

LEGISLATIVE COUNCIL

Thursday 11 December 1997

The **PRESIDENT (Hon. J.C. Irwin)** took the Chair at 11 a.m. and read prayers.

LAND TAX (LAND HELD ON TRUST) AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 3 December. Page 49.)

The Hon. P. HOLLOWAY: I indicate that the Opposition will support this Bill, which seeks to close a loophole that is currently being exploited in our land tax. The loophole involves the splitting up of property into five separate trusts so that land tax can be avoided on the sale of that property. When my colleague in another place the shadow Treasurer (Kevin Foley) asked questions about this matter, we found that this tax avoidance scheme—and I believe there is only one of them in existence—had reduced the tax liability of the person concerned by about \$15 000. We were told that it concerned a development within the central business district but, of course, we understand because of the privacy laws that we cannot be provided with the details of that scheme.

However, given the rates of land tax, if \$15 000 in land tax has been avoided it must involve a property worth something in excess of \$1 million, because from my reading of the current tax laws the land tax liable on a property worth \$1 million and over is \$12 400, plus \$3.70 for each \$100. Working back from that, we would be able to work out roughly the value of the site.

The point is that the Opposition will always support the Government in closing tax loopholes. Whenever members of the public seek to defraud the tax base of this State by using various contrived schemes, we have no sympathy whatsoever for the users of these schemes. Indeed, when this Bill came to another place, my colleague Kevin Foley moved an amendment to make the measure retrospective. We believe these sorts of schemes are obviously an attempt to defraud the tax base and clearly go against the spirit of the law. The only purpose in which such a contrivance could be used is to defraud the tax base. However, the Government did not support that amendment, moved by my colleague in another place, to make this legislation retrospective. We thought that supporting retrospectivity would stop people who seek to defraud the tax base using these sorts of schemes in their tracks and make their attempt at tax avoidance completely fruitless. The Government chose not to accept it. That is fair enough, so I will not pursue that course of action here. However, we make clear that, where we believe people are deliberately setting out to defraud the tax base, the Opposition has absolutely no sympathy whatsoever for such people.

It is surprising that this scheme of dividing a property into trusts to avoid tax was not something that had been anticipated earlier. I well remember a rather celebrated case in this State, I think it was when the Hon. Trevor Griffin was President of the Liberal Party, where a scheme had been devised to divide the sale of the Liberal Party headquarters in North Terrace into I think it was 20 different trusts to avoid either stamp duty or land tax. Certainly, this scheme had been devised to split that property into 20 different trusts to avoid taxation. It is surprising that, as a result of that, this anomaly

had not been anticipated. Nevertheless, the Opposition fully supports the measure to close these loopholes. As I said, I still make the offer to the shadow Treasurer that, if he wants to make the legislation retrospective to really bring home that point, we would be happy to support him in that.

The Hon. M.J. ELLIOTT: I rise on behalf of the Democrats to support the second reading of this Bill. As was the case of the previous speaker, we applaud moves to close off attempts to use tax loopholes, although I cannot help but comment on the fact that there have been a number of times when Governments, both previous Labor Governments and even the present Liberal Government, have sought to exploit tax loopholes to minimise their own obligations from time to time. As I understand it, funding arrangements in relation to the leasing of some of our power infrastructure in South Australia was exploiting tax loopholes in the United States. With regard to the previous Labor Government, the sale of generating equipment in South Australia again was to exploit tax loopholes in another place.

I seem to recall that when Forwood Products was involved in a manufacturing plant at Greymouth in New Zealand, it got itself involved in a tax avoidance scheme in New Zealand that caused the New Zealand Government to have to change some of its tax law. Governments are quite dreadful examples of paying rightful obligations in terms of taxation. They should be setting the example. Having commented on that, this is about a particular scheme to avoid stamp duties. We believe that the loophole should be closed, and we support the Bill.

The Hon. R.D. LAWSON: I support the second reading of this measure. Some of the members from the Australian Labor Party and the Australian Democrats in speaking of tax loopholes and seeking to defraud the taxpayer are overly emotional.

The Hon. M.J. Elliott: Just using their rights under the law? Oh yes!

The Hon. R.D. LAWSON: There is nothing to prevent people arranging their affairs within the law to secure whatever advantages to which they are entitled within the law. Tax legislation must be specific legislation and directed to debt. As I have said, I support this measure. The questions that I have in relation to it are these—

The Hon. M.J. Elliott: Minimise liabilities.

The Hon. R.D. LAWSON: The Hon. Mike Elliott says 'Minimise liabilities,' but it is actually to arrange one's affairs in a way that is most suited to one's own needs. There is nothing against the law in so arranging one's affairs. It is up to us—

The Hon. M.J. Elliott interjecting:

The PRESIDENT: Order! I ask the Hon. Mike Elliott to desist from interjecting from his seat. He has had a chance to speak and he could have put all those points on the record.

The Hon. R.D. LAWSON: The obligation is on us as legislators to so frame our laws that we exact the taxation specifically. It has been ascertained that it is possible in accordance with the Crown Solicitor's advice to divide land ownership by the creation of trusts. I am somewhat surprised by the Crown Solicitor's advice in this regard. The only matter about which I seek some clarification from the Minister in relation to this is: has the proponent of the scheme which is the subject of the Crown Solicitor's advice lodged an application for assessment, or is this in respect of a prospective arrangement? In other words, has any tax been

levied, is any tax presently liable and will it be affected by the measure now passed?

Land tax is based on the site value as at midnight on 30 June immediately preceding the commencement of the financial year. The query I have is whether any particular taxpayer or taxpayers are affected by the measure currently before the Council. In the light of the second reading explanation, it seems unlikely that any advantage would have been obtained. If that is the case, there is no real occasion to introduce retrospective amendments, as was foreshadowed by the Hon. Paul Holloway and apparently raised in another place. Subject to some clarification on that point, I support the second reading.

The Hon. R.I. LUCAS (Treasurer): I thank members for their indication of support for the second reading of the Bill. The Hon. Mr Elliott has raised what is a difficult issue for Governments in relation to tax minimisation. Whether we call it avoidance, loopholes or minimisation, it is a difficult issue for Governments, and he has rightly identified the fact that Labor and Liberal Governments have certainly—and I think appropriately—set about ensuring that they minimise the level of taxation that they have to pay.

The Hon. P. Holloway: Not always appropriately.

The Hon. R.I. LUCAS: The Hon. Mr Holloway speaks on behalf of the Labor Administration, I suppose, saying, 'Not always appropriately,' but I am not sure. It is a difficult issue because you have a responsibility to your taxpayers not to maximise the taxes you pay, whether you are a Government trading enterprise, or whatever it is that you might be doing through a sale-lease back arrangement. There are obviously judgments that are both moral and political, together with the legal advice that one receives in terms of the degree that one must go to, and they will always be judgments for Governments and the advisers to Government to make. Nevertheless, that is not the principal issue that is before us today. I thank members for their indication of support for the second reading.

Bill read a second time.

In Committee.

Clause 1.

The Hon. R.D. LAWSON: During the course of my second reading contribution, I asked the Treasurer to indicate whether or not there was any retrospective operation for this particular measure. He may have been distracted in the Chamber at the time I asked that question, and I now ask him to indicate whether he has an answer thereto.

The Hon. R.I. LUCAS: I thank the honourable member for doing me the kindness of repeating the question in Committee. The answer is 'No, there is no retrospective element.'

Clause passed.

Clause 2 and title passed.

Bill read a third time and passed.

STAMP DUTIES (MISCELLANEOUS No. 2) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 9 December. Page 145.)

The Hon. P. HOLLOWAY: The Opposition will support the three measures contained in this Bill. Those measures are, first, that stamp duty will be removed on the payment of interstate cheques, which will involve, as we know from the

debate that took place in the House of Assembly, the loss of approximately \$600 000 to State revenue. However, I understand that South Australia is the last State to apply this duty on interstate cheques. The measure will bring us in line with other States and, although that \$600 000 will be forgone, it will provide some benefits to the State in terms of assisting business by, first, removing the cost, and, secondly, the processing fee of \$10 per cheque will also be beneficial to business. We therefore support that measure.

The second of the measures is the exemption of stamp duty for primary producers on the restructuring of finance. The Government introduced this measure after the 1993 election. I believe that it applied for two years, namely, from 1994 to 1996. Before the last election the Government promised to reintroduce it. It has now done so, although I believe that now this measure will not have a sunset provision applying to it. So, it will now apply indefinitely that no stamp duty will be applicable on primary producers who restructure their finance. In another place my colleague Kevin Foley raised the issue as to why this measure should be restricted just to primary producers. We are certainly aware that primary producers have had a particularly tough time of it in recent years and, of course, they are in an industry where their income can fluctuate greatly.

They have also been faced with the closure of a number of branches in country areas and perhaps also there has been much less competition amongst the banks for rural consumers than there was in the past. There are a number of difficulties in country areas. However, the point that the Opposition made in another place was that it was just not the primary producers. This is a problem that is shared by many businesses and other people in the rural area whose income, in turn, depends on the income of primary producers. For example, the income of some of the service industries and businesses within our country towns will fall dramatically if the income of primary producers also falls. The point we were making is that, if there is to be an exemption provided to primary producers because of the particular difficulties in country areas, perhaps we should consider also providing exemptions for other people in country areas who are affected just as much by the vagaries of the season.

The third measure that is before us also provides for people in rural areas. It provides that when banks close in country towns no stamp duty will apply on the transfer of funds from the closed bank to another bank in an adjoining town. Again we believe that is a reasonable measure. As the shadow spokesperson for rural affairs I am well aware that the loss of services in the country areas of this State is a huge issue. Indeed, I think that one of the reasons why there was a backlash against the Government at the last election—and why it lost three of its safest country seats in this State—was because of the great concern in those areas about the loss of Government services.

As well as Government services going people were also concerned that many private services would go as well. As the public servants move out and the business reduces in those areas so does the viability of a number of businesses, including banks, and a considerable closure of banks has occurred in country areas. It obviously provides a difficulty particularly for someone living in the remote areas of the State who is banking with a particular bank and who needs to deal regularly with their bank manager. If the bank closes and the bank manager is moved 50 or 100 kilometres away, clearly, that is a severe imposition upon those people.

The stamp duty exemption in the transfer of mortgages provides two things. First, it provides some benefit to those people who do have to change their accounts and, secondly, we hope it will have a deterrent effect on banks closing in those areas. If the banks know that people can with impunity change their business to another bank that might be in the area, perhaps they will be less inclined to close. At the moment, because there is a heavy penalty in terms of stamp duty in changing accounts, to some extent the banks have exploited that to get away with closing their business. I hope it does have a deterrent effect as well as providing some relief when banks go ahead, anyway, and close their branches in country areas.

In terms of equity on this measure, one could say that we appreciate the difficulties in coming up with legislation to handle the closure of banks in country areas. Suppose, for example, that a bank reduces its hours. At which stage does a bank actually close? In some country towns they have been continually reducing the hours at which they open so that now it can get down to an afternoon a week or an afternoon a month, or something like that. I guess that is one of the issues in this: to what stage does a bank effectively function? I suppose that there are some peripheral issues in managing these questions, such as what is the difference between a bank and an agency, and so on; what sort of level of service in a country area really provides a true bank.

The other point I would make in terms of equity is that the closure of a bank would obviously be much more difficult for people living in the more remote areas, particularly on the West Coast of this State, than it would be in, say, the Adelaide Hills or other rural areas where towns are much closer together. I guess it is one of those issues that is very difficult to resolve and come up with a formula that deals with genuine cases of hardship as opposed to cases where it might not be such a problem.

The other issue of equity that I should point out is that the Opposition is somewhat concerned that some of these benefits may be going to the large and rather wealthy pastoral companies instead of to struggling farmers. We fully support the struggling farmers. In my time on the Rural Finance Committee in the House of Assembly some years ago we had a look at the problems in places such as the West Coast and Kangaroo Island, which are particularly the focus of problems with struggling farmers.

That is the area where most of the people whose viability is in question are located. Of course, they are also the areas where the banks are more likely to be a large distance apart and where there is less competition between banks. Certainly, in those sorts of areas this measure is a good one. However, the problem as we see it would be if this particular benefit to the taxpayers would be going to some of the wealthier pastoral companies, such as the McLachlans, the Kidmans and so on. I invite the Minister to make some comment about that.

We support the concept that struggling farmers in our remote areas should have some assistance in these measures. However, we would not say that it was particularly equitable if most of that benefit were going to people who did not need it. On the whole we are pleased to support this Bill. The Government promised these measures before the election. They will provide a benefit to perhaps a rather restricted group and we would like to have seen the benefits spread a bit more widely, but I guess there is a limit to how much assistance can be provided. We support the Bill.

The Hon. M.J. ELLIOTT: The Democrats support this Bill. We do not have any major concerns in relation to it, although there is one that I raised during a briefing, which I am not sure I am 100 per cent satisfied with, and that is in relation to the exemption to stamp duty on cheques coming from outside South Australia. I understand that there are only two States in Australia now currently charging stamp duty on cheques at all, and they are South Australia and Western Australia. The fact that we are granting exemption to cheques from outside the State and not those from inside seems to be something of an incentive for some people to shift their accounts so that their cheque paying comes from outside the State. It appears to me that there is certainly a potential for a little bit of minimisation of liabilities, which even people opposite believe in very strongly.

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: There are some people, perhaps significant employers, who could be writing large numbers of cheques over time. Although we do not have many forms of tax available to us in this State any longer, it seems curious that we have remained one of two States that have kept this particular form of taxation.

Members interjecting:

The Hon. M.J. ELLIOTT: What I said was that I believe we should have a greater tax take, and that is quite different. Some people, due to tax minimisation among other things, do not pay their fair share. But they can afford the lawyers to continue to do so.

A comment was made by the previous speaker, the Hon. Paul Holloway, about the capacity for primary producers to be able to transfer their loans and not suffer a penalty. I do not have any problem with that, but many people from time to time would appreciate that and that would include many battlers. The fact is that although interest rates for housing at the moment are low, the real rate of return for banks in Australia is larger than that in most other countries. The difference between what banks pay for their money and what they charge for their money is much higher in Australia than in most other OECD nations, and with a low inflation. They are still doing very nicely, thank you very much.

The real level of interest being charged by banks on a lot of Australian battlers is still unconscionably high. There is no doubt that if it was easier for people to transfer their accounts when they were being ripped off it would put a lot more pressure on the banks to charge a more reasonable real interest rate once one leaves inflation out of the equation. I do not know what the cost would be, but I make the point that it has been recognised that some people have a need to refinance—and I understand that in relation to primary producers and we do not oppose it. However, they are not the only ones who have a real need to refinance. This might create a real pressure on banks to do the right thing, which, theoretically, was part of what the Government was seeking to achieve here. There is a penalty for any individual to try to exercise their rights to shift between finance providers, because the penalties at that stage are too high for them realistically to be able to do so. We support the second reading.

The Hon. R.D. LAWSON: I support the Bill. Will the Treasurer indicate in relation to the stamp duty exemption for rural debt refinancing, which operated between May 1994 and May 1996, the monetary value of the benefits derived by the rural community from that? Another way of putting the same thing would be, 'What was the cost to the revenue of

providing that arrangement and what cost or benefit is envisaged to accrue in the future?' The second question I ask arises out of the Minister's second reading explanation which states:

The abolition of the duty on interstate cheques coupled with the rewriting of the cheque duty provisions will further reduce the tax burden on small business and the administrative burden on the banking sector.

Will the Treasurer explain the comment in his second reading explanation: 'the initiatives will further reduce tax burden'? Is there any reduction affected by the amendments to the local cheque provisions that are contained in this amendment?

The Hon. R.I. LUCAS (Treasurer): I thank members for their indications of support for the second reading of the Bill. In response to the questions asked by the Hon. Mr Lawson, during the Committee stage of the debate the Commissioner for Taxation will be here to provide us with expert advice on the cost and other issues that the honourable member has raised. I will refer his questions for advice during the Committee stage of the debate. The Hon. Mr Holloway has indicated his concern that the McLachlans and the Kidmans will benefit from this provision. If that was a concern to the Hon. Mr Holloway—and obviously it is—I am not sure how it is that he might intend that the provision would operate so that the McLachlans and the Kidmans would be excluded and others would be allowed to benefit from the proposal.

The Hon. T.G. Cameron: A very small amendment.

The Hon. R.I. LUCAS: To be blunt, yes. You just put in there that, I suppose, the McLachlans and the Kidmans will not be allowed to—

The Hon. T.G. Cameron: You put a ceiling on the exemption per capita.

The Hon. R.I. LUCAS: What sort of a ceiling is the Hon. Mr Cameron suggesting?

The Hon. T.G. Cameron: We will have to look at that. What would it need to be to catch McLachlan?

The Hon. R.I. LUCAS: I have no idea. I am not aware of the personal circumstances of the honourable member or, indeed, other members of the McLachlan and Kidman families. Obviously, that will be an issue that members of the Labor Party will need to explore if, indeed, they are intent on in some way excluding the McLachlans and the Kidmans from this piece of legislation. As I said, if there are any further questions I will be happy to address those during the Committee stage of the debate.

Bill read a second time.

In Committee.

Clauses 1 to 4 passed.

Clause 5.

The Hon. P. HOLLOWAY: Clause 5 refers to the refinancing of primary producers' loans. To come back to the point I made earlier about the benefits of this measure, I wonder whether the Treasurer or the Commissioner has any statistics about how this benefit was distributed. For example, do we know the total number of primary producers who took advantage of this measure over the two-year period it was in operation? Do we have any information as to the quantum of the loans that were involved in these refinancing operations?

The Hon. R.I. LUCAS: I understand that the total number was approximately 100 and that the total cost—and this answers the Hon. Mr Lawson's question—was about \$100 000. So, it has not been a significant cost. In terms of the make-up and size of the loans, we do not have that information. I think a similar question was raised in another

place and that on my behalf Minister Buckby has undertaken to see what information can be provided by going back through the records. If any further information can be ascertained, I undertake to correspond with the honourable member and provide any further information.

Clause passed.

Clause 6.

The CHAIRMAN: I point out that the amendment must be a suggested amendment because the Bill deals with taxation.

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

Page 4, lines 13 and 14—Leave out the definition of 'financial institution' and substitute—

'financial institution' means a financial institution within the meaning of the Financial Institutions Duty Act 1983;

I indicate that, following receipt of a late consultation comment, it would appear that there is a minor deficiency within the Bill which should be corrected to give the full intent to the Government's policy in this matter. In brief, the definition of a 'financial institution' in proposed new subsection 81E(4) of the Bill is too restrictive. It is not wide enough to include a finance company or a pastoral finance company. The preferred solution being suggested is to adopt an approach which provides a broader and well-accepted definition of a 'financial institution'. I am told that the definition of a 'financial institution' which is included in the Financial Institutions Duty Act 1983—with which I am sure members will be familiar—achieves this outcome. We understand that this proposed amendment satisfies the concerns that were raised during the consultation process.

The Hon. P. HOLLOWAY: The Opposition supports the amendment.

Suggested amendment carried.

The Hon. P. HOLLOWAY: During the earlier debate I did mention some of the difficulties that we have in drafting a measure that responds to the closure of rural bank branches. I referred earlier to the situation where a closure might be defined as the final shutting of the doors and the demolishing of the building. It could also be the case where a lot of banks have downgraded progressively the service they provide to such a level where it is not far away from closure. What definition will apply in relation to this clause?

The Hon. R.I. LUCAS: My advice is that it will be interpreted as being the absolute closure of the bank. So, if the bank remained open for a couple of days a week, or whatever else, and provided a service to the community, the Commissioner's intention is that in those circumstances it remains open, albeit that it is not open five days a week. Closure means that the bank branch has actually closed.

The Hon. P. HOLLOWAY: What would happen if, for example, the bank was downgraded to an agency, subagency or whatever? I know that in some towns agencies are now provided through various other businesses and so on. Does it have to be a separate banking business, or would it still apply if the agency were handed over to some other business as a subagency?

The Hon. R.I. Lucas: Describe what you mean by 'agency' or 'subagency'. What circumstances are you talking about?

The Hon. T.G. Roberts: Pharmacies.

The Hon. P. HOLLOWAY: For example, at one stage post offices used to be Commonwealth bank agencies. I am not sure whether or not that applies now. I am also aware in some cases where other businesses, such as that suggested by the Hon. Terry Roberts, might have a little banking agency

as well as part of its business. But, clearly, it would not provide any detailed advice to farmers and so on: it would generally be there just to process, withdraw and deposit money. Does that constitute the running of a bank for the purposes of this clause?

The Hon. R.I. LUCAS: If the bank branch is closed and an agency is opened by way of the post office, pharmacy, or whatever else, the Commissioner believes that the branch would have closed. It is highly unlikely that the pharmacy assistant or the pharmacist will be able to provide the full range of banking services or advice on refinancing of mortgages and a variety of other things such as that. So, the Commissioner would interpret that in what he would see as the commonsense way as best he can. If difficulties ensue in relation to this issue, certainly the Government, and I as Treasurer, would be open to keeping this provision and wording under review. If it creates difficulties we obviously would be happy to monitor it.

The intention is clear as to what the Government wants to do. We could run into some problems with either that issue or, indeed, some of the issues that the honourable member raised in his second reading contribution. For example, we could run into problems with telephone banking and a range of other computer related services. The whole nature of banking and home banking will change the nature of banking generally, in both the country and the city. By way of example, this week I tried to look up the telephone directory and find the telephone number of my local bank branch in North Adelaide. However, the bank does not list it. You cannot get from the telephone book the telephone number of the North Adelaide branch of this bank. You have to ring whatever number it happens to be, and then you are connected from a central location. The whole nature of banking is changing, and it may well be that not only this legislation but also a whole range of other legislation over the coming years might have to be monitored as to what is a bank, what are banking services and how home banking relates to what we have traditionally known to be banking over the decades. We are mindful of that. The Government's intention is clear. If we have problems, we are more than happy to come back and talk further as to how we might tidy them up.

The Hon. P. HOLLOWAY: I thank the Treasurer for his answer, and I support the approach he is taking. Has the Government any idea—and we could ascertain this retrospectively only by looking back over the past few years—how many people it expects would take advantage of this measure?

The Hon. R.I. LUCAS: It is very difficult, because it is a new provision and a new arrangement. Based on the best advice we can get from the Commissioner and his staff, we are budgeting on its costing us a little over \$1 million a year, and we are including that in our budget forecasts. Of course, we will not know the reality of the situation until we have had it settled down for a year or two, I suppose, and until people become aware of how it operates and we have some history of the level of applications and what the cost might be. At this stage, that is the best guesstimate that the Commissioner's staff have been able to provide to us.

The Hon. P. HOLLOWAY: Will it have that inherent effect about which I spoke earlier, namely, that it will actually stop banks from closing or encourage them not to close?

The Hon. R.I. LUCAS: Who knows with the banking industry? I suspect that there are much greater forces at play on this issue. Having recently had some discussions with board members of some prominent banks, it was apparent that

a whole range of national and international perspectives were bearing down upon them. This obviously will be a factor. However, in the whole scheme of things greater factors will be at play in terms of their branch structure and, indeed, their whole approach to banking.

Some of my earlier comments in response to the honourable member's question were based on discussions with them. Some of the banks have said, 'We have just been through a period of five or 10 years where they have maintained'—in their view, anyway—'two infrastructures.' They have continued to maintain the personal service at front counter, whilst at the same time providing automatic teller machines out front. Some of them are saying, to screw down their costs and to increase their level of profitability to the satisfaction of their shareholders, that they cannot go on maintaining two full infrastructures in the long term. They will clearly continue to move down the electronic banking path—nationally, not just in the country area but in the metropolitan areas and in all States and Territories—and reduce the amount of counter level, person to person service that is provided. The issues that the honourable member raised in the second reading debate are pertinent: what constitutes a bank and a bank branch are issues on which we have concepts now, but in five years it will be a completely different ball game. It certainly will be in 10 years. So, who knows?

The Hon. NICK XENOPHON: Proposed section 81E(1)(e)(ii) provides that one of the conditions is that the refinancing be done at the closest town. I am concerned that that might be unduly narrow in some cases. There may be another financial institution a kilometre further from the next closest town which offers a better deal. I can see the intent of the legislation, but I query whether the Treasurer would be amenable to amending that to give some flexibility to people in rural communities to allow competition forces to come into play. For instance, perhaps the clause could refer to convenient proximity rather than the closest town.

The Hon. R.I. LUCAS: I am told by the Commissioner that if we had two options, namely, two alternative towns that were close, through administrative practice the Commissioner's staff would seek to be as flexible as possible. However, the difficulty is that if you start drafting in—

There being a disturbance in the Strangers' Gallery:

The CHAIRMAN: Order! Would the persons in the gallery please desist from pointing and speaking. Otherwise, I will clear the gallery.

There being a further disturbance in the Strangers' Gallery:

The CHAIRMAN: I order that the gallery be cleared.

The Hon. R.I. LUCAS: I do not know whether I can add much more. Certainly, the Commissioner has indicated that if something is very close—if there are two nearby towns or localities—administratively his staff would be as flexible as possible.

The Government has been more generous in the drafting of the legislation than in its original commitment. The election commitment was that, if a financial institution closed down in a country town, the Government would offer this benefit in transferring it to another institution in the same town. That was the only commitment given by the Government. Being a generous Government, we wanted to be as generous in our support of rural constituencies as possible, given the problems that they continue to suffer. Whilst that was the strict letter of the election commitment, which is all we were honour bound to deliver, we extended it to include the possibility of the closure of the only financial institution

in a town and to allow transfer to a financial institution in a nearby country town. We have been generous in moving from our original position.

In response to the honourable member's question, we are saying that, if they are close, we will be flexible. However, the Government would not be prepared to consider giving people unlimited choice so that they could choose any institution in any location, even if there was a nearby country location that could be selected. If we include a cut-off point the issue becomes whether it is one kilometre (as the honourable member indicated), five kilometres or 10 kilometres. How would that be administered?

The Government has taken the view that it has not only delivered the commitment but also extended the generosity to another level at a cost to the budget and, in essence, the other path down which the honourable member is heading is not an attractive proposition to the Government.

The Hon. R.D. LAWSON: My question concerns the exemptions for stamp duty on cheques, which is specifically referred to in the schedule on page 5. I was not aware that, previously, any exemption existed in respect of cheques issued by charitable, educational, benevolent, religious, sporting, community or philanthropic organisations or registered friendly societies for and on behalf of community or publicly subsidised hospitals. Can the Treasurer indicate whether or not such an exemption presently exists and specifically whether those friendly societies which are also medical benefits funds will have their cheques exempted under this arrangement?

The Hon. R.I. LUCAS: I am advised that the provisions did exist under the old schedules of the Stamp Duties Act, in particular section 4A, which provides for:

any payment order given by a body established for charitable, educational, benevolent, religious, sporting, community or philanthropic purpose.

Section 8 provides:

cheque drawn by any registered friendly society or by, or on behalf of, any community or subsidised hospital approved by the Chief Secretary.

We have deleted 'Chief Secretary' from the provision. Would the honourable member please repeat the second question?

The Hon. R.D. LAWSON: I think the Minister has answered it.

The Hon. P. HOLLOWAY: Was the amount of revenue that will be forgone as a result of all the measures contained in this Bill part of the budget papers, or will the forgone revenue have to be absorbed in some other way over the rest of this financial year?

The Hon. R.I. LUCAS: It was an election commitment, so it was not part of the May-June 1997 budget papers. This is an additional cost that will need to be balanced over this year and the coming years as a future additional commitment.

Clause as suggested to be amended passed.

Remaining clauses (7 and 8) and title passed.

Bill read a third time and passed.

UNFAIR DISMISSALS

Adjourned debate on motion of Hon. T.G. Roberts:

That the regulations under the Industrial and Employee Relations Act 1994 concerning unfair dismissal, made on 4 September 1997 and laid on the table of this Council on 2 December 1997, be disallowed.

(Continued from 3 December. Page 34.)

The Hon. M.J. ELLIOTT: I support the motion. This issue was before this place not long before the last State election and, at that time, the regulations were disallowed. In fact, it was July this year. At that time we were also debating amendments to the Industrial and Employee Relations Act, which included amendments to unfair dismissal provisions. At the time I said that if you have an Act which covers unfair dismissals and it gives an entitlement to unfair dismissals it should not be undermined by regulations seeking to go, as I see it, much further than the Act. This situation appears to be repeating itself specifically in respect of the exemption being offered to small business.

During debate on the unfair dismissal provisions of the Bill, I also stated concerns about aspects of the regulations, particularly the provisions relating to the small business exemptions. I said at the time, and I now reiterate, that the issue of unfair dismissals seems to be largely driven by the South Australian Liberal Government and not by industry. Extending unfair dismissal exemptions for small business simply allows small business to sack employees unfairly. To do so would create two classes of workers; most importantly, scrapping safeguards for these workers will not create one extra job.

The Federal Parliament's Fair Trading Inquiry Report revealed that, under the previous Labor Federal Administration in the decade to 1994-95, the small business sector accounted for almost all of the 1.2 million net increase in jobs, increasing its work force by an estimated 1.1 million compared to 270 000 for large business and a decline in public sector employment of 150 000. So, under laws that the Liberals claims were restricting job growth, the small business sector grew at a much greater rate than large business. The *Yellow Pages* Small Business Index has published data which reveals that the issue of regulations was quite low on the list of concerns, and was identified by only 7 per cent of firms as an issue.

The big issues included lack of work, lack of sales, low cash flow, consumer confidence and competition and fair trading laws. An Australian Chamber of Commerce and Industry also asked its members for their ideas on ways to raise employment, and found that changing unfair dismissal laws ranked seventh on a list of eight items. Both surveys showed that, to create jobs, there is no substitute for sound forward thinking and confidence boosting economic and small business policy. My Federal colleague Senator Andrew Murray says that nationally only 22 per cent of small businesses believe that the Federal Government Business Statement, which had unfair dismissal law changes at its centre, would improve their situation; 66 per cent (three times as many) said that it would make no difference or make things worse.

It was interesting to note that the Government can use probation as a method of providing flexibility for small business in this area. I think that small business should be encouraged to use probation, which is offered under our unfair dismissal laws, as a way of handling new employees rather than simply having a blank cheque that says that anyone who works for you for the first 12 months can be sacked without any excuse whatsoever. That is simply a recipe for abuse. I note that my Federal colleague has moved a disallowance motion against a similar exemption for small business in the Federal Senate. He has also voted against a subsequent Government Bill seeking small business exemptions.

In relation to 10B of the regulations, a similar provision is allowed in Federal legislation with many provisos, including a requirement to monitor how it is being used. I suggest that it may be more useful if the Government were say that people are exempt from the fee on the basis that the applicant is suffering serious hardship, not simply the statement that the payment would cause serious hardship. This would be more useful for those who would require assistance.

I believe that there are ways of tackling issues of unfair dismissal, and that, while it is a low priority for most small businesses, for some it is a real issue. I do not think that the Government's current approach is acceptable. The Democrats do not think it is acceptable, and we have taken that stand consistently at both a State and Federal level. It is about time the Government, in the area of industrial relations, stopped looking for simplistic solutions and stopped taking simplistic positions. It is time the Government encouraged small business and representatives of employees to sit down together to devise methods that can be seen to be fair for all concerned. It is something the Government has tried on very few occasions, and only when forced to do so.

The classic example of that situation was in relation to workers' compensation. The Government was forced to establish a committee which brought together both representatives of unions and employers to look at workers' compensation in relation to the way the tribunal works. I think that most people would say that the changes that happened as a result of a consensus approach taken by unions and employers has been an absolute resounding success, and shows what can happen if people are prepared to sit down and work things out. That is something which, unfortunately, at this stage, has not sunk in with the Government—once again not picking up messages from the recent election.

As I said in July, I am prepared to sit down with the Government to look at issues of unfair dismissals, but if the Government thinks it can keep reintroducing a regulation that has been knocked out and then not be prepared to undertake consultation, not just with me but with representatives of employees and other parties, then it has another think coming. It is time this Government learnt to do things properly, and simply reintroducing the same regulations will not get any sympathy from us whatsoever.

The Hon. R.I. LUCAS secured the adjournment of the debate.

OUTSOURCING CONTRACTS

Adjourned debate on motion of Hon. M.J. Elliott:

1. That a select committee be appointed to investigate outsourcing of State Government services;
2. That the select committee pay particular attention to the outsourcing contracts on State Government information technology, the functions of the EWS Department, the Modbury Hospital and the Mount Gambier Prison;
3. That Standing Order No. 389 be suspended as to enable the Chairperson of the committee to have a deliberative vote only;
4. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence or documents presented to the committee prior to such evidence being reported to the Council;
5. That Standing Order No. 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating;

6. That the minutes of proceedings and evidence to the Legislative Council select committees on—
State Government Information Technology Outsourcing;
Proposed Privatisation of Modbury Hospital;
Outsourcing Functions Undertaken by EWS Department;
and
Tendering Process and Contractual Arrangements for the Operation of the New Mount Gambier Prison,
be referred to this select committee; and
7. That the Government provide copies of the relevant contracts to the select committee.

(Continued from 10 December. Page 185.)

The Hon. R.I. LUCAS (Treasurer): Certainly, the Government's view is that it would like to have had a longer period to be able to discuss this issue in the joint Party room and decide the Government's attitude towards the motion before the Council. I am advised, however, that the Australian Democrats and the Labor Party are—

Members interjecting:

The PRESIDENT: Order! There is a bit too much audible conversation. There is a perfectly good lobby behind me where members can carry out their conversation.

The Hon. R.I. LUCAS: I understand that the Australian Democrats and the Australian Labor Party are intent on forcing the motion through today, so I will respond on behalf of the Government, the joint Party room and every one without consultation, and the responsibility will rest on my shoulders. As I said, the Government would have preferred to have the opportunity to discuss the issues with the members who have been on these select committees—and there is a range of members, some of whom are no longer with us—to get some sort of a feel for where they were, because those who are not on the select committees are not privy to the discussions and deliberations of the committees, given the Standing Orders of the Parliament. I understand that one of the select committees was pretty close to reporting, and had been for some time.

Certainly, it had been a matter of some debate that the Mount Gambier prison committee was being delayed by members of the Labor Party—and/or members of the Democrats, I cannot remember, but certainly members of the Labor Party for many months—by refusing to meet and by refusing to make quorums because, evidently, there was some embarrassment from Labor members regarding the eventual reporting of that select committee. I am not surprised that the Hon. Paul Holloway has not referred to those deliberate delays and filibustering tactics of the Labor Party in relation to the select committee on the Mount Gambier prison. In relation to one other select committee, the health committee, there are varying versions of how far that committee proceeded, but certainly one report was that that, too, was getting pretty close to reporting. I can certainly speak on behalf of IT outsourcing: we were nowhere near being in a position to report.

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: No, let me assure the honourable member that Liberal members were sort of assiduous in attending meetings.

The Hon. T. Crothers: Which sort of meetings?

The Hon. R.I. LUCAS: Information technology outsourcing meetings.

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: No, no other meetings at all, the Hon. Mr Crothers. Certainly that committee was a long way

away from reporting. I have no knowledge of the water committee. Clearly, given the Standing Orders of this place, it is very difficult for any member who is not on the committees to have any idea how far down the path they were. Certainly from the Government's viewpoint, I would have preferred to be in a position of being able to consult with my colleagues and to put a more informed viewpoint on whether this is a sensible way to go or whether it might not be better to allow the two committees to report, if they were ready to report, and perhaps amalgamate the other two, water and IT outsourcing, if they were the ones that were along way from reporting.

One of the problems with this is that the unfortunate persons who are to be on this select committee—Ron is one of them, evidently—will have to collect and read the evidence. But it is not only a question of reading—and I have heard the Hon. Mr Elliott make this point on a number of occasions, and Hon. Anne Levy used to make the point, too—the evidence and the transcripts but it is also a question of being present, seeing the witnesses give evidence and being able to read not only the verbal statements but the non-verbal communication signals that witnesses sometimes give off in terms of the presentation of the evidence. Now that has been an argument that both the Hon. Mr Elliott and the Hon. Anne Levy have used in the past about requiring their attendance at various meetings when witnesses give evidence; that is, it was not satisfactory just to read the evidence.

I can understand the reasons for this motion, but it is a very difficult task for five persons suddenly to become experts on four completely different areas, although there is some overlap obviously—

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: No, they can spend the next four years doing it. I am sure that is the case, yes. In some of the areas the evidence and the submissions are centimetres and centimetres deep.

The Hon. R.D. Lawson interjecting:

The Hon. R.I. LUCAS: Yes, we will have some all round experts here. It will be a difficult task for the members of this particular committee. That is why, as I said, if there were two committees that were almost ready to report, one of the options—and, if I had been given the time, I would have liked to explore this issue with my colleagues and then perhaps explore it with the Hon. Mr Elliott, the Labor Party and the Hon. Mr Xenophon—would have been whether they might be able to report and therefore amalgamate, say, water and IT, which is a big enough task, anyway, into this new committee and resolve those particular issues. I would have thought that water and IT would go for a long period, given the complexity of the issues which have been raised and which I am sure will continue to be raised by members on the committee.

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: I am advised that it does not matter what we move. The Labor Party and the Democrats have a selective opinion in relation to this issue and it being done in this way. As I said, the fact is that we will have the vote. I can understand the argument for it. However, the Government's view was—and I think we opposed all the select committees, for a number of reasons—during the past parliamentary session and, I must admit, encouraged by the views of the Australian Democrats prior to 1993, and also Independent Labor members Evans and Groom, that in relation to this Council the establishment of the new standing committees would mean that only in the most exceptional

circumstances would we need to have select committees established at the Legislative Council.

Through the past four years we saw the Labor Party and the Australian Democrats establish at least a half a dozen (probably more) select committees when, in many cases, these matters could have more effectively been referred to standing committees of the Parliament to tackle the issues. I want to flag that the Government in this particular parliamentary session will continue to adopt the position that it believes that these inquiries generally ought to be undertaken by the standing committees. They are the bodies that we have established with the agreement of everyone, including the Australian Democrats, to tackle most of these issues. We acknowledge, as I think most members do, that there might be exceptional circumstances when a standing committee cannot or is not appropriate to handle a particular issue.

In those circumstances we could certainly envisage the establishment of a select committee, but in the next four years we do not want to see the set of circumstances that we endured through the past four years, namely, where committees could not get quorums together because members were either too busy or were not prepared to attend the meetings because of their various committee commitments or other commitments. We believe the standing committees ought to be supported. We believe that, by and large, the standing committees can have these terms of reference given to them generally if the majority of members in the Parliament have a particular view. We have confidence in the work that the standing committees have been doing. They have been tackling difficult issues. We believe that members and the standing committees—

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: They cannot be any slower than the select committees. How many Legislative Council select committees reported in the last Parliament?

The Hon. R.R. Roberts: Daylight saving.

The Hon. R.I. LUCAS: Daylight saving—and between that one and the rest there is daylight, too. There were about six or seven select committees and not one of those reported with the possible exception of the one to which the Hon. Mr Roberts has referred.

The Hon. Diana Laidlaw: Carrick Hill.

The Hon. R.I. LUCAS: Carrick Hill evidently was a select committee that has reported. All the committees, those four, the education select committee—

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: They are not poorly resourced. The problem was that we have standing committees charged with these responsibilities and the agreement was from all members, including the Australian Democrats, that select committees would only be set up in exceptional circumstances. Now the Australian Democrats have gone back on their word in relation to that and have established their select committees—

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: That is right, the Government changed. We are actually a Liberal Government, so perhaps that is the difference. So, if it is a Labor Government, you will not have to worry about establishing select committees because of the—

The Hon. M.J. Elliott interjecting:

The Hon. R.I. LUCAS: But we didn't have Standing Committees, Mr Elliott.

The Hon. M.J. Elliott interjecting:

The Hon. R.I. LUCAS: Yes, the reason why I argued for the Statutory Authorities Review Committee years and years ago was that we had problems with the Timber Corporation and a number of other statutory authorities. It is a Liberal Government initiative, something for which a number of members (including the Hon. Mr Davis and I and others) have argued for a long time. It has been Liberal members at the forefront of the debate about the establishment of Standing Committees in the Legislative Council to increase the power, prestige and efficiency of the Legislative Council as an institution. If this Chamber is to establish its reputation under the attack that we are constantly suffering—sometimes from ill-informed colleagues in the Lower House, such as Ralph Clarke (the member for Ross Smith) and others—then the Standing Committees are an important part of the operations of the Legislative Council.

It is true that as members of the Legislative Council we do not have direct constituent responsibility as Lower House members do, although I know that many members have undertaken and continue to undertake direct constituent responsibilities for people who contact them. But one of the primary tasks of members of the Legislative Council is that ability to use the committee system of the Chamber as well as the joint committees in pursuit of whatever the term of reference might happen to be.

The Hon. Carolyn Pickles: We need more staff to deal with them. We've got two staff members.

The Hon. R.I. LUCAS: The Leader of the Opposition is now critical of the level of resourcing that has been provided. The Leader of the Opposition will well know that under this Government the members of the Opposition have been very well treated compared to the way members of the Opposition were treated under the Bannon Government.

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: I know that the Hon. Carolyn Pickles agrees; I accept that, in relation to this. But again, whilst it is never perfect, the level of resources available to committees—and to the Parliament frankly, and we can talk about that in another context—is again measurably better than it was during the 1980s. The conditions in Parliament House through the upgrade of Parliament House facilities are measurably better than under the Bannon and Arnold Labor Governments. Again, I am sure that outside this Chamber members are the first to acknowledge that those decisions have been made. Anyway, I have been diverted.

The Government's position, having opposed the establishment of all these outsourcing select committees in the first place, remains the same. That is, we do not believe that there is a need for the re-establishment of all the select committees. However, given the choice of the re-establishment of four of them as opposed to one of them, to use the Hon. Mr Elliott's defence of the Holdfast Shores Bill, it is the best of the worst options from the Government's viewpoint. Whilst we continue to oppose it, this is at least marginally better than re-establishing four. However, as I said, there are other options that we might have been able to explore if we had had the opportunity for that consultation that the Hon. Mr Elliott was talking about in relation to the previous debate—about not hearing the will of the people about the need for consultation and discussion, in relation to his previous motion in private members' business.

Members interjecting:

The Hon. R.I. LUCAS: The which bit will be over in four weeks?

The Hon. T.G. Roberts: All of them will be consolidated under the one—

The Hon. R.I. LUCAS: The Hon. Mr Roberts did not have the advantage of sitting on the information technology outsourcing committee. If we supply the contract, I will have a small wager with him that it will not be concluded in four weeks from its receipt. It is an extraordinarily complex area, and it is not just the issue of the contract. That has been used as a convenient excuse by some to justify the delays in the reporting of that committee. Again, I cannot talk about the water committee because I am not on it, and Standing Orders prevent me from knowing too much of the detail of the committee. I therefore indicate that we will continue to oppose it, whilst acknowledging that the Labor Party and the Democrats have the numbers to establish the select committee. Through a democratic process, we have named two worthy members of the Government who will serve on the select committee for however long it takes to present its final report.

Members interjecting:

The PRESIDENT: Order! There is too much audible discussion. As I said earlier, there is a lobby outside if people want to talk, and it would be better if they do it there.

The Hon. CAROLINE SCHAEFER: I briefly want to support the Leader on this side, in that it seems to me that, by perpetually setting up select committees, as has been the habit of the Democrats and the Labor Party since I have been in this place, we make a mockery of the whole system of Standing Committees, which are set up to inquire into many of these issues. We also make life almost intolerable for the people who have to try to attend all these select committee meetings. Certainly, the Democrats' quota has been increased by 30 per cent but, nevertheless, I remember towards the end of the last Parliament their having extreme difficulty in getting to all the meetings of all the select committees that they had been part of setting up.

It seems to me that they not only make a noose to hang themselves with but they complain perpetually that none of these select committees is ever brought to a conclusion while, at the same time, wanting to set up more. There is a series of Standing Committees, as I say, which were specifically set up to deal with most of those issues. They are paid positions, and I cannot see why people do not give those Standing Committees some work and give themselves a little less work.

The Hon. M.J. ELLIOTT: Let me assure the previous speaker that I am very aware of the fact that setting up a committee that I will be on has obligations, and I always attended regularly all the committees with which I was involved; in fact, far more regularly than most other members of the committees. I know that there is commitment involved. I recognise that there was quite a load of committees last time, which is why I sought to collapse the four committees down into one. But I do think that the issues are important. The issues are not just about the existing contracts but also about future contracts. It is very sad that we have been going for almost four years since these outsourcings began and still really have not come to grips with how they should be done properly. If things have dragged on, the Government has to share the substantial part of the blame.

It refused in the first instance to provide contracts and then, even after a deal (which the Democrats disagree with but which the Labor Party agreed to) to get summaries of

contracts, the second one was tabled only yesterday, some 18 months after agreement was reached to do that. It is quite outrageous that the Government behaves in that way and, I would argue, unconstitutional in that it had no right to refuse to supply those contracts to the committees. Instead, we have had interminable evidence from one or two witnesses from whom we have been trying to extract some understanding of the contracts because we have not been allowed to see them. It has been a nonsense, but a nonsense created entirely by the Government. I prefer not to have a committee, but the fact is that it is necessary and is a responsible thing to do. I urge members to support the motion.

Motion carried.

Bill referred to a select committee consisting of the Hons L.H. Davis, M.J. Elliott, P. Holloway, R.D. Lawson and R.R. Roberts; the committee to have power to send for persons, papers and records, and to adjourn from place to place; the committee to report on Wednesday 25 March 1998.

NATIVE VEGETATION ACT REGULATIONS

Adjourned debate on motion of Hon. M.J. Elliott:

That the regulations under the Native Vegetation Act 1991, concerning exemptions made on 4 September 1997 and laid on the table of this Council on 2 December 1997, be disallowed.

(Continued from 10 December. Page 179.)

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I have a few remarks to make in opposing the motion. This motion is a pretty limp excuse for seeking disallowance of the regulations under the Native Vegetation Act when a lot of time, effort and consideration has been given to the relevance and enforcement of the regulations. I think that they have been particularly well expressed and are effective in what they seek to achieve.

It is bewildering to understand why Mr Elliott is seeking to disallow the regulations. As I say, having noted his speech, I think it is a pretty limp excuse in this instance. I note that further to the regulations there have been discussions between the Minister, the Minister for Environment and Heritage and the Conservation Council. It appears that the Conservation Council alone has voiced some difficulty and that the Hon. Mr Elliott is its mouthpiece.

I highlight for the record that on Tuesday 18 November the Minister did discuss the regulations with the Conservation Council; and that on Thursday 4 December the Director of Natural Resources, who is responsible for the regulations, contacted the Vice President of the Conservation Council to further explain the benefit of the regulations. There was a further meeting on Tuesday 9 December when the Minister spoke to the Vice President of the Conservation Council at Parliament House. Yesterday, Wednesday 10 December, there were discussions between the Leader of the Democrats (the Hon. Mr Elliott), the Minister and the President of the Conservation Council in an attempt to reach a resolution on this matter.

The Minister has given an undertaking, and I understood that that was acceptable to the Hon. Mr Elliott in terms of reaching a resolution between the Minister and the Conservation Council on this matter, that in the new year the Minister again will meet and continue dialogue with the Conservation Council to determine whether there is merit in the Conservation Council's suggested alterations to the regulations. In the meantime I would argue strongly that there is no need for disallowance of the regulations. However, if the Legislative

Council decides that that is the course it will follow, I alert members to the fact that, in terms of the continuing discussions between the Minister and the Conservation Council of which they are aware, these regulations will be re-gazetted forthwith.

The Hon. CAROLINE SCHAEFER: In my maiden speech I remember saying quite clearly that I hoped to stand up for and represent commonsense. I have been here four years now and commonsense in this place is such a rare commodity that I have almost forgotten how to spell it.

The Hon. Diana Laidlaw interjecting:

The Hon. CAROLINE SCHAEFER: I am not changing my words. I did think that these regulations were a glimmer of light; I thought that there was some commonsense coming into some of our regulations. What the regulations endeavour to do is to allow landholders under the strictest of conditions to clear land for the sake of bushfire prevention.

The Hon. M.J. Elliott interjecting:

The Hon. CAROLINE SCHAEFER: I am lifting it from your speech. But the Conservation Council, most of whose members do not live very far from the CBD, are opposed to landholders doing this. One of the reasons they are opposed to it is because these bushlands are the habitats for remarkably rare birds and butterflies which could be threatened simply by clearing a small amount of land for the purpose of bushfire protection. I have here a—

The Hon. M.J. Elliott interjecting:

The PRESIDENT: Order!

The Hon. CAROLINE SCHAEFER: I have a list of the common names of these rare species which I will read into *Hansard*. Anyone who reads this can have a good chuckle. The common names are bramble wattle, wait-a-while, coastal wattle, dillon bush, bamboo reed, bulrushes and box mistletoe. Anyone who has lived on the land knows that, although they may be native species, they are just as much of a pest as are some of our introduced species. They are about as rare as are fleas on a dog's back.

I credit Mr Elliott with some sense, so I can only say he has taken his briefing from someone else. He states:

I turn now to the delegation of authority to animal and plant control officers. Generally these officers do not have the required training and experience in the identification of sensitive vegetation and in native vegetation management.

That is saying that the only people who have the right to decide what species are pests and what species are not pests are those in the Conservation Council. That is in fact what it is saying. We are talking about the right to clear some of this land to get at pests such as rabbits.

I am sure that the President, who lived in the Upper South-East, has had more experience with bramble wattle than I, because it does like a drink occasionally. But anyone who has lived there knows that it is almost impossible to clear a colony of rabbits without clearing the bramble wattle under which they take protection. This disallowance motion is simply about playing politics for the worst possible reasons. This is to be delayed for further consultation with the Conservation Council. By the time that consultation takes place, another bushfire season will have come and gone. I hope that the disallowance of these regulations does not result in someone losing their home, fencing or stock.

The Hon. M.J. ELLIOTT: It is clear that the honourable member who just spoke either had not read or heard my speech in its entirety or simply did not understand it. Let us

take a few of these points. I never said that bulrushes, boxed mistletoes, etc. were a threatened species. Anyone who reads the speech will know that I did not do so. I said that those species had been authorised for clearance automatically. The point I made was that those species housed species that themselves were endangered. It does not mean that every strand of bulrush has threatened species. There was one example where the only population of a plant was known to be in among this other plant which was authorised for clearance. If anyone went in, cleared it and said, 'I have a right to clear this,' they would at the same time have totally wiped out another species.

The argument was not about the clearance of the species that was causing nuisance value: it was about the fact that it was simply a blanket exemption that you can go in and say, 'I have been authorised to do it and I do not need to go back and really check on the—'

The Hon. Caroline Schaefer interjecting:

The Hon. M.J. ELLIOTT: Let's just do one at a time. I am trying not to confuse the issues, which is precisely what the honourable member did, because the clearance of these species has nothing to do with bushfires. The clearance of these relates to a claim that these species are pests. If the honourable member had read my speech she would have found that I said that people have conceded that certain of those species are a genuine problem. That was not the debate. In fact, if the honourable member read my speech she would have also seen that I suggested that at least some of those species could be tackled in other ways. For instance, the coastal wattle *Acacia sophorae* was capable of being cleared under already available regulations.

I talked about the way that land management agreements, regional agreements, etc., could be used as a way of controlling those species. The argument was not about whether or not farmers should be able to clear nuisance plants. Rather, it was about the mechanism by which it occurred. This regulation was providing a blanket right to go in and do it without putting in the right sorts of checks and balances. I referred to endangered species to make the point that the real damage is done when people go in not knowing what they are doing. They know they are clearing the nuisance plants but they do not realise that there are other implications. That was the real point about some of the inspectors who will be authorised to carry out the work.

The first point was that, while they might know a great deal about land care, they would not know what species were there, what their endangered species status was, etc. It is no condemnation of them: it is simply about asking them to make decisions that are outside their area of expertise. I reiterate again that I have not heard the conservation people approach me and say that there is not a problem. They have said that the particular solution which was sought to solve the problem will cause problems that we are concerned about.

My record and that of the Democrats' in relation to native vegetation is a strong one. I will provide some examples. When the Labor Party first introduced native vegetation clearance controls, the record will show that it was the Democrats who introduced the amendments that guaranteed, where refusal was denied, that compensation would be available. There is one clear example of where we did take a realistic attitude in terms of what the impacts would have been.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: I will give you another example. When we were approached by the Farmers Federa-

tion to say that they were having problems in terms of isolated trees, which, for instance, cause a difficulty when you want to put in centre pivot irrigation and which were causing problems in relation to other farming practices, they said that isolated trees can be a real problem. The Democrats were responsible for drafting the clauses in the legislation which now allow isolated trees to be removed in certain circumstances. It has enabled the centre pivot irrigations and various other things that the farmers wanted to be able to do to be done.

There was a small trade-off in it, namely, that if the Native Vegetation Council said that that vegetation is important but that we will allow it to be cleared there will be compensation. Often the compensation was that the farmer would agree, having cut down two red gums, to plant 20 in the corner of the paddock, which often proved useful as a wind break and other things, anyway. So, there was an overall advantage for the environment, but the farmer was able to get on and do his job. Those are a couple of examples.

If anyone wants to say that we are trying to do something which is anti-farmer, they are playing politics and not addressing the issue. I am really disappointed that I have raised genuine issues, that they were not confronted and that, instead, there was petty point scoring; that is really what it was. I have very clear country roots.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: Well I have. I was born and raised in the country. I have actually owned fruit properties, so I have been out there and I do understand it. It is the reason why we are very keen to ensure that we create win-win situations—and we can do it. We are saying that this particular set of regulations is very much a one-way street. They are simplistic. They certainly address the problem from the farmers' perspective—there is no question about that—and they will certainly solve the farmers' problems. I am saying that it is possible to solve those problems without creating some of the negatives that come about as well.

In relation to bushfire regulations, we are talking not just about the poor farmer who has some vegetation near their house but about people who have applied to build a new house, just simply to live in, and who have decided that they want to go, for example, into a heavily vegetated area in the Adelaide Hills—areas in which, frankly, most people would say people should not be building, anyway. At present, they are being told, 'If you want to go there, native vegetation will allow only a certain level of clearance. That is a bushfire risk, so you can't build.' Anybody in this place who is involved in the ERD Committee examination of the Mount Lofty Ranges review will be aware that there is a strong view there and in the community generally that people are starting to build in places where they should not be building to start off with.

To allow much greater clearances for new buildings to be put in under the regulations involves not just existing farmers and buildings but people who currently want to build in a bushfire area. In such cases, the native vegetation authorities say, 'You won't build in this place.' This legislation will now allow people to get greater clearances and get their approvals. I am saying not that there are not genuine problems in terms of existing buildings and vegetation near them but that we should make sure the regulations address that and are not simply used as a loophole to allow people to build where they should not build. In some places in the Adelaide Hills, large areas of vegetation will be cut up into lots of small blocks, and each house will then have a significant clearance. While

each house in itself will not have an impact, the overall impact of those will be very severe.

An honourable member interjecting:

The Hon. M.J. ELLIOTT: Yes. Unfortunately, regulations not properly drafted get misused. The classic example is that there is an allowance—and a very reasonable one—for people to cut down trees for fence posts. However, it is also common knowledge that a number of people cut down the tree first and then, when they get prosecuted, they say, 'But I was doing it for fence posts.' There is a very famous case in the Adelaide Hills involving a prominent wine grape grower who did precisely that. They were being cut down not for fence posts but for other reasons. Frankly, if it was done for a good farming reason, that person would have been able to get permission under the isolated trees clearance part of the legislation (to which we had agreed), but a quite different game was being played. It was a misuse of regulations. I am suggesting not that people should not be able to cut down trees for fence posts but that you should at least ensure that we draft the regulations sufficiently carefully that they will not be used as a way of avoiding the clear intent the law, which was being breached by some people.

There are aspects of that here. The example I gave of where the regulations could be misused related to clearance for reasons of pest and plant control. There is no question that there is a need to do that from time to time. However, the regulations, as currently drafted, are very open-ended. The regulations have already been printed and circulated, yet the guidelines have not even been completed, and the guidelines are an essential part of it. I must remind some members in this place that not just the Conservation Council is involved: it was the Native Vegetation Council that was making recommendations which were being ignored. I urge all members to support the motion.

Motion carried.

[Sitting suspended from 12.57 to 2.15 p.m.]

EUTHANASIA

A petition signed by 709 residents of South Australia concerning voluntary euthanasia was presented by the Hon. Carolyn Pickles. The petitioners pray that this honourable House will pass a Bill legalising strictly and properly regulated voluntary euthanasia for the terminally ill.

SOUTH AUSTRALIAN WATER CORPORATION

The PRESIDENT laid on the table the table of contents relating to the contract summary of the South Australian Water Corporation, which was omitted from annexe A of the Auditor-General's Report tabled yesterday.

INFORMATION TECHNOLOGY

The PRESIDENT laid on the table the report of the Auditor-General on the summary of Government contracts, pursuant to section 41A of the Public Finance and Audit Act 1987, regarding the information technology-EDS outsourcing agreement.

PORT ADELAIDE FLOWER FARM

The PRESIDENT laid on the table the report of the Auditor-General, pursuant to section 31 of the Public Finance

and Audit Act 1987, regarding the Port Adelaide Flower Farm.

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. R.I. Lucas)—

Outback Areas Community Development Trust—Report, 1996-97

By the Minister for Justice (Hon. K.T. Griffin)—

Reports, 1996-97—

Department for State Government Services
Freedom of Information Act 1991

MFP Development Corporation

MFP Industrial Premises Corporation

MFP Industrial Premises Corporation—Financial
Statements

MFP Projects Board

MFP Projects Board—Financial Statements

Mining and Quarrying Occupational Health and Safety
Committee

Office of the Employee Ombudsman

Ports Corp South Australia

Privacy Committee of South Australia

SAGRIC International Pty Limited

State Supply Board

WorkCover Corporation of South Australia

WorkCover Corporation of South Australia—

Statistical Review

By the Attorney-General (Hon. K.T. Griffin)—

Commissioner for Equal Opportunity—Report, 1996-97

Response to Recommendation 4 made by the Social De-

velopment Committee in its Tenth Report—

HIV/AIDS—Hepatitis B, The Rights of Infected and

Non-Infected Persons

By the Minister for Transport and Urban Planning (Hon. Diana Laidlaw)—

Reports, 1996-97—

Chiropody Board of South Australia

Chiropractors Board of South Australia

Commissioner of Charitable Funds

Guardianship Board of South Australia

Nurses Board South Australia

Occupational Therapists Registration Board of South
Australia

Pharmacy Board of South Australia

Physiotherapy Board of South Australia

Office of the Public Advocate

South Australian Health Commission—Food Act Re-
port

South Australian Psychological Board

Supported Residential Facilities Advisory Committee.

GAMBLERS REHABILITATION FUND

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I seek leave to table a ministerial statement made by the Minister for Human Services (Hon. Dean Brown) on the Gamblers Rehabilitation Fund.

Leave granted.

PALLIATIVE CARE

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I seek leave to table a ministerial statement made by the Minister for Human Services on palliative care.

Leave granted.

QUESTION TIME

ART GALLERY

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Minister for the Arts a question regarding the Art Gallery of South Australia.

Leave granted.

The Hon. CAROLYN PICKLES: The Art Gallery's 1996-97 annual report has revealed a \$3.7 million operating loss, which has raised the spectre of the introduction of admission fees. I am a strong supporter of the Art Gallery, as are many South Australians, and I know that the Minister is also a very strong supporter of the gallery. I agree with the comments made by the Gallery Director (Ron Radford) that charging an admission fee would discourage people from visiting the gallery. Is the Minister prepared to rule out the introduction of general admission fees for the Art Gallery of South Australia?

The Hon. DIANA LAIDLAW: Yes, and that is without discussion with the Treasurer. Over a number of years reference has been made by the Art Gallery to the issue of charges because it has been no secret that the Treasury of this State, under the former Government and this Government, has repeatedly asked the gallery, Arts SA and the relevant Minister, which has been me for some time, to address this issue. In addressing the issue, the decision has been made that charges not be applied.

I have spoken to an *Advertiser* journalist about this matter and I understand that a correction will be printed in the *Advertiser* tomorrow because licence was taken by the subeditor and the reference to a \$3.7 million loss as highlighted in today's *Advertiser* is misleading. Last financial year, the operating expenses of the gallery were \$7.609 million and operating revenue was \$3.955 million. On top of that was a Government appropriation of \$6.2 million, comprising recurrent funds of \$4.5 million and capital of \$1.7 million in relation to the Bowmore acquisition of the Rodin sculptures.

The Government appropriation was not taken into account in the article, and I want to thank the journalist concerned, Phil Coorey, for pointing out to me that he will seek to put this matter in context tomorrow. Even if the *Advertiser* does not do so, I necessarily appreciate very much his advice to me, and I know that the gallery and the arts community in general will also appreciate it.

The Hon. A.J. Redford: That's too obvious, Minister.

The Hon. DIANA LAIDLAW: Nevertheless, I expect it to be there. I am not letting him off.

The Hon. A.J. Redford: He would not be charmed by that.

The Hon. DIANA LAIDLAW: No, he is not easily charmed.

The Hon. A.J. Redford: You will have to be more subtle than that, Minister.

The Hon. DIANA LAIDLAW: I have not found that subtlety works with Mr Coorey, no, but I will have to see whether he is charmed by what I have said. I will be looking for the *Advertiser* at 11 o'clock tonight to see whether the reference to the Art Gallery and the figures for the financial year are placed in a fair context.

The Hon. A.J. Redford: The next thing, Minister, you will be congratulating the *Advertiser* on its new tabloid format.

The Hon. DIANA LAIDLAW: No, I will not go that far yet. I highlight that 1996-97 was a year of great achievement for the gallery. In excess of 550 000 visits were made to the gallery following the opening of the new west wing, which is a record number; 17 exhibitions were held, again a record number; and six major catalogues and books were produced, and this is a great credit to the curators' academic background, integrity and zeal for their work. In fact, the catalogues and books won seven awards for the curator, including the best printed product in this State for Australian decorative arts. With respect to the value of sponsorship, nearly \$1 million was generated last year alone and, with the opening of the extensions, an increased emphasis was placed on the gallery's own revenue-generating activities: the cafe, bookshop and the facilities hire. I am not sure whether members know or whether it has been announced but I advise that the cafe contract will now return to Cath Kerry, and I expect the revenues—

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: Yes, I am pleased to see the support opposite. Ms Kerry operated from the old sculpture courtyard of the Art Gallery prior to the renovations and her food and hospitality, generally, were fantastic. Ms Kerry has operated since from the museum shop, which gains an incredible amount of goodwill plus revenue from her activities. I believe that a great deal more goodwill will be generated, with certainly more people lingering at the gallery and spending more money which is not only good for the gallery but it also means that people are having a good time.

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: The Hon. Carolyn Pickles mentions Ms Kerry's sandwiches. It was difficult with the last cafe contractor because you were lucky to get a sandwich within 20 minutes, and that is just not the time frame that people expect at such a facility. I think Ms Kerry's appointment is good news all round.

JETTIES

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about jetties.

Leave granted.

The Hon. P. HOLLOWAY: I am aware that the State Government is currently negotiating for councils to take on the responsibility for recreational jetties. I am also aware that the State Government has been unwilling, in the leases signed thus far, to take any responsibility for ongoing maintenance of jetties, but rather leaving this responsibility to the local communities to be paid for by ratepayers. Will the Minister advise whether the State will seriously consider waiving its position with respect to ongoing maintenance of recreational jetties in the Eyre Peninsula region? I raise this issue because the Eyre Peninsula has 14 jetties with two others in fringe areas.

The total number of jetties that the Government is attempting to lease out is 48. This means that the Eyre Peninsula region has almost one-third of the jetties in the State, whereas the coastal Eyre Peninsula region has only 2 per cent of the State's population. There is tremendous concern amongst the eight coastal councils in that region regarding their community's capacity to pay for ongoing maintenance. Is the Minister concerned that 2 per cent of the population is required to pay for the maintenance of one-third of the jetties in the State?

The Hon. DIANA LAIDLAW: No change will be made to the current approach to negotiations in terms of jetty maintenance and transfer of long-term responsibility. One reason why we would not change is that, of the 48 jetties, agreements have already been reached with councils in respect of 18 jetties; and strong interest has been expressed in another 17 jetties under the current arrangements. I would not wish to generate any ill-will or disrespect to those councils which have already introduced arrangements that are most agreeable to their communities and to the Government. To reach new arrangements with subsequent councils would be not only disrespectful but grossly unfair in relation to the terms reached with the councils in relation to the 18 jetties and a further 17.

I highlight most strongly that, in terms of advice to the honourable member, we have made great progress on this matter, having inherited 48 jetties in deplorable condition in terms of maintenance; and a budget, of course, that was full of debt from the State Bank. I do not want to go back further because this Government looks forward and works with the community at large. The former Government—

Members interjecting:

The Hon. DIANA LAIDLAW: The Opposition is not held in high regard by the boating community generally, not just with respect to the Holdfast Shores issue. I highlight that when we came to Government the councils were less than impressed—whether they be on the Eyre Peninsula or anywhere else—with the Labor Party because it wanted to transfer jetties to councils without any funds to upgrade those jetties. The Labor Party wanted simply to transfer across to local councils those jetties, which were in deplorable condition, and, for good reason, local government was not interested at all. No progress was made by Frank Blevins or the Hon. Barbara Wiese when they were Transport Ministers, and for good reason—why would councils have dealt with that Government on that basis?

This Government has offered over \$6 million to work with councils to upgrade jetties in their areas. When the jetties are upgraded they will be transferred to those councils. The Government has also agreed that, in terms of storm insurance and public liability, this Government will bear those costs, and that has been negotiated and signed off with the Local Government Association. The Local Government Association supports and applauds the approach that this Government has taken in terms of jetty maintenance and transfer. I am meeting with the Eyre Peninsula regional councils next week.

I offered to meet with them when I visited Arno Bay two weeks ago. They were not ready at that stage, but I had already offered to meet with them when I was on Eyre Peninsula. I think they are coming to see me early next week to canvass this matter further. In the meantime, I will forward the answer I have given to the honourable member's questions and we will go through the same issues all over again. The Government will not be changing its approach—an approach that, to date, is supported by the Local Government Association as well as a significant number of councils in relation to the bulk of the jetties.

The Hon. T.G. Cameron interjecting:

The Hon. Diana Laidlaw: We do care; that is why we have offered over—

The PRESIDENT: Order!

REGIONAL DEVELOPMENT

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Treasurer a question about regional development and financing regional development organisations.

Leave granted.

The Hon. T.G. ROBERTS: I have been talking with people about some of the problems associated with the withdrawal of Commonwealth funding from regional development organisations for some time. Some regional development organisations were better placed than others to withstand the financial withdrawals and the privatisation program that have now been put in place. When the previous Labor Government set up the regional development bodies and the Economic Development Authority, a principle inherent in that was that the local bodies and the regionally developed bodies would cooperatively work together with the State to try to secure projects for regional areas.

Many words have been spoken about employment and unemployment in regional areas, but I thought that when the Federal Government withdrew the funds and changed the rules for the regional development authorities, it made it very difficult for that coordination to continue, and placed an extra burden on the State to pick up that funding, either through State Government allocations or local funding for the regional development authorities to survive.

The rules generally as explained are that the funding allocations that were made in the 1996-97 budget were to carry over to the 1997-98 budget, but after 1998 the regional development authorities had to return all unspent moneys back to the Federal Government. Some of the regional development authorities have projects that they would like to continue to pursue. Some projects are in the pipeline and some authorities have had part allocations to projects that may end up being fruitful in developing incubator style programs that could lead to further job increases. My question is: will the State Government through the EDA use its influence to help regional development organisations that have funds allocated or projects in the pipeline retain the 1997-98 funding allocations where those projects look as if they will have a reasonable chance for success?

The Hon. R.I. LUCAS: I will refer the honourable member's question to the appropriate Minister and bring back a reply.

MALAYSIA AIRLINES

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about Malaysia Airlines.

Leave granted.

The Hon. CAROLINE SCHAEFER: In today's *Advertiser* there is a small article entitled 'Runway to be a soar-away export success'. The article outlines a new type of flying ark which is used by Malaysia Airlines to transport all sorts of freight. The article states that it is only a matter of imagination as to what it can carry but it is currently carrying quite a lot of livestock into Asia and it says that it would prefer to use Adelaide as its exit port. I therefore ask the Minister:

1. What effect will the runway extensions have on the weekly Malaysia Airlines flights?

2. Will it increase its ability to carry extra freight and will it increase the level of exports coming out of South Australia?

The Hon. DIANA LAIDLAW: I know that the honourable member has a big interest in this issue being a primary producer. One of the important elements of the Malaysia Airline freight flight since it started in January 1996 has been the benefit for primary producers.

The Hon. R.R. Roberts interjecting:

The Hon. DIANA LAIDLAW: While the Hon. Ron Roberts chortles opposite, it is important to recognise that until this Government had negotiated with Malaysia Airlines there was never a regular dedicated freight flight from Adelaide to anywhere in the world. We now have a regular dedicated freight flight once a week to Malaysia and to all parts of the world from Kuala Lumpur—and that is something that we should be celebrating. We should also acknowledge the increasing popularity of this initiative by Malaysia Airlines. There was an export increase last financial year of 483 tonnes. The increase in value in that year alone of this increasing business was \$.6 million. This mainly came from table grapes, citrus and broccoli products. However, it is much more than a fruit and vegetable shuttle.

It is critically important to the seafood industry and, if we can successfully strengthen and upgrade the Port Lincoln airport within the coming year, we should see increased loads of fish and seafood coming from Port Lincoln to Adelaide and the world through our airport. In part, that will be because of the strengthening of the runway in Port Lincoln but also the extension of the runway in Adelaide. One of the huge difficulties with the short runway at the present time is that it dramatically increases the costs for operators, both for passenger and for freight services. With the longer runway we will be able to provide for Malaysia Airlines much more competitive rates than it has been able to charge in the past and that will be of great benefit to our exporters in terms of the costs it charges for product to Asia and beyond.

In terms of talking about exports beyond Malaysia, it is relevant to note that exports to Japan through Adelaide to the year ended September 1997 increased by 61 per cent. That was because Malaysia Airlines took the decision to extend the Adelaide-Kuala Lumpur leg to Tokyo which meant that our product could reach Tokyo before the weekend markets. So, there is fresh fruit and vegetables and seafood to Tokyo before the weekend markets. We have seen tremendous benefit for tuna farms in particular from that initiative.

I highlight that, in terms of the runway extension, I am pleased to advise that the contractor is three months ahead of time. It was due to be completed in September of next year. It will now be June of next year. Therefore, with electrical contracts that FAC must let it will be ready for full use by September of next year. Because of the time schedule for the runway (initially September) we were not anticipating that the runway extension would be fully operational following electrical works until this time next year, but it is three months ahead of schedule. I praise the contractors for their tremendous diligence in this matter.

I know it is also of benefit to residents in the eastern suburbs because they have been complaining about the quarry trucks from the Stonyfell quarry. The amount of earth and material for raising the runway as part of the extension has come through Wattle Park and Kensington and there have been a whole lot of complaints with the Adelaide City Council and elsewhere about the increased number of trucks. I can advise that, because it is three months ahead of schedule in terms of general work, the quarry trucks required for the

business of the extended airport will have completed their work by the end of next week. So, it will be a much quieter, more peaceful time over Christmas and new year for the residents of the eastern suburbs who do not seem to appreciate that there was considerable value in the movement of the quarry trucks in terms of the State's interest. That will be resolved by the end of next week and I appreciate their cooperation in this matter.

NATIONAL CRIME AUTHORITY

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Treasurer in the absence of the Minister for Justice, representing the Minister for Police, Correctional Services and Emergency Services, a question about the Police Complaints Authority.

Leave granted.

The Hon. IAN GILFILLAN: I have received representations from a former senior financial investigator with the National Crime Authority, Mr Jeff Smith. The matters Mr Smith has brought to my attention stem from the bombing of the Adelaide office of the National Crime Authority on 2 March 1994. Mr Smith was at work at the NCA the morning the office was shattered by the explosion of the parcel bomb. It is well-known that the explosion resulted in the death of Detective Sergeant Geoffrey Bowen and serious injuries to Mr Peter Wallis, a lawyer working for the NCA. Mr Smith was instrumental in the rescue of Peter Wallis and the attempted rescue of Sergeant Bowen. Indeed Mr Smith was recommended for a public service medal in regard to that incident.

Mr Smith laid a complaint with the Police Complaints Authority as a result of a statement made by an NCA senior manager to the police investigating the bombing. The central contention of Mr Smith's complaint is that Mr John Ganley, the NCA's Deputy Director of Investigation, made a false statement to the investigating officers, in particular, that Mr Ganley claimed to have been actively involved in the rescue efforts. Mr Smith and his colleagues, Mr Scott Work and Mr Michael Schultz, assert Mr Ganley played no significant role in the rescue attempts.

This presented Mr Smith with an ethical and legal dilemma. He originally took the matter to the NCA management but no action resulted from his complaint. Mr Smith then took the matter to the Police Complaints Authority, which had jurisdiction by virtue of the fact that Mr Ganley was an officer with the South Australian Police seconded to the NCA at the time of the explosion. It is the form of the PCA investigation that is the subject of this question. Mr Smith asserts that the issue of whether Mr Ganley made a false statement was handled by the PCA in an inexplicable fashion. Aside from Mr Smith and Mr Ganley, the PCA investigating officer interviewed Superintendent Litster, Detective Inspector Paynter, Detective Sergeant Swan and Detective Sergeant Presgrave. He also spoke to Assistant Commissioner Lean, Commander Cornish and Inspector Giles about Mr Ganley's statement.

None of the officers named was present when the bomb exploded. Yet he chose not to interview either Mr Scott Work or Mr Michael Schultz, the other two NCA operatives indisputably involved in the rescue efforts. This appears to be a striking omission on behalf of the PCA investigating officer and casts doubt upon the veracity of the PCA's findings regarding Mr Smith's complaint. I inform the Council that the PCA's report was forwarded to the Federal

Parliamentary Joint Committee on the National Crime Authority, and it is inferred that any decision based on this report would similarly be in doubt. My questions to the Minister are:

1. Does he agree that those officers who were so bravely and closely involved with the tragic incident of 2 March 1994 deserve to have the matter of a serious conflict of accounts of the incident investigated and, if possible, resolved?

2. Will he satisfy himself that the investigation by the PCA has been thorough and adequate?

3. Will he provide the Council with the reasons given by the PCA for not interviewing Mr Scott Work and Mr Michael Schultz?

The Hon. R.I. LUCAS: I will refer the honourable member's question to the Minister for Justice and bring back a reply.

TRANSADELAIDE

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking the Minister for Transport a question about TransAdelaide.

Leave granted.

The Hon. A.J. REDFORD: I noted in this morning's paper a small article in relation to transport, in particular referring to the fact that TransAdelaide was numbered 16 out of 20 transport operators in South Australia. I also note that it was a relatively small article and, given what the Minister said earlier today, obviously not written by Phil Coorey. I also note—

The Hon. R.R. Roberts: Poor old Phil: why do you keep kicking him?

The Hon. A.J. REDFORD: He got a lot of praise: I am just trying to balance it up. I also note—

Members interjecting:

The PRESIDENT: Order!

The Hon. A.J. REDFORD: He does not get 'off the record' from me like he does from you, the Hon. Terry Cameron. I can't get to him climbing over you.

Members interjecting:

The PRESIDENT: Order! I advise the honourable member to get on with his explanation.

The Hon. A.J. REDFORD: I am grateful for your assistance and protection, Mr President. In the 27 October edition of the *Business Review Weekly*, a publication that the Hon. Ron Roberts obviously does not read, an article entitled 'Transport' states that this year has been a very tough year in transport. It refers to transport companies such as Finemore, Toll, Scott and Linfox—Scott Industries being a South Australian company, or it was up until the last press release—as eroding the market share of road transport giants and being now an even stronger force. It refers to some of the major companies getting out of transport because it is so tough. The article has a chart that shows that TransAdelaide rates at 16 in the transport ranking, ahead of companies such as Ansett, Australian Air Express, the Scott Corporation, Concorde International Travel, the Japan Travel Bureau and Thomas Cook

The article states that TransAdelaide has a substantial return on its funds of 5.7 per cent, a 5.4 per cent return on its sales, and it covers its interest 1.5 times. In light of that and having regard to the very small amount of information that the *Advertiser* chose to publish, will the Minister enlighten this Council on some of the other achievements of TransAdelaide in the past 12 months that will enable a

higher-placed journalist such as Phil Coorey to write an expansive article on this very important issue?

The Hon. DIANA LAIDLAW: I am sure that the work force will be thrilled to receive a copy of the Hon. Angus Redford's question, as he shows such positive interest in their welfare and in the fact that they have excelled as a transport company.

An honourable member interjecting:

The Hon. DIANA LAIDLAW: But we will send it. If it does not get into the papers we will send it to the work force anyway, and they will appreciate this Government's and the Hon. Angus Redford's interest in their best practice efforts. I did not hear all the question because of the interjections from members opposite, because they just do not like hearing positive news. I am not too sure whether the Hon. Angus Redford highlighted the fact that in that *Business Review Weekly* article, looking at transport not only in Australia but also in New Zealand, TransAdelaide was judged as the best bus operating company in Australia and New Zealand. It is outstanding, and it will be very interesting to see whether members opposite will acknowledge that.

The reason why it is the best is because it has been subjected to competition and required to become a robust organisation and to perform well. Competition has certainly brought out the best in TransAdelaide, and the work force will acknowledge that generally, as will the customers and—

The Hon. R.R. Roberts: Where does Serco rate?

The Hon. DIANA LAIDLAW: It does not have a big enough base at this stage to be ranked with those top companies. But Serco now has entered the rail business with the Great Southern Railway Consortium, and I hope that this Government does not seek to do a Holdfast Shores on Serco, because in terms of the rail business, with National Rail, with the bus interests it has now and with National Rail being sold next year and its interest in gaining parts of that business, we will find an enormous capacity not only in Serco but in rail generally to build South Australia as a base for expanded business and new jobs. I suggest that members do not deride Serco in the way that it is building its business or providing its service. But I do expect them to acknowledge TransAdelaide.

Those guys have been put through competitive pressure, which has not been easy for them to address, although they have risen to the task brilliantly, won business and are winning new customers. In terms of the administration, we should acknowledge that in increasing service effectiveness they have increased productivity by 27 per cent in the past year alone and service effectiveness by 42 per cent. This is reflected in a profit—

The Hon. T.G. Cameron: You just have those figures at hand.

The Hon. DIANA LAIDLAW: They are out of the annual report. You are able to read it if you are interested, but I don't think that you've ever wanted to see that there is any success achieved by this Government in anything, let alone in public transport. No wonder you lost your job: no wonder you've lost your shadow ministry. All you are is negative.

TransAdelaide welcomes the change. I highlight a profit of \$7.2 million in the past financial year and a net asset position of \$197 million. It has been an outstanding year for TransAdelaide. But I know that it has performed, as the work force knows that it has performed, because it is now required to do so through competitive tendering.

WORKER SAFETY

The Hon. T. CROTHERS: I seek leave to make a precied statement prior to directing some questions to the Treasurer, as Leader of the Government in this House, representing the Minister for Industry, Trade and Tourism, about workers' safety within South Australian industry, and the policy of the Government in this area.

Leave granted.

The Hon. T. CROTHERS: In a bulletin issued by a legal firm which specialises in workers' compensation, a copy of which I have with me, I read the following statement issued by a Mr Richard Wharldall, who works for that firm and is very heavily involved as a work injury expert. His statement is as follows:

There is a danger that South Australian industries and businesses are getting away with unsafe work practices and work environments because of the failure of the Industrial Affairs Department to properly police the safety of work areas.

Mr Wharldall also stated in this article that the department was so under-resourced that one seriously injured person had been waiting 12 months for an investigation to be completed into his accident and, more specifically, that a young man on a Federal Government work program had had several of his fingers amputated in a press. He further stated that the Industrial Affairs Department had not completed its investigations into this accident, which happened a year ago. Mr Wharldall stated:

When we made inquiries we were advised that, because of under-staffing, the department had been unable to complete the investigation and that a date by which the investigation and report would be completed could not be given . . .

This, he said, leaves the sole responsibility for work place safety with the Industrial Affairs Department, and that with the department so grossly under-staffed and under-funded these responsibilities cannot possibly be fulfilled, and deteriorating safety standards must result. My policy questions are as follows:

1. Is it still the case that WorkCover is funded by extracting a percentage levy on most South Australian employers each year?

2. Is it still the case that the higher the number of accidents which occur within this State's industry the more expensive it becomes to run and administer WorkCover?

3. Is it still the case that the higher the cost becomes in respect of the ongoing continuance of WorkCover the more money has to be paid by employers to run WorkCover?

4. If the answer to my first three questions is in the affirmative, is it not the case that increased WorkCover costs can detract from this State's capacity to attract new industrial investment to our State?

5. Does this mean that, the longer it takes for each work-related accident to be investigated and corrective measures put in place, the risk of work-related injuries remains at a higher level than would be the case if a fully-funded and competent inspectorate was in place?

6. Finally, but by no means exhaustively, what is the Government doing about correcting this sad state of affairs, thus ensuring better competitiveness and worker safety within the parameters of South Australian industries and their related work force?

The Hon. R.I. LUCAS: The Legislative Council would never be the same without a 'precied statement' and 'by no means exhaustively' from the Hon. Mr Crothers (or TC to his

friends). I will be delighted to refer the questions to the responsible Minister and bring back a reply.

GAMING MACHINES

The Hon. NICK XENOPHON: I seek leave to make a brief explanation before asking a question of the Treasurer in relation to gaming machine revenue.

Leave granted.

The Hon. NICK XENOPHON: As members are aware, this week there has been considerable debate in both Houses in relation to the impact of gaming machines in the context of the gaming machines amendment legislation.

The Hon. M.J. Elliott interjecting:

The Hon. NICK XENOPHON: There were some; there was an attempt. The Under Treasurer, Mr Hill, in September 1997 provided further information to the Social Development Committee in terms of gross gaming revenue and revenue losses with respect to gaming machine activity. However, that report did not provide details of losses on a venue-by-venue basis. Information I have received from economists indicates that they cannot prepare a detailed economic model in terms of the impact of gaming machines unless they have details of gaming losses on a locality-by-locality basis. Will the Treasurer undertake to provide specific details of player losses in terms of gaming machine activity and revenue on a venue-by-venue basis?

The Hon. R.I. LUCAS: All I can undertake to do at this stage is consider the honourable member's request and correspond with him after this session. I suspect that there are important issues that will need to be considered in terms of commercial confidentiality of the operations of a large number of commercial businesses in South Australia. I guess it depends on what sort of detail the honourable member is looking for. If he wants to know, for instance, how much money Jens Hotel at Mount Gambier is making out of gaming machines, I am not sure whether that information currently is made publicly available. I suspect that it is not.

I suspect, too, that there might be some disputation from the proprietors of hotels in relation to their information being made publicly available. As I said, I am prepared to take the honourable member's question on notice and seek some guidance from Treasury officers. Obviously I will need to consult with the industry, hotel proprietors and others to see what level of public reporting there is already and what degree of concern, if any, there is about this sort of information being made publicly available.

Whilst I take that on board, I am a bit surprised that the economists (whomsoever they might be) who have advised the honourable member are indicating that the only way one can do an economic model is to have that specific venue-by-venue information. A lot of modelling is done in a number of areas, including the gaming industry I suspect, and that would not necessarily be based solely on needing to have that sort of information. It may be that aggregated information might be able to be made available.

In relation to the year 12 results, the Senior Secondary Assessment Board of South Australia has a particular concern that the results of individual schools should not be made publicly available. It has sought to get over that by doing it on some sort of regionalised basis where there is some degree of aggregation and where the confidentiality of the school is not breached.

It may be that, if venue-by-venue information cannot be made publicly available, some sort of greater level of

aggregation, not just necessarily on a State basis, might be able to be made available which would allow the economists (or whomsoever else they might be) who want to do this sort of modelling to use the information to provide the further information for which the honourable member is looking. I invite the honourable member, if he would like to correspond with me or discuss the issue, to indicate what sort of economic modelling is being suggested, who are the people involved, what they intend to do and the detail of the information that they require for the model. That may assist us in the proper consideration of his request.

SAINT IGNATIUS COLLEGE SENIOR SCHOOL

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about school pedestrian protection facilities for the Saint Ignatius College, Athelstone.

Leave granted.

The Hon. CARMEL ZOLLO: In May this year I wrote to the Department of Transport on behalf of many concerned parents regarding the lack of school crossing facilities for children attending Saint Ignatius College on Gorge Road. The college has also applied on several occasions for signs or lights but has not been successful. Before proceeding further with my explanation I should indicate that I also have a personal interest in this matter, as my daughter attends the college.

The Hon. Diana Laidlaw: I approved it last night in a letter to you. You should get it on Monday.

The Hon. CARMEL ZOLLO: Thank you very much.

Members interjecting:

The PRESIDENT: Does that conclude the question, or does the honourable member wish to continue?

Members interjecting:

The PRESIDENT: Order! The honourable member has the floor.

The Hon. CARMEL ZOLLO: I ask the Minister what type of crossing she—

Members interjecting:

The PRESIDENT: Order! It is very hard to hear the question.

The Hon. CARMEL ZOLLO: I ask the Minister what type of crossing she has approved.

The Hon. DIANA LAIDLAW: I know I approved whatever the honourable member asked for, because I remember that it was a particularly positive question. I thought, 'This is the first letter I have signed to you,' and you will be particularly pleased with receiving such a positive response. However, I do not remember which of about five types of pedestrian facilities we provide that I actually signed off on, but it is one with which you will be pleased, which the department was prepared to approve and in relation to which I signed with some enthusiasm. As the Hon. Terry Cameron would know, it is not always possible to get a positive answer. However, it was a quality request and the need was recognised. As the honourable member has asked exactly what it is, I will get faxed over a copy of the approval so that she has it this afternoon.

AUDITOR-GENERAL'S REPORT

The Hon. R.D. LAWSON: I seek leave to make a brief explanation before asking the Treasurer a question about the Auditor-General's Report.

Leave granted.

The Hon. R.D. LAWSON: Today the Auditor-General has obliged members with a 470-page report on the Port Adelaide Flower Farm, complete with the first set of coloured photographs I think I have ever seen in an auditor's report. Whether or not the report contains any more information than was provided to this Council by the Hon. Legh Davis, the Hon. Jamie Irwin and the Hon. Terry Cameron I will leave to others to judge.

Following the 1993 election, the Treasurer's predecessor, the Hon. Stephen Baker, made a statement deprecating the extravagance of some Government reports in their publication. As I recall, he gave a direction that reports of Government departments and other statutory instrumentalities should be produced without coloured photographs and similar embellishments. My questions to the Treasurer are:

1. What was the cost of printing and publishing this report of the Auditor-General on the flower farm?

2. Is the Auditor-General required to comply with Treasury instructions relating to the economy and the production of reports?

3. What was the cost of the underlying investigation of the Auditor-General which led to this report?

The Hon. R.I. LUCAS: I think the Council is indeed indebted to the Hon. Legh Davis and the Hon. Jamie Irwin for having raised the—

The Hon. R.R. Roberts: What about Terry and his 3½ hours?

The Hon. R.I. LUCAS: I would never say that we are indebted for anything that the Hon. Mr Cameron offered to the Legislative Council, in particular his 3½ hour—

The Hon. A.J. Redford: What about his absence?

The Hon. R.I. LUCAS: His absence we would, yes. His 3½ hour contribution on the Port Adelaide Flower Farm was not one of his better efforts. The Legislative Council—

The Hon. T.G. Cameron: No criticism from the Auditor-General though—none at all.

The Hon. R.I. LUCAS: You have read the report?

The Hon. T.G. Cameron: Yes.

The Hon. R.I. LUCAS: The Hon. Terry Cameron is a real speed reader. He has read 490 pages in 70 minutes!

The Hon. T.G. Roberts: He only reads the bold type.

The Hon. R.I. LUCAS: Exactly. Unlike the Hon. Terry Cameron, I have not had the opportunity of reading 490 pages in 70 minutes, and I have therefore not had the opportunity to read the report—

An honourable member: Not that you can answer, anyway.

The Hon. R.I. LUCAS: No, not in relation to the report. But we are indebted to the work that the Hon. Legh Davis and the Hon. Jamie Irwin undertook in relation to this issue. Having looked at the chapter headlines, which I was able to do, it seems that they are quite positive. My colleague the Hon. Legh Davis, who has a particular interest in this matter and who on occasions was able to whisper to me some information, has indicated on his early quick reading of the document that it indeed vindicates many, if not all, of the allegations and aspects of the story that were raised originally by the Hon. Jamie Irwin and the Hon. Legh Davis. I suspect that we will hear a little more of that later.

I am always a bit cautious, whether it be as Minister for Education and Children's Services or Treasurer, to be in any way critical of the Auditor-General. I will therefore play a completely straight bat to the question from the Hon. Mr Lawson—

An honourable member interjecting:

The Hon. R.I. LUCAS: Soon to be Minister Lawson. I must say that, by and large, I have enjoyed very good relations with the Auditor-General, Mr MacPherson, and indeed have great respect for his capacity. Of course, that does not mean that we always agreed in the past or that we will always agree in the future on every aspect of the work the Auditor-General undertakes. But I indeed have some respect for Mr MacPherson's capacity and that of his staff in the difficult task they undertake.

Nevertheless, the honourable member has raised a very interesting question. Having received from the former Treasurer the odd memo or two as a Minister under the former Government, I do recall the very strong views that the previous Treasurer had in relation to this issue. I must confess that, until the Hon. Mr Lawson referred to it, this particular issue had not been brought to my attention. If the honourable member wishes, I will very sensitively and delicately take up the issue with the Auditor-General in one of my general discussions with him. Indeed, I will revisit the previous instruction from the Treasurer to see whether or not it does apply to the Auditor-General. It certainly applies to mere mortals such as Ministers, Treasurers and others, but I will see whether or not it does apply to the Auditor-General.

ETSA TRANSMISSION

The Hon. SANDRA KANCK: I seek leave to make a very brief explanation before asking the Treasurer, representing the Minister for Government Enterprises, a question about ETSA Transmission.

Leave granted.

The Hon. SANDRA KANCK: I understand that ETSA Transmission is in the process of making a recommendation to outsource the maintenance of some substations. Given that the disaggregation of ETSA is not complete, is there a conflict of interest in ETSA Power being one of the tenderers for the outsourcing, and will the Minister seek Crown law opinion to confirm whether his view is correct?

The Hon. R.I. LUCAS: I will refer the honourable member's question to the Minister and bring back a reply.

PORT ADELAIDE FLOWER FARM

The Hon. L.H. DAVIS: I move:

That the Auditor-General's Report on the Port Adelaide Flower Farm be noted.

The report of the Auditor-General on the Port Adelaide Flower Farm was tabled in the Council today. This is a result of a referral by the Treasurer to the Auditor-General in 1996, and the Treasurer's referral, in turn, was occasioned by speeches made in the Legislative Council by the Hon. Jamie Irwin and myself which raised several serious issues on this most important matter, the Port Adelaide Flower Farm. I seek leave to conclude my remarks.

Leave granted; debate adjourned.

UNFAIR DISMISSALS

Adjourned debate on motion of Hon. T.G. Roberts (resumed on motion).

(Continued from page 228.)

The Hon. R.I. LUCAS (Treasurer): I rise to oppose the motion. In doing so, I represent the Attorney-General who represents the appropriate Minister in another place. It has already been indicated by the Hon. Terry Roberts on behalf of the Labor Party and the Hon. Michael Elliott on behalf of the Australian Democrats that they are supporting the disallowance motion, and it is quite clear that this disallowance motion will pass this Chamber. Therefore, I acknowledge the reality of the numbers and, in putting the Government's position, I do not intend to trace again the whole history of this issue but just to highlight—from the Government's viewpoint, anyway—the concerns we have with the disallowance of this regulation. Prior to the lunch break, the Hon. Mr Elliott was decrying the importance of unfair dismissal on the small business sector, and he was also decrying the—

The Hon. R.R. Roberts: They never asked for it.

The Hon. R.I. LUCAS: So, too, obviously is the Hon. Ron Roberts—importance of this issue to the small business sector. One of the sad realities of Australia and South Australia today is that, even with the unemployment figures that have been released today, we have too high a level of unemployment nationally and in South Australia. We also have too high a level of youth unemployment in both Australia and South Australia, even though I am informed—although I have not seen the figures—that the youth unemployment rate has declined from 32 per cent to 28 per cent in South Australia, on the most recent figures.

The Minister and the Government have a very strong view that many small business proprietors—and we certainly do not say all—rightly or wrongly are fearful of some of the problems that they see in terms of the employment of new staff. I refer to the second reading speech given on the Federal Bill by Minister Reith, where he referred to recent research conducted under the direction of the Labor Ministers' Council. I quote:

Specific questions on unfair dismissal were included in the latest *Yellow Pages* Small Business Index Survey, conducted from 30 October 1997 to 12 November 1997. This is the largest economic survey of small businesses in Australia, and it focuses specifically on small businesses with 19 or fewer employees. Approximately 1 200 randomly selected proprietors of small business were covered in the survey.

In this survey, 79 per cent of proprietors thought that small business would be better off if they were exempted from unfair dismissal laws. Thirty-three per cent of small businesses reported that they would have been more likely to recruit new employees if they had been exempted from unfair dismissal laws in 1996 and 1997, and 38 per cent of small businesses reported that they would be more likely to recruit new employees if they were exempted from the current unfair dismissal laws. The Hon. Mr Elliott and the Hon. Ron Roberts, who have decried the importance of this issue to the small business sector, really do so flying in the face of objective, nationally collected information through the—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: Well, the Hon. Mr Roberts again decries the importance. Here we have 33 per cent of small business—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: The Hon. Ron Roberts—he who knows everything about prawns and rural matters—is now an expert on business. The Hon. Ron Roberts speaks on behalf

of small business in this Chamber, when he says, 'Small business obviously does not know what it wants.' Thirty-three per cent of small businesses reported that they would have been more likely to recruit new employees.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: Listen to the question and the answer.

An honourable member interjecting:

The Hon. R.I. LUCAS: No, the Hon. Ron Roberts loves to waffle on—

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS:—from a knowledge base which ranges from nought to almost negligible. The honourable member should listen to the information being provided. They were not being asked to vote on the laws or anything like that. They were asked whether they would be more likely to employ or recruit new employees if they were exempted from unfair dismissal laws. In 1996-97, 33 per cent of them said they would. Some 38 per cent of small businesses reported that they would be more likely to recruit new employees if they were exempted from the current unfair dismissal laws.

That is the voice of small business. It is not the Hon. Mr Elliott, and it is not the Hon. Ron Roberts, who would have no idea, frankly, and would not recognise a small business if he fell over one. I have presented the Council with the information. No-one says that this is the be all and end all of the unemployment problem, but one of the issues that concerns small business people is the operation of the current unfair dismissal laws. They are looking for some changes and they say that, if they get the changes, they will be able to employ more young people and more working class Australians.

This Government wants to see working class Australians, in particular the sons and daughters of working class South Australians, in paid employment. Sadly the Hon. Ron Roberts and the Hon. Michael Elliott do not want to see working class South Australians in employment. Why not?—because it would ruin a good story for them. Every month or every year they want to be able to refer to the unemployment figures in South Australia and they want to be able to point the finger—

The Hon. R.R. Roberts interjecting:

The PRESIDENT: Order! The Treasurer has the floor. If the Hon. Mr Roberts wants to keep interjecting, I suggest that he go outside and find—

The Hon. R.R. Roberts: I can't interject from out there.

The PRESIDENT: Order! The Hon. Mr Roberts can get on his feet and make a contribution to this debate at any time, but he may not interrupt the speaker who is on his feet.

The Hon. R.I. LUCAS: Thank you, Mr President. The reason why the Hon. Ron Roberts and the Hon. Mike Elliott continue to oppose major employment generating prospects such as the West Beach development or why they oppose initiatives like—

The Hon. R.R. Roberts interjecting:

The PRESIDENT: Order! The Hon. Mr Roberts.

The Hon. R.I. LUCAS:—or why they oppose initiatives that the Government has taken in relation to unfair dismissal laws is that they want to see higher and higher levels of unemployment in South Australia and nationally, as well. They want to be able to continue to criticise the Liberal Government for a lack of progress in relation to the employment problem in South Australia. That is the brutal political

reality of the situation from the viewpoint of the Hon. Ron Roberts and the Hon. Michael Elliott.

If this Government sees a reduction in the general unemployment rate and in the youth unemployment rate and if we see a generation of jobs, the Hon. Ron Roberts knows that he will be in the political wilderness, even more than he is at the moment, and the Labor Party will never be elected to Government in South Australia. It is the basest of political motives from the Hon. Mr Roberts which leads him and his colleagues to oppose anything that this Government does to try and generate long-term stable employment for people in South Australia.

The Government also opposes the motion for disallowance of these regulations because the old regulations to which we will revert will not be consistent with the amendments made to the State Act as recently as September 1997. The State Act provides for regulation to exclude a probationary employee from unfair dismissal provisions when the probationary period is determined in advance, is reasonable and does not exceed 12 months. The old regulations failed to set out a maximum probationary period.

A casual employee will be excluded from the unfair dismissal provisions except where the casual employee has been engaged on a regular and systematic basis for more than nine months. The old regulations exclude casual employees, except where the employee has been engaged on a regular and systematic basis for more than six months.

Secondly, the old regulations to which we will revert will be inconsistent with the exemption from notice of termination provided for certain employees in the Federal jurisdiction. The relevant regulations provide for some construction and building employees and some maritime employees to be excluded from those determinations based on the fact that these employees are seasonal workers or short-term employees to meet a certain demand. If the relevant regulations are disallowed, the State will be inconsistent with the Federal jurisdiction in this regard.

Thirdly, the uncertainty that would be created by yet another disallowance-related change would cause confusion and frustration in the community. As I said, the political reality is that the Labor Party and the Democrats will use their overwhelming numbers to crush reasonable debate on this matter. I am sure that they will not listen to reason in relation to these issues and, at least from our viewpoint, I therefore do not intend to prolong in any unreasonable way the debate on this disallowance motion.

The Hon. T.G. ROBERTS: Although I must take issue with some of the points raised in this debate, I thank members for their contributions, particularly the Democrats for their support of this disallowance motion. However, I must provide some rebuttal to the honourable Minister's reasoning for opposing the disallowance.

The Hon. R.R. Roberts interjecting:

The Hon. T.G. ROBERTS: I know that the Hon. Mr Roberts is quite capable of making his own points, either while on his feet or by way of interjection, but the Minister made reference to his belief that the Hon. Mr Roberts likes to see high unemployment in this State so that he can take political advantage from the circumstances in which the Government finds itself.

I can say that neither the Hon. Mr Roberts nor any other member on this side of the House takes any pleasure out of presiding in Government over unemployment or being in Opposition while another Government has to struggle with

the problems of dealing with employment/unemployment. Those members who have a union or a blue collar background live much closer to the problems faced by unemployed unskilled people. It is in no-one's interests, and no member on this side of the House takes any pleasure out of increases in unemployment.

This motion for disallowance has been moved for the reasons that have been outlined in debate at the Commonwealth level and in this Chamber on a previous occasion. Once again we are moving for the disallowance of these regulations.

Do members on the other side really believe the statistic that was mentioned by the Minister, that is, that 33 per cent of those people in small business who were polled said that they would employ more people if the dismissal laws were changed? If those small business people were asked the right questions about their business and if they were asked whether they would employ more people for other reasons, most of those to whom I have spoken would say that the difference between the interest they pay and the set interest rate is a big problem.

I know of small businesses which borrowed money at 12 per cent and 13 per cent and which are still paying 12 per cent and 13 per cent even though interest rates are below 6 per cent for home borrowings. They also say that over a considerable time, particularly in the last three to four years, their profit margins have shrunk to a point where the time that they have to put into their businesses is becoming a real burden and a real health problem, not only to them but to their families. The struggle to maintain their business is due in part to the shrinking profit margin and to the centralisation of regional shopping centres and franchising.

If Liberal members believe that changing the laws on unfair dismissal will create a magic pudding for eliminating unemployment, I can assure them that the strategies that they have developed will not work and the people of South Australia will be worse off.

Retail price maintenance and group buying from wholesalers is also a problem for small business. If you talk to those people who have set up small businesses in major retailing centres they will tell you that rents are another major factor in driving small businesses to the wall. The Democrats have introduced Bills in this Council in an effort to come to grips with the leasing arrangements for small business in shopping centres. If you talk to people in those shopping centres, they will tell you that the leasing arrangements, as well as the rents, are major factors. Of course, if one asked people what they would do if the dismissal laws were changed, they would say 'Yes', perhaps they would put on more people but, in reality, they would employ casual or part-time employees, a bit like the large fast food chains. Small businesses would change their full-time classifications to part-time, and they would also have the same arrangements as these franchised fast food chains—

The Hon. R.I. Lucas interjecting:

The Hon. T.G. ROBERTS: I thought that the Hon. Mr Lucas would have realised from some of the anecdotal evidence with which he has been presented that when some young people turn up for work for their assigned hours, having been notified the previous day, they are stood down if that business premise is not busy. They are asked to take lunch, a break or to go away and come back. They are some of the abuses that are occurring under the current legislation and under the current work practices. For those people who

argue against the motion, it is almost as if employers cannot dismiss employees. They can.

If employees are totally incompetent or beyond training or any sort of guidance within their job, then there are ways in which employees can be dismissed. Similarly, if an employee has been dishonest, then no union official I know would try to protect an employee who has stolen or who has done something dishonest in relation to their job. It is not as though employees cannot be dismissed if employers go through the proper processes of warnings, counselling, etc. I and the Labor Party dismiss the arguments put up by those who say that, by changing the laws on unfair dismissal you will get more employment, and I refer members to the points I raised around centralised shopping, interest rates, profit margins and franchising.

All those factors have brought about a revolution in retail shopping. If one visits wholesale stores one cannot find anyone. The warehouses are almost totally automated. How do you dismiss a totally automated stacker? How do you dismiss a totally automated loader? The only employee is a driver who drives the product out the gate. If one looks at retail sales, one can order from point of sale. Computers can place orders automatically from the retail centre to the wholesale, and computer-driven unloaders then unload trucks.

The problem for our society is that automation is taking over many of the jobs that young people and other people had in small business. We have major problems in restructuring and coming to terms with fully employing everyone who wants to work in this society. I think we should look away from the gloss of the easy kill of saying that the unfair dismissal acts are mitigating against increasing employment opportunities for people in the real world because, if we do only that, we will certainly not come to grips with the seriousness of the problems that unemployment and under-employment are creating.

Motion carried.

STATUTES AMENDMENT (HOLDFAST SHORES) BILL

Returned from the House of Assembly with the following amendments:

No. 1. Clause 1, page 1, line 10—Leave out this clause and insert new clause as follows:

Short title

1. (1) This Act may be cited as the Local Government (Holdfast Shores) Amendment Act 1997.

(2) The Local Government Act 1934 is referred to in this Act as 'the principal Act'.

No. 2. New Clause, page 1, after line 10—Insert new clause as follows:

Commencement

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

No. 3. Clause 2, page 1, line 12—Leave out 'the Local Government Act 1934' and insert 'the principal Act'.

No. 4. Clause 3, page 2, lines 10 and 39 and page 3, lines 1 to 9—Leave out this clause and insert new clause as follows:

Insertion of s.886bb

3. The following section is inserted after section 886ba of the principal Act.

Coast protection at West Beach

886bb.(1) In this section—

'boating facility' means a harbor, marina, boat mooring or boat launching facility;

'coast' has the same meaning as in the Coast Protection Act 1972;

'the Minister' means the Minister to whom the administration of the Coast Protection Act 1972 is committed;

'West Beach area' means an area 500 metres wide running along the coast of Metropolitan Adelaide in Gulf St. Vincent between the northern side of the entrance of the Patawalonga Boat Haven to the sea and the point where a westerly projection of West Beach Road meets the sea, and bounded on the east by the high water mark.

- (2) The Minister must take reasonable steps to ensure the effective management of sand in association with the construction of any boating facility within, or adjacent to, the West Beach area—
- (a) in order to maintain the navigability of any entrance or access channel associated with any such boating facility; and
- (b) in order to protect or, if necessary, restore the coast on account of the obstruction of coastal processes due to the construction of any such boating facility.
- (3) The Crown is liable for costs associated with any works or operations undertaken for the purposes of any sand management required under subsection (2).

No. 5. Long title, page 1, line 6—Strike out 'and the Development Act 1993'.

The Hon. R.R. ROBERTS: Mr Chairman, I draw your attention to the state of the Council.

A quorum having been formed:

Consideration in Committee.

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

That the House of Assembly's amendments be agreed to.

As I understand the situation, we are about to move to the next stage before establishing a conference of managers. I therefore do not intend to take up the time of the Council in a long drawn-out affair as to why the Government strongly believes this development must proceed, and how the amendment moved by the Hons Mr Rann and Mr Holloway will, in effect, jeopardise the development. Members will have seen the developers and investors of this development making quite clear their attitude to the amendment moved by the Hon. Mr Rann, and their great concerns on behalf of their financiers and investors about the potential implications of the Hon. Mr Rann's quite political move in relation to this development.

As a Minister in the Government I can only express my sorrow at not only the amendment from the Hon. Mr Rann and the Hon. Mr Holloway but their continued unwillingness to withdraw that amendment and to at least concede to some other proposition which will allow resolution and, more importantly, allow the development to proceed and to proceed quickly.

As I have said, from my viewpoint, unless other members have a different view, now is not the time to repeat at length, anyway, the differences of opinion that the Government has with the Democrats and the Labor Party on this amendment. Suffice to say, the Government believes that the amendment cannot be allowed to remain in the form that it is at the moment because it will potentially jeopardise this development. At the very least the Hon. Mr Rann has to be prepared to concede that amendment needs to be withdrawn. We need to look for some alternative form of words or some alternative resolution which will allow the development to proceed immediately so that we can get on with providing jobs for young and older South Australians.

The Hon. P. HOLLOWAY: The Opposition believes the amendments should be disagreed to. We wish to restore the original position. I indicate that when the original amendments to the Bill were tabled in my name last week we were expecting that Bill to be debated in this Chamber then. Since

that time I must say that public debate on this issue has advanced considerably. There is much more information in the public domain than there was two or three days ago. As a result of this procedure that we are about to go through, I believe a conference will be established and then we can have a further look at these issues in the way in which Parliament deals with such matters. I do not propose to go through the whole debate again. Let us now get to the conference, discuss these matters and see what will come out of that conference.

The Hon. M.J. ELLIOTT: As has already been stated, we are now heading towards a conference at which I think we will probably get a lot more worked out than by shedding political comments across the Chamber. For a start, some of the members who have the major passage for the Bill are in the other place and some are in this Chamber. It would be useful if they are all around the one table at the one time. I believe at this stage that we will be able to resolve this matter satisfactorily. As I said, the major objection always has been that the development at West Beach has never been subjected to an environmental impact assessment process, despite the fact that I have seen that claim made on a number of occasions. This structure currently being contemplated at West Beach was not even contemplated until earlier this year. As members will remember, I referred to an amendment to the EIS which came out in April 1996.

I made the point that right through the EIS process no detailed work became evident in relation to the West Beach location. Certainly, the current structures have not been subjected to the sort of scrutiny that they should have been so that we can have absolute confidence in the consequences of its construction. The concerns that have been raised are very real. They predominantly relate to the impact of the structure on sand movement, which has the potential to have a significant impact north of the development. One only needs to realise that 50 000 cubic metres of sand moves along the coastline a year and an interference with that quantity of sand can have dramatic effects elsewhere. It is not particularly that environmental question. There are also questions concerning what the economic consequences are if the design has been got wrong in terms of the potential costs blow outs. Indeed, some questions have even been asked about who will foot the bill for storm damage to the structure and those sorts of things and how prone it will be to damage.

While the Glenelg part of the development has been subjected to a high level of scrutiny, I do not believe that is true of the West Beach component. I believe that out of conference we may come up with something which would be a combination of some minor amendments to the Bill and the Government giving certain undertakings in terms of what responsibilities the Government has at West Beach. I note that it had one amendment in the Lower House which, with further amendment, would go part of the way along the line to solving the problem of commitment in that regard. The other thing we need to be looking for is a genuine, independent and consultative process to examine the environmental implications of the current proposal and also to look at some of the alternative proposals that have been put forward. In my view that can be done in a short time frame.

It has been quite counterproductive, for instance, to have Mr Riedel and Mr Lord running a public debate—and it is not their fault—through the newspaper. That was going to produce an awful lot of heat and not much light. What I hope to see happen is that we can run a process where we would have those two men at the same table and perhaps one or two independent experts as well, and the issues can be thrashed

through quickly. Members will find that, while there will be a great list of issues to begin with, many of them will be eliminated extremely rapidly and they will come down to one or two smaller issues, but they will probably be the important ones. If we can get an agreement on how such a process would work, I think that we would then be in a position to resolve the current impasse.

It is one which I would argue has no risk for the developers in terms of the time frame at which various things are supposed to happen. The early work for the whole project is happening on the Glenelg site. The developers will not even start to work on the site where the current sailing club is located until April next year. There is no doubt in my mind that we are capable of examining the key issues quickly.

As with other members, I do not intend to debate the whole issue through again other than to identify that there is one sticking point, which is to ensure that there is proper assessment of what is happening at West Beach and an assessment which will enjoy a high degree of public confidence. That is why the structure of such an assessment and the way in which it is run will be very important. As I have said, that puts the development at no risk whatsoever because it will not interfere with the sequencing of events. If it does happen to find that there are some difficulties, then there is the capacity to react to those without any other consequences for the Glenelg part of the project at all.

The Hon. A.J. REDFORD: I will try not to be too long. Having listened to the Hon. Michael Elliott I make this point. This process has taken two years to get to this stage. Parties involved have followed all the laws and all the rules and we have come to a point where a decision has to be made. What the Hon. Michael Elliott is saying is that this deadlock conference is the way to go. What the honourable member is doing is substituting a deadlock conference for the planning process. We have a whole planning process to go right through to get to this result. It might not be a perfect result. The Government has never said it is a perfect result, but it is the best result available in the circumstances. Suddenly, because of—one would have to say—a slip-up, on any analysis, a piece of minor legislation comes before this place and we suddenly find ourselves setting up a deadlock conference and becoming a quasi-planning commission.

It is absolutely bizarre. I know that the Hon. Michael Elliott has a great knowledge in this area and that he has spent a great deal of time studying planning and environmental issues. Whilst I disagree with him on many occasions, I would not seek in any way to belittle his enthusiasm, his keenness or his depth of feeling in relation to planning and environmental matters. But he has—and I hope he will forgive me for saying this—on many occasions said to me that what we need in South Australia is some sort of certain process in planning to take the politics out.

The Hon. M.J. Elliott: For everybody.

The Hon. A.J. REDFORD: The honourable member interjects 'for everybody', and I could not agree more. But what we are doing here is absolutely contrary to that. We are setting up this deadlock conference, and I can read the numbers pretty simply: we will have the Treasurer, someone on this side, perhaps even a lawyer; we will have an economist; the Hon. Mike Elliott, who has broad skills, and I will not go into that; and someone else, and we will be the Planning Commission. It is absolutely absurd. In my view, we are setting ourselves up to be a laughing stock from any perspective on any organised planning.

The second point I would like to make—and I will not dignify the ALP's position as being anywhere near the level of that of the Hon. Mike Elliott—is the absolute dishonesty of members opposite. They have come in here and made a bit of a song and dance because they think they can grab Steve Condous's seat. That is what this is about: they think that they can grab Steve Condous's seat. At the same time, when pressed, the Hon. Paul Holloway showed his absolute ignorance of the topic and the Hon. Robert Lucas caught him with his pants down on at least four occasions. We then read the debate in the other place, and what do we get there? We get the shadow Minister, the member for Elder, and what is the big issue that he raised? He said that we paid too much or were being too generous to the Glenelg Sailing Club. That has absolutely nothing to do with the planning issue. It is about time, as a potential alternative Government, that members opposite developed some intellectual honesty.

In the other place they said that too much money was being paid to the Glenelg Sailing Club. That is a matter of conjecture, and it can be raised in this place if members opposite want to endeavour to embarrass the Government. But it has absolutely nothing to do with the planning or environmental issues. The fact is that the ALP is being absolutely intellectually dishonest and politically opportunistic. That is what it looks like from here.

The final point I make relates to my observations on today's editorial in the *Advertiser*. We all know that we are blessed with only one paper in this town, and today's editorial was headed 'Mr Olsen faces his real test'. The effect of the editorial was that it is all at the feet of Premier Olsen. I will say two things, if anyone from the *Advertiser* will bother to read or listen to my contribution. The net effect of it is that they cannot count. The fact is that the Government does not control the numbers in this place or in the other place and, if the Opposition and the Australian Democrats want to be intransigent about this, then it cannot be laid at the feet of the Premier.

The second point I would make, knowing the behaviour of the Leader of the Opposition and knowing the levels of political opportunism to which he will stoop, is that if the Hon. Mike Rann thinks 'You beaut: I will block this project and the Government will get the blame for it,' do not let members opposite think that there might not be a more intelligent editorial in the *Advertiser* next week. Do not think that the *Advertiser*—

Members interjecting:

The Hon. A.J. REDFORD: I am just saying this as a word of warning to members opposite. They should not think that if this project is blocked Premier Olsen will get the blame for it, because the blame will go down fairly and squarely at the feet of members opposite, as the ALP as a Party has a dismal record in relation to any development. I am just putting this on the record before we go into conference and are stopped from saying anything.

Finally, on any analysis of the amendments of this place—and this is why I urge members to support this motion—this will delay the project by 12 months. On any understanding of the developers, they will not sit around for 12 months. I remind members opposite of the hoops and hurdles that were put in front of the Ophix developers. Members opposite thought that it would hang around forever, but Ophix left; it lost interest because of all those hoops and hurdles. That is the consequence that members are playing with. I put all those things on the record and hope that members opposite take them into account when we go into conference.

The Hon. G. WEATHERILL: The claim is that on this side of the Chamber the ALP is anti-development and anti-employment. I would like members to look around this place. We have the Hon. Terry Cameron, who was an industrial officer with a trade union for years and years, and all he concentrated on was getting people employed and looking after working people. We also have the Hon. Trevor Crothers, who was State Secretary of a union for years and years. I was the President—

The Hon. A.J. Redford: Did he create a job?

The Hon. G. WEATHERILL: Yes, he did; he created a hell of a lot of jobs in the Casino and all round this country. I was also involved with the trade union movement, as were the Hon. Terry Roberts and the Hon. Ron Roberts. They were both senior shop stewards in the trade union movement, looking after workers' rights and trying to get employment.

Then I sit and listen to the Hon. Mr Redford today, and he talks about West Beach. I live there: I go fishing there and I go digging for worms there. I know what goes on down there, yet the honourable member is trying to tell me what happens. I know what goes on, and let me say that we are not against the development down there: we are against this marina.

The honourable member should know the reason why we are against the marina. If he can ever find his way down there, one thing that the honourable member will see is that since they have extended the breakwater at Glenelg in the past 12 or 18 months there has been sand erosion from about 300 yards north of the treatment plant, and the level has dropped. Whether the honourable member likes it or not, it has dropped. If the Government builds this thing, we will lose not only West Beach but also Henley Beach and Grange. If Government members think that that will assist tourism in this State, they are crazy.

The Hon. T.G. ROBERTS: I want to get on with the conference, but I will put a couple of things on record. One is the legislative role and responsibility that this Council and we as councillors have. This is not a straight planning matter. If it had been a straight planning matter it would have been handled through the planning authority and normal channels, and we would not have seen it. There would have been the EIS's and compliance; there would have been the planning applications and compliance; and all those processes would have taken place under laws that have been set up by this Parliament. What we have is a mixed functions program that includes a transfer of Crown land.

For those people who have been watching, there is confusion in the community. There are winners and there are losers. When it has been drawn to the attention of the Parliament that we have responsibilities to arbitrate or to legislate, then it is our responsibility to do that. It is not a straightforward question of a planning matter that has no consequences downstream for anyone else: there are consequences. Taxpayers' money is involved, and there is the relationship between private capital and public capital. I would not mind if it was a public-private enterprise structure with public support. Unfortunately—or fortunately, whichever side you look at—public money is involved and we have a responsibility to make sure that we are not spending taxpayers' money *ad infinitum* to protect private capital. That is one of the views we have on this side, and we will—

The Hon. A.J. Redford: You have been doing it for years. All those private houses have been protected for 40 years.

The Hon. T.G. ROBERTS: We will be taking those arguments into the conference and hoping that we can come

away with an acceptable solution. As for the final stages of the marina, as the Hon. Mr Elliott pointed out, for all the time that I have been studying the plans and being informed and following the issue, there was no fourth option. There was always a third option. There was an argument by the people in the area about whether they preferred option one, two or three. A fourth position was never put. Certainly the fourth position is far more radical than the other three. I am not saying that any of the other three would have been acceptable environmentally, either, as other things would have had to be done to make even the third option more acceptable.

In relation to the fourth option I think we have a responsibility to try to sort out the differences that exist between the ratepayers down there who may potentially be up for long-term payment of increased rates and South Australian taxpayers for their potentially jeopardised position of paying increased rates forever. It is not just a straight planning process. Let us hope that we can get down to business and get through all these arguments in the conference and get back here as soon as we can.

The Hon. T. CROTHERS: I rise to take issue with some of the comments that have emanated from the Government benches, particularly from the back bench, with respect to calling this Opposition and others of a like mind—other members from other Parties in Opposition in this Chamber—spoilers and saying that we are anti development.

The Hon. A.J. Redford interjecting:

The Hon. T. CROTHERS: Well, you had your chance. Would you be fair enough to give me the same opportunity that you had? Thank you. It has been said that we are anti development. Once one says that, one must cast that comment against the backdrop of 1997. That is the era in which we now live. We understand that the Charles Sturt Council has already had a project undertaken by marine engineers which indicates that there will be a fairly enormous sand erosion problem should this development go ahead. However, that may or may not be so.

I want to make very clear that mining companies over the past two decades in this nation have learnt to live with having the capacity to invest their money into projects which have been subject to the most stringent environmental assessments. If they can do that, why cannot other investors do the same? Let me tell you what I believe. Just as when the present Premier was Minister for Industry and we shovelled out tens of millions of dollars in competition with other States to try to attract industry here—and Australis was one such industry, and now it is in the process of going through the hoop, shedding the hundreds of jobs that it was supposed to create and maintain in this State—I think investors in this day and age play the same game. They come step by step, because they know that to get matters environmentally right—and it is the same rights throughout the Western world today—they must comply with certain standards in 1997.

But what do those investors do? They shop around, the same as some service and manufacturing industries do: they shop around from State to State and, where they can get in with respect to not having to worry over much about the environment, they do so. They play the same game with respect to this matter as they did with the Premier when he was Minister for Industry, as they did with the Liberal Party when it was in government in the last Parliament, and currently it is doing the same thing again.

It is a nonsense for the Hon. Mr Redford to assert that, because this project will take several months more during the time and period of an ongoing economic assessment, that of

its own motion will drive investors away. It may well drive them away, but not for that reason.

I have said that mining companies have learnt to live with this. I think developers, particularly people who are involved in property development, will also have to learn to live with that. I could say much more. We are saying to the Government, 'Let's test it.' We said to it first of all, 'Let's go to a Government sponsored environmental assessment committee.' As to whether or not we are digging our heels in, I can only say that it is they, not we, who are the spoilers, simply because—

The Hon. A.J. Redford interjecting:

The Hon. T. CROTHERS: Will you behave yourself, young man? They are the spoilers simply because they are so hell bent on bulldozing something through this Parliament that they are determined not to accept anything we try to do to ensure that some form of development takes place. I am at a loss to understand why we cannot go to a conference with that.

The Hon. R.I. Lucas: Let's go to conference.

The Hon. T. CROTHERS: Surely the position is that all processes must be exhausted in this Parliament before anyone can say 'halt' or 'quit'; otherwise it involves ideological differences being played out in lemming-like fashion by the Government benches with respect to this matter. The Hon. Mr Lucas obviously has other matters on, so I will wind up by saying that if you get a position where the Government first negotiates with people like the Glenelg Sailing Club and then comes back into this Chamber, as the Leader did, and says, 'If this project does not get up in three months' time the Glenelg Sailing Club will say, "You can go to a particular place because we are not now going to play,"' I can only say that the Government put the cart before the horse.

The two Houses of this Parliament were elected by all South Australians to protect their interests. This is the place where matters have to be decided, not in some smoke filled room in some Government office or in a smoke filled room in the Secretary's office at the Glenelg Sailing Club, but in here. Here is where it has to happen. And this, after having done deals which are the property of this Parliament on which it can deliberate and consider, we then find that the Parliament and the local councils are less than happy. For Heaven's sake, do not cry over your own silliness and stupidity relative to that matter.

In conclusion, if mining companies have learnt to live and comply with environmental safety standards, why cannot property developers do the same? We ought not to be in a position where, because of jobs, we can be bullied by people who are shopping around the States to see if they can get the best and cheapest environmental buy that they can get prior to developing their property.

Motion negatived.

The following reason for disagreement was adopted:

Because the Council does not like the House of Assembly's amendments.

RACING INDUSTRY

The Hon. R.I. LUCAS (Treasurer): I seek leave to table a copy of a ministerial statement made in another place today by the Minister for Recreation and Sport on the racing industry.

Leave granted.

ENVIRONMENT PROTECTION

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I seek leave to table a ministerial statement given this day by the Hon. Dorothy Kotz, Minister for Environment and Heritage, on feral animal populations.

Leave granted.

PORT ADELAIDE FLOWER FARM

Adjourned debate on motion of Hon. Legh Davis (resumed on motion).

(Continued from page 237.)

The Hon. L.H. DAVIS: It is most difficult to portray accurately everything that the Auditor-General has set down in this very detailed report into the Port Adelaide Flower Farm of some 450 to 500 pages. Nevertheless, I am pleased to confirm that, as far as I can see, there is no matter of substance which my colleague Jamie Irwin and I raised in our speeches to the Council in 1995 that is in dispute. The matters of substance which we raised were serious at the time. They remain serious and, indeed, have been highlighted to great effect in this report of the Auditor-General.

The Auditor-General found that the flower industry, particularly in native plants such as kangaroo paw and geraldton wax, was a fledgling industry and that the Chief Executive Officer of both the Port Adelaide Flower Farm and the Port Adelaide council, Mr Keith Beamish, allowed himself:

... to be carried away with enthusiasm. He failed to seek qualified advice as to the estimates of costs, production and prices upon which financial projections were based.

Again, the Auditor-General noted:

The council should have seen 'detailed planning and evaluation of the proposal and a realistic appraisal of its risks'. This was not done.

Again, the Auditor-General observes:

The financial statements for the farm failed to record a profit in any of the years of its operation; nevertheless, the optimism persisted from the time the project was initiated virtually to the final year of its operation.

The Auditor-General also stated:

Mr Beamish allowed himself to be carried away with enthusiasm. He employed his considerable powers of persuasion and forceful personality so that the Port Adelaide council members also embraced the project.

Again, the Auditor-General said:

Mr Beamish's reports to the council failed to present a balanced account of its achievements and prospect.

The Auditor-General is unrelenting in his criticism of Mr Beamish. Members would know that the Auditor-General's language is always cautious. It is not expressed in the colourful language which characterises the debates in this Chamber but, nevertheless, it has to be said that this report amounts to a scathing attack on the leadership and professionalism of Keith Beamish, CEO of the Port Adelaide council and the Port Adelaide Flower Farm.

I also should note that my estimate of losses of just \$4 million in fact turns out to be conservative, because the Auditor-General's estimate is that, over the life of the farm, total estimated costs—including the financial losses, the actual reported losses, the cost of interest, flotation of public offers and opportunity costs—were \$4.3 million. An amount of \$4.3 million was lost on this flower farm in the space of

just six to seven years. That is an extraordinary indictment. That is a figure that Mr Beamish never admitted. He did not even admit to a figure of half that amount.

The Hon. Diana Laidlaw: Was that all funded by the local residents?

The Hon. L.H. DAVIS: Indeed, the Minister asks how it was funded. It is worth noting that these losses were sustained notwithstanding the fact that considerable Government grants of hundreds of thousands of dollars came from the Federal Labor Government for the project and that the project enjoyed the benefit of a peppercorn rental of the site at Pelican Point on the Le Fevre Peninsula of just \$100 per annum. As I noted in one of my speeches in 1995, the debt in Port Adelaide on a *per capita* basis was easily the highest of any local government area with a population of 20 000 or more. It was about \$269 per head, well clear of the second highest council on a *per capita* basis of just over \$200 per head. Of course, that meant the battlers of Port Adelaide—and there are battlers in Port Adelaide—were in many cases paying much more for their rates on their house with perhaps little capital value compared with the people in eastern suburbs such as Hazelwood Park.

How bizarre it must be for someone in Semaphore Park to find that their rates may well be higher than those of someone in Hazelwood Park. However, the level of debt in Port Adelaide was at least 20 per cent higher because of the debt of the flower farm. It has to be put on record that, of course, the Port Adelaide council assumed the debt of the Port Adelaide Flower Farm of some \$2 million in 1991, because the Port Adelaide Flower Farm could not continue to pay the interest on it. At the time Mr Beamish, who had a very slick turn of phrase, actually said that this would be a debt taken over from the Port Adelaide Flower Farm in return for equity in the farm, which was a bizarre statement because the Port Adelaide council already owned the equity.

Not only was this report critical of the CEO of the Port Adelaide council, Mr Beamish, who was the driving force behind the project, but was, by implication, critical of the council. The council used to laugh at people who raised questions about the flower farm. There was one councillor, Councillor Nick Milewich who, invariably, could not get a seconder when he sought to get financial information about the council.

This report serves a clear warning to local governments being involved in commercial activities that they should take proper and independent financial advice. One of the many findings of the Auditor-General, in his very detailed, comprehensive and admirable report, is that there was a clear conflict in the dealings that Dr Brian Freeman had with the council. Dr Brian Freeman of IHM was both developing and managing the project and was also selling the product. The Auditor-General, on page 36 of his report, makes this note:

In October 1988, the council determined that IHM be the manager of the farm and not merely its technical consultant and the selling agent for its produce. Hence, the council relied upon IHM also for the day-to-day horticultural and financial administration of the farm. Also, under the management agreement, IHM had the role of procuring or supplying goods and services for the farm. There was clear scope for a conflict of interest in this arrangement. As the council's managing agent, it was obliged to act in the council's interest in ensuring that goods it supplied (including plant stock) were of appropriate quality and priced competitively, and to reject the supply of goods that were of poor quality.

Having said that, the Auditor-General, on page 38, went on to underline the point even more. He came up with this

information which, again, was something I had put on record at the time of the debate in 1995:

The interdependence of the council and IHM was made evident in another way. The council was wholly dependent upon IHM for the export and sale of the farm's produce. All of the proceeds of sale of the produce was channelled through IHM. IHM was undercapitalised, and came to rely on the moneys due to the council as a source of working capital. It simply did not remit all of the moneys due to the council in accordance with the sales return submitted to council.

In 1991, the council 'formalised' the situation to some extent by approving an advance to IHM of \$90 000. The council became 'exposed' to IHM for a substantial amount. IHM held out the prospect of receiving advances from the flower companies it was dealing with in Japan, but this did not eventuate. By 30 June 1992, the debt reached \$348 000. The council thereafter took measures to seek repayment of the amount owing with interest and to obtain security from Dr Freeman for the debt. In 1993-94, the council received further security for the debt in the form of a mortgage over Dr Freeman's residence. Nevertheless, the balance owing at 30 June 1995 was still \$250 000.

Can you believe that? The council was acting as a banker for Dr Freeman. The debt reached \$350 000. It was just one of the many aspects of the fiasco which occurred during this time.

With respect to the two desperate and fruitless attempts to restructure the flower farm, again the Auditor-General was most critical. On page 40 he says that the first of these proposals, which was back in 1991, was unrealistic 'but Mr Beamish and the council devoted considerable time and resources in pursuing it'. The second proposal, the 'AFCORP' proposal, which was in 1995, also failed. Of course, that was on the table at the time I was making my speeches about the Port Adelaide Flower Farm.

Mr MacPherson, the Auditor-General, made many telling remarks, and one of them was in respect of Mr Beamish and the restructure proposals he put in 1991 and 1995. On page 40, he notes:

Mr Beamish persuaded the council to pursue these 'restructure' proposals because it had become obvious that the farm was not an 'economic unit' as it stood, in that it was most unlikely to generate sufficient income to cover the council's costs of maintaining and operating it and to yield any return on the council's investment.

The income from the farm in the 1991-92 year was just sufficient to cover its operating costs (excluding depreciation and interest) and Mr Beamish then expressed confidence that it would at least break even on a 'cash' basis in subsequent years.

However, the Auditor-General notes, more than accurately:

That confidence was misplaced. The farm accumulated further substantial losses in the following years and this, together with the costs of the abortive 'restructure' proposals, increased the losses incurred by the council.

The Auditor-General made a series of observations about why the flower farm was so unsuccessful. He noted that, first, there were high establishment costs. They were much higher than those originally projected in the business plan. That plan was adopted without any detailed implementation plan and design of the farm's infrastructure. He also notes that, because of union involvement, the labour costs were 40 per cent higher than they had originally been and were the highest labour costs of any flower farm in Australia. The income from the farm was much lower than was expected, again because of inappropriate plantings. A large percentage of the plants selected were inappropriate for the site. The site itself was a problem because it was so badly degraded. Cultivation had to be above the ground in grow bags, which added to the cost of the project. Geraldton wax, which is a woody plant, rapidly became root bound. The siting of the project close to the sea meant that the salt was not conducive to rapid growth and the very heavy winds were an adverse

factor. These factors all impacted on both the quantity and quality of the product, and the Auditor-General makes that remark in telling fashion.

The Auditor-General also examines Mr Beamish's attitude towards negative publicity and notes on page 41:

In reports to the council, Mr Beamish blamed 'bad publicity' as undermining the farm and as hindering attempts to attract equity investment in it. He attributed the 'bad publicity' to personal vindictiveness towards him by those responsible for it and referred to 'certain perfidious actions' that resulted in the 'bad and misleading publicity' that occurred in 1990.

Generally speaking, the publicity was only 'bad' in that it occurred at all. The newspaper reports about the farm's losses and the amounts owed by the council for loans taken out for the purposes of the farm were at least substantially accurate, and included statements by Mr Beamish and other council representatives in support of the project. If anything, the information about financial performance of the farm and the value of its assets was more favourable than it might have been.

That was the view of the Auditor-General. The Auditor-General also notes that, from the start, the farm had difficulties. In fact, a report had been prepared by someone in the Department of Agriculture expressing concern about the site and that was not referred to the Minister, although curiously the Auditor-General believed that the evidence that he received from Mr Beamish suggested that (and I quote from page 77):

... all of the losses suffered by the council in relation to the farm stemmed directly from the fact that the then Minister for Local Government—

who I think was Ms Wiese—

incorrectly gave approval for the project under section 383a of the Local Government Act 1934.

What a curious twist this was, that it really was not Mr Beamish's fault that the farm had gone ahead; it was because the Minister should have done a feasibility study of the farm, and if she had done that she would have found that it was not viable and therefore she had would not have given approval under the Local Government Act.

That was the argument that Mr Beamish put to the Auditor-General, and although the Auditor-General does not actually laugh at that in his report, he certainly pours cold water on it. He also quotes the highly respected Mr Michael Lennon, who I think was Director of Local Government at the time. On page 95 of his report, he quotes Mr Lennon's evidence to the inquiry as follows:

There is no doubt that this project was seen as Keith Beamish's project. It was seen in the Port Adelaide community by people at large as being his project, that he had devised with administering evaluating (sic) and subsequently that he was expecting to take the credit for. So for him to suggest that he was reliant upon the Minister's assessment to validate the worth of the project is laughable.

That is what Mr Lennon said and, of course, the Auditor-General does not disagree with that proposition by implication in his findings.

I seek leave to have inserted in *Hansard* without my reading it a table of a statistical nature which details the Port Adelaide Flower Farm losses for the period 1988 to 1996 as included on page 232 of the report.

The ACTING PRESIDENT (Hon. T.Crothers): Order! Is the table of a statistical form that can be included in *Hansard*?

The Hon. L.H. DAVIS: Yes, Mr Acting President. Leave granted.

	1988 to 1989	1989 to 1990	1990 to 1991	1991 to 1992	1992 to 1993	1993 to 1994	1994 to 1995	1995 to 1996	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income	-	72	337	1 074	880	671	347	72	3 453
Expenditure (inc. depreciation)	(212)	(284)	(501)	(1 255)	(1 003)	(861)	(1 678)	(268)	(6 062)
Operating (loss)	(212)	(212)	(164)	(181)	(123)	(190)	(1 331)	(196)	(2 609)
Interest cost (charged)	(17)	(155)	(208)	-	-	-	-	-	(380)
Actual Reported Losses	(229)	(367)	(372)	(181)	(123)	(190)	(1 331)	(196)	(2 989)
Interest cost absorbed by Council:									(782)
—Debt converted to equity									
Flotation costs									(120)
Cost (excluding opportunity costs)									3 891
Opportunity Costs:									
Interest Costs:									
—Intra-Council loan									(200)
—Cost of capital									(175)
Estimated Total Costs									
Including Opportunity Costs									(4 266)

The Hon. L.H. DAVIS: The table shows the estimated total costs, including opportunity costs, at \$4.266 million lost on the flower farm. I refer also to another table which details the capital expenditure on the flower farm for the period 1988 to 1993, that is, the forecast capital expenditure as against the actual capital expenditure. This table shows that the actual capital expenditure including plants on the Port Adelaide Flower Farm was a massive \$1.9 million as against the original forecast of only \$387 000, a blow-out of five times. That is remarkable stuff, but the flowers that ate Port Adelaide is a remarkable story. I seek leave to have that statistical table inserted in *Hansard* without my reading it.

The ACTING PRESIDENT: Order! Is that in an

acceptable form to be included in *Hansard*?

The Hon. L.H. DAVIS: Yes.

Leave granted.

Year	Capital Expenditure		Variance \$
	Forecast Expenditure (Including Plants) \$	Actual Expenditure (Including Plants) \$	
1988-89	375 300	812 413	(437 113)
1989-90	12 000	474 087	(462 087)
1990-91	-	234 881	(234 881)
1991-92	-	109 059	(109 059)
1992-93	-	262 571	*(12 571)
Totals	387 300	1 893 011	*(1 255 711)

* As the majority of the 1992-93 capital expenditure was specifically financed by a windfall Local Government Council Works (LGCW) grant of \$250 000 (discussed later), which was not considered in the business plan, only the excess of \$12 571 is shown as a variance against the initial plan.

The Hon. L.H. DAVIS: From page 249 of the report, it is interesting to note that the optimism that Keith Beamish invariably showed for every feature of the flower farm was carried through in a mercurial fashion into the operating losses which overstate the true position because they do not include depreciation and interest. The forecast profit was \$449 000 for the period 1988 to 1993, but the actual loss was nearly \$1.3 million. I seek leave to have that statistical table inserted in *Hansard*.

The ACTING PRESIDENT: Order! Can it be printed by *Hansard*?

The Hon. L.H. DAVIS: Yes.

Leave granted.

Year	Capital Expenditure		Variance
	Forecast Profit (Loss)	Actual Profit (Loss)	
	\$	\$	\$
1988-89	(197 535)	(229 087)	(31 552)
1989-90	(117 486)	(367 414)	(249 928)
1990-91	32 188	(372 104)	(404 292)
1991-92	275 790	(180 465)	(456 255)
1992-93	456 562	(123 768)	(580 330)
Totals	449 519	(1 272 838)	(1 722 357)

The Hon. L.H. DAVIS: I thank you for your tolerance, Mr Acting President. Another table of interest shows the steady deterioration in the balance sheet of the Port Adelaide Flower Farm over time. In fact, it was technically bankrupt for most of the time, and this table underlines the weakness of the position of the Port Adelaide Flower Farm. The Auditor-General states on page 252:

The farm's current liabilities were permanently in excess of its current assets, and investment in capital assets failed to result in sufficient cash inflows to address this situation. The initial funding provided to the farm was clearly inadequate in the light of actual events. The inadequacy of funding was attributable both to the adverse capital expenditure and the poor performance of the farm. It raises significant doubts as to the accuracy of the financial information provided in the business plan and the basis of its preparation.

That quotation is further stinging criticism from the Auditor-General. I seek leave to insert into *Hansard* that analysis of the balance sheet showing the net asset position of the Port Adelaide Flower Farm.

Leave granted.

Year End	Net Assets (Liabilities)	Net Current Assets (Liabilities)
	\$	\$
30 June 1989	20 913	(475 354)
30 June 1990	(346 501)	(942 725)
30 June 1991	(718 650)	(96 122)
30 June 1992	980 289	(194 990)
30 June 1993	856 521	(317 895)
30 June 1994	666 000	(417 000)
30 June 1995	(665 000)	(823 000)

The Hon. T.G. Cameron: You might as well table the whole report.

The Hon. L.H. DAVIS: I have nearly finished. I am just filling in time; we have nothing else to go on with.

The Hon. T.G. Cameron interjecting:

The ACTING PRESIDENT: Order! The Hon. Mr Cameron will come to order.

The Hon. L.H. DAVIS: The Port Adelaide Flower Farm was allegedly, and I say 'allegedly', managed by a supervi-

sory board of which Keith Beamish was an integral part; he drove every aspect of the flower farm.

The Hon. T.G. Cameron interjecting:

The Hon. L.H. DAVIS: They would have had a better chance, one would have thought, but I would never have fallen for the site in the first place. Part 11, paragraph 13 of the terms of reference required the supervisory board to meet at least once in every two months which, even to the Hon. Terry Cameron's slow arithmetic state, would mean that it must meet at least six times a year. Over a period of seven years, the board fulfilled the requirements of its terms of reference on only one occasion, in 1990 when it met on six occasions. In all the other years it met either three or four times and, in the last year of 1995, it met only once. Because the requirement was that there should never be two consecutive months when no meeting took place, as the Auditor-General observes (page 318), the terms of reference were breached 15 times over the life of the supervisory board.

In 1991 another remarkable aspect, about which I commented in my speeches, was that the board tried to do a deal and back the assets of the Australian Blueberry Farms near Gosford into the Port Adelaide Flower Farm. The desperate attempt to restructure the Port Adelaide Flower Farm using this device failed, and it came as no surprise that, two years after this attempt was made in 1991, the land relating to the Australian Blueberry Farms, which was meant to be inserted into the Port Adelaide Flower Farm structure, was sold for just one-third of the value attributed to it at the time of the proposed restructure.

In fact, the Auditor-General, in his very detailed report, said that—and he discovered some things I never did—there were problems with people involved in the Australian Blueberry Farms: there was difficulty with money; the Gemmells were involved; and there were problems associated with the Australian Blueberry Farms and the Gemmells to the point where they owed the Port Adelaide council money. In a delightful postscript, the final paragraph on page 342 of the Auditor-General's Report states:

The stalemate—

that is over the money owing from Gemmell to the Port Adelaide Flower Farm—

was eventually resolved in April 1993 when the council accepted an offer from Mr Gemmell of 29 bales of bird netting, one of which was damaged, in full satisfaction of any debts to its council.

That is what I would call travelling pretty roughly. Just wonderful stuff. I will not go on and discuss all the other matters, including the Auditor-General's consideration of the AFCORP prospectus, which was the last desperate attempt to get out. In summary I say that the Auditor-General has done a very thorough job of this very difficult and detailed subject, which covered not only South Australia but obviously the investigation of Dr Freeman's role from IHM and also the involvement of the attempted restructure which involved assets in other States. I suspect that it has been a difficult task for the Auditor-General.

As I said at the outset, it justifies every substantive point which was raised in this Chamber by the Hon. Jamie Irwin and myself in 1995. It makes a mockery of the 200 minutes of adjectival nonsense which was paraded before this Chamber by the Hon. Terry Cameron, who presumably lost the toss in defending this Labor stronghold in Port Adelaide. Keith Beamish stands condemned as a CEO who was reckless in his behaviour, at best, and who was directly responsible for that \$4.2 million loss, which the Port Adelaide council

suffered from this ill-fated venture called the Port Adelaide Flower Farm. It stands as an important lesson to local government and, indeed, to all Governments about the folly of going into high-risk commercial ventures.

It also might demonstrate to Messenger Newspapers at Port Adelaide that, before it is so trite about an important issue such as this, it should exercise some professional journalistic skills and do some homework, instead of trumping up headlines attacking the messenger, as it did in the case of my attacks on the Port Adelaide council. I would have thought it might be more instructive for it to listen to the message rather than to attack the messenger.

The Hon. T.G. Cameron interjecting:

The Hon. L.H. DAVIS: No.

The Hon. T.G. Cameron interjecting:

The Hon. L.H. DAVIS: Good try. I am pleased to see that this sorry saga is behind us, but I hope the lessons from it have been properly learnt.

The Hon. T.G. CAMERON secured the adjournment of the debate.

[Sitting suspended from 4.53 to 9.20 p.m.]

ROXBY DOWNS (INDENTURE RATIFICATION) (ABORIGINAL HERITAGE) AMENDMENT BILL

The House of Assembly agreed to the Bill without any amendment.

STAMP DUTIES (MISCELLANEOUS No. 2) AMENDMENT BILL

The House of Assembly agreed to the suggested amendment of the Legislative Council without any amendment and has amended the Bill accordingly.

STATUTES AMENDMENT (HOLDFAST SHORES) BILL

The House of Assembly insisted on its amendments to which the Legislative Council had disagreed.

Consideration in Committee.

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

That the Legislative Council no longer insist on its amendments.

Motion negatived.

A message was sent to the House of Assembly requesting a conference at which the Legislative Council would be represented by the Hons M.J. Elliott, P. Holloway, R.I. Lucas, A.J. Redford and T.G. Roberts.

The House of Assembly agreed to grant a conference. The House of Assembly named the hour of 9.30 p.m. today to receive the managers on behalf of the Legislative Council at the Plaza Room.

[Sitting suspended from 9.26 to 11.25 p.m.]

The House of Assembly intimated that it had agreed to the recommendations of the conference.

At 11.5 p.m. the following recommendations of the conference were reported to the Council:

As to Amendments Nos 1 to 3:

That the Legislative Council do not further insist on its disagreement to these amendments.

As to Amendment No 4:

That the House of Assembly amend its amendment as follows:

New section 886bb—After paragraph (b) of subsection (2) insert new word and paragraph as follows:

and

(c) in order to ensure that the enjoyment of the coast by the public generally is not materially diminished due to the construction of any such boating facility.

And that the Legislative Council agrees thereto.

As to Amendment No 5:

That the Legislative Council do not further insist on its disagreement to this amendment.

Consideration in Committee of the recommendations of the conference.

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

That the recommendations of the conference be agreed to.

On behalf of members of the conference I report to the Committee the terms of the agreement that was reached. The first part of the agreement, from the Government's viewpoint the critical part, is that the original amendment moved by the Labor Party, which was the subject of much disputation on a previous occasion in this Chamber and the other House, will not be proceeded with. The Government believed that that amendment not being continued with was absolutely critical to any resolution of the conflict both within this Chamber and between the Houses.

The amendments are before the Committee. In summary, rather than going through it in detail, the Condous amendment (if I can describe it as that), which was moved when the House of Assembly first discussed the Bill, is to be part of the final agreed Bill. However, it has been further amended, as outlined in amendment No. 4 in the schedule of amendments. The Condous amendment, together with the additional amendment, has been agreed to be part of the eventual resolution of the issue.

I now read into the record a statement on behalf of the Government which is part of the settlement of the difference of opinion between the Houses. It is as follows:

1. Surety to be given to the Glenelg project by guaranteeing approval for a boat facility to be built to redefine criteria at West Beach.

2. Structural safety for a one in 100-year storm event will remain. The height for the overtopping structure to be reduced and redesigned from a one in 100 to a one in 10-year storm criteria.

3. The redesign to incorporate the minimum length groyne needed to produce the optimum sand management outcomes, and the harbor depth to be the minimum to cater for the current needs of the Glenelg Sailing Club and public launching facilities.

Redesign to be completed within two weeks and certification to be undertaken simultaneously by the Institution of Engineers, or a party to be nominated by it, together with the Coast Protection Board. An independent environmental consultant will also prepare an assessment for public release.

4. The sand management plan to be made available to the public.

5. The offer of the Opposition to support a compulsory acquisition, if necessary, of the Glenelg Sailing Club is acknowledged.

6. The Government undertakes to indemnify the Charles Sturt council against any damage to the beach directly caused by the West Beach facility.

I believe that those undertakings on behalf of the Government will be relatively clear to most members. It was agreed at the conference by all members that that would be read by the Government to each House of Parliament as an indication of one part of the resolution between the Houses. I do not intend to delay the proceedings of the Chamber during this Commit-

tee stage unnecessarily—unless, of course, provoked. I am pleased to see that there has been a resolution of this matter. The resolution means that the project will go ahead; that much needed jobs will be provided for South Australians; and that Weatherill Beach will be preserved for future enjoyment, not just of the Hon. Mr Weatherill and his near and dear family but of all others who enjoy the beaches in that area. In the end there has been a compromise, and I am pleased to see the resolution of this matter.

In conclusion, I want to congratulate my colleagues: the Minister for Government Enterprises, in particular, for his efforts on behalf of the Government in terms of reaching a resolution to this matter; and also the Premier and Deputy Premier for the critical role they played. I want to publicly acknowledge the work of hard working public servants such as Rod Hook and others, who went above and beyond the call of duty in trying to get this project delivered for the people of South Australia; as well as many other public servants.

I want to acknowledge the contribution, particularly this week, of the developers and investors, and to thank them. Without wishing to pursue this aspect of the debate too far, I believe that without their timely intervention we might not have seen a satisfactory resolution of this issue. It takes courage on occasion to speak out and speak clearly, and I believe that this has assisted in the satisfactory resolution on behalf of all members and Parties represented in the Parliament.

The Hon. P. HOLLOWAY: On behalf of the Opposition I indicate that we are very pleased that agreement has been reached at the conference. Basically, the elements of the agreement mean that the project at Glenelg, the Holdfast Quays development, will go ahead, and the Opposition is very pleased about that. A rather tired and tacky area of Glenelg will now be renovated as a result of this project, which is something about which we can all be pleased. The project will bring jobs and much needed investment to this State. As I indicated during the debate on this Bill earlier, it was always the hope of the Opposition that that project would proceed.

The concerns that the Opposition had of course related to the West Beach boat launch facility. As a result of the conference outcome, some changes have been made that we hope will address at least some of the problems there. In particular, the height of the groyne at West Beach will be reduced, which will reduce the visual impact of that structure. Also, part of the agreement was that a genuinely independent engineer would look at the sand management process to see whether we can reduce the length of the groyne consistent with good sand management. That will be done within the next two weeks, as was indicated in the statement read out by the Leader. We hope that that also may lead to some improvement. The other features of the agreement were that the sand management plans would be made available to the public, and we believe that that really speaks for itself.

In relation to the fifth point of the agreement, should there be a hitch in relation to this redesign of the area at West Beach, or should the Glenelg Sailing Club not be happy with the approach and be recalcitrant, in that last resort position the Opposition undertakes to support compulsory acquisition if necessary. We do not want to see that happen—we hope that it will not happen, and we do not expect that it will happen—but if it becomes a sticking point we acknowledge that we will support that course of action.

The final part of the agreement is the indemnity to the Charles Sturt council in relation to any damage along the

beach. We hope that that package of measures will reduce any adverse impact from the structure at West Beach. Like all conference outcomes, the parties never get exactly what they want. The plus is that the project at Glenelg will proceed. I guess some of us on this side of the Committee will still have fears and doubts—even with the safeguards proposed—that there may be some damage to the area even though the Government has undertaken to rectify that if it does occur. We do fear that there may be some damage, but in the circumstances this is about the best outcome we could negotiate.

Finally, I would like to acknowledge the role the Leader of the Opposition played in negotiating the outcome. I think his lengthy discussions with the developers and the Premier today certainly played a major part in reaching this outcome, and I acknowledge the role that he, members of the Government, public servants, developers and others played.

In conclusion, we all look forward to the Holdfast Quays development at Glenelg going ahead. I certainly wish the development well. As far as the environmental affects are concerned, I trust that the outcome of this conference will at least mitigate any problems to the maximum possible degree. I support the resolution of the conference.

The Hon. M.J. ELLIOTT: I heard a rather melodramatic report tonight from one media outlet which suggested that the Glenelg development had been saved. I do not think anyone, other than in respect of a little political hyperbole, ever believed—

Members interjecting:

The CHAIRMAN: Order, the Hon. Mr Davis. It is getting late and the other speakers have been heard in silence.

The Hon. M.J. ELLIOTT: I think that, aside from some political hyperbole that took place early on, everyone fully expected that the conference would produce a result. In fact, I said so when we sent a message back to the other place earlier today.

The result is something of a mixed bag. The amendments to the Bill are an improvement. On top of the amendments that the Government originally made to the Bill, there has been a further addition in terms of ensuring the enjoyment of the coast by the public generally. It is not materially diminished due to the construction of any boating facility. That is supposed to guarantee that the use of the coast for all other purposes, the sorts of purposes people are putting it to now, will not be impacted upon by anything that happens in relation to sand movement. That gives some further assurance to beach users in terms of the Government's legislative obligations to maintain the beaches.

The statement in terms of commitments made is something of a mixed bag. Only time will tell whether or not it was a mistake to try to make almost engineering decisions within the agreement. For instance, a consequence of the second point of the agreement—to change the criteria from a one in 100 year storm to a one in 10 year storm—has the impact of lowering the breakwater by about one metre. On the face of it, certainly aesthetically it will be more pleasing but, whether or not it has the capacity to impact on the stability of the wall and the way it will react to the storm, I doubt whether anyone who reached the agreement had the vaguest idea and, as a consequence, only time will tell. I would have preferred an agreement whereby the experts looked at it and then made a recommendation, rather than an agreement here which is telling them to lower it by one metre without knowing what the consequences of that might be. I believe that was a risky thing to do.

It also contains an agreement that the harbor will be shallower than it otherwise would have been. What will be the impact of that? We know it will be shallower but, whether it has any other implications, again I do not think the people in the conference could have given any absolute guarantee. That is why I argued previously that I would have preferred to see an analysis of the proposal and alternatives rather than virtually what we have done here by saying, 'Take what is existing, lower the groyne by one metre, make it shallower and then go from there.' Whether or not that has put some risk into it, only time will tell. As other people commented, when you have an agreement of this sort you always find some people will think that it is not quite right.

Motion carried.

ADJOURNMENT

The Hon. R.I. LUCAS (Treasurer): I move:

That the Council at its rising adjourn until Tuesday 17 February 1998 at 2.15 p.m.

We have to wait for our message to go back to the House of Assembly and come back again and we will then be free to go. In speaking to the motion I thank all members for their cooperation in what has been a most unusual two-week sitting. I cannot recall a similar example in my 15 years in Parliament or my 25 years watching and observing. It has been an unusual session which has required much cooperation from all members. I thank the Leader of the Opposition, the Leader of the Democrats and the Leader of the Independents.

The Hon. Diana Laidlaw interjecting:

The Hon. R.I. LUCAS: And, of course, I thank my colleagues in the Chamber. Again, I thank the two Whips: the new Whip on our side, Madam Lash, as she is affectionately known, and the old Whip, the leader of 'Weather-all beach', the Hon. George Weatherill. I thank them for what they have done. As I said, it has been a complicated and difficult two-week session for everyone, coming as it has after an election and towards the end of the year. Lots of things have had to be considered. I can say as Leader of the Government that certainly Government members have appreciated the cooperation of all members. Our thanks go to you, Mr President, for your first two weeks in the Chair and for resolving a whole range of issues both within the Chamber and without as well.

On behalf of Government members, I thank again all staff at Parliament—*Hansard*, attendants, catering—indeed, everyone who helped make for the smooth operation of the Parliament. With that, I wish all members a much-needed break over the Christmas-New Year period. I am sure members will enjoy the break away from the Parliament and perhaps a break from the intense political activity we have seen over the past weeks and months. We look forward to renewing acquaintances from 17 February next year.

The Hon. CAROLYN PICKLES (Leader of the Opposition): I am very pleased to second the motion. Indeed, the Opposition, the Australian Democrats and the Independent have been very cooperative. We can only hope that we do not have quite such a rushed session ever again. At times it does somewhat try our patience. I would like to thank the Clerks and you, Sir, all members of *Hansard*, and all the people who work in this place. I think we have very good staff in the Legislative Council, and this time we actually beat the House of Assembly. We finished our business long before they did. In fact, they kept us waiting, so this is another

record. We have to expect that the quality of debates in this Chamber is far superior to that in the other place. They often do not appreciate us.

I do believe that members on my side wish all members opposite and all the staff the compliments of the season and hope that we come back in February with perhaps the business not so rushed and with not such late sittings. I did note that the Governor in his speech has actually said that the hours of Parliament will be looked at. I for one am very pleased to hear that. The women in Parliament select committee did recommend that the hours of Parliament be looked at and made more sensible and family friendly. I certainly hope that we will not have any 3 a.m. sittings. We only have the Democrats to thank for leaving at midnight. I only hope the Government realises there are far more women in this place now and, quite frankly, we have homes to go to.

The Hon. Caroline Schaefer interjecting:

The Hon. CAROLYN PICKLES: Some of you have temporary homes to go to; some of you would like to go home. I think that 10.30 as a rule is probably late enough to conduct the business of this place.

The Hon. M.J. ELLIOTT: Very briefly, I would like to thank all members in this place—the Clerks, table staff, Messengers and *Hansard*—all of whom make possible what seems very near impossible. I am particularly pleased to see Ian Gilfillan back in this place, to lighten the load, but somehow or other in this first session he managed not to have a single Bill. We divvied up the portfolios and made sure he had the Attorney-General's, but what does the Attorney-General do? He does not do a damn thing! So we did not notice any lightening of the load at all. But the theory was fine. Hopefully in the next session pay back time will come.

I have been here for almost 12 years now and every session is different. You always think we will not have one like that again, and you are right, because the next one is different. All sorts of perverse things end up happening. I would think most people are looking forward to a break. I remember I thought at about this time last year, 'By golly, I need a break but, gee, there is an election early in the new year.' So I spent the whole of last year thinking 'There's going to be an election announced any time.' Next year actually looks like a good bet to be safe unless there are votes of no confidence in the Government in the other place. If ever there was a good case for fixed-term elections, the last 12 months had to be it. It was quite appalling both in this place and outside, with everyone thinking more about when the election would be than anything else. I wish everybody in this place the best break they can get, a good Christmas and a happy new year.

The Hon. NICK XENOPHON: Mr President—
Members interjecting:

The PRESIDENT: Order!

The Hon. NICK XENOPHON: The only reason I am saying anything is because we are still waiting for the Messenger. I wish all members, Council officers and staff a pokies-free Christmas and, consequently, a prosperous new year.

The PRESIDENT: It is my pleasure to support the remarks made by the Leaders of all the Parties, acknowledging the last one. I support their remarks, without going through them again. On behalf of the Council staff, the *Hansard* staff, the Library staff and the catering staff, I thank

members for the expressions of thanks and goodwill that have been extended to them. I thank honourable members for their support and forbearance over the past few weeks whilst I have been through a fairly steep curve of learning. I hope we are at the bottom of the J-curve and are now about to come up to the top. I wish all members a very happy Christmas and a prosperous new year.

Motion carried.

At 11.52 p.m. the Council adjourned until Tuesday 17 February 1998 at 2.15 p.m.