusing on the mineral and other developments in South Australia in the interests of all South Australians.

If South Australia achieves a reputation for its Government's preparedness to break indentures unilaterally and impose terms and conditions that are not ordinarily imposed on parties involved in particular projects, one could easily envisage South Australia becoming even more of an orphan State than it is at present in respect of its capacity to attract development to South Australia.

The Bill not only seeks to impose terms and conditions on the producers in particular but also overrides freely negotiated contracts, particularly in relation to gas sales and future requirements, and even to the extent of the letters of agreement with AGL. The consequences of this legislation so imposing terms and conditions on the producer parties to the former indenture will have widespread ramification and will affect the relationships with other parties, including AGL and financiers who believe that they have been able to secure their lending by loan agreements, guarantees, mortgages, personal covenants and charges over assets of various corporations both here and in other States, and possibly also in other countries.

It is interesting to note that currently another Bill is before the Parliament, which deals with the licensing of builders. I have made some comments about one clause of that Bill, which seeks to give a court power to amend what may be determined to be harsh and unconscionable terms and conditions. There is a proper hearing and a decision taken by a tribunal, and that is appealable to the Supreme Court of South Australia and ultimately to the High Court of Australia if there is a dispute as to whether the terms and conditions in a building contract are harsh and unconscionable.

That ought to be contrasted with the Government's position in this Bill, where there is no independent arbiter of what might be regarded as harsh and unconscionable terms, if there are any. There is no right of appeal to the Supreme Court and ultimately to the High Court of Australia. There is a unilateral imposition of a governmental point of view on the parties to an indenture, who have financed massive development on the basis of what was (in their understanding) an agreement 10 years ago, and subsequently in relation to Stony Point. Matters of principle and matters of considerable concern are involved in the consideration of this legislation particularly at the way in which it has been brought to the Parliament.

I draw attention to several specific provisions that relate to the legal aspects of the legislation. As I indicated, there are financing arrangements that the producers as parties to the indenture have entered into in good faith on the basis of a negotiated agreement with the Government of South Australia and its agencies. Those financing arrangements may involve contracts, loan agreements, mortgages and charges that are not subject to South Australian law. Although the Bill seeks to provide what appears to be some level of immunity to producers if they comply with the Act and that compliance results in breaches of other contracts, the fact is that the provision in clause 14 of the Bill is very limited, providing that no civil liability is incurred by a producer or other person by reason of compliance with this Act. Obviously, it applies only to those documents of which South Australian law is the proper law of the contract. Clause 14 also provides that there is no right to enforce a mortgage or other security as a result of compliance with the Bill or an obligation imposed under the Bill where the compliance is a breach of such mortgage or other security.

I raise the question whether, if charges are registered over the assets of any of the producer corporations in other States, the breach of the terms and conditions of the charge by reason of compliance with this Bill will be put to one side by reason of the operation of this Bill. I suggest that it will not protect the producers—the parties to the charges—from a receiver being appointed or from the other consequences of the breach of those security documents.

What about loan agreements? If loan agreements are entered into outside South Australia, the South Australian law cannot protect the producers from any action for damages as a result of a breach of those loan agreements. If there are guarantees outside South Australia, this legislation cannot protect the parties to the documentation if the breach occurs in South Australia, but has effect outside South Australia. It will prevent a mortgage itself being the power of sale or other action being taken under the mortgage itself to realise the security if the mortgage is South Australian, but what if it is a mortgage over assets outside South Australia and, in any event, what about the personal covenants?

What, too, shall we do about the producers' agreement with AGL if, in fact, the producers are compelled to comply with the legislation and in so doing commit a breach of the agreement with AGL and there is a cause of action which arises outside South Australia? Complex legal questions are involved. It is my view that the Bill certainly does not protect the producers from the consequences of compliance with the legislation where that results in a breach of those sorts of terms and conditions, securities and other documents.

The Hon. R.C. DeGaris: Is it possible that the companies could be in breach of both the legislation and a contract at the same time?

The Hon. K.T. GRIFFIN: It is quite likely that that could occur. I suppose that, if they were in breach of the legislation by reason of complying with the terms and conditions of a contract, they must face up to the consequences of breaching the legislation—and the penalty is up to $1 million and up to $100 000 for every day that the breach continues. Certainly, there are real problems of inconsistency of behaviour between, on the one hand, the obligation to comply with the legislation and, on the other hand, contractual obliga-

tions entered into well before this Bill was introduced into Parliament or ever contemplated. I do not believe that those questions of liability have been expressed adequately.

I also raise the question of an indemnity if the producers or any other person is compelled to comply with the provisions of the legislation. If there is an action for damages, who carries the responsibility? If a judgment is made against any of the producers by virtue of compliance with the Bill, notwithstanding the provisions of the Bill, who carries the responsibility? At the moment because no indemnity is provided in the Bill, it is the liability of the producers. It seems to me that that is wrong in principle—not that I have any torch to carry for the producers. In terms of their contractual obligations the producers must stand by these contractual obligations. Whether it is the producers or any other person affected in the way that this Bill seeks to impose obligations, I think the principle remains the same.

In respect of the offences which are committed, clause 12 provides that contravention or failure to comply with a provision of the Act or a requirement of a notice served by the Minister will constitute a summary offence punishable by a penalty of $1 million. If each producer commits that offence, each is liable to the maximum penalty. The curious aspect of that is that it is dealt with summarily. I would have thought that with such a monstrous penalty it should be an indictable offence and that there should be a proper avenue of hearing of any charge for an alleged breach.

It is a sudden death provision—one slip and you are gone. It is a bit like the hangman's noose—once the trapdoor is open, you are dead. That is what happens as a result of any failure to comply, even though the failure might be inadvertent, accidental or even on the basis of it being a negligent failure or a negligent contravention—if the contravention is not wilful—the penalty can still apply if an offence is proved beyond reasonable doubt.

It is the sudden death provision which creates concern in my mind in respect of the penalties. It is only a defence under clause 14 to prove that circumstances alleged to constitute an offence arose from circumstances 'beyond its control'. That is not a particularly strong ground of defence, because I am not sure what 'beyond its control' really means. Undoubtedly there would be a reasonable standard of proof required; nevertheless, for a large organisation it could mean that an employee merely acting negligently out in the scrub could place the company at a severe disadvantage and certainly under threat of a significant penalty. Therefore, I am concerned about the defence mechanism provided in the Bill.

I now turn to the question of the price. The Hon. Martin Cameron has already referred to the Government's offer to agree to a particularly high price, which is now disclosed in the documents tabled in the other place as a result of the hearings of the select committee. The documents disclose a most disturbing double standard by the Government in promoting on the one hand criticism of the so-called Goldsworthy agreement of 1982 and, on the other hand, being prepared to pay a very significantly higher gas price than has ever been the subject of payment to the producers previously. It is a monstrous double standard, quite obviously being promoted by the Government for purely political purposes. Under the Bill before the Council after this year the gas price payable in South Australia will be determined by AGL arbitration. The State of South Australia will have no involvement in the AGL arbitration—it is between the producers and AGL. It means that South Australia will abdicate its responsibility to argue for the people of South Australia in any arbitration and will cease to have any influence at all over the price which might be payable as a result of AGL arbitration.

I regard that as a serious abdication of the responsibility of the State Government and a dereliction of its duty to the people of South Australia which may well result in much higher prices for gas than could ever be envisaged by the Government under this legislation as brought before Parliament. I understand that the AGL prices were higher in the 1970s than the prices being paid by PASA and thus the consumers of South Australia. It is only in recent years that the AGL price has been arbitrated at a lower figure than that for South Australia.

I will now make several comments about the Goldsworthy agreement, because the Premier distorted the facts behind that agreement. Under the price fixing arrangements between PASA and the producers there was annual arbitration. In 1982 it became quite obvious that the State was going to have to pay much higher prices for its gas, but the arbitration was entered into notwithstanding that. The figure finally arbitrated was certainly very much higher than the then Liberal Government expected. However, we recognised that the potential was that for each of the following years there would be a constant escalation in the price on the basis of annual arbitration.

That gave no certainty to any of the consumers in South Australia, whether commercial or in the domestic context. So a decision was taken to have the arbitration reviewed by the Supreme Court. The advice we received was that there was only a very limited right of review by the Supreme Court: it was not a review of all the facts and all the decisions in the arbitration, but a very limited review. The concern of the previous Liberal Government was that we would fail at arbitration and we would have no guarantee of further exploration and no certainty about the price for the next two or three years at least. That would prejudice our prospects for development in this State.

As a result, a negotiated figure was arrived at, which meant that it overrode the arbitration, and there was certainty for three years regarding the fixed price; an assured exploration program would be undertaken in conjunction with that. So, far from creating problems for South Australia, the 1982 compromise on the arbitration provided a reasonable level of certainty and further exploration to discover resources for South Australia to make up the deficiency under the contract which the Dunstan Administration had foolishly negotiated in 1975.

In Committee I will refer to other matters on specific legal aspects of the Bill, one being a broader issue—the prospect of this legislation standing up to a constitutional challenge as being in conflict with the Australian Constitution. My concern is that, although the South Australian Parliament may pass this Bill, it will be the subject of challenge in the High Court, because section 92 allows the High Court to rule on governmental decisions which prejudice free trade and commerce between the States. It is quite possible that, if the producers are of a mind to make a challenge to this legislation because it overrides the deed of covenant and release, voids the PASA future requirements agreement and varies the gas sales agreement, at least there is a respectable argument that they would be able to take to the High Court relying on section 92. The arguments in a constitutional challenge are always complex, but no-one can say unequivocally that a challenge would or would not fail. I merely seek to identify that at least there is a respectable argument that a challenge could be successful.

It must be remembered that Mr Alan Bond instituted proceedings in the High Court to challenge the Santos regulation of shareholdings legislation that was passed in the time of the previous Labor Government, and he relied on the free trade and commerce section of the Australian Constitution as well as on other grounds. As it turned out, that matter was not ultimately proceeded with in the High Court,

but nevertheless there is a potential for challenge to this legislation. The Premier has said that the proposition of the Liberal Party for additional royalties and a scheme that would ensure that gas prices were reduced in South Australia by the application of the additional royalties to keeping down the price in this State is not likely to withstand challenge. I contest that. I have received advice that it is less likely to challenge than is this Bill and, therefore, it is not appropriate for the Premier to cast stones at an alternative mechanism for dealing with gas prices in South Australia that would not involve the sort of draconian overriding legislation that is now before us.

If there is a prospect of negotiation, settlement and action that will bring down prices to consumers in South Australia without the confrontation which this Bill involves and the threat to our future prospects for commercial development, I prefer to support that than the proposition in this Bill. I indicated that I will raise other matters if the Bill gets to Committee.

The Hon. L.H. DAVIS: I share the concern of my colleagues, the Hon. Martin Cameron and the Hon. Trevor Griffin, about aspects of this legislation and, indeed, the events behind it. It is necessary to reflect on the background to the development of natural gas supplies in South Australia, and I will briefly relate the history and the contractual arrangements between successive South Australian Governments and the gas producers.

Gas supplies from the Cooper Basin followed extensive exploration that commenced as far back as 1954. Santos was incorporated in that year and amongst its first directors were Mr John Bonython and Sir Douglas Mawson who, of course, was better known as an explorer in the Antarctic. However, it was not until 1963 that commercial gas was discovered at Gidgealpa and finally in 1969 a contract was negotiated with the Electricty Trust of South Australia and a 790 kilometre pipeline for the transport of natural gas to Adelaide was completed.

At that time Santos, having been in existence for some 15 years, became the leader of the several companies engaged in the exploration for and development of natural gas in the Cooper Basin. Santos assumed the responsiblity of marketing natural gas for the producers and has maintained that responsibility to the present time. The South Australian Gas Company was the first customer of Santos. Two years later, the Australian Gaslight Company of Sydney entered into an agreement to take supplies of gas from the Cooper Basin producers and a pipeline to transport the gas to New South Wales was completed in 1976 when the supply of gas to Sydney commenced.

Also, 1976 was an important year for the Cooper Basin producers, given the complexities of having contractual arrangements with some 11 producers. A unit agreement involving those 11 companies was signed, allowing them to enter into an arrangement for the production and supply of gas with the several people in the market place in Adelaide and Sydney.

Finally, in 1978, the Santos shareholders, after some 24 years in the wilderness, received their first dividend. In 1981 Santos made a decision to proceed with the liquids development and production. Of course, it is well known now that the enormously successful $1.3 billion project was completed in 1983 following the construction of the liquids pipeline from Moomba to Stony Point, which fittingly was renamed Port Bonython to commemorate Mr John Bonython's enormous contribution to Santos and to South Australia.

Santos has not only been involved in exploration within South Australia. The Cooper and Eromanga Basins extend into the Northern Territory and Queensland. Santos was the project manager for the Jackson to Moonie pipeline in south-west Queensland following the discovery of oil in Jackson. The history of Santos is a colourful and exciting one. This is a company in the top 10 companies in Australia in terms of market capitalisation. It has an exploration budget of some $75 million in the current financial year. Its profit after tax in 1984 was $83.8 million, 72 per cent higher than the $48.7 million result recorded in 1983.

It is a company, in terms of market capitalisation, of some $1.1 billion. It has come a long way, even in the past five years. It is worth noting that in 1980 Santos was spending only $5 million on exploration. In 1984 it was spending $70 million on exploration. That figure is a little more now—$75 million. In 1980 its profit was only $6 million; in the last financial year it was $84 million. In 1980 it had only 300 employees; today it has 1200 employees.

The benefits flowing to South Australia from Santos have been enormous. When I talk about Santos I do not seek to ignore the contribution of other Cooper Basin producers and there are several. There is Delhi, which of course is now an important subsidiary of CSR Ltd; Crusader Oil; Vamgas; and Bridge Oil, all listed public companies; and South Australian Oil and Gas Corporation.

The Hon. Frank Blevins: What does the word 'Crusader' mean?

The Hon. L.H. DAVIS: I do not know, the Minister will have to ask them.

The Hon. Frank Blevins: That was reported in the press.

The Hon. L.H. DAVIS: That was a particular aspect. I would hate to take that letter out of context. It is easy for unthinking people to suggest that Santos's enormous profit of $83.8 million in 1984 suggests that it is a huge company, that its profits are too high and that therefore it is of no concern to it if the gas price is screwed down; that it is making super profits and this should be recognised by reducing gas prices or at least maintaining gas prices at current levels.

I think it is worth noting that the return on total assets for Santos in 1984, which was its last year, given that it reports on a calendar year basis, was only 6.3 per cent. I suggest that even the Hon. Mr Blevins would consider 6.3 per cent a small return on total assets employed. There are enormous risks involved in exploring for oil and gas in this harsh environment.

The Hon. Frank Blevins interjecting:

The Hon. L.H. DAVIS: I am talking about return on total assets, not shareholders funds. I am talking about total assets, which I think is a more accurate figure to use.

The Hon. Frank Blevins interjecting:

The Hon. L.H. DAVIS: Santos's share of the cost of exploration has risen enormously in recent years, as I have already mentioned. We are talking about $75 million in oil and gas exploration alone in the current year. Some $35 million of that is spent in gas exploration, lest people think that the company is ignoring its obligations to continue to explore for gas. We should note that Santos has accounted for about 37 per cent of all drilling activity undertaken in Australia in 1984. It participated in 92 exploration and appraisal wells in that year, a 100 per cent more than in 1983. It has had an enormously successful strike rate in its drilling program. During 1984 it drilled 48 wildcat wells and discovered oil or gas in 23 of them, nearly a 50 per cent success rate.

In respect of its natural gas operations, Santos has interests in 18 producing gas fields in South Australia. In its latest balance sheet it reports that the volume of natural gas sales increased by some 6.4 per cent. The price paid by PASA in 1984 was $1.33 per gigajoule and in the current year, under the Goldsworthy agreement, it increased to

$1.62 per gigajoule as against the AGL price of only $1.01 a gigajoule. In the 1984 annual report produced by Santos and made available, I imagine, in May 1985, the directors' report states:

The Cooper Basin producers are negotiating with the South Australian Government for a suitable long term price and supply arrangements to replace the existing contract arrangements. It is expected that a new contract will be finalised during 1985. As these arrangements were not finalised by December 31, 1984 the producers have offered 200 million gigajoules of sales gas to PASA for sale after 1987 in accordance with the existing PASA Futures Requirements Agreement. The price for gas sold in 1985 will be $1.62 per gigajoule (in accordance with the 1982 price settlement).

That is the Goldsworthy agreement. Therefore, there was no question at the time of that Santos annual report, which was made public some time in May 1985, of any problem in the negotiation for the gas supply, which of course is now the subject of this legislation.

As I mentioned just a short time ago, gas exploration expenditure by Santos is very high, $35 million in 1985, even though income from the gas currently being found will not be received for many years. That, quite frankly, is one reason why outsiders when looking at the oil and gas industry are suspicious of Santos and the Cooper Basin producers.

The Hon. Diana Laidlaw: Why are they suspicious?

The Hon. L.H. DAVIS: They recognise that the discovery of oil is much more attractive to the producers in the sense that they can bring it on stream and get a return on their funds immediately, whereas gas found in 1985, for example, may not be sold for many years. Therefore, there is not the same inducement or attraction to explore for gas. I am spending some time putting the view that Santos has not been derelict in its duty to South Australia and the New South Wales people in seeking to honour its obligation to supply gas to those markets.

Gas exploration expenditure in 1985 will be $35 million. When one looks at the total exploration of some $75 million, one can see that Santos is spending a good proportion of total exploration funds on gas exploration. It is also important to note that under the Goldsworthy agreement of 1982 the companies committed themselves to step up their exploration for gas. They agreed that they would spend a minimum of $55 million on gas exploration; and they have kept that agreement.

The South Australian gas discoveries in 1985 have been well above consumption. In the first six months of 1985 gas discoveries in the Cooper Basin totalled seven billion cubic metres, which is sufficient to meet our needs for a further three years. When one remembers that the average cost of drilling a well, ignoring seismic survey costs, is $1 million, it is a pretty hefty commitment. In addition to the $55 million that the producers agreed in 1982 to spend over three years at the time of the Tonkin Government on what was known as the accelerated gas program, they spent, on top of that, an additional $61 million on gas exploration.

More recently, on 16 October 1985, the *Advertiser* carried a report that the Cooper Basin producers had undertaken to drill an additional five gas wells from that date to the end of 1985 to ensure that there was sufficient gas available to meet the needs of both New South Wales and South Australia. The producers also announced that they would be increasing expenditure levels on gas exploration in the South Australian section of the Cooper Basin in 1986 to $40 million.

In review, in 1985 the producers drilled 19 wells and more recently announced that they would undertake to drill an additional five wells before the end of 1985. That commitment to a 19 well gas exploration program in the first nine months of 1985 and the commitment to drill an extra five wells by the end of 1985 for a $35 million total gas exploration this year, in my view, puts the lie to the argument that the producers have been playing the Government for a sucker and that they have not really cared about upgrading gas reserves in the Cooper Basin.

The fact is that in recent times their success rate in drilling for gas has been extraordinarily high. The Managing Director of Santos (Mr Adler) and Delhi Petroleum's chief (Mr Ainsworth), in making the announcement about the additional five gas well program in mid October through to the end of 1985, said:

Our 1985 exploration of gas has already discovered more gas than will be produced for the whole of 1985 and twice that sold annually to South Australia. The producers' confidence is based on their very high drilling success rate over recent years. Eighty-four per cent of wells drilled were successful.

That should be on the record because, as I will explain later, the Government, in introducing this legislation, has played politics of the worst kind. It has painted the producers as bad people who do not really care for the consumers in South Australia. This situation should be put into some perspective. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

[*Sitting suspended from 5.52 to 7.45 p.m*]

MENTAL HEALTH ACT AMENDMENT BILL

Returned from the House of Assembly without amendment.

NATURAL GAS (INTERIM SUPPLY) BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 1838.)

The Hon. L.H. DAVIS: Before the dinner break, I was outlining some factual information with regard to expenditure on gas exploration in the Cooper Basin. I had made the point that the Cooper Basin producers in the past three years, pursuant to their agreement, had spent some $65 million on gas exploration. I had also made the point that Santos had employment in excess of 1 200. Together with Delhi, which also has a head office in Adelaide, the two companies employ 1 800 people in toto. Indirect employment associated with these activities of the producers has been estimated as high as 6 000 people.

It is quite clear by now from the information that I have given that most certainly the investment in oil and gas development through exploration, pipelines, production and marketing is the single largest capital investment ever made in a particular project in South Australia. The South Australian public is now beginning to benefit from that, because in 1985 royalty payments have been made to the Government totalling about $40 million. The Government of South Australia, through the Pipelines Authority of South Australia, owns one of the largest participant producers in the Cooper Basin, namely the South Australian Oil and Gas Company. PASA owns 99.9 per cent of SAOG and the South Australian Oil and Gas Company owns the balance of .1 per cent.

I just want to briefly set out the history of gas price negotations in recent years. Gas prices for South Australia are set out pursuant to the provisions of gas sales contract entered into in 1975. One of the central provisions of the gas sales contract is that, if agreement is not reached between the producers and PASA, the matter should be settled by an arbitrator. In 1982, when gas prices were subject to review, agreement could not be reached between the producers and PASA acting on behalf of the South Australian

Government, so an arbitrator was appointed. The arbitrator happened to be a retired judge of the Supreme Court of Queensland. The arbitrator, Mr Lucas, finally determined that there should be an 80 per cent increase in the price of gas. He determined, in September 1982 in fact, that the price of gas should be increased to $1.10 per gigajoule. That increase came like a bolt from the blue. It was not anticipated and it would have resulted in at least a 19 per cent increase in the electricity tariff. The Government of the day, the Tonkin Government, was naturally concerned, and the Minister of Mines and Energy, the Hon. Roger Goldsworthy, instituted negotiations betwen the producers and the Government to try to minimise the obvious disruptive effects of such a sharp increase in gas prices.

Eventually, it was agreed that the price increase from 1 January 1982 through to 9 September 1982 should be 40 per cent rather than 80 per cent. At this point, it is worth noting that, although the arbitrator's decision had been handed down on 19 September 1982, under the terms of agreement between the Government and the gas producers, the decision was retrospective to 1 January 1982. Unfortunately, with AGL, there is no such retrospectivity. In the case of gas supplies to New South Wales via AGL, it is in the interests of AGL to haggle for as long as possible, given that there is no retrospectivity to any increase that may be awarded.

So, the Goldsworthy initiative enabled a reduction in the price increase for the first nine months of 1982 to be 40 per cent rather than 80 per cent. The price for 1983 was held at $1.10 per gigajoule; the price in 1984, $1.33 per gigajoule; and, in 1985, $1.62 per gigajoule. So, notwithstanding the fact that that very savage 80 per cent increase had been awarded, the initial disruptive influence of that was minimised by the negotiation between the Tonkin Government and the producers. It is easily forgotten that in fact the arbitrator had awarded that 80 per cent increase. There was nothing that the South Australian Government could do about it save by way of negotiation, and it did that to the best of its ability in 1982. An additional benefit that flowed for that negotiation in 1982, as I have already mentioned, was the fact that the producers undertook to accelerate their gas exploration, and agreed to spend a minimum of $55 million on gas exploration in the three-year period 1982 to 1985.

That was a contractual arrangement which was entered into and which, as I said, has been more than honoured. The Sydney contracts were a different kettle of fish, which had been made more smelly by the inability or ignorance of the previous Labor Administrations. There certainly was, as the Hon. Ren DeGaris as a former Minister of Mines and Energy would well remember, an advantage given to AGL increasingly in the 1970s. The Sydney contracts were far superior to those negotiated by the Labor Party in South Australia. Sydney has been guaranteed a supply of gas until 2006; the South Australian gas supply has been guaranteed only through to 1987.

As I have mentioned, in the event of agreement not being reached between the producers (the consortium in the Cooper Basin—10 or 11 companies) and Australian Gas Light in New South Wales, which negotiated the contracts for gas supply into Sydney, there was provision that there should be two arbitrators, one nominated by the producers and one nominated by Australian Gas Light, and that the price determined by them would stand for three years, with no retrospectivity.

The Sydney arbitration, which was being negotiated in 1982 at the same time as the South Australian price was being renegotiated, had inevitably dragged on, given that it was in AGL's interest to take its time in the negotiation, and given that there was no retrospectivity. The decision was made in 1982 after the South Australian arrangements had been finalised and after the Lucas arbitration. The AGL price was finally negotiated, and turned out to be only $1.01 per gigajoule. Initially, there was not very much difference between this price and the $1.10, which had been negotiated between the producers and PASA for the first nine months of 1982, but the differential grew in 1983, 1984 and 1985 as the AGL contract price remained fixed and the producers' price into Adelaide increased pursuant to the arrangement that had been negotiated.

One inescapable fact that is worth bearing in mind when we are talking about the facts of the matter—and it is important that we concentrate on the facts rather than the emotion that has been beaten up on the issue in recent days—is that the Hon. Roger Goldsworthy as Minister of Mines and Energy was concerned at the differential in the gas price between the Adelaide and Sydney markets and he undertook to impose an overriding royalty on gas supplied to Sydney with a view to equalising the price. There was general acceptance that that was legally possible. I understand also that the producers accepted this proposed course of action back in 1982.

It is interesting to note that in the past three years the South Australian Labor Government has not attempted to initiate any discussions with AGL regarding an overriding royalty. It has not sought in any way to minimise that differential between the Adelaide and Sydney markets. That is or should be a matter of some concern: it shows a weak-kneed approach by the South Australian Labor Government.

Gas pricing, to be properly understood, should be looked at from the other end: in other words, one should look at the cost of electricity and the proportion that gas comprises of total electricity costs. We can turn to the annual report of the Electricity Trust of South Australia and establish readily that gas purchase costs make up approximately 20 per cent of the Electricity Trust's annual costs. Electricity prices, then, in South Australia are not heavily influenced by the price of gas. Clearly, it is an important component, but it is important to bear in mind that electricity purchases represent about 5 per cent of total manufacturing costs to industry.

The Hon. R.J. Ritson: You are really saying that gas has not much to do with the big price hikes in electricity?

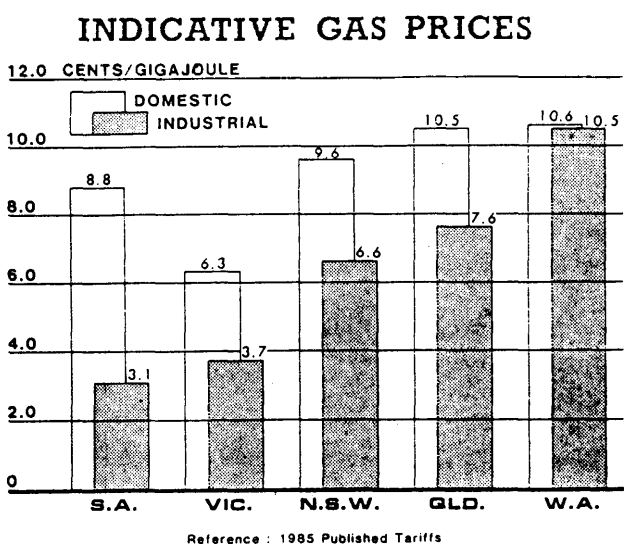
The Hon. L.H. DAVIS: That is right. I am saying that gas is of importance, but not of primary importance, when it comes to looking at costs to industry. It is worth bearing in mind that the inflation rate in South Australia for the past 12 months has been the highest of any mainland city. It is certainly not a function of the gas price increases. I seek leave to have inserted in *Hansard* a table of statistical information that sets out the cost of gas to consumers in various States of Australia.

The PRESIDENT: As you assure me that it is statistical, there seems no reason why it should not be included.

Leave granted.

The Hon. L.H. DAVIS: This comparison of prices of gas supplied from the Cooper Basin to New South Wales and South Australia should be looked at along with the cost of gas to other capital cities. It is interesting to note that in South Australia commercial or industrial consumers of natural gas pay less for gas than a consumer pays in any other State of Australia. That bar chart underlines that point. That says something about the efficiency of production, notwithstanding the fact that the producer price is high.

I go on public record to say that clearly the price of gas at the wellhead is an important consideration. We in South Australia, geographically disadvantaged, need to keep our costs of production down if we are to remain an attractive place for investors and potential investors. It is important



to keep those facts at the back of our minds as we move to analyse the events of 1985. In another place, the shadow Minister of Mines and Energy (Hon. Roger Goldsworthy) had on many occasions in Opposition raised—

The Hon. J.R. Cornwall interjecting:

The Hon. L.H. DAVIS: The Minister has had a fairly good innings of interjections and abuse. He could sit there and be quiet for a change.

The Hon. R.I. Lucas: Hear, hear! well spoken! Keep him talking, Barbara, keep him busy.

The PRESIDENT: Order! We have had one session of that for the day: that is enough.

The Hon. R.I. Lucas: Send him out next time.

The PRESIDENT: Order!

The Hon. L.H. DAVIS: Just put him out to pasture and let him take advantage of those amendments to the Veterinary Surgeons Act.

The PRESIDENT: Order! I ask the Hon. Mr Davis not to bring the veterinary scientists into the search for gas.

The Hon. L.H. DAVIS: That is much the same as far as the Hon. Dr Cornwall is concerned, Mr President.

The Hon. K.L. Milne interjecting:

The Hon. L.H. DAVIS: The Minister—

The PRESIDENT: Order! It is a long and tedious process, but members should pay attention to the Bill being discussed. If members want to have long discussions about other things, we can suspend the sitting. While a member is on his feet I intend that he should be heard. Does the Hon. Mr Davis want to take advantage of that opportunity or does he want to go on with something else?

The Hon. L.H. DAVIS: I am being distracted by the Democrat. The Minister of Mines and Energy in another place has constantly said through the years 1983, 1984 and early this year that the matter of the gas price agreement with the producers was well under control. In fact, in September 1985 a report in the *News* said that a decision on South Australian gas pricing was imminent. There was a Government response to the Hon. Mr Milne's suggestion that the new agreement proposed would cut the present price from $1.62 to $1.50 a gigajoule for 1986. In fact, the Hon. Mr Milne asked about that in a question in the Council. However, on 20 September 1985 the Hon. Mr Milne's suggestion was castigated by Government commentators as being at best based on rumour and at worst on misinformation intended to create alarm and divert attention from the real and critical issues being addressed by the negotiations. In other words, they said that there was no basis for the Hon. Mr Milne's claim at all.

The *News* of 13 September said that the Hon. Mr Milne's report was inaccurate and that Mr Bannon refused to comment on the likely price structure, saying that the negotiations were still in progress. However, Mr Bannon ruled out any possibility of delaying agreement until there was a result of arbitration on the new price of Cooper Basin gas supplied to New South Wales. In all of that comment in September—just six weeks ago—it was made quite clear that the gas price was certainly not going to drop. The next we heard of this matter was on 18 October 1985, when Mr Bannon made a considered statement on the matter when opening the power station at Port Augusta. Mr Bannon threatened the Cooper Basin producers—

The Hon. J.R. Cornwall interjecting:

The Hon. L.H. DAVIS: I am quoting from the *Advertiser* of 18 October 1985, as follows:

> Mr Bannon made his threat to the Cooper Basin producers at the offical opening yesterday of the new Northern Power Station at Port Augusta . . . Mr Bannon said 'intensive negotiations had been proceeding with the Cooper Basin producers on current and future gas-supply guarantees beyond 1987'.
>
> He said these negotiations had almost been completed and 'a negotiated settlement is possible'.
>
> But in the same breath, Mr Bannon went on to say he wanted to make it clear that if no agreement could be struck, the Government would legislate to resolve the situation.
>
> When asked later what areas the legislation would cover, the Premier simply said 'everything'. When asked to nominate a deadline for completion of negotiations with the producers, he said 'soon'.

On 21 October—just three days after that warning which, quite clearly, took the Cooper Basin producers by surprise—they were totally unaware that there was any possibility of legislation being introduced. Quite clearly, they had received no ultimatum and there had been no threat of legislation at that time. In fact, the *Advertiser* of 18 October said:

> Mr Ross Adler, Managing Director of Santos Limited, the leading Cooper Basin producer, could be seen frantically writing notes on the official program card.

Hardly the sort of thing one would expect from a Managing Director who had been kept up to date with the negotiations. On 24 October the *Advertiser* reported what had happened in Parliament the day before on 23 October (when the Government introduced legislation), as follows:

> The Premier, Mr Bannon, said the Government had 'no option' but to introduce the legislation . . . Negotiations had gone on 'at frustrating length' and the Government wanted a new gas supply and price contract in place by 1 January. . . The gas producers have reacted angrily. In a joint statement, the Managing Director of Santos, Mr N. R. Adler, and the Managing Director of Delhi, Mr E. F. Ainsworth, said: 'It is in no-one's interests for negotiations to be conducted in public by way of threats and ultimatums.'

They are the facts behind the negotiations that took place this year, and they were capped off by a press conference with the Managing Directors of Delhi Petroleum and Santos—the major producers in the Cooper Basin. They called that press conference on 24 October in response to the move by the Government to legislate. Their press release stated:

> The legislation springs from political imperatives and not from any breakdown in commercial negotiations and I must emphasise there has been no breakdown in commercial negotiations. Any problems the Government has with progress in the negotiations is of its own making. It was the Government that suspended negotiations last February. It was the Government that presented a totally new claim in September and it is the Government that now proposes changing the rules again.

I have stuck strictly with the facts. Even the Hon. Dr Cornwall could not quibble with that. I have given a faithful and more or less chronological review of the facts of the matter.

If we go back one step, the Government committee headed by Ron Barnes (the former Under Treasurer of South Australia and someone who is highly regarded) met with the

producers from July 1984 through to February 1985. I understand that in discussions with the producers the Barnes committee had largely agreed on price, volume and gas supplies through to the early 1990s. In February the Government called off the negotiations, and it is important to get that point on the record. It was not the producers who called off the negotiations—they recognised that 31 December 1985 was the deadline. The Government called off the negotiations. There was no contact between February 1985 and August 1985. When negotiations resumed there was a different team from the Government which took a somewhat different slant. It is worth referring back to the joint press statement put out by the Managing Director of Santos (Mr Adler) and the Managing Director of Delhi (Mr Ainsworth).

The press release stated:

> For example, the Government proposed and we accepted a gas price at around $1.70 for 1986—

that is the Barnes committee—

> but the Government now proposes an effective price reduction to approximately $1.50.

In other words, the Government shifted ground. That fact has not been denied by the Government. The question must be asked, 'Why did the Government largely come to an agreement on price, volume and gas supplies in February through a committee headed by Mr Ron Barnes leading the producers, presumably, to the conclusion that everything was under control and the agreement would be consumated before the due date and then go cold on what had been negotiated?' Why did it do that?

I understand that the companies prepared a draft contract which the Government refused—but then the Government in turn produced a draft contract. Quite clearly, the companies must be conscious of any legal difficulties that might arise, especially in relation to their contractual arrangement with AGL. They were particularly concerned about their legal rights and obligations. That was also made clear in the press release. So we see that the Government, having agreed to $1.70, suddenly turned around In fact it went further than that. It agreed to $1.70 and adjustments more or less in line with the rate of inflation in very broad terms.

That was the understanding that had existed and, of course, negotiations are developed on understandings that might take place at a series of meetings. That negotiation broke down, and the negotiations that resumed in September and October quite clearly took on a different tone. The Government wanted the price reduced to $1.50. Why did it want that? Presumably, it was because electricity prices were becoming a political issue and the Government, searching for votes for a coming election, decided to freeze electricity tariffs—and, in fact, to go further than that. It promised a 2c a month reduction on electricity bills. That would be made possible by reducing the price of the gas.

The Bill before us seeks to tie South Australian gas prices to the price of gas that is to be negotiated with AGL. It is worth noting that the AGL negotiations on price are still proceeding and that the $1.52 price or thereabouts that is built into this legislation will last only so long as the AGL negotiation is proceeding. Once the AGL price has been set, the South Australian producer price will be linked to that. Is that a smart idea? Should the South Australian gas price always be as high as the AGL price? Why should that be so? I do not have an answer to that. I do not believe that our price should necessarily be linked to the AGL price. It is also worth putting on the record that in the AGL negotiations at present the producers are claiming $2.20 per gigajoule and the price is currently $1.01 per gigajoule.

Who knows, given the strange ways that arbitrators have and the major differences in price as set by two arbitrators within a very short time in 1982, what the result of that AGL negotiation may be? Who can say with certainty that a deal which was very nearly done and which the producers quite clearly believe was all but signed some time in 1985 might have been a better deal than we will finally get by linking ourselves with AGL? Of course, the people of South Australia will have had an election by then and they will have been gulled if that proves to be the case. No-one on the Government benches can say here tonight with certainty that that will not be the case. No-one can say with certainty that the AGL price might not be higher than the price under the agreement, which was all but negotiated between the South Australian Government and the producers.

Certainly, there have been concerns about the gas supply, and that has been a central part of the argument. It has been a major problem for South Australia and it has been with us since the Labor Government negotiated a guarantee for gas to New South Wales until the year 2006, leaving South Australia limping along with a guarantee of gas only through to 1987. That is not the fault of the producers: that was the fault of the negotiators. The second reading explanation states that the central issue, the primary problem, is undeniably being able to guarantee supply. It states:

> The real problem is the contractual arrangements which require that sufficient reserves of gas are established to supply the Sydney market until the year 2006 before further supply is available to Adelaide after the present gas sales contract with the Pipelines Authority of South Australia expires at the end of 1987.

The producers have upgraded their gas exploration, and they remain confident that gas supplies are assured through to 1992. Indeed, the Minister is on record as saying that some time ago in response to questions from the Hon. Roger Goldsworthy. I refer now to what I think is a very interesting and telling sentence in the second reading explanation, which was read in this Council late last evening, as follows:

> The Government would certainly prefer a negotiated solution and I would still not rule that out either before or after the Bill has been passed by this Parliament.

I want to ask the Government (and I will be expecting an answer in Committee) what attempts have been made to continue negotiations with the producers since those negotiations were unilaterally broken off by this Government only two weeks ago? I also refer to the evidence of the select committee of the House of Assembly on this Bill. I view with dismay the statement by the producers today that the State Government had refused to reveal supply calculations to the Cooper Basin producers during negotiations. Mr Ross Adler, Managing Director of Santos, said producers had been given no hint of what the Mines and Energy Department figures were until the select committee hearing which was held last Friday and Saturday.

The Hon. J.R. Cornwall: Was there a dissenting report in that?

The Hon. L.H. DAVIS: The Minister would know that Standing Orders do not allow select committees of the Lower House to have dissenting reports. I am not privy to what happened at that select committee and I presume that the Minister is not, either. I think that if the Minister checks Standing Orders through the Speaker in another place he will find that this is so. I think that from his two-year stint on the uranium committee the Minister would know that there were certain difficulties with minority reports.

The Hon. J.R. Cornwall: That was in the Council, though.

The ACTING PRESIDENT (Hon. G.L. Bruce): Order!

The Hon. L.H. DAVIS: Our Standing Orders are slightly different. Also, we had to find a way around them to implement what were technically not minority reports.

The Hon. J.R. Cornwall: That is a disgraceful thing to say. The old piranha himself chaired that committee.

The ACTING PRESIDENT: Order! The honourable member should address the Chair rather than individual members.

The Hon. R.I. Lucas: What about the Minister?

The ACTING PRESIDENT: The Minister should do the same.

The Hon. L.H. DAVIS: On page 2 of the select committee's report at point 6 it says that Santos advises that they are confident that sales gas reserves currently estimated by them to be available were as provided to the Government in their letter of 17 September 1985. The letter established that the reserves available as at 1 January 1985 were 3 132 billion cubic feet. On page 3 at point 7 it says that the South Australian Department of Mines and Energy gave evidence that there were only 1 992 billion cubic feet of sales gas available in the Cooper Basin producers' unitised fields as at 1 January 1985 to meet current PASA and AGL contracts. That is a significant discrepancy.

The producers' estimates were some 50 per cent higher than those of the South Australian Department of Mines and Energy, yet it was not until the select committee was taking evidence that the producers discovered that fact, according to Mr Adler, who is reported in the paper this evening as stating:

> The facts are the Government asked about our position months ago and we went into great detail with them.
>
> When our people were being questioned by the select committee on the basis of discrepancies, they refused to give us details of their figures.
>
> This is not the way to negotiate. If there were wide discrepancies, why weren't we told earlier? It's quite disgraceful.

I find it very disappointing that in a matter of such moment, in a matter where there necessarily has to be frankness between the producers and the Government, that frankness did not exist on the side of the Government.

At page 5 of the select committee's report under point 11 it records that Santos gave evidence that its reserve estimates were checked and accepted by a number of organisations including the technical experts to the banks providing loans to the Cooper Basin producers. If anyone bothered to read the balance sheets of those Cooper Basin producers (and most of the larger producers' balance sheets are freely available because they are publicly listed companies) they would see that those loans are very large numbers, indeed: they would even dwarf the Health Commission's annual budget if aggregated.

We are not talking about merry go rounds at royal shows, we are talking about big dollars. We are talking about very important contracts for the people of South Australia; and we are talking about the credibility of the Government in dealing with producers on behalf of the people of South Australia. One of the points made in the select committee that I found of great interest appears on page 6 of the report and relates to the reason why negotiations were broken off by the Government in February 1985. It included the fact that there was growing evidence that there was doubt as to the producers' reserve estimates: this appears at point 13.

If there was growing doubt about the producers' reserve estimates at that stage in February 1985, why did the Government not then say to the producers that it was concerned about the level of reserves? It is quite clear from what Mr Ross Adler has said, and I have no reason to disbelieve what he has said, that the producers should have been confronted back in February 1985 instead of learning about this matter late on a Friday night in a select committee meeting that had been held in a pressure cooker atmosphere to negotiate a very important contract. I come now to the full-page advertisement inserted in the newspapers addressed to the people of South Australia and signed by John Bannon, the Premier.

The Hon. J.R. Cornwall: Do you want the people of South Australia to have higher or lower gas prices?

The Hon. R.I. Lucas: Are there alternatives?

The Hon. J.R. Cornwall: There are.

The Hon. L.H. DAVIS: There will be questions asked in Committee and I will be demanding answers to them. In the fourth paragraph of the Premier's letter he says that he has been attempting to achieve acceptable gas prices and guarantee of gas supplies with the Cooper Basin producers over a period of 14 months. He does not say that for five of those months they had unilaterally broken off negotiations. The article states:

> However, the producers are unwilling to give a full guarantee of supply after the present contract expires at the end of 1987. So special legislation has been introduced to secure gas supplies for South Australia until 1992.

The Hon. J.R. Cornwall: Will you vote for higher or lower gas prices for the people of South Australia? This is a simple question.

The Hon. L.H. DAVIS: Legislation will not guarantee gas supplies, but confidence by investors—

The Hon. J.R. Cornwall: Will you vote for higher or lower gas prices? This is a simple question.

The Hon. L.H. DAVIS: I will answer that question in a minute.

The ACTING PRESIDENT: Order!

The Hon. L.H. DAVIS: Special legislation has been introduced to secure gas supplies to South Australia until 1992. Legislation by itself will not secure gas supplies if they are not there. The producers have said it is there on more than one occasion. They have accelerated their gas exploration program. They have said publicly, and the Minister of Mines and Energy early in the year said publicly, that negotiations had been proceeding satisfactorily. We then come to a point about which I really want an answer and which appears in the fifth paragraph as follows:

> The price of gas has risen by 165 per cent over the past four years.

I do not know who will answer for that information—the Government?

The Hon. J.R. Cornwall: Roger Goldsworthy is the person responsible for that.

The Hon. L.H. DAVIS: My question to the Government is: what percentage of the rise in the gas price over the past four years is due to increased taxation?

The Hon. J.R. Cornwall: I will ask him. The majority of that increase was the rise ageed to by the Tonkin Government and engineered by Roger Goldsworthy.

The Hon. L.H. DAVIS: I also want to know what percentage of the increase in the price of electricity, which has risen dramatically in the past few years, has been due to the fact that State taxation has increased. The article continues:

> South Australia has been paying 60 per cent more to the producers than Sydney for gas produced in South Australia.

Yet, this legislation seeks to tie the price of South Australian gas to the price of New South Wales gas.

The Hon. K.L. Milne: What do you mean by that?

The Hon. L.H. DAVIS: This legislation seeks to tie the South Australian gas price, after the AGL price has been fixed—

The Hon. K.L. Milne: To a very much lower price.

The Hon. L.H. DAVIS: You do not know. You cannot say that.

The Hon. K.L. Milne: It is most unlikely, isn't it?

The Hon. L.H. DAVIS: The honourable member should properly understand the position.

The Hon. K.L. Milne: You are illustrating this around the wrong way. I do not think it is quite what you mean.

You mean that it is dangerous to tie it to them, but you have said it the wrong way.

The Hon. L.H. DAVIS: Restating the point I have already made; this legislation ties the South Australian gas price to the New South Wales gas price as soon as that decision has been reached. The point has already been made and laboured here and in another place that the indenture has been torn up.

I place on record my belief that the Government has acted wilfully, deliberately and craftily in this most serious of matters for short-term political gain. It has put an indenture—a contractual arrangement—sealed by an Act of Parliament through the shredder. It seems to have deliberately broken off negotiations. It has beaten up this issue from the time the Premier announced the possibility of legislation at the opening of the Port Augusta power station, through to the introduction of this legislation in Parliament, and this morning in the advertisement in the *Advertiser.*

Clearly, this situation has been calculated to bring short-term political gain. Unthinking people may well applaud it, but it will reap long-term commercial damage because this is no way on which to base negotiations of such importance. The Government has acted unethically. Its behaviour is unacceptable commercial behaviour. Word of this will travel fast. This is a serious matter. When people enter into an indenture arrangement and negotiations, and have the negotiations unilaterally broken off and the indenture put through the shredder, then anyone else (including the Hon. Mr Milne) representing an international or national firm which was about to enter into a contract with evidence of that sort of behaviour would think very seriously about whether to put money in South Australia. I have concentrated my argument on the factual rather than the emotive, and on the way in which business—

The Hon. K.L. Milne: What argument have you made? Keep the gas or not?

The Hon. L.H. DAVIS: The honourable member has obviously not been here during my entire contribution. I want the following questions answered during the Committee stage of the Bill. Why were discussions abandoned in October and were the producers given an ultimatum? If not, why not? Given that the second reading of the Bill in the Council last night clearly set down the fact that the Government was prepared to negotiate at any time, before or after this Bill was before the Council, have the Government or producers offered to recommence negotiations at any time? Has the Government accepted or responded to any offer?

The advertisement in this morning's *Advertiser* insinuated that there had been an enormous increase in the gas price over the past four years. What percentage of that increase in the price of electricity during the past four years has been due to increased State taxes or to levies on ETSA? I support my Leader (the Hon. Martin Cameron) and the Hon. Trevor Griffin in opposing the second reading.

The Hon. K.L. MILNE: I do not think that anyone is denying a great deal of what the Hon. Martin Cameron has said, but that is only one side of this complicated problem. The long and, I am afraid, dreary history of what happened given by the Hon. Legh Davis—accurate as it might be—is no longer relevant. What happened in the negotiations, and who was right or wrong, we will never know. I do not propose to worry about it. The point is—where do we go from here? Over the years just about everything that could be said on this subject has been said—and many times over. I have been asking questions since October 1984—for 12 months—about this matter.

The Hon. I. Gilfillan: Have you got any answers yet?

The Hon. K.L. MILNE: Yes, I have answers to every question, as far as I know. I have a file on nothing else but questions that I have asked. The Opposition did not ask why I was doing it; it took no interest in it for a whole year. It is now suddenly getting excited about it. The fact is that we are still likely to be short of gas and we are still paying a high price for it. This will not change no matter how long members speak. The Hon. Mr Cameron talked about confiscation—that is nonsense. There is no confiscation. That threat hangs over every business in every State every day. There is a dilemma. The fear of the Government cancelling contracts—a genuine fear—would deter business from coming to South Australia, but so would the uncertainty of energy supplies.

From my experience in London, I know better than any other member in this Council about trying to persuade people to set up business in South Australia. One of the first things they always asked was, 'What is the position regarding energy supplies and electricity, in particular?'

The Hon. J.C. Burdett: The credibility of the Government, too.

The Hon. K.L. MILNE: I have said that: that is a fear now that the Government has cancelled a contract—but not a very big one, as we will see. As members well know, South Australia is a joke in the Eastern States for having sold our gas to New South Wales and not had enough for ourselves.

The Hon. Diana Laidlaw: Who did that?

The Hon. K.L. MILNE: I do not care who did that. It was not me, so do not jump on me.

The PRESIDENT: Order! We had a bit of an understanding that interjections would be minimal and the member on his feet would have a clear run.

The Hon. K.L. MILNE: In the Opposition speeches, the bulk of the time was spent saying how terrible this legislation is for the producers. They said a lot about the law and how complicated the law is, but they said very little if anything about the South Australian consumers, either industrial or individual consumers. The facts are that they did not, and yet this is what this is all about. It is about keeping South Australia competitive by having low electricity and gas prices, essential things for our people. Both recent speakers have had a go at me about how sorry I will be retiring from Parliament under this cloud of some sort. If the election comes soon, the people will remember that the Liberal Party sought to protect the foreign interests of the producers rather than the young families and pensioners, the single parent families and others who need warmth, light and power, payment for which has become a burden.

The Hon. M.B. Cameron: Yes, it has become a burden—

The PRESIDENT: Order! We are not getting into an across the chamber discussion tonight.

The Hon. K.L. MILNE: The producers are not in financial difficulty now and, if members remember, they owe a very great debt of gratitude to two South Australian Governments. In fact, five of them listed in the *Bulletin* as companies with over $10 million turnover per annum are in the highest net profit margin group—Santos at 29.2 per cent, Vamgas at 25.7 per cent, Alliance at 23.9 per cent, Bridge Oil at 20.3 per cent and Crusader at 20.2 per cent. There is nothing to be ashamed of in that, but it does show that they are doing fairly well. Presumably the others whose accounts are not available publicly are in much the same position. If they are not, there is something wrong with their management.

So, knowing that the producers are a giant public utility, a monopoly, there is obviously some room for them and the Government to manoeuvre. I should mention that I have not yet seen the amendments which Santos want us to consider, so I am not able to foreshadow our attitude to those amendments, but I will certainly look at them sympathetically because compliance with this Bill will be difficult.

The Hon. M.B. Cameron: You will look after the foreigners, will you?

The Hon. K.L. MILNE: When I said foreigners, I am using it in the sense of foreign companies, which means a company registered in this State as a foreign company. The honourable member knows perfectly well what I mean and, if he does not, he should. We all have to understand that the Cooper Basin oil and gas field, while extending over vast areas in the north-east of South Australia and the south-west of Queensland, would never have been developed without the pledges and support given by the South Australian Government to purchase gas for the State's domestic and industrial needs—at that time against its better judgment. We should not forget either that the South Australian Government provided the pipeline. We should not forget that the only market of any consequence for Santos in those days was the Electricity Trust of South Australia, whose purchases of gas still provide the main volume of sales of South Australian gas.

The availability of supply has become one of the key issues in our gas problem, and legislating the Pipelines Authority of South Australia Futures Agreement out of existence gives the Government flexibility in seeking its requirements from a number of resources outside the present Moomba system. So, not only did the producers have a monopoly on supply, but they also had a monopoly on supply from Moomba only. It is not surprising that the reserve situation is uncertain. There appears to be a breakdown in mutual understanding between the consumers, the Government and the producers on the availability of Cooper Basin gas, which is so vital to sustain industrial and economic stability of the State. It is quite impossible for us as laypersons to be able to find out just what this shortage is, because one gets different answers from different people. I do not think that that is excusable. Somebody must know what the answer is, and we have not been told.

I believe strongly (as no doubt other members of this Council do) that South Australia must retain low energy pricing for gas, and I have said so in Parliament, as I said earlier, for over a year. I am at a loss to understand why neither the Government nor the Opposition took it up previously. I believe that the cost of new exploration and discoveries of oil liquids and gas will not prevent, but in fact will enhance low energy pricing structure for gas in the future. This is when we bear in mind the healthy cash flows which are being enjoyed by the producers from liquid sales and available for new discoveries, as well as dividends.

Overall, the Bill provides immediately for the continuing low pricing of the State's natural gas to ensure that electricity can be priced at such a level that the development of the State is not impaired by high fuel costs for our manufacturers. Let us not forget that it is the manufacturers who are making as much fuss as anybody else about this matter. As to the detail, the Bill does three things, and I did not hear any of the speakers for the Opposition define what those things are. It reserves certain quantities of gas for South Australia; it fixes a pricing arrangement for reserve gas; and it cancels the future requirements agreement.

First, it reserves certain quantities of gas for South Australia. These quantities are *(a)* the balance of the amount to be supplied under the existing contract until 1987; *(b)* the amount already allocated as fuel gas for a petrochemical plant; and *(c)* all of the ethane in the South Australian portion of the Cooper Basin. As all of these quantities are already allocated to South Australia, this part of the Bill does nothing more than maintain the *status quo* and removes the uncertainties, if there were any, about South Australia's entitlement to these quantitites of gas.

Secondly, it fixes a pricing arrangement for the reserve gas so that, within a short time, the price being paid by South Australia for this gas will be the same as that for New South Wales. This will overcome the present unsatisfactory situation where, as the Hon. Mr Davis said, South Australia is paying over 60 per cent more than New South Wales pays for the same gas produced in South Australia.

The Hon. R.C. DeGaris: That is not a delivered price though, is it?

The Hon. K.L. MILNE: The delivered price has nothing to do with it. If it is more expensive to deliver it, that is the problem of the pipeline to New South Wales. If we can deliver it more cheaply, that is to our benefit. I am talking about buying the gas in the first place. If one is going to buy a handkerchief in two shops, one does not say, if it is double the price in one shop, 'That is a fair thing.' One wants to buy it at the same price in all shops.

The Hon. Diana Laidlaw interjecting:

The Hon. K.L. MILNE: Yes. The delivered price has been appearing in newspaper articles, but that is a distortion of the real situation: it has nothing to do with it. If the New South Wales people want to put a tax on it (and they do) and if it costs more to get it through their pipeline, which runs at a loss, that is their problem. Therefore, they are charging more to the consumer. It is cheaper to our consumer: we have a shorter distance; the pipeline is more efficient. Why the hell should they pay more here just to say that we can equalise the cost of distribution? Come on!

In any case, the present price of $1.62 per gigajoule compared with the New South Wales price of $1.01 per gigajoule is far too high. The cost of producing the gas from existing reserves, including exploration costs, is believed to be—by people who are reasonably well informed—about 40 cents to 45 cents per gigajoule. Every cent above the cost price, whatever it is, to South Australia is $1 million per annum profit to the producers. This will give some idea of the amounts being taken out of South Australian pockets. To this must be added profits from sales to New South Wales, which accrue at much the same rate.

Comparisons between retail prices of gas in South Australia and other States are irrelevant and misleading because the major part of the gas sold to South Australia—about 75 per cent—is used as fuel by ETSA to generate electricity. The excessively high price for gas is the main reason why ETSA's fuel costs are more than double those of its Eastern State counterparts.

Since 1974, the ex-field price paid for gas by ETSA has increased from 15 cents per gigajoule to the present level of $1.62 per gigajoule—more than eleven-fold. Someone else from the Opposition was complaining that there was not a big increase. For the Electricity Trust—and members can check it with it—it has increased from 15 cents per gigajoule to the present level of $1.62. This has been one of the most significant factors in pushing electricity prices in this State, plus, I admit, an unwise tax on electricity by the Government to the point where the prices for electricity are among the highest in the Australia, when they should be, as they were for many years, among the lowest prices for electricity. This is absolute madness, especially when it is our own gas.

Thirdly, the Bill cancels the future requirements agreement, which would oblige the State to accept large quantities of gas up to the full annual requirement from the producers, but places no real obligation on the producers to supply gas. At the same time, the State would be prevented from contracting for alternative supplies from other sources. The Stewart committee advised that the Government should act to remove the constraints of this agreement: in other words, it should have it cancelled or drastically altered. The agreement is completely inappropriate to present circumstances: it would allow the producers to hold the State to ransom, and no responsible government could allow it to remain.

If there is any criticism in this Bill—and there is some—it is that it did not go far enough. As the name implies, it is an interim measure only. The reserved quantities of gas are sufficient only until 1992 and involve using a significant part of the ethane needed to support the petrochemical plant, so the future of any petrochemical industry in this State must therefore be in considerable jeopardy. I do not know whether that is a very strong point or not because I understand that there is an over-supply of petrochemical products throughout the world and it is not the right time to try to start one here in any case. So, let us be fair.

The Bill does not address the problem of longer term gas supplies, which are vital to this State. Organisations such as ETSA, the South Australian Gas Company and Adelaide Brighton Cement have invested millions of dollars in gas burning equipment and need to be assured of long-term supplies at the lowest possible cost. We have now reached the ridiculous situation where ETSA is being forced to take preliminary action to convert part of the Torrens Island power station to burn New South Wales coal, and Adelaide Brighton Cement is looking at buying a coal mine in New South Wales—and I have recommended that ETSA should do that as well. That is on the western side of the Great Dividing Range.

People are asking what the Government is doing to secure adequate future supplies and ensure that a proper exploration program is carried out. It is clear that this cannot be left entirely in the hands of the producers because their interests and those of our consumers are not the same—to some extent they are the same, but to a great extent they are in conflict—and it should be a matter of constant discussion between the Government and the consumer organisations and the producers. If they had had a regular meeting, going on through the years and through the development of this entire program, perhaps we would not have had this trouble, which is exacerbated by the intervention of the Western Australians taking a huge profit out of Santos without doing anything of value for it.

People are also asking what sort of pricing arrangement will apply to future gas. There must be considerable misgivings about the arrangements in this Bill because it takes the responsibility for pricing out of the hands of the Government and South Australian consumers and places it entirely in the hands of AGL and the producers. I do not think that the risk is the same as that mentioned by the Hon. Legh Davis, but it is a risk and it was unwise to be as definite as they have been by putting us in the hands of the arbitrator for the Australian Gas Light Company arbitration.

As an interim measure this might be acceptable, but it is not satisfactory in the longer term and it may lead to some sort of trouble—which the Hon. Legh Davis is frightened of, with some justification—in the future, and that may need more legislation, which would be fatal. We must not forget that the Australian Gas Light Company is a large shareholder in Santos, and that is a warning to us not to rely too much of Australian Gas Light advice.

It is obvious that there are still unsatisfactory aspects of the natural gas situation that require further action by the Government and this Parliament. A full inquiry, with adequate investigative powers, is still necessary to ensure that the Government and Parliament can be properly informed and the South Australian public can be protected. I hope that the Parliament will give the select committee, which was appointed today, every consideration and help and treat it seriously. We may find that it needs the strength of a Royal Commission to sort out the situation. Gas prices and gas supplies should not be taken in isolation from coal and other means of energy that the State will need in the years to come. I support the second reading.

The Hon. G.L. BRUCE secured the adjournment of the debate.

[Sitting suspended from 9.09 to 9.45 p.m.]

GOVERNMENT MANAGEMENT AND EMPLOYMENT BILL

The House of Assembly intimated that it had disagreed to the Legislative Council's amendments.

Consideration in Committee.

The Hon. C.J. SUMNER: I move:

That the Legislative Council do not insist on its amendments.

These amendments were moved in the Council and they have been found to be unacceptable to the House of Assembly. The House of Assembly has substantially returned the Bill to the form in which it was when it was introduced. Although the Government did accept some of the reasonable amendments of the Opposition, the problem is that the remaining amendments that the Opposition seems to insist on are not reasonable. I ask that the Committee graciously give way to the will of the House of Assembly.

The Hon. M.B. CAMERON: I ask that the Council insist on its amendments. A number of important issues have not been given appropriate consideration by the other place. I will not go through the detail of the amendments at this stage. I suggest that those matters be further considered by the House of Assembly.

Motion negatived.

PARLIAMENT (JOINT SERVICES) BILL

The House of Assembly intimated that it had agreed to the Legislative Council's amendments Nos 7 and 10 to 12, and had disagreed to amendments Nos 1 to 6 and 8 and 9.

Consideration in Committee.

The Hon. C.J. SUMNER: I move:

That the Legislative Council do not insist on the amendments Nos 1 to 6 and 8 and 9 to which the House of Assembly disagreed.

This is one of the most significant measures that I have had anything to do with in this past three years in Parliament. I would like to celebrate the significant progress that has been made on this matter on the anniversary of the victory of the Bannon Government on 6 November 1982. One of the most far sighted things I did was to establish a joint select committee of Parliament on the Parliament (Joint Services) Bill. This far-sighted initiative by a reforming Attorney-General has provided many people in the Parliament with many hours of quite fruitless activity over the past three years. In what everyone seems to assume, rightly or wrongly, are the dying hours of the current Parliament, I am quite distressed to see that this major initiative of the Attorney-General and the Bannon Government appears to be faltering at the last moment.

I believe it would be a great tragedy if the Parliament as a whole could not see its way clear to push this Bill over the finishing line before the Parliament retires to proceed to other things. So, it seems to me that this Council should see reason. It seems to me that this Council should not insist on its quite mischievous amendments that it moved when the matter was previously before it. As I said before, it would be a great tragedy if all that fruitless effort of the past three years came to nothing.

I do not wish to canvass all the issues in this important measure, but it seems to me that it is time to cast bloody-mindedness out of the window; it is time to reject partisan

political views and for the Parliament to come together in a final thrust to achieve concensus on this matter. I make a passionate appeal to members to treat this matter with the seriousness and gravity that it deserves. Allow me to say that the frivolity of members opposite ill-fits a measure of such importance as this to the Parliament. So, I do not believe that this Council should insist on its amendments and, if the Council has the good sense not to insist on its amendments, it will be able to say that it has been instrumental in ensuring the passage of this Bill through the Parliament in the three years of the Bannon Government.

The Hon. M.B. CAMERON: I am just absolutely staggered that these amendments came back without obviously any consideration of them. I understood that the Bill was suddenly brought back on again today in the House of Assembly, and fairly clearly it did not get much discussion going because the Bill has arrived back in very quick time. There has been a lot of nonsense talked about this Bill over the three years, and so many drafts of the Bill. Many changes have occurred and there has been much talk about it and much time of the Council taken up. Yet all we have tried to do is protect the Council's role as an independent House of Parliament. That is the sum total of the effect of the Council's amendments. If the House of Assembly gives scant regard to that my first inclination is to look at Standing Order 336 which says that this Council may order the Bill to be laid aside. That is my first inclination, because, quite frankly, I have had a tummy full of this Bill and everything associated with it.

The Hon. C.J. Sumner: You're prepared to cast it aside?

The Hon. M.B. CAMERON: Yes, that is right; I would be perfectly happy to do so. I am persuaded by many people in this Council that perhaps we ought to give House of Assembly members one more chance to come to their senses and have a look at these amendments in a rational way, understanding that the Council has not moved frivolous amendments. It has moved amendments that are based on the need to keep this Council as an independent House of Parliament. They are not amendments that have great effect, but they do keep things under control. So, I would indicate at this stage that we should insist on our amendments—send them back to the other place and just see what happens. Give them one more chance to come to their senses.

The Hon. C.J. Sumner: That's a threat!

The Hon. M.B. CAMERON: You could say that; that is quite right. I think the Attorney can accept that as a fair indication that this Bill has a very shaky future unless there is some reasonable attitude towards these amendments. As I said, we did not move the amendments lightly. I keep hearing what dreadful things are going to happen because we have not got the legislation, but somehow Parliament has survived without the Bill. Somehow we seem to be able to keep going as we have for 130 years, without the Bill. I have received messages from the Chairman of the Joint House Committee about how the staff were waiting in fervent anticipation for the passage of the Bill because they were under such dreadful conditions and dreadful trouble because the Bill was not in. I said then that I would be interested to hear from the staff members who were having trouble. It is some time since I made that statement, and I still have not heard from them. However, I have heard from a lot of staff members who were very apprehensive about the Bill and particularly that section that the House of Assembly has refused to put in.

Getting to the base of this thing, there seems to be one person on the other side who seems to be very keen on this Bill. It has become a bit of a monument and I would suggest—

The Hon. C.J. Sumner: It is me.

The Hon. M.B. CAMERON: No, it is not you. I must say that the Attorney has taken a more reasonable attitude towards the matter, but there is one person who has taken a very unreasonable attitude towards this whole matter, and I would—

The Hon. C.J. Sumner: That's a reflection on a member in another place.

The Hon. M.B. CAMERON: I have not named him, but I will if the Attorney wants me to. I do not think that is wise at this stage; I might if it goes any further. I am being careful at the moment to keep the matter at a sensible debating level. I would strongly recommend to the other place that it take these amendments back, have a good look at them and not further insist on them, because the Bill could well end up very soon in the shredder, and that might well be the best place for it. They used to call it 'Annie's room', but of course these days we have gone modern and we have shredders. I would ask the Council to insist on its amendments.

The Hon. K.L. MILNE: I think it would be fair for me to indicate at the present that I support what the Hon. Martin Cameron has said. I think the key to this is the protection of this Council, if we are to have the two House system working properly.

The Hon. M.B. Cameron: You're going to go out on a high note.

The Hon. K.L. MILNE: I do not mind about that, but I do want to go out having done my bit to protect the bicameral system. So often, some people in the House of Assembly want to get rid of the Upper House, for want of a better term, while many of the others want to retain it. They have used this Council over and over again as a safeguard against things that they did not want to really finish up as legislation. I congratulate the Attorney-General on the sincere and patient way in which he has tackled this matter and I am sorry that he was not backed-up more with sensible legislation and sensible suggestions, and that the Bill came out the way it has. It is not satisfactory—I think he knows it, the Opposition knows it and we know it. I would back-up—and I hope my colleague Mr Gilfillan would also back-up—

The Hon. C.J. Sumner: You can't be sure these days.

The Hon. K.L. MILNE: You can never be sure. We are allowed to differ.

The Hon. I. Gilfillan: You can rest assured, Lance.

The Hon. K.L. MILNE: We are indivisible, inseparable. On this matter we are, and I sincerely hope that the House of Assembly will treat it with some courtesy and with relevance to history, because it is too short a history to spoil, and I do not intend to be part of it.

Motion negatived.

[Sitting suspended from 10.2 to 11.40 p.m.]

GOVERNMENT MANAGEMENT AND EMPLOYMENT BILL

The House of Assembly requested a conference, at which it would be represented by five managers, on the Legislative Council's amendments to which it had disagreed.

The Legislative Council agreed to the conference, to be held in the Legislative Council conference room at 10.30 a.m. on 7 November, at which it would be represented by the Hons M.B. Cameron, M.S. Feleppa, R.I. Lucas, K.L. Milne, and C.J. Sumner.

PARLIAMENT (JOINT SERVICES) BILL

The House of Assembly requested a conference, at which it would be represented by five managers, on the Legislative Council's amendments to which it had disagreed.

The Legislative Council agreed to a conference, to be held in the Legislative Council conference room at 12 noon on 7 November, at which it would be represented by the Hons G.L. Bruce, M.B. Cameron, K.L. Milne, R.J. Ritson, and C.J. Sumner.

ADJOURNMENT

At 12.8 a.m. the Council adjourned until Thursday 7 November at 2.15 p.m.