LEGISLATIVE COUNCIL

Tuesday 24 February 1998

The PRESIDENT (Hon. J.C. Irwin) took the Chair at 2.15 p.m. and read prayers.

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. R.I. Lucas)—

Regulations under the following Acts—
Financial Institutions Duty Act 1983—Dutiable Receipts
Stamp Duties Act 1923—Transactions Excluded

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

Juvenile Justice Advisory Committee—Report, 1996-97
Regulation under the following Act—
Second-hand Dealers and Pawnbrokers Act 1996—Principal

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

Reports, 1996-97
Institute of Medical and Veterinary Science
West Beach Trust
Report on the Interim Operation of the District Council of Mount Barker—Mount Barker and Nairne Interim Local Heritage Plan Amendment Report.

EMERGENCY SERVICES FUNDING

The Hon. K.T. GRIFFIN (Minister for Justice): I seek leave to make a ministerial statement.

Leave granted.

The Hon. K.T. GRIFFIN: Over the past 20 years or so, and particularly more recently, there has been widespread public pressure for reform of the funding arrangements for the emergency services in this State to eliminate significant inequities, adopt a strategic approach to the provision of emergency services and ensure appropriate funding of those services. The funding system for emergency services in South Australia has been examined by various Governments in 1978, 1982, 1985, 1987 and 1995 but no Government has grasped the nettle of radical restructuring of the current mish-mash funding of our emergency services.

Recently, the Insurance Council of Australia, the South Australian Volunteer Fire Brigades Association and the Country Fire Service as well as the Local Government Association have all made strong public statements in support of alternative funding arrangements for emergency services and have drawn attention to the inequities of the present system, not just in respect of who funds and by what means, but also as to who is funded and to what extent.

The Government's 1997 Election Policy committed the Government to introducing a more appropriate and equitable funding system which will ensure all emergency services are provided with adequate resources. It is time to meet the challenge and to seriously address the funding arrangements for emergency services.

Current funding arrangements: The current funding arrangements are complex. Through an emergency services levy, customers of insurance companies contribute approximately 70 per cent of the combined operating budget of the South Australian Metropolitan Fire Service and CFS. The balance is contributed by State and local government, and is ultimately paid by taxpayers or the ratepayers of councils. Rural councils are required by legislation to provide funds for CFS equipment as specified in the Standards of Fire and Emergency Cover. Funding for the State Emergency Service is provided through the State Budget, supplemented by Federal grants and grants from Councils. Budgets for 1997-98 are:

MFS $59 672 000
CFS $13 375 000
SES $1 552 000

Both CFS and SES real costs significantly exceed these figures, because additional funds are expended by local government in meeting service outcomes. Concern has been expressed that even these levels of funding are inadequate to meet the real needs of volunteer training and equipment provision for the CFS and SES.

Inequity in current arrangements: The current system has a number of shortfalls. Those who do not insure, who underinsure or who insure offshore, do not contribute their fair share (if they contribute at all) to the provision of emergency services critical to ensuring the safety of citizens and property. The Insurance Council of Australia estimates that as many as 31 per cent of households may not be insured—one in three homes simply may not contribute. This highlights the problem.

The Local Government Association argues there is unfairness in that metropolitan councils are only required to contribute 12½ per cent of the MFS budget, whereas rural councils are required to provide adequate equipment for fire-fighting within their respective areas. These rural councils may, therefore, be bearing a higher proportion of costs compared with metropolitan councils. For these reasons the Government believes it is time to put a more strategic framework in place so that our emergency services can be placed on a more secure and rational basis into the next millennium and so that all citizens can feel confident that, in the event of an emergency, they are adequately provided for.

Proposals: The various examinations of the issue have generally come down on the side of replacing the present fragmented arrangements (including the removal of the levy on insurance) with an emergency services levy on property holders and, in some instances, on mobile property such as motor vehicles. The 1995 examination of the issue, drawing on past reports and proposals proposed that an emergency services levy be placed on all property owners (excluding Commonwealth Government), and an emergency services levy be placed on the registration of all mobile property in the State to contribute 15 per cent of the total funding requirement with the expectation of the elimination of the levy component currently included in insurance premiums.

It was proposed that the emergency services levy should be:

- relative to the capital value of the property
- adjusted for the risk and hazard ratings associated with each property type in different locations.

It has also been suggested that such an emergency services levy be collected by local government as an agent for the State Government and be dedicated to an Emergency Services Fund to pay for running and capital costs of CFS, MFS and SES. The Government does not have any preconceived views that this is the model to be followed, but is convinced a more equitable approach must be developed.

Other States: The vexed question of funding of emergency services has now been addressed in three jurisdictions in Australia. The Western Australian Government intends to implement a new funding model for fire services on 1 July

1998, applying only to the areas serviced by the Western Australian fire and rescue services. Queensland and Tasmania have both introduced a property-based levy system for the funding of fire services.

Where to from here: There is an urgent need to address the funding problems confronting our emergency services. The CFS has accumulated $13.6 million debt. This has happened through no fault of the management or board of the organisation, but has proved to be a stifling debt level. The Government radio network contract is a very significant project with major implications for the emergency services. The need for an effective and efficient communication system for the emergency services is paramount, yet at this stage the emergency services and the Government have still to fund the cost of this initiative, which is in excess of $120 million. Funding must be found. Dispatch systems are critical to service delivery by the police and emergency services agencies to ensure the necessary relief, rescue or support service resources are dispatched to incidents in response to calls or alarms.

The existing computer-aided dispatch systems of the South Australian Metropolitan Fire Service and the South Australian Ambulance Service are nearing the end of their economical and operational life and require upgrading. A similar situation will exist with the South Australian Police CAD system within two years. The Country Fire Services and State Emergency Service do not operate their own CAD systems but utilise the systems of the other agencies in the metropolitan area. Once again, this project needs to be funded.

In the case of the SES, there is an urgent need to standardise the operational vehicles used by the SES and to reduce the burden on local fundraising.

All this, in addition to the ongoing need for capital works for emergency services, must be provided for and is proposed to be addressed in this project, remembering that much of it would have to be funded by the emergency services in any event, much of it probably through an increase in the insurance levy plus additional contributions from local government and the State Government.

The Government recognises the need to address this issue as a matter of priority and is aiming to have a new scheme in place so that alternative funding arrangements can commence on 1 July 1999. The Government will therefore immediately form a steering committee of relevant stakeholders to progress this initiative. The committee will report to the Minister for Justice, Minister for Police, Correctional Services and Emergency Services and will be chaired by a senior executive from the justice portfolio. Its membership will include senior representation from Treasury and Finance, Premier and Cabinet, Industry and Trade (the Local Government Office), the Local Government Association and the insurance industry. The committee will be assisted by appropriate consultants and have the assistance of legal officers and Parliamentary Counsel for the purpose of drafting the framework legislation to enable the model to be put in place.

The task of the committee will be to recommend to Government the appropriate model for a more equitable and rational scheme for funding emergency services in South Australia. The model will substitute for existing funding arrangements. This will mean, for example, that those who do insure their properties will no longer be required to pay an additional levy as part of their insurance premium. The model will be all embracing. The steering committee will undertake extensive consultation with all volunteers, emergency services agencies and other stakeholders during the development of the new funding model and report to Government by the end of April 1998. The committee will identify all the emergency and rescue services provided by CFS, SES and the Metropolitan Fire Service and those emergency, rescue, recovery and support services provided by other agencies and bodies such as Ambulance, South Australian Police, Volunteer Coast Guard and Surf Life Saving.

The Government regards this as important because, while these organisations all contribute to the emergency rescue and recovery services, funding is derived from various Government and non-government sources in what is very much an *ad hoc* manner. This is an important initiative. The prospects are exciting, promising better levels of training, equipment and services, as well as a sensible and fair approach to this issue for the citizens of South Australia, the 24 000 dedicated volunteers involved in emergency services, State Government, local government and the insurance industry, with the prospect of emergency services being properly funded into the next century. These prospects should all encourage us to work together to achieve that goal.

QUESTION TIME

RAIL REFORM TRANSITION PROGRAM

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Minister for Transport a question about the rail reform transition program.

Leave granted.

The Hon. CAROLYN PICKLES: The rail reform transition program was set up by the Federal Government to compensate Tasmania and South Australia for job losses in rural areas following the sale of Australian National. The amount to be allocated to each State was in proportion to the projected job losses. Last year's Budget Estimates (Financial Paper No. 2, page 120) included an estimated amount of $10 million under the national rail transition program to be included in the 1997-98 budget. The budget also states that it was expected that the Economic Development Authority would expend the whole amount during this current financial year, yet the Federal Transport Minister told the Federal Parliament's Rural and Regional Affairs and Transport Legislation Committee that $10 million had been divided between the two States. He said that Tasmania received $1.027 million and South Australia $8.973 million.

Given that the South Australian Centre for Economic Studies estimates that the closure of AN at Port Augusta alone would lead to the loss of about 872 jobs over the next four to five years, it would appear that South Australia needs more money (I am sure the Minister would agree), not less, from the rail reform transition program. My questions are:

1. Will the Minister confirm that the amount allocated to South Australia under the national rail reform program is $10 million, as indicated in the budget papers?

2.In respect of the amount received by South Australia, will the Minister advise which projects have been approved, how much each is to receive, and how much each has been allocated to date?

3. Will the Minister also outline the job creation plans for these projects, given the projected job losses in towns such as Port Augusta?

The Hon. DIANA LAIDLAW: The rail reform package was a big part of the Federal Government's sale program for Australian National. In fact, $20 million has been assigned by the Federal Government for job creation and economic development programs in areas where job losses have occurred because of the sale process. The sale process in both South Australia and Tasmania has achieved a better than anticipated result in terms of the number of jobs that have been retained by the business.

I think Australian Southern Railroad and Great Southern Railways (formerly Genesee Wyoming) that bought the national passenger business have both produced growth plans for rail. So, I think they have taken on what they estimate to be the minimum number of jobs and they then plan to grow the business.

It is against this background that the rail reform fund was developed. I chaired that committee in South Australia, but the chairmanship will now be taken over by the Hon. Graham Ingerson because, today, the projects are becoming more and more economic development related rather than transport related, and the staff who support the work of the rail reform fund in South Australia are all from the economic development area (formerly the Economic Development Authority, now Industry and Trade). So, it is logical that Mr Ingerson should take over that responsibility.

It was always assumed that in the first financial year the $10 million would be divided between Tasmania and South Australia, and the proportions of about $1 million to Tasmania and $9 million to South Australia were understood. It was always considered that of the $9 million that would come to South Australia the great bulk (probably about 80 or 90 per cent) would go to Port Augusta and the Eyre Peninsula region.

That has been so in the allocations that have been recommended by the State committee and subsequently approved by the parliamentary secretary for transport. Applications have been sought and are now being assessed for the further $10 million for this financial year, and I would anticipate that there will be announcements by the parliamentary secretary in the near future. I will get details of all the programs approved to date and the estimated job numbers. We have them close at hand—I just do not have them with me today—so I should be able to provide more detailed advice before we rise at the end of this week.

EDUCATION FUNDING

The Hon. P. HOLLOWAY: My question is to the Treasurer and relates to education funding. Given that the Minister for Education was reported in the *Advertiser* recently as saying that the cumulative cut to Federal grants to South Australia for public education over the next four years as a result of the enrolment benchmark adjustment scheme is estimated to be $33.4 million, will the Treasurer give assurance that the State budget will make up the shortfall in Federal funding?

The Hon. R.I. LUCAS: The Minister for Education and I deal with realities and facts, and we will deal with the situation as the years evolve or move on. The estimates rely substantially on estimates of the numbers of students who will attend both Government and non-Government schools in terms of the percentages and, secondly, the total number of students attending schools both in South Australia and nationally—but, in particular, in South Australia. Having been Minister for Education, the reality is that we are not able to predict in precise terms, for example, the impact of the change to the Commonwealth Youth Allowance. We know, for example, that schools nationally are predicting large numbers of students coming back into the Government school system, but we do not know whether that will be 100, 1 000 or 2 000 students. Ballpark estimates have been used in all States to try to estimate the impact of some of the Commonwealth changes, but the reality is that until we actually move into each calendar school year we do not know what the impact of the enrolment benchmark adjustment will be.

The estimates that the Minister's department has produced are ballpark estimates in terms of the best guess that they can make at this stage as to what the impact might be and they are, indeed, important, but the Minister, indeed his department and myself, would acknowledge that no-one can really know until we see the numbers of students in our Government schools in South Australia for each year.

The general Government position has been that if the Commonwealth Government makes reductions to services in the States, the Commonwealth Government must accept responsibility for that. The State Government does not have an unlimited bucket of money to make up for reductions that the Commonwealth Government introduces in particular areas. However, this Government being a reasonable Government will always consider each issue on a case by case basis, and we will need to consider the particular needs of the education portfolio as we get harder information based on facts in terms of the potential impact.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: I think the Minister has indicated that this year any adjustment—if there is to be any adjustment to Commonwealth funding—is able to be handled within the $1.5 billion budget. It is not this year where there is, potentially, a significant problem. It is further down the three-year or four-year track that the Minister has highlighted where those numbers, by estimate, become larger.

ROAD SAFETY

The Hon. T.G. ROBERTS: I seek leave to give a brief explanation before asking the Minister for Transport a question about road safety campaigns.

Leave granted.

The Hon. T.G. ROBERTS: In the South-East on Friday afternoon a horrific accident resulted in the deaths of four elderly citizens. The investigation apparently has shown that the elderly driver went through a give-way sign and that a log bearing truck crashed into the car and then tipped over on to the car, killing its occupants. This is the second such accident in the South-East in the past eight to ten months, the previous one occurring in Bordertown.

It is clear to those who drive in the country, particularly in the Riverland, the Barossa Valley and the South-East, that the mix of traffic is difficult for many people—residents, visitors and the elderly—to manage. The mix of traffic in the South-East—log trucks, vehicle movements associated with agricultural use and those types of vehicles—is similar to that of the Riverland, the Barossa Valley and the Clare Valley.

The recent advent of road trains and the double-Bs has made that mix much more dangerous. Will the Government run targeted road safety campaigns which highlight the dangers associated with mixed function traffic movements within those geographical areas and any other geographical zone as designated in South Australia?

The Hon. DIANA LAIDLAW: In terms of the horror accident to which the honourable member refers, there will be an inquest, as would be appropriate, to determine the circumstances. I express my concern and that of the Government, and I suspect all members of the Parliament, about the increase in the road toll over recent months. We had an outstanding record last year—the best since records have been kept. Notwithstanding the doubling of the number this calendar year, the decline overall is still considerable in terms of road deaths.

Notwithstanding the overall concern of the Parliament and the community for the families which have been involved, I think it is important to keep it in perspective and to keep a focus on safety. Therefore, I will put the honourable member's question to the Office of Road Safety in terms of the advertising campaigns it launches with the Motor Accident Commission. It is currently engaged in a television and radio campaign about the network of random breathalysers and laser guns. I understand that further advertising will be done on speed. We know from past research that for country areas, and particularly for country residents, a different type of advertisement is required than for the general metropolitan area. This was highlighted during a road safety campaign undertaken in the Riverland last year.

The honourable member's suggestion for the Riverland, the South-East and the Mid North in terms of focusing on the mix of traffic may be appropriate in terms of the Office of Road Safety's proposal to prepare different campaigns for regional areas.

CORRECTIONAL SERVICES, DRUG AND ALCOHOL

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Correctional Services, a question relating to drug and alcohol treatment in South Australian prisons.

Leave granted.

The Hon. IAN GILFILLAN: The 1996-97 South Australian Department for Correctional Services Annual Report set an average daily occupancy of a bit over 1 400 inmates in South Australian prisons during that period. In the same report are some statistics from the Australian Prison Population Profile which, one can assume, relate to those 1 400 people, and I select some which I believe are relevant to the question and back up the general image of the prison population: 32 per cent are serving sentences for alcohol and drug-related offences; 75 to 80 per cent have alcohol and other drug problems. With regard to female prisoners and their statistics specifically, 80 per cent have alcohol and other drug problems; 62 per cent were under the influence of a drug at the time of their offence; 64 per cent are heavy drug users; and 38 per cent have drug-related health problems. From the previous year's report there is a brief description of the Cadell New Era Therapeutic Community and I quote from that report:

> Located at Cadell Training Centre is a structured program which targets prisoners with identified substance abuse problems. The therapeutic community has been operating for appropriately 12 months with, since inception, 36 prisoners having spent various amounts of time in the NTC with an average of 15 at any one time.

In this current year's report is a little more detail of the Cadell training program. The objective is to motivate participants who are men and who are in adult prison for the first time to take control of their lives and to develop skills and perceptions to help them to stop reoffending. The data in this report said the program started on 9 December 1996 with 14 participants. The capacity of the unit is now 24. This community targets prisoners with an identified drug abuse problem. The percentages revealed in the report related the number of inmates means that at any one time in South Australian prisoners there are nearly 1 200 inmates who are classified as directly affected by drug or alcohol dependency addiction and just under 500—480—whose offences are directly related to this addiction. I believe it is clear to all members that the media and the other sources of comment and observation make very clear the high proportion of our offences due to addiction to drug and alcohol.

Therefore, I ask the Attorney-General representing the Minister—although he might care to answer himself—the following questions: does he not agree that the numbers—24 as cited in Cadell—are a totally inadequate and belated response to what must be the number one issue for rehabilitation of offenders? What, if any, other programs do currently exist? What numbers do they involve? What plans are there, if any, to confront this major problem with further programs as outlined in the Cadell program?

The Hon. K.T. GRIFFIN: Because the honourable member has referred to a number of statistics, I think it is appropriate that I refer the question to my colleague and bring back a considered response. There is no doubting that alcohol and drug abuse is a major cause for concern, not just in the prison system but in other places, and there are a number of innovative programs which are available, particularly in the prison system, but I do not have all that detail at my finger tips. I will undertake to refer the question and bring back a reply.

The Hon. IAN GILFILLAN: Mr President, I have a supplementary question. Does the Minister agree that there is no way that any programs are dealing with the 1 100? What percentage of the 1 100 are currently being or intend to be treated by the Government?

The Hon. K.T. GRIFFIN: I do not accept that it is 1 100 who are affected, but that is the projection which the honourable member has made. Subject to that qualification, I will certainly pursue that issue as well.

GAMBLERS' REHABILITATION FUND

In reply to **Hon. NICK XENOPHON** (9 December 1997).

The Hon. DIANA LAIDLAW:

1. The distribution of $0.5 million funds for the 'Families in Need' Program takes into consideration the following factors:

- The need for complementarity with the allocation of recurrent funding through the Commonwealth Department of Health and Family Services—Emergency Relief Program
- The capacity for the organisation to distribute the funds according to established procedures which ensure that those in most need will receive the highest priority and to meet accountability requirements
- The need to reflect the relative levels of disadvantage between regional areas across the State
- The need to direct a significant level of funds to recently arrived migrants experiencing financial hardship
- The need to provide funds to Aboriginal organisations for allocation to high need communities and individuals
- Minimise administration costs associated with the allocation and accountability of funds

An offer has been made to twenty one agencies for the additional funding for general welfare assistance which will help organisations cope with the ongoing demand for services from families affected by gambling.

Funds have been distributed on a geographic basis across the State and to ethnic and Aboriginal specific organisations to ensure the above criteria is met.

Assistance will largely take the form of material assistance and cash relief to families in need. Agencies will be in the best position to decide how funds should be distributed to those most in need.

2. I refer the member to my 11 December 1997 Ministerial Statement on the Gamblers' Rehabilitation Fund (GRF) and the accumulation of $1.8 million of carry forward funds due to the start-up time required to establish the Fund and the Break Even counselling services.

As detailed in that Ministerial Statement, in 1995-96 the hotel and club contribution to the GRF increased to $1.5 million. As announced at the time, the State Government's $500 000 contribution was distributed to community agencies to provide material assistance and financial assistance to families in need.

Since 1995-96, the Government has maintained this commitment by providing an additional $500 000 in appropriation to the Department of Family and Community Services (now the Department of Human Services) to fund community benefits. In 1996-97, this $500 000 was spent on Keeping Families Together services provided by community agencies such as Anglicare and Port Pirie Central Mission.

As advised in the Ministerial Statement, the annual $1.5 million contribution from the hotels and clubs is now virtually fully committed to various services, including the Break Even counselling services. Of the $1.8 million in carry forward funds, $500 000 has been allocated to provide material assistance to families affected by gambling, and the Gamblers' Rehabilitation Fund Committee is examining a number of initiatives for the remaining carry forward funds.

3. The availability of 24 hour telephone counselling service has been recognised as a gap in the current service response to people effected by gambling.

Such a service will provide counselling and referral to local Break Even services and information about gambling and problem gambling issues. The availability of 24 hour service offering anonymous counselling will allow for immediate access to support for those people experiencing a crisis as result of their gambling.

The Government is currently in the process of working with the Gamblers Rehabilitation Fund Committee to identify an optimal model for the provision of such a service and will then commence negotiations for the implementation of the service. It is anticipated that the service will be available in late March/early April 1998.

ABORIGINES, LIVING CONDITIONS

In response to **Hon. T.G. ROBERTS** (3 December 1997).

The Hon. DIANA LAIDLAW:

Education

The South Australian Public Education and Children Services Department of Education Training and Employment (DETE)—has established five strategic directions to provide a basis for future planning at all levels of the system which are as follows:

- developing the individual and society
- achieving unity through diversity
- strengthening community
- creating a spirit of enterprise
- becoming global citizens

Within the Aboriginal Education and Children's Services, the following outcomes are currently being achieved:

- priority has been given to preschool initiatives in DETE discussions with Anangu communities regarding proposed across sector education provision (Local Education Centres)
- early childhood education service provision for children in homelands areas has been extended by the establishment of Murputja School and distance education trials
- provision of a preschool outreach service at Oak Valley (homelands)
- a Children's Services Officer is now located within the Aboriginal Education Unit providing closer operational management between Children's Services and Schooling Sector
- all Aboriginal and Anangu Communities have Child Parent Centres with AEW's and teachers in each.

DETE is working with Senior Secondary Assessment Board of SA (SSABSA) to increase the number of Aboriginal students in the South Australian Certification of Education (SACE). The Government has committed $250 000 in 1998 to address the issues of retention, participation and attainment.

Priorities have also been established through Early Childhood program by increasing the services of Aboriginal Educational Workers and teachers in rural Aboriginal Communities and Anangu Communities. There are approximately 100 AEW's.

Employment

The Aboriginal Employment Education Development Branch (AEEDB), Department for Education, Training and Employment (DETE) provides the following programs to assist Aboriginal people in improving literacy and numeracy skills:

- Aboriginal Education Program
- Aboriginal Education Study Centre Program
- State Public Sector Aboriginal Recruitment & Career Development Strategy
- Family Well Being Program
- Aboriginal Cultural Awareness.

The programs also seek to increase the Aboriginal enrolment rates by assisting Aboriginal people in returning to further education to obtain educational qualifications.

The Family Wellbeing Program is a community development initiative for Aboriginal people and non Aboriginal people alike who work in Aboriginal service delivery areas. The program addresses the physical, mental, emotional and spiritual issues which impact on family unity and stability.

Housing

The Aboriginal Housing Unit of the South Australian Housing Trust provides urban public rental and rural housing programs specifically for Aboriginal people. A total of $10.43 million, comprising Commonwealth and State funds, is allocated to this area for the current financial year.

This program comprises approximately 1700 properties in the Adelaide metropolitan areas and country regional areas.

The Rural and Remote Housing Program has to date provided over 480 dwellings to communities on Aboriginal owned land. The funding for this program has approximately doubled in the last two financial years, in recognition of the serious housing shortages experienced by those communities.

Demonstration Projects are conducted with Aboriginal Communities covering building, maintenance, health and education, seeking to improve water and sewage, management as well as increased employment, incomes and a sense of ownership.

Through establishment of an Aboriginal Housing Authority significant restructure in the management, funding and delivery of housing for Aboriginal households and communities will be achieved.

Health

The SA Health Commission works closely with the Aboriginal Health Council, the peak advisory body on Aboriginal health, in determining appropriate policies and strategies which govern the operation of the Commission's services.

A memorandum of understanding which outlines respective roles and responsibilities has been signed between the Aboriginal Health Council, the Aboriginal Health Division, SA Health Commission.

Aboriginal health sub-committees have also been established to support the Aboriginal members on the various regional health councils in SA.

The SA Health Commission allocated funding for 96/97 financial year to the Aboriginal Health Council ($2 106), Pika Wiya ($963 900), Ceduna Koonibba ($294 700) and Nganampa ($856 600) for their daily operations.

An Aboriginal Community Development Project Team based in Port Augusta, has worked with Port Augusta, Davenport, Copley, Nepabunna, Oodnadatta and Oak Valley Communities on the development of Health Action groups to encourage and support the development of appropriate and realistic options to address the problems which affect their health.

This Project Team has developed 'Alcohol Free Days' and is supported by the Lions Club of Port Augusta in conducting a Drug and Alcohol Workshop in Davenport.

The South Australian Health Partnership (SAHP) has representatives of Commonwealth Department of Health and Family Services, SA Health Commission, ATSIC and Aboriginal Health Council of SA Inc. The SAHP represents a joint commitment to a common vision and to working together on the bigger picture in Aboriginal Health. It has been successful in securing funding from the Commonwealth for a project to improve health outcomes for remote Aboriginal patients with renal conditions treated at the Alice Springs Hospital, Port Augusta Hospital, the Women's and Children's Hospital and the Queen Elizabeth Hospital.

BAKEWELL BRIDGE

In reply to **Hon. CAROLYN PICKLES** (19 February).

The Hon. DIANA LAIDLAW: During the current financial year Transport SA has spent in the order of $230 000 on maintenance repairs and safety improvements to the Bakewell Bridge. Safety improvements include the placement of white edge lines and reflective pavement markers on the approaches to and over the bridge. Maintenance work includes the repair of most spalled areas of concrete on the underside of the deck, beams, columns, abutment and parapet walls and some sections of the pedestrian footpath. In addition, five asphalt deck joints were repaired and some pavement crackfilling undertaken.

With regard to the side barriers, the two damaged sections of chain mesh have been temporarily repaired to a standard similar in strength to the original barrier. The red bunting has been left there to indicate to motorists the temporary nature of the repairs. Transport SA officers are currently in the process of examining the most appropriate repair options for the damaged sections of barrier. The assessment of options will be completed by the end of March.

OIL SPILL

The Hon. DIANA LAIDLAW: I seek leave to read a reply to a question asked by the Hon. Sandra Kanck on 19 February 1998 regarding a Port Stanvac oil spill.

Leave granted.

The Hon. DIANA LAIDLAW: When this question was asked last Thursday, I advised that I would seek to have a reply today and I am pleased to be able to provide the following answer. I am also pleased to be able to reassure honourable members that there is no foundation whatsoever for the Hon. Sandra Kanck's assertion that 'between 40 000 and 140 000 litres of crude oil gushed into the sea' at Port Stanvac on 23 September 1996.

The Hon. L.H. Davis: It created a headline, though, didn't it?

The Hon. DIANA LAIDLAW: Yes, it was aimed to create a headline. The facts did not seem to matter much. The oil spill was 10 000 litres. The State Oil Spill Commander, Captain Walter Stuart, has confirmed that this assertion by the Hon. Sandra Kanck is a gross exaggeration. The maximum spillage was 10 000 litres. That was confirmed—

The Hon. Ian Gilfillan interjecting:

The Hon. DIANA LAIDLAW: No oil in the ocean is acceptable, I would strongly contend to the Hon. Ian Gilfillan, but I would also say that it is absolutely unacceptable to come into this place and accuse a company like Mobil of, first, for commercial reasons, not acting responsibly and, secondly, for so exaggerating claims without seeking to check those claims and causing wider concern throughout the community. As I say, the State Oil Spill Commander, Captain Walter Stuart, has confirmed that the assertion by the Hon. Sandra Kanck is a gross exaggeration. In terms of the honourable member's specific questions:

1. At 1410 hours on 23 September, the Manager of Port Stanvac, Captain Bill Woolnough, reported that a slight leak of light Arabian crude (in the vicinity of five to 10 litres) had occurred. He advised that a line had been placed on the vacuum to prevent any further leakage and work boats were employed to disperse the oil by mechanical action.

2. The honourable member asked whether the Department of Transport was informed of the decision to waterflush the damaged hose and, if so, if it approved. I advise that the department was informed. At 1422 hours—

Members interjecting:

The Hon. DIANA LAIDLAW: You would think that honourable members opposite might be interested in the facts but they are not: they do not seem to be keen to listen at all. At 1422 hours the Port Manager informed—

Members interjecting:

The Hon. DIANA LAIDLAW: Mobil has been accused of not even advising the State Oil Spill Commander that this leak had taken place and that is an absolute lie. I can advise that at 1422 hours the Port Manager further contacted the State Oil Spill Commander on this occasion of the decision to waterflush the line and the Department of Transport—now Transport SA—approved of the decision to waterflush.

3. In response to the third question—was the spill at 1636 hours reported to the Department of Transport (the time of the spill)—I can advise that it was. At 16.45 the Port Manager reported that the water plug was completed. During the course of putting through the water plug he reported a further spill of light Arabian crude estimated to be less than 100 litres. The report was made as the sun was setting. The permission was sought to use a chemical dispersant—Shell DDC—on the spill to further disperse it, and that permission was granted.

I will read a letter from Mobil Refining Australia to the local member for Reynell, Ms Gay Thompson, and I understand that a similar letter has been circulated to all members. It reads as follows:

> Last Thursday 19 February 1998, in the South Australian Parliament [Hon.] Sandra Kanck (Democrat MLC) raised a number of allegations concerning the December 1996 oil spill at the Adelaide refinery. In her comments. . . [the Hon. Sandra Kanck] made a number of allegations, including
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> · that the required incident notification(s) between the refinery and regulatory authorities may not have occurred;
> · that there were two spills rather than one;
> · that specific action taken in the course of managing the incident, eg the decision to water flush the hose, was taken for specific commercial reasons and therefore, by implication without due regard for environmental and other factors;
> · that up to 140 000 litres of oil were spilled.
>
> These allegations were also reported in the Adelaide *Advertiser* on Saturday 21 February 1998.

I may add that on my understanding they were reported without checking with Mobil, so Mobil may wish to take that further. The letter continues:

> It is of concern [the Hon.] Ms Kanck did not contact the refinery to raise her concerns or to check the veracity of her allegations. If she had done so the matters could have been quickly clarified. By not doing so she has unnecessarily caused the competence and reputation of the Adelaide refinery and its people to be called into question.
>
> What are the facts?
>
> 1. That the refinery at all times kept the regulatory authorities notified of the incident, thus conforming to statutory requirements and sound oil spill management procedures.
> 2. All decisions in relation to managing the incident, including the water flush of the hose, were taken in conjunction with, and with the full endorsement of, the regulatory authorities. Moreover, the regulatory authorities were physically on site for the duration of the incident, thus allowing for close cooperation and teamwork in the management process.
> 3. The September 1996 oil spill related to one single incident—the failure of one of the refinery's floating SBM hoses.
> 4. The refinery totally rejects any implication or suggestion that commercial considerations determined either the manner or the method of the oil spill management process. The key concern for both the refinery and the regulatory authorities was the safety of those personnel involved in managing the incident and care for the environment.
> 5. Following the incident the Department of Transport [now Transport SA], EPA and Mobil conducted a thorough incident investigation. From this investigation it was estimated that 10 000 litres of oil were spilled.
>
> I trust that this information helps clear any concerns you might have in relation to the refinery's response to the September 1996 incident.

The letter is signed by Glenn W. Henson, Refinery Manager.

OPPOSITION LEADER

The Hon. L.H. DAVIS: I seek leave to make an explanation before asking the Minister as Leader of the Government and Treasurer a question about statements made by the Leader of the Opposition.

Leave granted.

The Hon. L.H. DAVIS: The *Advertiser* of Saturday 21 February had a rather remarkable headline: 'Wrong fight being fought, says Rann.' The article, by Greg Kelton the journalist, states:

> The Opposition has accused the Premier of fighting to save the State's Casino but not ETSA. The National Competition Council has warned all State Governments they might be forced to allow further casino licences in each State to qualify for competition funds. The Premier, Mr Olsen, said on Thursday he would fight any moves to have another casino in SA.

Members interjecting:

The Hon. L.H. DAVIS: If you were so confident about your Leader's statement, why are you so worried about the question? That quietened you, didn't it? The article states:

> The Opposition Leader, Mr Rann, accused Mr Olsen of monumental hypocrisy.

And then Mr Rann, who is better known to many of his colleagues opposite as the fabricator, is quoted as follows:

> 'In trying to justify his backflip on the ETSA sale, the Premier says he is being forced to do so because of the NCC,' he said. 'But he will fight the council over its calls for SA to end its casino monopoly. He will fight to save our casino monopoly, but not our electricity industry and its workers.' Mr Rann said it clearly showed the Premier was really selling ETSA and Optima Energy because he wanted to, not because he had to.

I read that twice. On Saturday morning sometimes you get a bit of funny journalism and you may not be as sharp as you might be. I thought, 'Goodness; what is the logic of the proposition that the Leader of the Opposition is trying to put?' He is saying that the Premier is not fighting to save the electricity industry; he is suggesting that the industry is to be lost—that is the logical consequence—when quite clearly what the Government is proposing is the privatisation of the industry. As the Treasurer would know, it was in fact the Labor Government which had agreed to sell a controlling interest in the South Australian Gas Company in 1993 and also the State Bank, a decision it also took in 1993. That to members opposite would be known as privatisation; even they would probably recognise that as privatisation.

Where Mr Rann questions fighting to save the casino monopoly, surely he is advocating another casino. We know that Mr Rann is very keen on gambling, because he voted for the poker machine legislation, but here the only logical consequence of what he is saying is that he thinks we should have another casino in South Australia. Does the Treasurer have a comment on this statement of Mr Rann's which was reported in last Saturday's *Advertiser*?

An honourable member interjecting:

The Hon. R.I. LUCAS: No I don't, actually. I do recall whilst eating my cocoa pops last Saturday morning having the same thought as the Hon. Legh Davis as he struggled in reading this article in the *Advertiser* twice. I nearly choked on my cocoa pops. It is a curious—

Members interjecting:

The Hon. R.I. LUCAS: Members opposite may have wished otherwise: that indeed I had choked on my cocoa pops. It is curious logic on the part of the Leader of the Opposition, who is floundering in an attempt to find reasons to oppose the proposed sale of ETSA and Optima.

Members interjecting:

The Hon. R.I. LUCAS: We will talk about that later; thank you for that invitation.

Members interjecting:

The Hon. R.I. LUCAS: After Queenslanders, yes. In relation to the Casino, it is curious logic of the Hon. Mike Rann. In endeavouring to criticise the Premier and the Government over this issue it would appear (it is hard to tell with the Hon. Mike Rann sometimes) that what he is arguing for is to remove the monopoly status of the Casino here in South Australia. There are two sensible reasons why we would not want to do that; there are obviously social policy goals and secondly it does not make much sense. If you wanted to sell an asset such as a casino and maximise the returns from their investment to the taxpayers of South Australia I would have thought you would be a little doubtful about the prospect of cutting into that position for the current Casino operator in South Australia.

The Premier has taken a strong view with his conscience in relation to gambling in South Australia, in particular gaming machines. Unlike Mike Rann, he is an opponent of gaming machines in South Australia. From a social policy viewpoint, he does not believe we ought to have another casino in South Australia. I understand that the Hon. Mike Elliott does not support that from a social policy viewpoint, either. So, on this issue the Hons Mr Elliott and John Olsen are as one—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: Yes, just like that—in terms of this policy issue. It is an encouraging sign to see the Hons Mike Elliott and John Olsen agreeing on that area of social policy goals. I could not understand the logic of Mike Rann's proposition, as I have not been able to understand much of his logic in relation to his opposition to the ETSA-Optima sale.

POLICE SECURITY SERVICES

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Police, questions about the Police Security Services and speed cameras.

Leave granted.

The Hon. T.G. CAMERON: The December 1997 edition of the *South Coast Police Journal* contained an open letter from a police officer stationed at Christies Beach. He was concerned about the negative publicity that the Police Force had received as a result of the Police Security Services trialing a new speed camera. His letter stated:

> I am a member stationed at Christies Beach Patrols and recently I saw a news item on *Seven Nightly News* relating to Police Security Services trialing a new speed camera. The story itself, or perhaps the security officers concerned, was quite comical in the way they tried to hide the camera from the news crews and quickly bundled it away on their arrival as though it was some huge secret. What annoyed me the most was the fact that the story was reported in a way that portrayed those security officers as being police officers in that it used words to the effect of 'police wanted to keep the camera under wraps'. It was my opinion that the way the members of the PSSD behaved was childish and frankly pathetic on this occasion, and perhaps the most annoying part was that these people were portrayed as being members of the Police Force, which they are not. I believe that SAPOL's association with PSSD should be defined as a matter of urgency to the public, and I believe that for this to occur the following changes need to be made:
>
> 1. PSSD members' uniforms be changed so that they are totally different from police officers.

2. The word 'Police' be removed from their corporate identity entirely.

3. The public need to be made aware that the operators of speed cameras are not members of the Police Force.

The letter went on to confirm what Labor has been saying for some time, as follows:

The public need to know that we, the members of the Police Force, do not operate or even condone the way speed cameras are operated at this present time and that many of us see the way in which they are operated at this time as being nothing but a revenue-raising tool.

My questions to the Minister are:

1. Does he agree with the statement?

2. Has the Government any plans to rid the Police Force of the negative publicity associated with the operation of speed cameras by removing the word 'Police' from the uniforms and corporate identity of the Police Security Services?

The Hon. K.T. GRIFFIN: I will refer the questions and bring back replies.

ELECTRICITY, PRIVATISATION

The Hon. J.S.L. DAWKINS: I seek leave to make a brief explanation prior to asking the Treasurer a question about electricity supply.

Leave granted.

The Hon. J.S.L. DAWKINS: I have noted in media reports today that the Leader of the Opposition and the shadow Treasurer in another place have suggested that severe electricity supply problems, such as those currently being experienced in the Auckland central business district, will occur in Adelaide as a result of the proposed sale of ETSA and Optima. Does the Treasurer have any comments to make on such suggestions?

The Hon. R.I. LUCAS: I thank the honourable member for his question because the Hon. Terry Roberts, by way of interjection to an earlier question principally about casinos, in quite an out of order way referred to Auckland in New Zealand. It is consistent with the view that the Leader of the Opposition, Mike Rann, and the shadow Treasurer, Kevin Foley, have been pursuing in the past 24 hours, wherein Kevin Foley has been proclaiming that looting in the streets and raiding of homes has been occurring. I am told that on 5AA this morning someone from Auckland in New Zealand has denied that. I am not sure who it was, but there is a different view from that put by Kevin Foley.

The essential thesis that they have been pushing and continue to push is that this would happen to Adelaide if the decision to privatise ETSA and Optima was to proceed. The interesting thing is that on advice provided to me this morning Mercury Energy—the company involved in Auckland, New Zealand—is not a privatised company. It is a company very similar to the corporatised ETSA Corporation.

Members interjecting:

The Hon. R.I. LUCAS: Exactly. ETSA Corporation is a corporatised entity, and Mercury Energy, we are advised, is a corporatised entity in Auckland.

Members interjecting:

The Hon. R.I. LUCAS: The worry is that clearly Kevin Foley and Michael Rann knew that, yet they deliberately withheld that information to try to back their public argument and frighten the consumers of South Australia about this issue. That is how desperate they are. Mike Rann comes from New Zealand; he is a Kiwi from way back. He knows the situation in Auckland, and when he went out to the public and said that this was an example of privatisation and stating what would happen here in Adelaide, he knew what he was saying. He knew that it was untrue, yet he continued to say it. It was a battle between him and Kevin Foley as to who would get the most publicity on this issue.

The advice I have been given is that there is a proposal to partly privatise 25 per cent of Mercury Energy, but so far it has not proceeded because of some Opposition from the stock exchange to partial floats. There is a difference to the ETSA corporatisation here where, I am told, the majority of the capital is owned by Community Trust, which owns the capital on behalf of the consumers.

To all intents and purposes I am advised that we are talking about a corporatised entity and certainly not talking about something that has been sold off to the private sector. Indeed, the advice I received was that this form of corporatisation is a half-way house where the companies are not subject to adequate accountability to either elected politicians or to private shareholders who are able to sell their shares.

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: The Hon. Terry Roberts is very quiet at the moment. The other issue in relation to the differences between New Zealand and South Australia is that there is no independent oversight of the New Zealand utility, such as Mercury Energy. Mercury Energy, I am told, is not accountable to any regulatory body, whereas in Victoria we have an Australian State-based regulator, the Office of Regulator-General in Victoria—

The Hon. T.G. Roberts: That's worse.

The Hon. R.I. LUCAS: The Hon. Terry Roberts says that is worse than having no regulation at all. That is the Labor Party's position. A senior frontbencher says that having regulations such as the Office of Regulator-General is worse than having no regulation, as in the New Zealand situation. That is an indication of the shadow front bench position of the Labor Party on this issue. That is not a view that this Government will share. We will not go down a path advocated by Terry Roberts, on behalf of Mike Rann, of having no regulation in this area along the lines of the New Zealand circumstance.

As the Premier has indicated, it is South Australia's intention to follow a model similar to the Victorian model where the Office of the Regulator-General will monitor the performance of electricity companies and publish information on network performance standards. I am also told that, unlike South Australia or Australia, there will be a legislative base to the national electricity market, and a comprehensive national electricity code in Australia has been put in place to ensure that major failures in transmission planning do not arise. I am told that the New Zealand model does not have a legislative base or a comprehensive national electricity code. Rather, it operates under a cooperative model.

I do not intend to take up too much more time of the Council to outline all the other clear distinctions between the Auckland experience and the potential South Australian experience other than to make two points. The Hon. Terry Roberts quite rightly indicated that in only the past few days there have been significant problems in Queensland, where three of the four generators are Government owned and operated.

Finally, I would like to quote someone of whom Labor members would be likely to take greater note than they would of me as a Liberal Treasurer in South Australia, but—

The Hon. T.G. Cameron: It could be anybody.

The Hon. R.I. LUCAS: Exactly. Let me, then, quote Bob Hogg, the ALP National Secretary, who was asked by Bob Carr to look at the issue of privatising the national electricity industry. When Bob Hogg—

The Hon. T.G. Cameron: You could come up with someone better than that. Put that on the record.

The Hon. R.I. LUCAS: Terry Cameron turns on his own when he is desperate. Bob Hogg, the ALP National Secretary, in advice to Michael Egan and Bob Carr, said about the Victorian experience in respect of price and service delivery:

> Prices are going down and will continue to do so for the next five years at least. The reliability of supply to customers has improved.

Regarding customer service, he said:

> . . . that contrary to some views, privatisation has not led to increased customer supply interruption, surges and blackouts.

That is Bob Hogg, no-one else other than one of your own.

MINISTER'S REMARKS

The Hon. T.G. ROBERTS: I seek leave to make a personal explanation.

Leave granted.

The Hon. T.G. ROBERTS: I will be brief. The Treasurer made big play of an interjection that I made regarding the differences between the non-regulatory system in New Zealand—

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: —under a no-responsibility clause under which that country's system obviously runs and the system by which the Victorian power supply is driven, that is, a private sector operation with a regulatory body. My interjection referred to the New Zealand circumstance where no regulatory system is in place. I said that was worse in relation to ownership control and distribution. The Treasurer picked up the interjection and used it against the Victorian system.

GAMBLERS REHABILITATION FUND

The Hon. NICK XENOPHON: I seek leave to make a brief explanation before asking the Minister representing the Minister for Human Services a question about the Gamblers Rehabilitation Fund (GRF).

Leave granted.

The Hon. NICK XENOPHON: The GRF was established by the Government on 23 August 1994 because, according to the ministerial statement by the Hon. Dean Brown, the Government was concerned with the problems associated with gambling addiction since the introduction of gaming machines. A fund of $1.5 million per annum was established with contributions from the industry. The ministerial statement went on to say:

> This fund will provide programs for gamblers in need of rehabilitation and for family counselling services. Funding of the programs will be authorised by a committee comprising representatives of non-government welfare agencies and the Department for Family and Community Services.

The GRF funds a number of welfare and counselling services under the umbrella name Break Even Gambling Services. I have to hand a report on the Break Even Gambling Services Community Evaluation Campaign which was conducted from December 1996 to July 1997. The report is dated October 1997, but I understand that it was released only recently. The report stated that the campaign, with a budget of $226 000, has as one of its primary short-term objectives to launch Break Even Gambling Services in South Australia so that 25 per cent of the South Australian community would be aware of the name and role of Break Even Gambling Services six months from the date of the launch.

The report discloses that after $226 000 was spent on this campaign public awareness of Break Even Gambling Service reached not 25 per cent but a mere 5 per cent, one-fifth of its target. Given this result and that the GRF committee of five comprises two gaming industry representatives and one representative each from Treasury, Family and Community Services and the welfare sector, will the Minister, in the light of the current evaluation that is being conducted by the department as to the 'efficiency, effectiveness and appropriateness of the operation of the GRF', undertake to review the membership of the GRF committee to increase general community representation and to instigate a cost effective campaign to expand public awareness of Break Even Gambling Services beyond the current appalling level of 5 per cent?

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

VOLUNTARY VOTING

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Attorney-General a question about voluntary voting.

Leave granted.

The Hon. J.F. STEFANI: The State Electoral Commissioner recently issued 42 000 South Australians with a 'please explain' notice for not voting in the last election. If these people are not able to provide a good reason for not voting, they will be penalised with a fine. Most democratic countries in the world adopt a voluntary voting system. Australia is amongst only a few countries in the world that retain a compulsory voting process. My questions are:

1. Does the Attorney believe that the fining of people who exercise their individual right is a fair and democratic process?
2. What are the estimated follow-up costs involved in this procedure?
3. What is the anticipated amount to be collected through these fines?
4. Will the Attorney advise the Council of the approximate timeframe during which the Electoral Commissioner is expected to obtain responses and issue fines?

The Hon. K.T. GRIFFIN: It is true, as the honourable member said in his explanation, that Australia is amongst a minority of countries that have compulsory voting. All the major democracies of the world—the United Kingdom, the United States, the States of the United States of America, Canada, the Canadian Provinces, New Zealand and a variety of other countries have voluntary voting.

The Hon. M.J. Elliott: Most of them have PR.

The Hon. K.T. GRIFFIN: No, they don't have PR. None of the countries to which I have referred other than New Zealand have proportional representation. Look at the mess they have got themselves into with multi-member proportional representation.

Members interjecting:

The PRESIDENT: Order!

The Hon. K.T. GRIFFIN: Even those countries which until earlier in this decade were Iron Curtain countries have now moved to voluntary voting. None of them have chosen compulsion because they lived under regimes of compulsion for many years and were delighted to be able to throw off the shackles of a communist regime. In this State, as everyone knows, we have been trying unsuccessfully for the past four years to bring voluntary voting into play, but we will keep trying as a matter of principle. We do firmly believe that in a democratic system not only should there be a choice of candidates but those who are electors should have a choice as to whether or not they go to the polling booth to cast either a valid or informal vote.

I do not have all the costs of the current process which the Electoral Commissioner is pursuing, but I can indicate that about 42 000 'please explain' notices went out on 7 January 1998. That compares with 33 000 notices following the 1993 election. The 'please explain' notices were sent to people in circumstances where the roll data indicated that an elector either had not voted or attempted to vote, or had not been excused following the provision of information either by them or another person before, on or after polling day. As at 9 February, the office of the Electoral Commissioner had received about 27 000 responses which included 6 000 returns from people who had left their addresses. Of the remainder, about 20 000 people have been excused and about 1 000 did not provide a reasonable excuse claiming, in the main, that they 'forgot'.

Some of the main reasons for excusing people included: they were either interstate or overseas on polling day, about 9 000; religious reasons, about 4 500; illness-related or caring for others, about 2 000. Excuses will continue to be taken and expiation notices will be withdrawn if a reasonable excuse is provided. I think on 23 February the Electoral Commissioner processed about 14 000 notices representing 1 000 electors who did not provide a reasonable excuse and about 13 000 electors who did not respond at all to the 'please explain' notice.

The expiation payment is $10 plus $7 criminal injuries compensation levy, and that payment is due within 30 days of 23 February. If electors do not respond or do not make payment or do not offer a reasonable excuse then the provisions of the Expiation of Offences Act will apply, that is, an immediate enforcement order will be recorded automatically by transmission electronically through to the Courts Administration Authority. A reminder expiation notice will be issued for $47 with 14 days to pay. After that, enforcement orders will apply and the fine will escalate up to about $176. That is a fine and costs, but this level would apply only if enforcement orders are also ignored by the electors.

There is a cost involved in that. I think for the 1993 election the estimate was approximately $250 000 costs with a fairly negligible return but significant administrative work having to be undertaken in the checking of the roll, in the determination of who should get 'please explain' notices, forwarding them out, processing the responses, then expiation notices and reminder notices, and ultimately court processes. One does have to wonder to what end that process is undertaken because, ultimately, most people will probably be excused; some will probably be fined but they will be a handful of the total of 42 000 people to whom the 'please explain' notices were issued.

It is a bit of a farce in the view of the Government, but the Electoral Commissioner does have to follow the particular requirements of the legislation. It is a statutory responsibility with which he is required to comply but, as I say, the Government regards it as a farce that we end up having to go through these processes for no discernible benefit to the community and in direct conflict with what we regard as the right for individuals to make a choice. In so far as I have not been able to provide detail to the honourable member, I will endeavour to have that information prepared and bring back a reply in due course.

CRIMINAL LAW (FORENSIC PROCEDURES) BILL

In Committee.

Clauses 1 and 2 passed.

Clause 3.

The Hon. K.T. GRIFFIN: I move:

Page 1, line 18—Leave out "section 16" and insert "section 17A".

This amendment is consequential on a later amendment to insert a new clause 17A (I think it is amendment No. 14). New clause 17A deals in essence with who is to be the appropriate authority for approvals for interim orders. Under the Bill clause 16 provides that the appropriate authority for interim orders is the Magistrates Court. The Chief Magistrate did not think this wording to be appropriate. In his view, which is accepted, it is not right to consider these emergency applications which may be made informally and at odd hours of the day or night to be a formal court process and subject to all the provisions of the Magistrates Courts Act.

That view is accepted and therefore the new clause makes it clear that the appropriate authority for an interim order is a magistrate. However, it is equally appropriate that the vehicle for a final order be the Magistrates Court with all the protections and procedures that the order requires. The amendment which I now move is consequential on that: it changes the references to the right section.

The Hon. IAN GILFILLAN: Is it appropriate to argue the substantive amendment (amendment No. 14) at this point or to wait?

The Hon. K.T. GRIFFIN: Could I suggest that, if there is some disagreement with the substantive amendment, it may be appropriate to deal with that now.

The Hon. Ian Gilfillan: I have a question.

The Hon. K.T. GRIFFIN: If it relates to the substantive issue, I am comfortable to take the question now.

The Hon. IAN GILFILLAN: I can understand that there may be occasions when an interim order is the appropriate one—in fact, it may be the only way to get the material satisfactorily. However, it does open up some concern that a less than full and adequate procedure may be used to get approval to go ahead with the taking of samples, particularly if it is against the wishes of the person. What restriction is there? What are the parameters through which the police can go to get an interim order? Is an appropriate final order always to be given, as I see in the note, and within what time frame?

The Hon. K.T. GRIFFIN: I refer the honourable member to clause 22, which refers to the making of an interim order and which states:

> . . . the appropriate authority may make an interim order authorising a forensic procedure if the authority is satisfied that—

(a) evidence (or the probative value of evidence) may be lost or destroyed unless the forensic procedure is carried out urgently; and

(b) there are reasonable grounds to believe that the grounds for making of a final order will ultimately be established.

There is no time frame within which it may be made, but subclause (3) provides:

Although a forensic procedure may be carried out on a person under an interim order, the evidence obtained by carrying out the procedure is inadmissible against the person unless a final order has been made confirming the interim order.

So there are a number of protections built into this. The interim order can be obtained to deal with a situation of urgency and the evidence is not admissible until it is confirmed by a final order, for which there is a much more stringent and formal process.

The Hon. CAROLYN PICKLES: We support the amendment. I indicate that we have no problem with any of the amendments and, to facilitate the rapid progress of the Bill, we do not intend to enter into debate on any of them. We are quite satisfied with them.

Amendment carried.

The Hon. K.T. GRIFFIN: I move:

Page 2, lines 26 and 27—Leave out the definition of "medical practitioner" and insert:

"medical practitioner" means a registered medical practitioner and includes, in relation to a forensic procedure involving the mouth or teeth or an impression left by the mouth or teeth, a registered dentist;

The purpose of this amendment is to ensure that the medical practitioners and dentists are referred to as being registered as such practitioners. If you leave out the word 'registered' a question was raised about the sort of Pandora's box that would open. This amendment is merely to clarify that one must be a registered medical practitioner or a registered dentist if one's services are to be used in the collection of certain forensic material in certain circumstances.

Amendment carried.

The Hon. K.T. GRIFFIN: I move:

Page 2, after line 29—Insert:

"person liable to supervision" means a person who has been declared liable to supervision under Part 8A of the Criminal Law Consolidation Act 1935;

This is a technical amendment. The Bill refers a number of times to a person defined under the mental impairment legislation. Parliamentary Counsel has decided that as a matter of drafting it should be done by definition. I think that tidies some of the drafting throughout the Bill by referring to it particularly in the definition.

Amendment carried; clause as amended passed.

Clauses 4 to 9 passed.

Heading.

The Hon. K.T. GRIFFIN: I move:

Page 5, line 13—Leave out 'PRINCIPALS' and insert:
PRINCIPLES.

Because headings are not part of the Bill, technically this could have been amended by the Clerk or Parliamentary Counsel but someone has decided that it should be done on a more formal basis.

Amendment carried.

Clause 10.

The Hon. K.T. GRIFFIN: I move:

Page 5, lines 16 and 17—Leave out 'with care to avoid inflicting unnecessary physical harm, humiliation or embarrassment.' and insert:

with care—

(a) to avoid, as far as reasonably practicable, offending genuinely held cultural values or religious beliefs; and

(b) to avoid inflicting unnecessary harm, humiliation or embarrassment.

The purpose of this amendment is to insert into the general principles governing the treatment of all people who have forensic procedures performed on them that due attention is to be given to genuinely held cultural values or religious beliefs so far as this is reasonably practicable. It is sending a signal to those who are taking forensic material that this is an issue which has to be taken into consideration.

The Hon. IAN GILFILLAN: I applaud the intention and purpose of this clause. How will it be supervised and what penalty will there be for an offender?

The Hon. K.T. GRIFFIN: The only sanction is to challenge the process in court, and that goes then to the admissibility of the evidence. It is very difficult when trying to make a judgment about the way in which one should carry out a forensic procedure to determine what is or is not relevant to particular cultural background of the person from whom the material is to be taken. Right through this Bill it is really a matter of procedures being followed. If they are not being followed it goes to the question of admissibility of the evidence and not policed by the enforcement of some form of fine or other sanction. I think the question of admissibility or otherwise of the material taken in the processes of court hearings is probably the most powerful way of dealing with this.

The Hon. IAN GILFILLAN: I would find it strange for a court to throw out evidence on the grounds that the unwilling donor was extremely embarrassed by the procedure. I am not convinced that what you are outlining will in fact have any meaningful persuasive powers on the extractors of the forensic material.

The Hon. K.T. GRIFFIN: I think the difficulty is that there are a lot of things in this Bill that may give rise to some challenge to the admissibility of evidence. If police do not follow the procedures, then there is a question of whether that defect in the process is of such significance that the evidence ought no longer to be admissible. There is a provision in the Bill which deals specifically with that. It has always been a principle of the law that, with confessions for example, if confessions are obtained under duress or some undue influence, the confessions are not admissible in evidence. Frequently we find in the criminal justice process challenges being made on what is called the *voir dire* hearing, which is a hearing within the proceedings themselves to deal with the appropriateness of the behaviour of the police officer who has taken the particular statement. So, although the honourable member may have some misgivings about this achieving the objective, I think in the context of the criminal justice process there are sufficient protections to ensure that, if it is not honoured and if it is something that goes to the very core of the evidence, the courts will then be able to make a ruling on the matter.

The Hon. IAN GILFILLAN: The earlier argument for the first amendment had the clause which actually indicated that evidence would not be admissible, but this clause does not have that as a consequence; so, although I am happy to have it put in the *Hansard* as you have explained it, it does not appear to me that the Bill gives any particular encouragement to the court to throw out evidence even if it is shown to have been taken in contravention of this clause.

The Hon. K.T. GRIFFIN: I draw the honourable member's attention to clause 44:

(1) If a police officer or other person with responsibilities related to a forensic procedure carried out, or to be carried out, under this Act contravenes a requirement of this Act, evidence obtained as a result of carrying out the forensic procedure is not admissible in evidence against the person on whom the procedure was carried out unless—

(a) the person does not object to the admission of the evidence; or

(b) the court is satisfied that the evidence should be admitted in the interests of the proper administration of justice despite the contravention.

The Hon. IAN GILFILLAN: Very satisfactory answer.

Amendment carried.

The Hon. K.T. GRIFFIN: I move:

Page 5, lines 21 to 23—Leave out subclause (3) and insert:

(3) If reasonably practicable, an intimate forensic procedure must not be carried out by a person of the opposite sex or in the presence or view of a person of the opposite sex (other than at the request of the person on whom the forensic procedure is to be carried out.

The purpose of this amendment is to change the subclause so that it applies not only to the presence of witnesses or the view of a person of the opposite sex but also so that the clause specifically applies to minimise the participation in the carrying out of the procedure by a person of the opposite sex. Although this was probably implicit in the original clause, it was thought to be advisable to make that clear.

Amendment carried; clause as amended passed.

New clause 10A.

The Hon. K.T. GRIFFIN: I move:

Page 5, after line 23—Insert:

Right to be assisted by interpreter

10A. If a person in relation to whom a forensic procedure is to be carried out is not reasonably fluent in English, the person is entitled—

(a) to be assisted by an interpreter; and

(b) if the person so requests—to have an interpreter present during carrying out of the forensic procedure.

The purpose of this amendment is to insert a right to an interpreter if the person concerned is not reasonably fluent in English. The provision here is currently that which is available to persons subject to police investigation in section 83a of the Summary Offences Act. It is therefore simply a transfer of an existing right from one legislative place to another. The latter provision does not apply to the procedures contemplated in this legislation, because the suspect may not be under arrest or the procedure may be being carried out on a victim of or a witness to a crime.

New clause inserted.

Clauses 11 to 14 passed.

Clause 15.

The Hon. K.T. GRIFFIN: I move:

Page 6—

Line 30—Leave out 'generally admissible in criminal proceedings against the person' and insert:

admissible in criminal proceedings against the person without the person's consent

After line 33—Insert:

(fa) that, if information is obtained from carrying out a forensic procedure and the person is subsequently convicted of the suspected offence (or another offence by way of an alternative verdict) or is declared liable to supervision, the information may be stored on a database and will in that event be available for access by authorities in this State and other States; and

After line 36—Insert:

(1a) If a person whose consent to a forensic procedure is sought is not reasonably fluent in English, the explanations required under subsection (1) must be provided through an interpreter.

Page 7—

Line 4—After 'practitioner' insert:

before responding to the request for consent.

After line 14—Insert:

(6a) Arrangements must be made, at the request of the person whose consent is sought, for the playing of a videotape record at a reasonable time and place to be nominated by the investigating police officer.

I propose to deal with all the amendments together. The first amendment deals with the issue of 'generally admissible'. In consultation, it was thought that the phrase 'generally admissible' was too general and did not convey the actual position that the legislation sought to achieve; that is, it did not really convey an accurate interpretation of the position. The new words are designed to be very specific and accurate about the position.

With respect to the second amendment, in the process of consultation it was thought (rightly) that people have the right to know what could happen to their samples if they were convicted. Information privacy principles, which have the force of a Cabinet instruction, require an agency when collecting personal information to advise the person, among other things, in general terms of its usual practices with respect to the disclosure of personal information of the kind collected. In this case, clause 15 did not require that the suspect be told that if he or she is convicted the identifying material may be placed on a database. That situation is to be corrected by this amendment. The third amendment provides for the services of an interpreter for the same reasons as those given in relation to new clause 10A. The fourth amendment is designed to ensure that it is clear that the suspect has the right to take legal advice before being asked to indicate whether or not he of she gives an informed consent to the taking of a sample.

The last amendment is moved for the following reason. A response to consultation pointed out that, although the Bill provided for access to a copy of the videotape of the procedure if the person concerned paid a fee set by regulations, the Bill did not provide the person with the right to view the tape for free. This will help keep down legal expenses and is in accordance with the provisions of section 74(d) of the Summary Offences Act dealing with the electronic recording of police interviews with suspects. It ensures consistency of approach and equality of treatment.

The Hon. IAN GILFILLAN: The amendment to clause 15 after line 33 more or less ensures that people will be informed about the likely use to which the material would be put. I hope that was one of the concerns I put in my second reading contribution, because it will be an advantage if this whole procedure is accepted willingly by all those who are involved; and clear and open disclosure prior to rather than after the event is quite important. I was looking at the wording of this amendment rather than just the explanation, and I see that it provides that 'if the information is obtained from carrying out a forensic procedure and the person is subsequently convicted of the suspected offence or another offence by way of an alternative verdict or is declared liable to supervision, the information may be stored on a database and will in that event be available for access by authorities in this State and other States'. For how long will that material be kept on a database, which one assumes will be available to this State and other States but possibly even for international discovery?

The Hon. K.T. GRIFFIN: The details of the national DNA database are still being developed, but it is quite likely that they will be kept forever. Once you have been convicted of a serious crime one of the consequences is that your DNA

material will be kept. In the second reading debate the honourable member asked what happens when the person dies. I am not able to answer that finally, because many of the details are still being developed. It may be that it is kept as an identified DNA profile, partly for the reasons that I indicated when I replied. It may be that a person dies and has a criminal record but other offences may have occurred before death in respect of which the DNA profile may be helpful in identifying whether or not that person was the offender. It may be that a person dies as a result of a shoot-out with other rogues in that area of criminal behaviour. They could be shot by police or there could be a whole range of possibilities. They may have died from natural causes, but it will be important at least to keep the DNA profile to be identified for some time. On the other hand it may be kept later without an identifier on it. That is information on which, because the DNA database is currently still being developed, I cannot give any clearer response to the honourable member.

The Hon. IAN GILFILLAN: It is a little unsettling that we are passing a measure here where the detail—and I think it is quite significant detail—has not yet been determined. I recollect (I am afraid without much reliable accuracy) the procedure that on an offender's record there is a retirement of the recording of a certain offence after a period of time.

The Hon. R.R. Roberts interjecting:

The Hon. IAN GILFILLAN: Some civil libertarians. So, the principle exists that a person should not carry the stigma for an offence after a reasonable period of time in which punishment has been fulfilled. I can understand that the Attorney will not be able to answer this question in specific detail, but it is important that this matter go on the record. We are at risk of trampling on a basic civil liberty. Taking DNA material and putting it in a database is contingent upon there being an offence. Therefore, to keep that data on a database is already stamping that person as an offender, for all time and, what is more, for that person's descendants two, three or four generations down the track. That is totally unacceptable. I would like to think that, when there is some rational analysis of the civil liberties aspects of this in the fullness of constructive discussion, some very distinct discretion will be provided as to how long this material can be kept. I think the Attorney has answered that question, but I wanted to put my concerns into *Hansard*. I appreciated the interjection from the Hon. R.R. Roberts, who identified that it was a Labor Government that took that earlier move, which reflected human justice and civil liberties.

Obviously the amendment relating to legal advice before being asked whether or not to give informed consent is a sensible and appropriate one. I am grateful to my colleague, the Hon. Nick Xenophon, for commenting on the latter part of the clause—after line 14—which states:

> Response to consultation pointed out that, although the Bill provides for access to a copy of the videotape of the procedure, if the person concerned paid a fee set by regulations, the Bill does not provide the person with a right to view the tape for free.

The Hon. Nick Xenophon astutely observed that clause 39 has a procedure which still carries a fee. I mention it now because the Attorney's adviser may care to look at that and have time to think about whether it may be appropriate that the fee be lifted for that procedure as well. It certainly appears to be so to the Hon. Nick Xenophon, who came over here with righteous indignation and stirred me up on it.

Also, it does not seem logical that, if you are going to remove the fee, it is regarded as helping to keep down legal expenses. I am not sure to whom the legal expenses apply. Is it to the suspected offender?

The Hon. K.T. GRIFFIN: Not the suspect, the defendant. We are amending clause 39.

The Hon. Ian Gilfillan: Okay. The Hon. Nick Xenophon and I stand meekly in our place!

The Hon. NICK XENOPHON: Unfortunately, it was not I who was astute; I cannot take credit for it. The Hon. Ron Roberts pointed it out to me in the course of discussing the legislation. So, I cannot take credit for picking up something that is a legitimate area of concern.

Amendments carried; clause as amended passed.

Clause 16.

The Hon. K.T. GRIFFIN: I move:

> Page 7, lines 18 to 27—Leave out this clause.

This is consequential on the next amendment, to which I have referred. The next amendment seeks to insert a new clause 17A.

Amendment carried; clause negatived.

Clause 17 passed.

New clause 17A.

The Hon. K.T. GRIFFIN: I move to insert the following new clause:

> 17A (1) An order authorising a forensic procedure on a person who is under suspicion (the respondent) may be made under this Part by an appropriate authority.
>
> (2) A magistrate is an appropriate authority for the purpose of proceedings for an interim order under this Act.
>
> (3) The Magistrates Court (in its Criminal Division) is an appropriate authority for the purpose of proceedings for a final order under this Act.
>
> (4) A senior police officer is an appropriate authority for the purpose of proceedings for an interim or a final order under this Act if—
>
> (a) the officer is not involved in the investigation for which the authorisation is sought; and
>
> (b) the respondent is in lawful custody; and
>
> (c) the respondent is not a protected person; and
>
> (d) the forensic procedure for which an authorisation is sought is non-intrusive.

I have already spoken on this new clause.

New clause inserted.

Clause 18 passed.

Clause 19.

The Hon. K.T. GRIFFIN: I move:

> Page 8, lines 11 and 14—Leave out 'believing' and insert 'suspecting'.

The Bill is drafted in terms of application to persons who are reasonably suspected of being involved in the commission of an offence. At a point in the drafting a policy decision was taken to consider a draft based on 'reasonable belief', but for various reasons that course of action was not adopted. The word 'believing' here is incorrectly transposed from the earlier draft. The word 'suspecting' is the right one in both instances.

Amendments carried; clause as amended passed.

Clauses 20 and 21 passed.

Clause 22.

The Hon. K.T. GRIFFIN: I move:

> Page 9—
>
> Line 13—Leave out 'the applicant's statements' and insert 'the applicant's representations'.
>
> Line 15—Leave out 'submissions' and insert 'representations'.

During consultation it was pointed out that the draft varied between using the terms 'submissions', 'representations' and 'statements'. It was suggested that this inconsistency or

terminology could lead to uncertainty, so in the interests of clarity the same term has been adopted.

The Hon. IAN GILFILLAN: I have a purely grammatical question. Why was 'representations' chosen as being the global term to cover 'submissions' and 'statements'?

The Hon. K.T. GRIFFIN: It was more that we used it in clause 21. The honourable member may ask me why we used it in clause 21. We felt that it was a broader description than 'statement' or 'submission'. That may be a matter for debate, but the change here is to achieve a consistency of approach, and 'representations' covers the full range of submissions and statements and is an appropriate way of referring to it.

Amendments carried; clause as amended passed.

Clause 23.

The Hon. K.T. GRIFFIN: I move:

Page 10, after line 12—Insert:

(4) A respondent arrested on a warrant issued under this section is eligible to apply for release on bail pending the hearing of the application as if the respondent were a person who is appearing or is to appear before a court as a witness in proceedings.

The purpose of this amendment is to ensure that the court, before whom a person is brought in answer to a warrant issued under this section, is eligible for bail. This process is not one of those listed in section 4 of the Bail Act, so bail may not have been available, absent explicit provision to allow for it.

The Hon. IAN GILFILLAN: I am not sure whether I understand the reading of the explanation because it talks about the court's being eligible for bail as I see it. Should it refer to the accused?

The Hon. K.T. GRIFFIN: It is always the respondent's being eligible for bail.

The Hon. IAN GILFILLAN: You said, 'The purpose of this amendment is to ensure that the court, before whom a person is brought in answer to a warrant. . . '.

The Hon. K.T. GRIFFIN: You are right. I did not read it carefully. Instead of being 'is eligible for bail' it should read 'is able to grant an application for bail'. If the defendant is eligible for bail, the court has the power to grant it. That is really the context.

Amendment carried; clause as amended passed.

Clause 24.

The Hon. K.T. GRIFFIN: I move:

Page 10, line 18—After 'witnesses called by the applicant' insert 'and, by leave of the appropriate authority, witnesses whose evidence has been submitted in writing'.

In consultation it was pointed out and agreed that the provision had to be amended to ensure that the respondent had the right to cross-examine a person whose evidence is sought to be given to the court in the form of an affidavit. This amendment achieves that aim.

The Hon. IAN GILFILLAN: This refers to a Magistrates Court hearing of an application for a final order; is that correct?

The Hon. K.T. Griffin: Yes.

The Hon. IAN GILFILLAN: I am not sure whether the amendment empowers the respondent to do what he or she could not do before this amendment was effected.

The Hon. K.T. GRIFFIN: This is essentially a matter of drafting. Clause 24(1) provides:

The applicant for a final order may submit evidence orally or in writing.

So, there is no problem about cross-examination, because the person is already in court. Subclause (2) provides:

The evidence must be verified on oath or by affidavit.

We seek to ensure that where evidence is submitted in, say, an affidavit, the person who submits that evidence may be subject to cross-examination. That is the normal practice, but because it is provided that 'the applicant for a final order may submit evidence orally or in writing' and in subclause (3)(b) 'may cross-examine the applicant and other witnesses called by the applicant', on a strict interpretation that would deny the opportunity for the cross-examination of a witness who has made an affidavit. It would be unjust if that consequence were to follow. The amendment merely tidies up that point.

Amendment carried; clause as amended passed.

Clause 25.

The Hon. K.T. GRIFFIN: I move:

Page 10, lines 27 to 33 and page 11, lines 1 to 9—Leave out paragraph (c) and insert:

(c) the public interest in obtaining evidence tending to prove or disprove the respondent's guilt outweighs the public interest in ensuring that private individuals are protected from unwanted interference.

(1a) in weighing the public interest in obtaining evidence tending to prove or disprove guilt against the public interest in ensuring that private individuals are protected from unwanted interference, the appropriate authority must have regard to—

(a) the seriousness of the suspected offence; and

(b) the extent to which the procedure is necessary for the proper investigation of the suspected offence; and

(c) any likely effects of the procedure on the welfare of the respondent (so far as they can be reasonably anticipated) given the respondent's age, physical and mental health, and cultural and ethnic background; and

(d) whether there is a less intrusive but reasonably practicable way of obtaining evidence of the same or similar probative value to confirm or disprove that the respondent committed the suspected offence; and

(e) if the respondent gives any reasons for refusing consent those reasons; and

(f) other relevant factors.

During consultation a lawyer pointed out that the drafted version of clause 25 was confusing because the vital balancing test at the end of what is currently clause 25(1)(c), in particular, is a very long way from the beginning of the sentence of which it forms a part. The amendment seeks to overcome this by splitting what is now clause 25(1)(c) into two parts so that what is now the test at the end of clause 25(1)(c)—that is, the public interest test—is put together with what is now sections 25(1)(a) and 25(1)(b) and comes as a first and discrete subsection. Then there is a separate subsection that says that in determining the public interest test one must have regard to the matters now listed in sections 25(1)(c)(i) to (vi). The amendment makes that list of factors a separate subclause (1)(a). The amendment changes nothing of substance but makes the whole section easier to read and comprehend.

Amendment carried; clause as amended passed.

Clauses 26 and 27 passed.

Clause 28.

The Hon. K.T. GRIFFIN: I move:

Page 12, lines 12 and 13—Leave out 'under Part 8A of the Criminal Law Consolidation Act 1935'.

This is a technical amendment. The phrase 'person liable to supervision' is now in the definition section by reason of an earlier amendment in this series of amendments.

Amendment carried; clause as amended passed.

Clause 29.

The Hon. K.T. GRIFFIN: I move:

Page 12, line 25—Leave out 'a blood sample' and insert 'material for the purpose of obtaining a DNA profile'.

During consultation, the National Institute of Forensic Science pointed out that the future of DNA testing lies with the Buccal swab. Clause 29(1) is framed on the assumption that the best way of taking a DNA sample is by blood sample. That may not be necessary. Other methods may be just as effective. It follows that that section is unnecessarily restrictive. It was decided that it should not specify the method at all. In that way, the general principles of professional standards and regard for human dignity in clause 10 come into play. The DNA sample should be taken by the best and most humane method which will achieve the desired result.

The Hon. IAN GILFILLAN: On the face of it, this amendment appears to be unexceptionable. My concern is that it is open-ended. The Attorney may be able to satisfy my concern. In the Bill, as I see it, there is a more specific description and, therefore, definition of the procedures that could be accepted as a reasonable means of collecting the samples. It may well be that the Buccal swab is both a more dignified and a more effective way, but that is not specifically named in the Bill, nor is there any definition which gives me some reassurance that this is not virtually providing an open-ended ticket for the collecting authority to use whatever procedure it chooses.

The Hon. K.T. GRIFFIN: We have dealt with it in a different way. We define a forensic procedure, an intrusive forensic procedure and an intimate forensic procedure, and, of course, taking a blood sample is probably the most intrusive of all. A swab is taken by merely wiping rather than inserting a needle into a vein. I think the principles in the Bill are sufficiently pervasive, and the description of the procedures by which forensic material may be taken and in what circumstances is sufficiently clear to ensure that all the protections of this legislation are in place. The Government's position is that it does not want to limit the provision to the taking of a blood sample because, as I said, that is probably the most intrusive of all procedures for taking forensic material when something much less intrusive would be appropriate.

This amendment recognises that developments in DNA testing and the taking of samples are such that at some stage in the future it may be possible to press your finger onto a device which might quickly take a DNA sample. That shows my ignorance of chemistry, biology and analytical techniques, but I suppose that could be possible. We do not know what is available. It may be that there will be such developments which, if we refer here only to 'blood samples', will prevent the provision of a more humane and less intrusive way of obtaining a sample.

Amendment carried; clause as amended passed.

Clauses 30 to 35 passed.

Clause 36.

The Hon. R.R. ROBERTS: I notice that clause 36 provides:

> (1) If an intrusive forensic procedure is to be carried out on a person, the person must be allowed a reasonable opportunity to arrange for the attendance, at the person's expense, of a medical practitioner of the person's choice to witness the forensic procedures.

This touches on the point that has been raised before. I must point out that I received these amendments only when we came into the House, and I have not had a great deal of time to cross-check them. Normally, I would have checked with Mr Michael Atkinson. However, I notice that the clause provides:

> If. . . a procedure is to be carried out on a person. . . '

The Attorney-General, in an answer to the Hon. Nick Xenophon, said that this was only for defendants, and he picked it up in the clause that replaces clauses 39 and 40. I have looked closely at that clause and it does not state 'defendant', and it does not state 'defendant' in this clause. However, it states 'at the person's expense'. I have a problem with that. First, there is the principle that you are actually innocent and you must pay the costs of defending yourself when you have not necessarily been charged. Forensic tests can be carried out without one being charged if there is a reasonable suspicion. If you are a vagrant with no means, how are the costs met and who meets them? I have a further question in relation to this clause. The Attorney-General did say in an answer to the Hon. Nick Xenophon that it applied only to defendants. Where does the clause provide that all these procedures apply only to defendants?

The Hon. K.T. GRIFFIN: I did not intend to give the impression that it applied only to defendants. I made a response to Hon. Mr Gilfillan in respect of a particular instance. These processes may apply to suspects. They may apply to victims, but one would expect that a victim will give consent to a forensic procedure being undertaken without the requirement for any court order. In distinguishing the accused person as one who has been charged or arrested from a person who is a suspect, there are protections in the Bill. If a person does not give consent, an application can be made to an appropriate authority, depending on the nature of the procedure, and ultimately that can be resolved by a magistrate. All the safeguards are there—proper notice, court order if it is urgent, interim order and final order confirmed in a magistrates court. There are a lot of these protections in the Bill. If all the processes have been satisfied and the suspect or the accused person is required to give the sample or the material, and it is being taken by a medical practitioner or a dentist, then the person can have their own doctor present to witness it.

The Hon. Carolyn Pickles interjecting:

The Hon. K.T. GRIFFIN: They do not have to. We think there is sufficient integrity in the system not to warrant that, but we are saying that if an accused person or suspect wants to get his own medical practitioner, he can do it at his own expense.

The Hon. R.R. Roberts interjecting:

The Hon. K.T. GRIFFIN: Yes, because we reckon there are sufficient protections in the Bill.

The Hon. T. Crothers interjecting:

The Hon. K.T. GRIFFIN: Maybe I do; I thought you did, too.

The Hon. T. Crothers interjecting:

The Hon. K.T. GRIFFIN: Let us not get on to that. People play these games; they used to play them with drink driving. We do not want someone who is arrested at Mount Gambier, or someone who is a suspect at Mount Gambier, being taken to their doctor who is—

The Hon. R.R. Roberts interjecting:

The CHAIRMAN: Order!

The Hon. K.T. GRIFFIN: No. We have all the protections in here that one needs. The Government is not prepared to remove that provision. We believe it is fair and reasonable. We are providing the opportunity, but people in that respect have to bear their own costs.

The Hon. R.R. ROBERTS: I take the point. The Attorney-General talked about the blood test kits and I understand that. I did have some involvement in blood test kits, and it took 12 months to get that fixed up. The RBT

legislation in South Australia is one of the few pieces of legislation in this system which provides that you are guilty until you prove that you are innocent. The basic tenet of the law, as I understand it, is that you are innocent until you are proven guilty.

In the situation we are talking about here, someone wants to do forensic testing, DNA testing, on someone he suspects. The person says, 'I'm innocent.' and the law is supposed to presume that he is innocent. If he is told that a court order has been obtained to carry out the procedure, he may say, 'Well, I want my witness present there.' Then the law says to this, presumably, innocent person, 'This will cost you $50.' That is fine if you have $50 but I would still argue that that is a travesty. But, if you have no visible means of support and no money—often people are in those circumstances—according to the Attorney-General you do not have to have a witness there. It may be best for your defence to have him there, but you cannot afford it.

What we are saying is that, again, if you want to view evidence which in some cases you are forced to give, if you are presumed to be innocent, you pay a fee set by regulation. Most of the fees set by regulation are not small amounts. The prosecution does not get an extra bill when they want to have a look. If you have been charged, it is part of the evidence. But it is evidence collected by the prosecution and paid for by the taxpayers to ensure justice is done. The person being charged is entitled to have justice seen to be done also. I find it objectionable on a civil liberties basis that you have pay to get the information that is being gathered. To get a copy of it you have to pay a fee. It takes away the presumption of innocence in my view and I ask the Attorney-General to address that.

The Hon. K.T. GRIFFIN: I am absolutely staggered by the honourable member's statements. This has nothing to do with the presumption of innocence: it has everything to do with a person's health. In terms of access to evidence, the details of the DNA analysis it is available for free. You can view it for free.

The Hon. R.R. Roberts interjecting:

The Hon. K.T. GRIFFIN: Everything, because this is about taking samples. It is not about the integrity of the evidence. It is about whether or not you want someone there while the sample is being taken. It is about your health. It is not about the integrity of the sample.

The Hon. R.R. Roberts: You're not taking a forensic test for health purposes; you're taking it for evidence. It's nothing to do with his health.

The Hon. K.T. GRIFFIN: When you take a sample it is a matter of affecting your wellbeing; it is not a matter of the integrity of the sample.

The Hon. CAROLYN PICKLES: My understanding is that at the present time when a forensic procedure is carried out under the legislation this right is not extended to the person.

The Hon. K.T. Griffin: That's correct.

The Hon. CAROLYN PICKLES: So, you are extending a further right. Has the Attorney contacted any of the private medical insurers or indeed Medicare itself to see whether or not this procedure would be covered under either private health insurance or Medicare?

The Hon. K.T. GRIFFIN: I must confess that I did not think this issue would ever arise. In fact, it was never close to my mind. We thought we were doing everybody a favour by providing for a person to have present a medical practitioner. We are giving all sorts of rights here—and I believe in it: we are giving rights in relation to getting legal advice and interim orders, which do not become final orders until the magistrate has confirmed it. The evidence is not admissible until the interim order is confirmed by a magistrate. We are giving a right to have your own medical practitioner present, and you do it at your own cost. I do not know whether Medicare would cover it.

The Hon. Carolyn Pickles interjecting:

The Hon. K.T. GRIFFIN: That may be relevant to the issue raised by the Hon. Ron Roberts, because he is only complaining about the cost. He is not complaining about the granting of the right for the medical practitioner to be present; he is only arguing about the cost. The Government and I are saying that this is a right which is being made available to an accused person to ensure that when the sample—

The Hon. R.R. Roberts: Which he should have, because it is just and proper for him to have this.

The Hon. K.T. GRIFFIN: Sure. What's the problem? You're only arguing about the cost; that's what I am saying. The Government's view and my view is that there is a proper balance between the rights of an accused person and the rights of the law enforcement agency, and these are rights which are being granted in the context of a much more regulated process for taking forensic material than exists at the present time.

The Hon. CAROLYN PICKLES: Would the Attorney take some advice on whether or not these procedures are covered under private health cover or Medicare? What would be the approximate cost of these producers? Does the Attorney think that many people would take up this right to have their doctor present? Does it give the doctor a right to refuse to be there?

The Hon. IAN GILFILLAN: I am not persuaded that I would oppose this clause on the basis of the questions that have been asked. I think the questions are relevant and sensible but will not be critical to whether or not I support it. I support the clause as it exists in the Bill.

The Hon. K.T. GRIFFIN: I thank the honourable member for his indication of support. I am happy to make some inquiries of Medicare. I do not think that decisions of State Parliaments and State Governments ought to depend on decisions of the Federal Government in relation to whether or not they will fund a particular procedure.

The Hon. R.R. Roberts interjecting:

The Hon. K.T. GRIFFIN: Section 81 of the Summary Offences Act, which deals with the power to search, examine and take particulars of persons, deals with strip searches—you are not entitled to have anybody present for a strip search—and a member of the Police Force may search and take anything found upon his or her person and may use such force as is reasonably necessary for those purposes. Subsection (3) provides:

> Where a member of the Police Force intends to request a medical practitioner to examine a person in custody the member must, before communicating with the medical practitioner for the purpose of making the request, inform the person in custody of the intention and inquire from that person whether he or she desires to be examined also by another medical practitioner known by that person. If the person states that he or she does so desire—

and this is a medical examination, it is not forensic—

> and names the medical practitioner, the member must promptly take all reasonable steps to inform that practitioner by telephone message that the person in custody desires him or her to attend at the police station and examine the person. A person in custody is liable for the cost of the medical examination conducted at his or her request under

this subsection and neither the Crown nor any member of the Police Force is liable for that cost.

That has been in existence for many years. In terms of the right of a medical practitioner, if the medical practitioner requested by the accused person does not want to attend he or she does not have to attend. It is as simple as that. I rest my case on the fact that already in section 81 of the Summary Offences Act, which deals with an area similar to what we are now dealing with, a person, if they want a medical practitioner present, pays the cost.

Clause passed.

Clause 37.

The Hon. K.T. GRIFFIN: I move:

Page 15, after line 27—Insert:

(2a) Arrangements must be made, at the request of a person on whom a forensic procedure was carried out, for the playing of the video recording of the procedure at a reasonable time and place to be nominated by the investigating police officer.

This is a similar approach to that taken in relation to the amendment to clause 15.

Amendment carried.

The Hon. IAN GILFILLAN: The issue of the payment of fee for this video, the same as for the fee in clause 39, is I think one of basic principle. I cannot see the justification for a person having to pay to have a useable copy or access to a report that is so directly related to their personal concerns and wellbeing.

The Hon. K.T. GRIFFIN: The fee is payable if they want a copy. That is a position, as I already indicated, under section 74D of the Summary Offences Act which deals with the electronic recording of police interviews with suspects. You can view it if it is a video, and you can listen if it is an audio tape, and you do it for free. However, if you want copies—

The Hon. Ian Gilfillan: Where is that covered?

The Hon. K.T. GRIFFIN: That's in section 74D. We have already dealt with this under clause 15. Section 74D is in the Summary Offences Act. I am drawing an analogy, because that is the same principle as we enacted in the last Parliament to deal with the audiotaping or videotaping of accused persons' statements by police. We have already now dealt with it in the amendment in clause 15 and this just provides a consistent approach. It is a provision for which there are precedents. No-one is saying you cannot watch or listen to this, and times have to be arranged to enable you to do it; but if you want a copy you have to pay for it.

The Hon. CAROLYN PICKLES: What is the fee at present under the Summary Offences Act? Does the Attorney have that information, or can he provide it to the House of Assembly?

The Hon. K.T. GRIFFIN: I would prefer not to hold up the consideration of the Committee to find it out. I understand that the cost of the videotape or the audiotape is only a few dollars.

The Hon. CAROLYN PICKLES: You provide the original tape and they make a copy?

The Hon. K.T. GRIFFIN: I suppose you could, but it is most likely, and probably most preferable, to have one provided by the police. I suppose it raises issues about whether there is already something on the videotape which might compromise the integrity of the copy tape which you get. I will undertake to obtain information for the honourable member and ensure that she gets that before we deal with the Bill in the House of Assembly.

The Hon. CARMEL ZOLLO: Will people on legal aid not be disadvantaged at all?

The Hon. K.T. GRIFFIN: If it is on legal aid it will be dealt with through the Legal Services Commission and through the funding which is made available to legal practitioners. My understanding is that they pay for transcripts; as I recollect, they pay for experts, and pay for other things that the lawyer acting for an accused person thinks are necessary for the conduct of the trial. I do not see how any person on legal aid will be disadvantaged, because it will be dealt with through the existing system.

The Hon. R.R. ROBERTS: In relation to this fee that will be set by regulation, have the companion regulations to this Bill been drafted?

The Hon. K.T. GRIFFIN: The regulations have not been drafted and they will not be drafted until the final form of the Bill has been determined by the Parliament. I will endeavour to get the information for the Leader of the Opposition—she can communicate it other members who need it—about the current cost of videotapes of statements taken by police from accused persons. That should give us an indicator of what the costs will be.

The Hon. IAN GILFILLAN: I apologise for having missed clause 15; the Attorney keeps rubbing into me the fact that it has been dealt with before. But I must remind him that he did not point this out to me and say that I had noted it; so with that qualification, I would like to say with emphasis that I believe that this is a spurious principle. These people do not choose to go through these procedures. They are not getting this material to entertain their family and friends. We pride ourselves on being a just society. I believe quite genuinely that that is the aim of the Attorney. I do not regard him as a cupboard dictator or a victim hunter; in fact, the reverse. If, in fact, this has to be visited again on a wider canvass, going to the Summary Offences Act to look at it again, I believe it should be. Should people have to pay for access to material which is so critical? It may be in their actual court action that is pending or, for that matter, it could be data that is going to be on the database for the third and fourth generation. This should be made available free of cost, and I would be pleased to hear from the Attorney that he may consider this a matter which could be the subject of further investigation on the basis that it is a human right to be able to have this material free of cost.

The Hon. K.T. GRIFFIN: I do not want to get into a big debate on human rights. I thought the principle had been well established under the previous Government and the last Liberal Government. What I read out in relation to clause 15 was this:

Response to consultation pointed out that, although the Bill provided for access to a copy of the videotape of the procedure, if the person concerned paid a fee set by regulations, the Bill did not provide the person with a right to view the tape for free. This will help keep down legal expenses.

If a person does not want to pay for it but wants merely to have a look at it, then it will keep down legal expenses. I further stated:

It is in accordance with the provisions of section 74d of the Summary Offences Act dealing with the electronic recording of police interviews with suspects. It ensures consistency of approach and equality of treatment.

Let us deal with the process. An accused person wants to defend the charge. He or she has been the subject of examination and a forensic procedure has been undertaken to take forensic material. What we are talking about is a videotape

of the taking of the forensic material. The whole object of that is to avoid all of the questions which defendants will undoubtedly raise, because they have done it time and time again and will continue to do it, although not so frequently these days because videotapes of statements are taken. But the issue is: how was the procedure carried out? You do not need a copy of it to be able to brief your lawyer. Your lawyer can make a time with you. It can be arranged through the Remand Centre, if that is where you happen to be in custody; you go with your lawyer or the lawyer can come to you and the videotape can be brought to you so that you can sit down with your lawyer and view the videotape of the forensic procedure being taken. If it is a blood sample, it will be videotape of the needle being stuck in your arm, the blood being taken out, and the preparation for that, of course, with the strap around your arm and the stethoscope—

The Hon. Carolyn Pickles: They would identify the person.

The Hon. K.T. GRIFFIN: Obviously, yes; it would not be just a person's arm. We can imagine what sort of challenges would come from defence counsel in relation to that. I would expect it to be a very brief video. On the other hand, it may be that semen samples have to be taken or there has to be some scraping—

The Hon. R.R. Roberts: I don't want to see the video of that!

The Hon. K.T. GRIFFIN: But they are made. You can imagine what will happen with that. I can tell you that when we were looking at audiotaping witnesses' statements, particularly with child sex abuse cases, we deliberately prevented accused persons from having copies of videotapes because they were showing them to their porno mates. We deliberately stopped that. I am not suggesting that that is what might happen, but if you are looking at the issue of semen samples, or some other intrusive procedure, some quirky person might decide they want to get a copy and then flaunt it around the prison or wherever else they might go with their mates. I am not putting that up as an argument in favour of a fee; all I am saying is that we really have to get it into context.

With respect to the Hon. Ian Gilfillan, it is not a basic human right to get a copy of this video tape free. What is a basic human right is that you have access to it and are able to view it, and we have provided expressly for that. That is the basic human right: that you know the case you must answer. We are bending over backwards in this Bill. In some respects the police will say we are tying one hand behind their back and some people out in the community will also argue that we are tying one hand behind the backs of police, but we have taken what we believe is a principled approach to this to ensure that there is a proper balance between the rights of an accused person and the rights of police officers in relation to the gathering of evidence. I would suggest that, while I am happy to look at all these issues at some time in the future, it is not appropriate to deal with that issue yet again now, when Parliament has already dealt with and approved it. We are merely following the normal processes. I indicated in relation to clause 15 that we have actually picked up that there is a problem with it—I do not think anybody else in the Chamber did so—and said we will provide people with the right to view the tape free. That is what is critical in relation to this issue.

The Hon. IAN GILFILLAN: As usual I am moved by the rather impassioned response of Attorney in the matter, but he is getting excited about the wrong issue. For one thing, if he is really concerned about the widespread use of the tapes, a fee will not stop that sort of trade, so I do not accept that argument. In effect, the actual cost of providing the copy is minimal, so I suspect that in essence the issue is the Government's global principle of minimising cost for its budgetary expenditure. In my wildest dreams I cannot imagine that the cost and numbers of people involved will be significant enough to prevent providing these services. It is interesting that a written copy must be given to the person whose consent is sought, so that is made available free of cost; and I assume that clause 39 provides for a written report for which a fee will be charged. That is not consistent.

Although the Attorney seems to be somewhat distracted at the moment (I am not surprised, when the Leader of the Opposition fronts him), we have established in *Hansard* that the issue is big enough that it should be revisited. The answer has been given that it has already been dealt with, but my understanding is that that was by a previous Parliament. There are some new people in this Parliament—perhaps the Attorney does not notice—and very soon he will realise that they have different points of view on some matters even from those of the Leader of the Opposition. That bodes well for the future of debate in this place, and there is no reason why we should not revisit issues just because a previous Parliament came to a different conclusion. I will let my case rest now, given that the Attorney seems responsive to it and that it will come up again in discussion.

The Hon. R.R. ROBERTS: I, too, was impressed by the emotional outburst by the Attorney-General about the video tapes, but I was disappointed half an hour ago when we lost that debate. We are now talking about a copy of the results of an analysis of materials taken from a person's body by forensic procedure on payment of a fee fixed by regulation. In his response the Hon. Ian Gilfillan indicated with respect to clause 36 that he was not persuaded about the videotape issue, despite the passionate and persuasive arguments the Attorney-General put to him on that occasion. We are talking about copies of the results. I point out that the results of these forensic tests represent a whole new area, which is why we are legislating. It is new ground, and what we did in the last Parliament was not necessarily relevant. We are talking about a copy of the analysis or, in clause 40, we are talking about a copy of a photograph.

Some of this forensic evidence may never be produced in a court but can be kept for up to two years in ongoing investigations, and these people who are the subject of these tests will be hanging around, although they probably will not know it is being held for two years. They will be saying, 'You have taken this test on me. I did not really want it done, but you had an order and, now that you have the evidence, all I want is a copy of it.' We are providing that, even though that person may not be charged, virtually proving their innocence, we will still not give them a copy of the evidence, but we may well keep it for two years. That is an absolute travesty.

The Hon. K.T. GRIFFIN: I have a fairly strong view about it and I do not intend to budge. I know that some members wish to consider the issue, and I would ask them to talk to a few people who practise in the area, to get a feel for what really happens or does not happen on both sides. I move:

That further consideration of this clause be postponed until all other clauses have been considered.

That gives everybody a chance to think about it; members can consider that clause and we will deal with it tomorrow. I think the Hon. Ron Roberts was one step ahead. He was talking about a different amendment; he was talking about clause 39, I think. I have a very strong view that, for consistency of approach and as a matter of principle, people are entitled to view tapes but if they want copies they should have to pay for them. By tomorrow I should have some idea as to the cost of the video tapes and I will let the Opposition, the Hon. Mr Gilfillan and the Hon. Mr Xenophon know.

The Hon. CAROLYN PICKLES: This issue comes up in a number of other clauses.

Motion carried.

Clause 38.

The Hon. K.T. GRIFFIN: I move:

Page 16, after line 13—Insert:

(3) This section does not apply to the taking of prints of the hands, fingers, feet or toes of a person or the taking of a dental impression or an impression or cast of a wound.

This provision deals with the obligation to ensure that a suspect can have part of the sample for his or her own analysis, if that is a reasonably practicable course of action. Clearly the draft has in mind blood, scrapings, residue and the like, but if the sample concerned is a dental impression it is not sensible to imply that the impression be cut in half, or something similar. So, the purpose of the amendment is to allay some fears expressed in consultation that the obligation provided by this section would have some such bizarre effect which it was never intended that it should have.

Amendment carried; clause as amended passed.

Consideration of clauses 39 and 40 postponed.

Clause 41 passed.

Clause 42.

The Hon. K.T. GRIFFIN: I move:

Page 17—

Line 4—After 'destroyed' insert '(as soon as practicable)'.

Lines 14 and 15—Leave out 'under Part 8A of the Criminal Law Consolidation Act 1935'.

During consultation it was pointed out that clause 42 lists the events which trigger the obligations to destroy but does not specify when the destruction should take place. The first amendment remedies that omission. The second amendment is the same as that explained in relation to the amendment to clause 28. That was a technical amendment. The phrase 'person liable to supervision' is now in the definition section by reason of an earlier amendment in this series of amendments.

The Hon. R.R. ROBERTS: I note that the Attorney stated that the forensic evidence would be destroyed as soon as practicable. I raised this concern during the second reading debate. When I expressed concern about the two years the Attorney said that the data bank would only be kept, as provided for in the next clause, on convicted persons. That clause specifies clearly that evidence has to be taken and put into the data bank.

The Hon. K.T. Griffin: If you haven't been convicted it does not go into the database.

The Hon. R.R. ROBERTS: That is right. My other concern is that this evidence will be kept somewhere for two years. I read the Attorney's second reading explanation and was interested to note that he spoke about consistency. I note that in other jurisdictions and federally the period is 12 months whereas we have gone for two years. The Attorney explained that and I am sure he has some reason for it. My concern is that, whilst the material is being held and there is an ongoing investigation, the legislation provides for special circumstances for the material to be held over. In my experience it has not been all that hard for people to hold it over, especially where a criminal investigation is taking place. Who has access to that information?

I note that a Minister with like legislation elsewhere can access the DNA data bank, but will this DNA material that is being held by the police in their investigation be cross referenced or accessed by anyone else during the two years period or until such time as it is destroyed? I accept that the Attorney is tightening up the destruction period, which was of concern to me.

The Hon. K.T. GRIFFIN: I draw the honourable member's attention to clause 46, which deals with confidentiality and states:

A person who has or has had access to information obtained through the conduct of forensic procedures must not disclose the information unless. . .

Certain things follow, and it refers to a medical practitioner or investigating police officers. I suppose it is quite possible that on the basis of wanting to compare the DNA profile of that forensic material of a suspect with material that may already be on a DNA database it may be necessary to grant access to an interstate jurisdiction.

The Hon. R.R. ROBERTS: I do not have a problem with that. It is the other evidence that is being held in relation to persons who have not been convicted. Who can get access to that? Can another investigating officer in South Australia get access to it?

The Hon. K.T. GRIFFIN: If the person is not convicted?

The Hon. R.R. Roberts: Yes.

The Hon. K.T. GRIFFIN: Of course they can.

The Hon. R.R. Roberts: There has been no conviction and no charge.

The Hon. K.T. GRIFFIN: Why not? If police are investigating a series of crimes—

The Hon. R.R. Roberts: We are talking of people who have not been convicted.

The Hon. K.T. GRIFFIN: Of course you are. Do you know what happens at the moment?

The Hon. R.R. Roberts: This legislation allows it to happen again.

The Hon. K.T. GRIFFIN: Look, if a serial rapist is involved, do you mean to say that the police are to be prevented, if they have DNA material from a suspect, from comparing it for one of the rapes or not permitted to disclose it to another investigating police officer who might be investigating another rape?

The Hon. T.G. Cameron interjecting:

The Hon. K.T. GRIFFIN: He did say that. Police officers are entitled to have access to information if they have responsibility for investigations.

The Hon. Carmel Zollo: Perhaps it should be 'suspect' rather than 'person'.

The Hon. K.T. GRIFFIN: No, because 'person' covers an accused person as well as a suspect.

The Hon. R.R. Roberts interjecting:

The CHAIRMAN: Order! Members can stand on their feet and ask a question. That is what the Committee is for.

Amendments carried; clause as amended passed.

Clauses 43 and 44 passed.

Clause 45.

The Hon. K.T. GRIFFIN: I move:

Page 18, lines 23 and 26—After 'in' insert 'any'.

The purpose of these amendments is to make the purpose of the section absolutely clear beyond argument. 'Criminal proceedings' means any criminal proceedings.

Amendments carried; clause as amended passed.

Clauses 46 and 47 passed.

Clause 48.

The Hon. K.T. GRIFFIN: I move:

Page 20—

Lines 9 and 10—Leave out 'under Part 8A of the Criminal Law Consolidation Act 1935'.

After line 10—Insert—

(2a) If a DNA profile derived from material obtained from a person who has been found guilty of an offence is stored on a database in accordance with this section and the person is subsequently acquitted of the offence, the information must be removed from the database as soon as practicable.

This is similar to the amendment in relation to clause 28. The purpose of the second amendment is to make absolutely clear that the DNA information of acquitted people should not be on the State or national DNA databases.

Amendments carried; clause as amended passed.

Clause 49.

The Hon. K.T. GRIFFIN: I move:

Page 20—

Line 16—Leave out 'section' and insert 'Part'.

Line 23—After 'Ombudsman' insert 'or the Police Complaints Authority'.

Line 24—After 'Information' insert 'about a DNA profile'.

The first amendment is a drafting amendment. With the second amendment, during consultation it was pointed out that the Police Complaints Authority may have legitimate reason to look into this information in the course of its legitimate and important investigations. That is quite clearly so, and the section needs to be amended to say so. The third amendment makes it clear that this provision applies in relation to DNA databases and not existing databases of fingerprints or photographs, which currently have legitimate status.

The Hon. IAN GILFILLAN: Clause 49(2) provides:

Information derived from forensic material obtained under this Act or a corresponding law must not be retained on the database beyond the time the destruction the forensic material is required under this Act or the corresponding law.

Where in this Bill is there a definition of the time which is required before which the material is to be removed from the database? Who is responsible for that? Is it the Commissioner of Police? If so, with due respect to the Commissioner of Police, who will ensure that that procedure is followed through?

The Hon. K.T. GRIFFIN: One must be careful of how one defines 'database'. If information on a suspect is kept, because of the mere fact that it is kept, even if it is not computerised, it may be construed as a database. It may be that there is a folder which contains a range of material relating to different cases and different suspects. It may also be that there is a different provision in respect of material which is received from interstate, because the State of origin might have different provisions and powers.

All this amendment seeks to do is to set up a regime which clearly identifies that, if the information is kept on some form of a database and if you are not permitted to keep it beyond, say, two years, this ensures that you are required to comply with that time limit. Even in respect of suspects, the information may be kept not on a national database but in a file or on a docket or in some other way which might be regarded as a database. So, it is broadly described.

The Hon. IAN GILFILLAN: I am not sure whether I understand. Clause 49(2) provides that the material 'must not be retained on the database beyond the time the destruction of the forensic material is required under this Act.' I ask quite simply: where under this Bill is that defined?

The Hon. K.T. GRIFFIN: It is defined in clause 42(1)(b), or it may be a longer period under subclause (2)(b), or it may be shorter.

Amendments carried; clause as amended passed.

Clauses 50 and 51 passed.

Progress reported; Committee to sit again.

ADDRESS IN REPLY

Adjourned debate on motion for adoption.

(Continued from 19 February. Page 360.)

The Hon. SANDRA KANCK: The Address in Reply is in response to the speech by the Governor of the convening of the new Parliament following the 1997 State election. At the outset, I want to express my sorrow for the fact that, as a result of that election, we lost from the Legislative Council two very able people in the form of Bernice Pfitzner and Paolo Nocella. I feel quite sad about it, because I thought both these people were quite progressive in their thinking, and we need a bit more progressive thinking in this Parliament. It is a sad reflection on both the Liberal and the Labor Parties that they gave preference to other people above Bernice and Paolo in their respective Parties. I found Bernice to be a very easy person to work with.

The Hon. L.H. Davis: We had two ethnic people above them.

The Hon. SANDRA KANCK: I am not basing my comments on ethnicity but on the contribution that these people made to liberal (with a small 'l') politics. Bernice took a strong position on many issues of concern to women. I think Parliament is poorer for her no longer being here. I hope that we will find that the two members who replaced these people in the Liberal and Labor Parties will be able to measure up to them. The interesting thing about the election result was how well the Democrats did and how poorly the Labor Party did. People tend to have forgotten that. *The Sydney Morning Herald* of 15 October last year, just a few days after the election, had a column by Alan Ramsey in which he states:

There have, God save us, been 122 State and Federal elections in the last half-century. Only six times in all of those elections over all that time has the Labor Party's primary vote been worse than it was in South Australia last weekend.

Yes, just six. Yet Labor's effort is hailed a triumph, hacking, as it did, into the hapless Olsen Liberal Government's overblown majority and reducing it to almost nothing, with the counting still going. How could this be? How could Labor record its second worst primary vote ever in a South Australian State poll, its seventh worst anywhere in Australia over 122 State and Federal elections across 50 years, and yet still come so close to winning? The answer, simply, is the voting system. Preferential voting is what made Labor look so good on Saturday when its vote in its own right was so dreadful. More than 60 per cent of all voters who deserted the Olsen Government didn't want either Liberal or Labor. Their first choice went elsewhere.

Later in the article, he states:

A full quarter of all South Australian voters were sufficiently alienated by the choice offered that they gave their primary vote to the Democrats or to an Independent, returning only reluctantly to Liberal or Labor further down the ballot paper because the preferential system says they must if they are not to be disenfranchised.

That brings me to the next point of interest. On the Tuesday after the election—I do not think it escaped anyone's notice—Cheryl Kernot resigned both from the Senate and the Australian Democrats. It certainly has had a lot of people asking why she did it.

The Hon. L.H. Davis: And she was in Adelaide only days earlier.

The Hon. SANDRA KANCK: Without doubt, and I shall deal with that. I will go through the reasons that she gave for doing it—and they are her reasons—but I believe history will reveal a slightly different story. Members may have seen some comment coming out of the Democrats national conference on the Australia Day weekend where Senator Meg Lees described her behaviour as 'odd', and I think it is a good word to describe it.

As some have come to see in recent times, the public *persona* of Cheryl Kernot is somewhat different from the private, and we have seen this demonstrated in some media coverage in the past four weeks. I might make some reference to that. Everyone, I think, is aware of the incident that occurred with the removalist truck running into the house into which she was moving. I have a newspaper clipping but, unfortunately, I have not got references as to which paper it is. I do know that the incident occurred around the Australia Day weekend. There are some interesting observations about the performance of Cheryl, and I quote:

> Her whining appearance on television in the aftermath of her most recent outburst about her commitment to politics only confirmed what many in the Labor Party suspect—she is a fair-weather sailor who was able to cope with the demands upon her as leader of a minor Party but finds the pressure on members of the A-team a little greater than she bargained for.
>
> There are increasing rumbles from within the Labor Party at the free ride that has been extended to her and the increasing criticism has extended to her failure to live in Dickson, the Queensland electorate she has been pre-selected for. Highgate Hill, the area in which her now-wrecked rented house lies, is part of Brisbane's chardonnay belt, close to the university and home to its many academics.
>
> Labor supporters are asking why she has not rented a home in Dickson, pointing out it includes many upmarket areas including the broadacre suburbs of Samford Valley, Murrumba Downs, Dayboro and Mounts Pleasant and Glorious from which to choose, where she would have had to confront the electorate's many unemployed youth, retirees and pensioners.

Again, I think that says a lot about Cheryl Kernot. I must say I have been surprised that the Liberal Party has not attacked her quite ferociously about where she lives.

The Hon. L.H. Davis interjecting:

The Hon. SANDRA KANCK: I am pleased that the Hon. Legh Davis asked questions about it. I will read one of the more recent pieces of media coverage about Cheryl Kernot in its entirety because it says a lot about Cheryl Kernot and it makes for entertaining reading. I do not think most members would have come across it because it was in *The Canberra Times* last Tuesday. The article is headed, 'Kernot makes pretty heavy going of it in the city', and continues:

> Like the figurehead on a warship of old under full sail, former Democrats Leader Cheryl Kernot swept into Civic yesterday with Opposition Leader, Wayne Berry, bobbing in her wake.

The Hon. Diana Laidlaw: It didn't make much difference to the ALP result.

The Hon. SANDRA KANCK: It did not make much difference to the ALP vote.

An honourable member interjecting:

The Hon. SANDRA KANCK: The ALP vote in the ACT was down to 27.5 per cent so she is obviously not much of a winner. The article continues:

> And the bluntness with which she avoided heaping praise upon her guest must have left Mr Berry metaphorically soaked and wondering which Party Mrs Kernot had defected to. Asked to describe the qualities in Mr Berry that would make him the best chief minister, Mrs Kernot responded, 'I don't know Wayne Berry particularly well. I don't know Kate Carnell particularly well either. But I do know from my former position that there is more than one person in a team.'
>
> The Labor candidates all believed that the community was very important. 'Any Party has to be bigger than one person. I know that from experience.' Mrs Kernot was asked then if it was responsible for an aspiring chief minister to make promises without saying how they would be funded. 'You should ask Mr Berry that. But I believe that at the Federal level, under the charter of budget honesty, generally speaking, you will find the Governments and Opposition Parties, and most Parties these days, are expected to explain where the revenue's coming from. Look, I'm campaigning everywhere for Labor. It just so happens that today I'm in Canberra. I'm happy to say to Australians that when it comes to choosing Government, please give Labor serious consideration.'
>
> The Labor team spotted Mrs Kernot's former friends from the Democrats with a table set up in the middle of City Walk, and avoided an embarrassing collision by pulling a hard turn to starboard. Then, much too fast for Mr Berry or Mrs Kernot to do more than smile at a citizen, they flashed on around the block and back towards the Assembly.

The Hon. P. Holloway: What was the Democrats' vote there?

The Hon. SANDRA KANCK: We almost doubled our vote to just over 6 per cent.

An honourable member interjecting:

The Hon. SANDRA KANCK: It was very pleasing, actually. In the *Advertiser* of 19 February is a heading, 'Politics just another game, says defiant Kernot'. That article revealed that on the channel 9 *Midday Show*, when the host, Kerri-Anne Kennerley, asked Cheryl about defectors, Cheryl responded:

> When a footballer joins another team, they say it's a transfer; when chief executive officers go to other firms it's a fantastic career move; but when a woman makes a decision to follow her mind and her heart, they say the 'D' word.

I really think that is going over the top: it has nothing to do with a woman's making a decision to follow her mind and her heart. She is really trying to use feminism to her own ends there. The article continues:

> Labor's star recruit also rekindled speculation about her commitment to politics. 'I've got a family and other things I want to do with my life and I'm not a full-time long-term careerist politician. If I wasn't enjoying it, you wouldn't expect me to stay forever,' she said.

The Hon. T.G. Cameron: We'll have you, Sandra.

The Hon. SANDRA KANCK: The comment that the Hon. Mr Cameron made is interesting because, in fact, we in the Democrats knew about the downside of Cheryl but it was not in our interests to reveal it. Now the Labor Party has to deal with the problem.

The Hon. T.G. Cameron: So much for honesty in politics! Are you saying you covered up for her?

The Hon. SANDRA KANCK: Of course we covered up for her, and now the ALP has the problem.

Members interjecting:

The ACTING PRESIDENT (Hon. T. Crothers): Order!

The Hon. T.G. Cameron: Did you know it when you brought her over here for the election?

The Hon. SANDRA KANCK: Of course we did not know it.

The Hon. T.G. Cameron: I thought you said you did.

The Hon. SANDRA KANCK: I said that we covered for her with her many faults, but you are now dealing with it.

The Hon. L.H. Davis interjecting:

The Hon. SANDRA KANCK: Another of the things that Cheryl Kernot said on the day of her defection was that she had only resolved the matter 'in the last two weeks'. I certainly have information to the contrary and, again, time will reveal that information. However, the question has been put by Labor members in this Chamber as to whether or not we knew. Of course we did not know. We were utterly shocked by it, and I was extraordinarily angry. I do not know who said so, but someone described what she had done as the greatest act of political treachery this decade—and I wrote her a letter reiterating that.

The Hon. T.G. Cameron: What did you say in your letter?

The Hon. SANDRA KANCK: I told her I agreed with it. There has been difficulty in speaking the truth about this issue because as soon as the Democrats—

The Hon. L.H. Davis: Did you get a reply from her?

The Hon. SANDRA KANCK: Do you think she'd bother replying under the circumstances? Of course not!

The Hon. Diana Laidlaw: She doesn't know her own mind!

The Hon. SANDRA KANCK: That could well be the case. It has been a problem for us in the Democrats that as soon as we try to say anything about Cheryl Kernot it has been represented as sour grapes, and I have heard something along those lines already by way of interjection. I hope that from October to February, in that time period, there has perhaps been enough time to allow that accusation to go and to allow people to speak the truth on it.

Members interjecting:

The ACTING PRESIDENT: Order! I would ask the honourable member, in the interests of being heard and in the interests of *Hansard* being able to hear you, not to respond to interjectors; and I would ask the interjectors to consider putting a bit of order into their life and remaining silent while the Hon. Ms Kanck is on her feet.

The Hon. SANDRA KANCK: Cheryl Kernot's decision to defect in this way resulted in quite a deal of anger being directed at us from members of the public. I took one telephone call from a very angry man who thought that, because she had made this decision, somehow we were all in league with her. It took me about 15 minutes of trying to talk over this man's shouting to get him to understand that I was equally as angry as he, if not more so.

The Hon. L.H. Davis: Did you get many calls and letters?

The Hon. SANDRA KANCK: We got very few calls and letters. The interesting thing is that we have had a significant increase in membership applications to the Party. We have a process whereby, if people ring our Party office, we forward the details to our national secretariat, and the level of membership inquiries were such that the national secretariat asked each of our divisional officers to stop sending the information through to them to process because they could not handle the number of applications.

The Hon. T.G. Cameron interjecting:

The Hon. SANDRA KANCK: One. I think that what Cheryl Kernot said at the time was way off beam. We got an increase in membership because people felt the same way: they reacted to her comments and said, 'The role of the Democrats in politics in Australia is terribly important and because of what Cheryl has done we are going to join.' I want to go through some of what Cheryl said in her speech.

The Hon. L.H. Davis: Did you lose many members because of Cheryl's going?

The Hon. SANDRA KANCK: I have already answered that question: we lost one. Some of the comments that Cheryl made as justification included that she had a personal sense of outrage at the damage being done to Australia by the Howard Government. Well, so have I, but I am certainly not going to join the ALP because I feel that. She talked about 'my concern that from my position in the Senate I had a limited capacity to minimise that damage'. I think that is another area where she was wrong. I am certain that she has come to see in the last month that she was held in such high regard by many members of the public because at least in part she was making her perceived commonsense statements as the Leader of the Democrats. She said that her imperative 'is to play a more direct role in the removal of the Coalition Government. . . It is also vital to end the deliberate cultivation of the politics of division and intolerance.' How one achieves that by joining the ALP beggars me. She went on to say:

> I have watched as the Government stepped up the process of dismantling the State, throwing thousands of people onto the scrapheap, abolishing job creation and training programs.

I note that she says 'stepped up', because it was the ALP in government which started it, so at least she was being honest in a sort of fashion. When it comes to the issue of unemployed people I do not think the ALP's record at Federal level would be anything to attract me.

I will refer to a couple of articles from June last year. The *Age* of 24 June 1997 states:

> Something happened to Labor's team on its way to the Senate yesterday. It was going there to ensure that the work-for-the-dole legislation was not compulsory and would not apply to older workers. Then it changed its mind. Why?
>
> The official version is that since the Democrats joined the Government in opposing Labor amendments to the Bill on Friday Labor would oppose amendments the Democrats wanted. It was a case of reciprocal obligations.
>
> The Democrats were a bit puzzled, as no-one from Labor had told them they had a reciprocal obligation. Yet after four months of opposing it, Labor senators joined the Government to outvote the Democrats, Greens and Independents, and ensure that work for the dole will be compulsory and can apply to unemployed of all ages.

So much for compassion for the unemployed! In the *Sydney Morning Herald* of 25 June Alan Ramsey has a column headed 'Labor's obscene roll-over' which states:

> Sooner or later the Labor Party will have to stop making a fool of itself if it expects despairing voters to start taking it seriously again. . . Ever since John Howard announced his work-for-the-dole proposal in February, Kim Beazley and his colleagues have condemned it in every derisory way possible, labelling it a sham, a disgrace, tawdry, pathetic and, most often, 'Mickey Mouse'. Martin Ferguson, in the mixed metaphor of the year, dismissed it out of hand as a 'hairy old chestnut'.
>
> However, when the enabling legislation finally got to a vote in the House late one night a few weeks ago, Labor let it slide through without forcing a division. Why? Because although it had put up a raft of amendments, all of which the Government rejected, the Opposition didn't want to be seen voting against it. To do so, it was argued privately, might be construed by voters as 'pro-bludger'. The Bill passed on the voices, without a vote being recorded.

If you are concerned about employment and social justice, why would you join a Party which is doing that? I return to the quotes from Cheryl Kernot's resignation speech. She said:

> I have watched them [the Government] manically cutting back programs ranging from industry R&D to family planning to dental hospital services for the poor.

Sure, I have watched it, too, but it doesn't justify joining the ALP. She said:

> Over the last 18 months I have watched this Government create a crisis of confidence in the higher education sector and attack our public school system.

So she joins the Party that first introduced HECS fees! That doesn't make sense. She says:

> For 18 months I have watched as the Howard Government allowed an agent of division to vilify and scapegoat black Australians and migrants under the cloak of free speech.

Fair enough. I agree that Howard's failure to speak up against Pauline Hanson early in the piece does deserve condemnation, but it does not motivate me to go and join the ALP. She said:

> I firmly believe the Howard Government has demonstrated itself to be a new Government shackled by old ideas.

Well, I question whether the ALP will be any different. I suspect that if it is elected at the next Federal election it will still be running its same old, tired ideas about who owns the means of producing capital. Cheryl Kernot also said:

> Our [Australia's] destiny in the twenty-first century is at stake. . . for that reason I will be seeking preselection for a House of Representatives seat for the Australian Labor Party.

That to me requires a supreme leap in logic that I certainly cannot make. She said:

> I have found it increasingly difficult to stand in the middle, trying to be endlessly fair to both sides when I have grown so alarmed by the kind of politics being played out by the Coalition.

Later she said:

> The alternative. . . was to leave politics so that I did not compromise the Democrats' continuing even-handedness.

I wonder what she has been doing for the last seven years in the Senate representing the Democrats, because the record shows that there was no even-handedness. The Democrats have attacked either Party without fear or favour when the occasion has called for it.

Further, she said:

> I have come to the conclusion that the Democrats at the Federal level are permanently entrenched as a third Party. The reality of the electoral system in this country means that the Party will basically be confined to a Senate role. It will continue to play an important role there for Australian democracy.

On that I certainly take issue, because I believe come the next Federal election the Democrats will gain seats in the Lower House, and I believe that will also occur at the next State election here. Continuing the quote from Cheryl:

> As my concern grew about the direction of this country I confess I began to think about how I might be able to make a bigger contribution. More and more Parties around the globe are grappling with the problem of forging a new path, a synthesis that gets the best for society out of free market economics and Government intervention. The world is moving on and Labor in Australia is moving with it. Labor is reaching a position where it will be best placed to meet the economic challenge of the future, and, hand in hand with that, rebuild a sense of community, make society fairer, restore tolerance; in short, advance the great founding tradition of caring egalitarianism.

Does this mean that the ALP is about to adopt the Democrats' policies that we have held for the last 21 years? I certainly cannot understand why anyone would want to be in any Party that stands in the middle between the Labor and Liberal Parties when neither of them stand for anything of substance. In my four years here I have not been tempted to steer such a course because it would have been outstandingly stupid to do so. Why would I want to be halfway between Labor and Liberal when it comes to uranium mining? When so often the Labor and Liberal Parties have agreed on things such as planning laws, including last year's sell-out of West Beach, why would I want to choose a halfway point between them? What is the halfway point between a Party which represents only business interests and a Party which says it will stand up for a group and people and then betrays them? The ALP sell-out last year on West Beach occurred two months after Cheryl Kernot's sell-out. Had the national body of the ALP neglected to tell the State body about the rebuilding of community and miraculous synthesis of free market economics and Government intervention, which St Cheryl says the ALP now stands for?

At the moment we have a great deal of public debate going on about the sale of ETSA, and one only has to look at the record of the ALP on corporatisation and competition policy over the last three and a half years to wonder why on earth Cheryl Kernot has joined a Party like this. The Labor Party started the whole of the competition policy juggernaut and Keating and a Labor Government at State level agreed to it. The *Hansard* record will show over and over again that, when we dealt with the Electricity Bill in 1994, the National Electricity Bill in 1996, the Competition Policy Bill last year—or it might have been 1996—every time the Opposition supported the Government on it.

It is quite instructive, in fact, to look at the contribution from Mr Foley in the House of Assembly when it dealt with the Electricity Bill in 1994, and he was certainly having two bob each way on the Bill. He claimed that they were dealing with the legislation because it was something that was thrust upon them. He did not acknowledge, of course, that it was under a Labor Government that these reforms had begun. He observed, and I quote:

> The solution to Hilmer, to the national grid and to the microeconomic pressures on a State like South Australia is to work through the issues. I will stand with the Minister for Infrastructure and argue with my Federal colleagues that what is good for Australia, what is good nationally, is not automatically good for this State.

Yet despite saying that, his Party went ahead and supported this legislation. He went on to say—and he put the same wording in different forms a number of times:

> That is where I want to stand in this Chamber and as long as this Government is prepared to acknowledge that the purist form of Hilmer for this State will cause irrevocable damage to our industrial, economic and domestic base I am there with the Minister.

So, Mr Foley, representing the Opposition, representing the Labor Party in this Parliament, actually put it on the record that he knew that following the recommendations of Hilmer would lead to 'irrevocable damage to our industrial, economic and domestic base', and now this Labor Party, in the form of this Opposition, tries to take the high moral ground on the Government's decision to sell ETSA. They continue to amaze me.

The Hon. L.H. Davis interjecting:

The Hon. SANDRA KANCK: The Hon. Legh Davis asks why we did what we did on industrial relations policy. Thank you for the opportunity to put the answer to this on record. One has to recognise the Standing Orders that operate in Federal Parliament. If they go to a double dissolution on a particular piece of legislation, when the writs have been returned and Parliament is formed a joint sitting of both Houses is held; that is, if the Government decides it wants to pursue it. The Standing Orders are such that the legislation in its original form, without amendment, is what is voted on, and it is a Yes/No vote without amendment. This meant that there was an absolutely and utterly draconian piece of industrial relations legislation, and the opinion polls were all showing at the time when that legislation was introduced that a double dissolution election would definitely return a Liberal Government and that they would have the majority in a joint

sitting, which would have meant that the legislation would have been passed in its original and draconian form.

In those circumstances the Democrats believed that the only course of action we had was to negotiate with the Government to come up with a piece of legislation that would not result in the triggering of a double dissolution and, hopefully, sometime in the future industrial relations legislation at the Federal level will again be able to be altered and taken back to a better position than what we have now. But that is the situation that occurred.

However, I return to competition policy which, again, the Labor Opposition supported. I am going to quote myself, because when I look back at my own speech it actually makes a lot of sense, and particularly in the light of what is happening now with the threatened privatisation of ETSA. This is what I said:

> A policy aimed at creating competition such as the one embodied in this Bill will mean that eventually Government enterprises will one day cease to be found, let alone compete on the playing field, regardless of how level it is. This Bill is about the prime goal of the ideological right to reduce the size and influence of Government, hence I find it difficult to understand the Opposition's acceptance of this legislation.

I went on to predict:

> Eventually privatisation must occur—

this is the privatisation of ETSA—

> as the Government becomes unwilling to reinvest in the upgrade of the Thomas Playford Power Station, and perhaps even the Torrens Island Power Station in the long-term.

It is very interesting that the announcement to sell ETSA has occurred at a time when the Government decided to put its money into the Riverlink transmission line through from New South Wales rather than to repower the Torrens Island Power Station. I do not think it is a coincidence that these events have occurred in time. Again referring to what I had to say on 6 June 1996:

> It was interesting to read the comment of members in the Lower House, both Labor and Liberal, regarding this legislation. They could find virtually nothing positive to say about the Bill. Nevertheless, they are willing to support it. I do not believe that you can have it both ways.
>
> If you do not like what is happening, surely you vote against it. South Australians are entitled to ask for an explanation from our members of Parliament who are doing this. I do not think that when they ask that question it will be adequately answered, because I think this Bill is about ideology, not good Government. It is an ideology which the Opposition is supporting when it supports this legislation.

I think what I said back in 1996 is equally valid now. I return to what I said before: why would anyone want to belong to a Party that is halfway between the Liberal Party's blind faith in the free market and the ALP, which began the process?

Last year I came across an interesting quote in my organiser about the 'middle way':

> The Buddhist definition for the middle way does not mean compromise: it means higher, like the apex of a triangle. In searching for a higher way, two people must find a solution that is better than what either person presently has in mind.

I believe that both the Labor and the Liberal Parties are exhibiting neither of those characteristics; they are not trying to find a solution. We have simply seen grandstanding over what has been happening with ETSA in the past week

The Hon. L.H. Davis: What's the Democrat solution?

The Hon. SANDRA KANCK: The Democrat solution will be to look at the evidence, recognising at all times that the Labor Party started the process and that the Liberal Party has finished it off. In conclusion, the Democrats believe that Cheryl Kernot has made a massive mistake, and history will show that that is the case.

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

[Sitting suspended from 5.58 to 7.45 p.m.]

MUTUAL RECOGNITION (SOUTH AUSTRALIA) (EXTENSION OF OPERATION) AMENDMENT BILL

Received from the House of Assembly and read a first time.

The Hon. K.T. GRIFFIN (Minister for Justice): I move:

That this Bill be now read a second time.

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

Leave granted.

Section 4 of the *Mutual Recognition (South Australia) Act 1993* adopts the Commonwealth *Mutual Recognition Act 1992* for a period ending on 1 March 1998.

These Acts were enacted as part of a national scheme of mutual recognition and are complemented by an Intergovernmental Agreement between the Commonwealth, States and Territories. Under the terms of the Agreement a review of the mutual recognition scheme is to be conducted by March 1998, five years after the commencement of the Commonwealth Act. This review, which is currently underway, will consider the future of the operation of the mutual recognition scheme in Australia.

The review is being conducted by the COAG Committee on Regulatory Reform. In addition to advertisements in the national press inviting submissions, members of the Committee on Regulatory Reform have undertaken consultation within their jurisdictions. In South Australia, materials concerning the review were sent to approximately 80 organisations and to all the major regulatory agencies within the public sector. The Government has used responses from the latter to make a submission to the Review.

The Review will be completed by 1 July 1998 and will result in a report to the Council of Australian Governments. The sunset clause of the *Mutual Recognition (South Australia) Act 1993* will come into effect before South Australia has the opportunity to consider the outcome of the national review and to take any legislative action which might arise from its recommendations. The intent of the Bill, therefore, is to extend the operation of the Act to allow sufficient time for consideration of recommendations of the national review and of any resultant proposals for legislative amendment.

The provisions of the Bill are as follows:

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Amendment of s. 4—Adoption of Commonwealth Act

This clause extends the period of adoption of the Commonwealth Act until 30 June 1999. The Act will, by virtue of section 6, therefore now expire on this date.

The Hon. P. HOLLOWAY secured the adjournment of the debate.

ADDRESS IN REPLY

Adjourned debate on motion for adoption (resumed on motion).

(Continued from page 384.)

The Hon. T.G. CAMERON: In my contribution last year I assessed the economic policies of the Brown Government and the impact they were having on the State's economy and its citizens. I also examined a long list of promises that Liberal Government Ministers had broken in their first three years of office. Today I intend to look at the current situation

of the South Australian economy, which is a result of the policies of the Olsen Government over the past 12 months and, in particular, its implications for unemployment, State growth and small business. I will also explore the leadership problems that continue to plague the Liberal Party and the impact that they are having on South Australian business confidence.

The claim by the Government that this is a jobs budget is patently false. It is time the Premier faced the truth. South Australia's economy has stalled and so has economic growth. South Australia's growth gap with the rest of the nation is now the largest ever since records have been kept. The latest job figures show the lowest level of full time employment in the State since June 1995; currently 72 500 South Australians are looking for work. In November 1996 the South Australian unemployment rate stood at 9.7 per cent; 15 months later it has increased to 10 per cent, compared to the national average of 8.2 per cent. There are only 2 000 more new full time jobs in South Australia than there were when the Liberals came to power; there were 473 800 in January 1998, compared with 471 500 in December 1993. However, South Australian male full-time employment is still 5 per cent below its level when the last recession began in late 1990.

South Australia continues to have the highest youth unemployment rate of mainland Australia, with 32.5 per cent or 9 200 15 to 19 year olds looking for work, compared with 27.7 per cent nationally. It should not be forgotten that the net interstate migration from South Australia of about 4 700 people in the year to June 1997 has had the effect of keeping our unemployment rate from increasing as much as it otherwise would have. The cost is not only social as thousands of people are forced to leave family ties behind to seek work interstate, but also the loss of potentially productive young people who in future might have contributed to the State's growth.

Before the 1993 State election, the Liberals predicted they would create 20 000 jobs a year. They have failed to reach that target so far by almost 50 000. On 17 May last year, the Premier committed his Government to reducing the State's unemployment rate to the national level within two years. However, the July 1997 briefing by the South Australian Centre for Economic Studies has predicted that if the Olsen Government continues with its current policies unemployment is likely to hit double digits by the year 2000. We got there two years earlier; it hit 10 per cent this year. The report states that 'if strategies to accelerate jobs growth are not introduced over the course of the next year, it is likely that average unemployment rates in South Australia will ratchet upwards to double figures as the next millennium unfolds'. Well, we have hit double digit unemployment figures two years in advance. The report then goes on to say:

> As this briefing illustrates, current rates of economic growth in South Australia will not be sufficient to make any significant inroads into unemployment.

In other words, if John Olsen continues with his present policies, South Australia will have to continue with 10 per cent unemployment. If the Centre for Economic Studies is correct, there is no way that the Premier will deliver on his promise to bring the unemployment rate down to the national level by the year 2000.

The budget projects 1.5 per cent employment growth for South Australia for 1997-98 through to the turn of the century, compared with 2 per cent nationally for the next three years and rising to 2.25 per cent at the turn of the century. However, the Centre for Economic Studies' November briefing argues a more realistic figure for employment growth in South Australia for 1997-98 as between .7 and .1 per cent. In terms of economic growth, the budget again expects us to have growth of 2 per cent—a rate much lower than the national figure of around 3.5 per cent out to the turn of the century.

Once again, the Centre for Economic Studies argues that the growth expectation for 1997-98 for South Australia is more likely to be 2.5 per cent. This is less than is required to reduce the levels of unemployment. It is accepted generally by economists that 4 per cent growth is required to make inroads into unemployment because of productivity and normal population growth. This figure could be lower in South Australia because of the abnormally high population loss occurring here.

The claim that the budget is a job budget rests on the $145 million priority funding package for capital works. Capital works are to increase by 19 per cent in real terms, but the budget confirms that accumulative underspending in capital works now stands at $575 million over the past four years. No wonder the State is mired in recession! The $200 million announced for additional capital works is simply the amount that the Government underspent this year. The claimed increase is unlikely to be delivered and, even if it were, it goes nowhere towards making up the shortfall. This comes on top of bad economic growth and private investment figures.

The National Australia Bank survey on business conditions put South Australia with a rating on minus 13 for the June quarter of 1997. The next worst rating was Queensland at minus five. According to the survey, South Australia was ranked worst of all States on employment, profitability and business conditions. This survey only serves to increase John Olsen's credibility gap. The Premier keeps talking about how things are getting better, yet all the figures we are seeing—jobs, economic growth, investment and unemployment—show that we are going backwards.

A bold headline from the Australian *Financial Review* caught my eye recently. It read:

> Empty Adelaide fills from the top.

This was from the *Financial Review*, so I thought that at last we had some economic sunshine. However, my hopes were quickly dashed when I went on to read the article, as follows:

> The most striking improvement in office markets across Australia last year came in the Adelaide CBD where vacancy rates in the premium sector fell 7.1 points to 4.3 per cent, according to the latest Property Council of Australia research.

The article then went to say that this was in stark contrast to other office grades in the Adelaide core, all of which recorded increased vacancy rates and caused the Adelaide CBD to return the highest vacancy rate of all Australian office markets in the period, namely, 20.5 per cent. Also, the Adelaide frame recorded the highest vacancy rate of all non-CBD market sectors in 1997—15.6 per cent—while the Adelaide fringe office market recorded an 8 per cent vacancy rate.

The Centre for Economic Studies is also extremely critical of the gap between John Olsen's statements and the economic reality of South Australia under his Government, as follows:

> The Premier is continually exhorting us via the media to concentrate on the good things about the State. Growth is so subdued, when we have had reasonable agricultural seasons. . . .point to a deep-seated economic malaise which needs to be addressed with more than rhetoric.

The Centre for Economic Studies is pointing towards continuing weakness in housing and construction, motor vehicles, retail sales and private investment and states:

> Unfortunately, growth in retail turnover in South Australia is likely to remain more muted than at the national level. This is because South Australia is suffering from, amongst other things, low population growth, high unemployment and a somewhat depressed housing sector.

The report underlines the need for a strong positive vision to rebuild the South Australian economy. Instead of the politics of blame, division and excuses, we need action in the coming year to kickstart the South Australian economy. The Government should put an end to extravagant financial incentive packages to interstate and overseas firms to set up in competition with already existing South Australian companies. Instead, we should be focusing on performance-based industry assistance. We need new jobs and new industries. Labor has no argument with that, but some of the packages the Government has been handing out have been ridiculously generous.

There is no guarantee that those companies will provide the number of jobs promised. States in the US make sure that their industry assistance is performance based. We must do the same. For years American States have been played for suckers by companies playing one State against another to set up factories. Governors, not too different from Premiers, with an eye on approaching elections were desperate to be associated with a successful new project. Too often, after a huge handout of taxpayers funds, the jobs promised did not materialise. The same has happened in Australia because politicians like to be seen cutting ribbons and getting on TV. US States have learnt from that experience and so must we.

If a company promises to create 800 jobs in exchange for a $30 million handout, it only gets the full amount if it creates the full number of jobs as promised. It is called 'performance-based assistance'. This performance-based approach to industry has the strong support of the business community in the US. Labor believes the principle focus should be on existing South Australian industries because that is where we will get the overwhelming majority of new business investment and job creation.

Time and again local industry has made clear that the Olsen Government is so busy trying to recruit new companies that it does not focus enough on long established companies that have been producing goods and services and employing local people for years. Unlike the current Government, a future Labor Government would link all incentive packages to actual performance.

Other Labor proposals for job creation include a jobs and recovery summit, a jobs commission to coordinate all arms of government with the key objective of creating more jobs and growth, a 40 per cent cut in the BAD tax for all companies large and small, enterprise zones in regions of high unemployment, a first-start youth apprenticeship trainee scheme that would provide as many as 6 000 positions for young people in private enterprise and local government over three years, and the reintroduction of open competitive tendering for Government work and contracts, which would not exclude Australian and South Australian firms.

Small retailers are constantly telling me they have never seen things so bad. They are battling a dead slow economy while big business continues to place them under intolerable pressure. Every study has shown that small business has the best and fastest chance to generate jobs and real careers for young people. Under this Government small businesses are crying out for help. On 13 December 1996 the Premier released a media statement that said:

> The State Government is committed to revitalising and changing the small business culture in this State.

The Small Retailers Association of South Australia recently conducted a survey amongst its members to identify what issues were specifically impacting on small retailers. The survey found four specific issues that were having a negative impact on the State's small retailers. First (for the Hon. Nick Xenophon), the introduction of poker machines, 82.5 per cent; rent prices, 80.8 per cent; Government charges, 78 per cent; and, trading hours, 64.9 per cent.

The Hon. A.J. Redford: What about the cost of power?

The Hon. T.G. CAMERON: It didn't make the top four; it was probably No. 5, Angus. When asked to nominate how they saw their future—

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: Just listen to how they saw their future. You could cut electricity rates to zero and it would not affect the way that small business in this State sees its future. When asked to nominate how they saw their future, 67.8 per cent believed it to be either static, declining or that they had no future at all. Underlying this pessimistic view of their future, figures supplied by the Insolvency and Trustee Service show that in 1996-97 a total of 415 South Australian small businesses went into bankruptcy, compared with 347 in 1995-96 and 334 in 1994-95. If anyone doubts those figures, they were supplied to our office by the Insolvency and Trustee Service. At the last election—

The Hon. L.H. Davis: Do you know that South Australia has the lowest percentage of bankruptcies in the nation for the decade?

The Hon. T.G. CAMERON: And according to the figures supplied by the Insolvency and Trustee Service, it is rising at a rapid rate, the figure having risen from 334 to 415. I guess there was a bit of a lead time between when Labor went out of office and members opposite took over. At the last election, the South Australian Labor Opposition announced a three point strategy to boost jobs in small business.

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. CAMERON: At the last election, the South Australian Labor Opposition announced a three point strategy to boost jobs in small business.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: I am sorry to have to repeat myself, Mr President, but that was for the benefit of the Hon. Legh Davis who has the habit of wanting to talk and listen at the same time. The plan included, first, convening a series of small business hearings to be held around the State. The meetings would be designed to enable small business owners to tell us about their experiences in dealing with State Government departments and to give us their ideas on how to improve, streamline and cut the cost of doing business. This would include asking small business itself to identify those Government regulations that need to be streamlined.

Secondly, Labor committed itself to radical changes to the Retail Tenancies Act provisions that would oblige landlords to give existing retail tenants the first right of refusal on a new lease. I hope the Attorney-General was listening to that. It would require landlords who refused to renew a lease of a shop to put in writing the reasons for refusing to renew the lease so that the tenant can test the truth of the reasons given

and challenge in court, if necessary, and give retail tenants the right to reply to the Magistrates Court for a review of rent that had become harsh and unconscionable. That proposition, I might add, struck a chord with the small business community in South Australia.

Labor committed itself to introducing fair trading legislation to deal with unconscionable conduct. This law would give all small businesses a chance to take court action against a big business for using unfair tactics against it. Earlier this year, the Opposition conducted a survey of South Australian small businesses which showed overwhelming support for its proposed legislation on unfair contracts, business conduct and retail tenancies. Of the small businesses which responded to each survey question, more than 90 per cent supported Labor legislation to strengthen the rights of small tenants as well as provide protection for small business against harsh and oppressive business conduct. Over 95 per cent believed that their performance had been affected by the poor state of South Australia's economy, and 40 per cent had experienced difficulties with retail or commercial tenancies, whilst over 50 per cent had been subjected to unfair business conduct or contracts.

Small retailers need real help. These laws would give the battling small shopkeepers a fair go. However, the Attorney-General (Hon. Trevor Griffin) continues to oppose these measures. So much for the Liberals supporting small business. I now turn to the political instability of the Olsen Government and its impact on business confidence.

The Hon. L.H. Davis: Are you going to talk about the instability of the Labor Party? Are you going to talk about that tonight?

The Hon. T.G. CAMERON: I am sure that the honourable member will talk about that in his speech. I will let him talk about the Labor Party and, to quote the Hon. Angus Redford, I will talk about the dysfunctional Liberal Government.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. T.G. CAMERON: There has never been a Government in the history of South Australia and possibly in all of Australia—

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: I thank the Hon. Legh Davis for his confidence. If he comes across to this side of the Chamber, I may well get a vote from him.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: No, I listen to all the objections. I will not be distracted, Mr President, because time is getting on. There has never been a Government in the history of South Australia, and possibly in all of Australia, that has been so racked with internal disunity and continuing bloody leadership struggles. Even by Liberal Party standards, this is an epic. It even puts the movie *Titanic* to shame. This is a real never-ending story. It continues to play on and on from one generation to the next, even by Liberal Party standards. For example, this time last year an *Advertiser* headline stated 'Libs told: unite and fix economy'. The *Advertiser* reported:

> Business leaders have warned the State Government to fix its internal problems and get on with boosting the economy. They have accused the Government of squandering opportunities and concentrating on big business.

Shortly after that article appeared, Mr Brown was unceremoniously dumped by a nervous backbench filled with self-interested one-termers. If we hit the fast forward button 12 months, we will see what the *Advertiser* headline of 13 November 1997 says. The message from the *Advertiser* had not changed. The article is headed: 'Lift your game—business leaders attack Olsen and his divided Party'.

Once again, senior influential business leaders are criticising the lack of leadership from the State Government and are calling for an end to the bitter in-fighting that continues to plague the Liberal Party. The business leaders included: The Managing Director of the Adelaide Bank, Mr Barry Fitzpatrick; the bank's Chairman, Mr Richard Fidock; the Housing Industry Association's State Chief Executive, Mr John Gaffney; the new President of the South Australian Employer's Chamber, Mr Michael Terlet; and the Small Retailers Association Executive Director, Mr John Brownsea.

If that collective group is criticising the Liberal Party, it will find it extremely difficult to find a group of supporters that supported it more. Its own supporters, the leaders of the South Australian business community, openly attacked the Liberal Party about the division in its ranks—

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order!

The Hon. T.G. CAMERON: —and the lack of support for its Leader, John Olsen. Mr Fitzpatrick stated that instability within the Liberal Party was having a debilitating effect on South Australia.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: I would be very surprised if Mr Barry Fitzpatrick was not a card carrying member of the Liberal Party, let alone vote for you. Here we have Mr Barry Fitzpatrick stating that the instability within the Liberal Party was having a debilitating effect on South Australia—and it is. This is part of what I want to address today.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: Well, if you lot were fair dinkum about fixing up this State you would have done a little more than you have done.

The Hon. R.R. Roberts interjecting:

The PRESIDENT: Order! The Hon. Mr Roberts is out of order with his interjecting and even more out of order because he is not in his seat. I suggest that he either go outside to the lobby or back to his seat.

The Hon. T.G. CAMERON: I will not be dissuaded from quoting Mr Barry Fitzpatrick. In the *Advertiser* of 13 November he stated:

> There's been a mix-up somewhere and they have forgotten that they were elected to serve the people.

The people of South Australia did not forget you on election day.

The Hon. R.R. Roberts: They were giving one another a serve.

The Hon. T.G. CAMERON: That's true. They became so preoccupied with their own internal squabbling, with the question of leadership, that the dries and the wets, all those who would be in the Cabinet, did very little about fixing up the State's problems. They forgot that the overwhelming majority they got when they were elected to this Parliament was to serve the people and pick up what was perceived to be our mess. They promised to do so, yet we are four years down the track and unemployment has just hit 10 per cent with 32.5 per cent of 15 to 19-year-olds in South Australia unable to find a job. No wonder parents are complaining about their teenage children moving to Queensland, Victoria and New South Wales. I must give this quote in full:

Mr Fitzpatrick said, 'There has been a mix up somewhere and they have forgotten that they were elected to serve the people. It is incredible that so soon after the election, where the voters spoke quite decisively about Government disunity, that we will be back in the frame of mind of disunity.'

I guess when he talks about 'we', he may be including himself as a Liberal but your own business leaders and your own supporters are publicly attacking you. He then went on to say:

Without question, it is having a debilitating effect on South Australia because the focus is not on the main game of economic development and job creation.

I do not find myself agreeing with Mr Fitzpatrick very often, but one can only agree with that statement. I wonder where the focus has been over the past few years. Mr Terlet of the South Australian Employers Chamber said:

The Chamber's view has been all along that the Government needs to unify and needs to do that as quickly as possible to get on with economic development.

The Executive Director of the Small Retailers Association, Mr John Brownsea, is quoted as saying:

When are they going to get on with governing? I am not interested in their internal crisis.

The Liberals promised to fix South Australia, but all they have done for the past four years, and continue to do so, is fix up one another. The number of headlines dealing with the internal leadership problems in the Liberal Party over the past 12 months is quite unprecedented. I believe that it is in the interests of South Australian voters that these be placed on the public record. Even without taking into consideration the problems the Government has faced through leaks of confidential Government contracts (and more continues to come, more each day; the ETSA floodgates have opened, so we have a lot to look forward to over the next few weeks from information that has been provided to our Party in relation to ETSA) and investigations into conflicts of interest, there is an enormous body of material to choose from.

However, for today I intend touching only on those areas which involve the struggle for the Liberal leadership beginning in October last year. On 26 October 1996 (the year before) the *Advertiser* headline stated, 'MP anger over poor poll result.' The article continues:

Liberal MPs will push for Party room talks on the Brown Government slump in the opinion polls. The Party was still reeling yesterday as MPs and Party members studied the results of an *Advertiser* poll which showed a significant drop in Government support.

The Hon. R.R. Roberts interjecting:

The Hon. T.G. CAMERON: Well, disunity in the Liberal Party, and nothing has changed. It has been going on for 20 years and they are still hard at it. It is only a matter of time before they get Olsen. On the same day, another *Advertiser* headline stated, 'Bitter dispute threatens to split Liberals.' From the *Advertiser* on 5 November 1996—and I will provide these references for the Hon. Legh Davis because I know he likes to go back through my speeches to check that my facts and quotes are entirely accurate—an article states:

Liberal MPs have been warned by the Premier, Mr Brown, to halt a bitter row that is threatening Party—

The Hon. A.J. Redford: 1996?

The Hon. T.G. CAMERON: Well, I could have gone back 20 years but I decided to go back only 12 months in due deference to the Legislative Council—

discipline and could lead to a split.

Another headline states, 'Liberal backbench revolt over policies.' The article states:

Tensions in the Liberal Party are at flashpoint with pressure mounting for the Party leadership to make a major change in economic strategy.

Well, we know that a few backbench MPs made the ministry and no doubt those who made the ministry were rewarded for their long and loyal support to the Premier John Olsen, and they were also rewarded for their long and disloyal backstabbing of Dean Brown when he was Premier.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: Of all people in this place, the Hon. Angus Redford ought to take note of this. Under the heading, 'Liberal MPs in Party room revolt", another article states:

Angry Liberal backbenchers have flexed their muscles and told the Premier Mr Brown and his Ministers—

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: Well, you were one of the backbenchers telling Dean Brown to nick off and that his day was gone: 'For the sake of the Party and the sake of the State we need to put John Olsen there.' Well, what a great election result he delivered you. The clock is ticking: you have three years to get rid of him. Another heading is 'Premier told to get rid of his deputy'. This time it is from the *Sunday Mail* and states:

The Premier, Mr Brown, could face a leadership challenge if he does not agree to install the Industry Minister, Mr Olsen, as Deputy Premier.

And they all ran around like chooks with their heads cut off, all swearing their loyalty to Dean Brown: 'No, we are with you Dean. You have got our vote, no worries.' Where did you have to go to find him and the Treasurer at the time to get them to turn up at your own Caucus meeting so you could tell them to bugger off? We know where you found them.

The PRESIDENT: Order! Mr Cameron, can you please temper your language? The words 'bugger off' are hardly parliamentary or your standard of English. You must stick to English and stop shouting.

The Hon. T.G. CAMERON: Mr President, I can appreciate you complaining about my saying 'bugger off', but are you complaining about my standard of English? Are you as a President complaining about my standard of English?

The PRESIDENT: Will you resume your seat, Mr Cameron? I am asking you now to be relevant to the motion which is for the adoption of the Address in Reply, and I have not heard one word in reference to an address by the Governor.

The Hon. T.G. CAMERON: Where were you for the first 15 pages of my speech?

The PRESIDENT: Mr Cameron.

The Hon. T.G. CAMERON: I will soldier on. Another article, under the heading, 'I will survive—Brown cool in Liberal row', states:

The Premier, Mr Brown, embroiled in a Liberal Party leadership crisis declared last night, 'I will survive.' Prominent MPs were suggesting a leadership vote as early as Tuesday could be the only way to quell the discontent. Even members of his own faction attacked Mr Brown for bad communications with backbenchers and voters.

Another headline was, 'Peace deal saves Brown'—not for long. The article states:

The embattled Mr Brown has won a reprieve but could still face a leadership challenge before Christmas. Senior Liberals say a peace deal was hammered out over the weekend. However, it has already

prompted warnings of further rifts in the Party with one senior MP saying yesterday—

and I wonder who that was?

The Hon. R.R. Roberts: Angus.

The Hon. T.G. CAMERON: It can't be Angus because he is an MLC—

'It's just left us with a festering sore. All it will need is another crisis to start the whole thing over again.'

Under a headline in the *Advertiser* of 13 November 1996, 'Olsen victim of bitter campaign', an article states:

A whispering campaign—

Well, it was not a whispering campaign in here as all members would know. You only had to walk around the corridor and you would run into a few Liberals whispering how long it would be before they could get rid of Brown and get Olsen in. The article states:

A whispering campaign aimed at undermining the Industry Minister, Mr Olsen, is under way in the strife-torn Liberal Party and it could seriously jeopardise a peace deal hammered out over the weekend to unify the Party.

Another headline is, 'Liberal powerbrokers in secret rendezvous.'

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: The necessity for going through some of these things is that I want the people of South Australia to see what the Liberal Party was busy doing in its last term of office. The article states:

A secret meeting of senior Liberals including influential Federal and State MPs has renewed speculation of a challenge to the leadership of the Premier, Mr Brown. It was held last night at business premises owned by former State President, Mr Bruce McDonald, and came only hours after a Party room showdown agreed to a peace deal at ending disunity.

If the meeting had not occurred at 2 o'clock in the morning somebody from the Liberal Party would have been on the telephone to us telling us that it was taking place. Here is another heading, 'Gang of 12 to guard Brown'. That did not work too well. The article states:

A group of at least 12 backbenchers has swung its weight behind the Party's leadership in a move aimed at heading off any future challenges.

Those 12 backbenchers either all went or they are all still sitting on the back bench. I continue:

Despite the new group, many Liberals were predicting yesterday that Party room unrest would continue, even with the State election looming. The feeling in Liberal circles is that the back bench is now irretrievably split.

Another article, headed 'Liberal MP restrained in clash', states:

A backbencher had to be restrained during an argument with a colleague over the Liberal leadership turmoil, it was revealed yesterday. Mr Brindal had to be held back during a heated argument with Mr Venning. While confirming the incident yesterday he refused to comment further.

I think the Hon. Mr Brindal has had his due reward for long and loyal support for the current Premier, and good luck to him. 'Nationals target—

The Hon. R.R. Roberts: Yes, but he attended the Steve Condous school of back-flipping. He changed, but he's been well rewarded.

The Hon. T.G. CAMERON: I guess that's everybody's prerogative, and not just a woman's. Another article, headed 'Nationals target Liberal seats', states:

The National Party plans to capitalise on the troubles of the South Australian Liberals by launching a campaign to win a host of State seats.

They ended up winning a few Independent seats but none themselves. An article, headed 'Dear Dean: Lift your game or I'm leaving', in the *Advertiser* of 21 November 1996 states:

Influential multimillionaire businessman, Mr Allan Scott, has threatened to pull his companies out of South Australia. In a blunt letter which could reignite leadership tensions in the Liberal Party, Mr Scott has told Mr Brown 'he is most disappointed with his Government's performance'.

One week later, the *Advertiser* of 28 November 1996 carried the headline 'Exit Brown, enter Olsen' and stated:

Dissident Liberal MPs finally claimed the scalp of Premier Dean Brown last night and replaced him with long-time rival John Olsen in a dramatic leadership coup.

Another headline in the *Advertiser* of 2 April 1997 was 'Libs want Brown out of politics'. I think they had better keep him there, because you are getting close to needing another Leader, and you are not backward in recycling Leaders. The article stated:

Internal brawling within the Liberal Party is set to flare again with attempts to move former Premier, Mr Dean Brown, out of politics. The latest uproar in the Party comes at the same time as a new opinion poll shows the ALP gaining support in the electorate while Government support appears to be remaining stagnant.

Another quote under the headline 'Dean Brown kept "dirt file" on me, says Baker' states:

The Liberal Party has been plunged into further turmoil with stood-down finance Minister, Mr Dale Baker, accusing the former Premier, Mr Dean Brown, of keeping a 'dirt file' on him. Mr Baker told the *Advertiser* yesterday that Mr Brown has been involved in the compilation of a 'dirt file' on his business activities which was leaked by an unknown Liberal to the Opposition.

I wonder who that was.

The Hon. L.H. Davis: It doesn't happen in the Labor Party, does it!

The Hon. T.G. CAMERON: The Hon. Legh Davis is interjecting. I hope that is no indication that I have pressed a bruise or I have touched a sensitive spot.

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. CAMERON: I just can't believe that the Hon. Legh Davis would leak a negative story about Dean Brown to the *Advertiser*. I just could not believe that of you, Legh. However, I will not dwell on that. Another article in the *Advertiser* of 7 April 1997 under the headline 'Libs order silence on in-fighting' states:

State Liberal backbenchers have been told not to speculate publicly on Party unity in the wake of an unprecedented attack on former Premier Mr Dean Brown by colleague Mr Dale Baker. A little bit later on in the year, under the heading 'Liberals bid to put brakes on brawling', in the *Advertiser*—and I do not think the *Advertiser* likes the Premier too much—the following appears:

Liberal MPs will meet this month in a bid to head off further Party brawling. As pressure mounted yesterday for the Premier, Mr Olsen, to act to prevent further Party disunity, a senior Liberal said—

and we don't have too many senior ones up here—

'We have three or four loose-lipped bastards who don't realise the harm they are doing to the Party.'

I apologise to the House for using the unparliamentary language of 'bastard', but I was quoting the *Advertiser*.

Another article, under the heading 'Leaks put early poll in doubt', states:

> Further Opposition claims about top-level leaks of Cabinet information are likely to rock the Government. The Liberal Party is still reeling from statements last week that the Premier, Mr Olsen, leaked information to the ALP.

Another article entitled 'Patch up rows, Lib president warns'—

The Hon. Caroline Schaefer interjecting:

The Hon. T.G. CAMERON: Well, I have a quote here for you. If it's not right I will provide you later with the details of where I got the quote from. It states:

> The Liberal Party has been told to put aside its differences and focus on unity in the lead-up to the State election. On Channel 7 yesterday, Howard Government frontbencher Senator Robert Hill described the brawling with the South Australian Liberal Party as one of the worst outbreaks of Party factionalism in recent times. He blamed the brawling on the leadership struggle between Mr Brown and Mr Olsen.

It was very perceptive of Senator Robert Hill to come up with that conclusion. Mr President, the rest is history. On 11 October the voters of South Australia made their judgment on the Brown-Olsen Government's relentless infighting. In a kick to the guts for the Premier and his Government, the record Liberal majority of 36 seats was reduced by 13 to just 23. The swing against the Liberals and two Labor was the biggest in South Australian history after one term of Government and the biggest in the nation since 1932.

Well, if that does not serve as a good lesson to you lot as to what infighting, disunity and publicly attacking your leadership does, I do not know what will. We are only some three or four months after the election and it has all started again. Premier Olsen clings to power only with the support of Independent MP, Mr Rory McEwen, Independent Liberal Mr Mitch Williams and National Party MP Mrs Karlene Maywald. If all three voted with the 21 seat Labor Opposition the Government would be defeated. Considering the size of the electoral hammering, one should have thought that the Olsen Government would well and truly learn the lesson that South Australians despise Governments that are divided. The big message from the election is that South Australians want their politicians to be accessible and, more importantly, accountable. They held us accountable for the State Bank and they will hold you accountable at the next State election if you do not get your act together and get in behind your Premier and support him.

About 60 per cent of you are supporting him at the moment. The only problem you have is that you cannot find anybody with whom to replace him because you cannot quite stomach recycling Dean Brown. South Australians want politicians who will serve the public, not themselves. However, this Government has not learnt from the past and is therefore condemned to repeat: its internal guerilla war continues to rage on and on. As a result we have bold headlines in the Adelaide *Advertiser* from business leaders attacking Olsen and urging his divided Party to 'lift your game'.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: The Hon. Legh Davis ought to listen to this because it is the *Advertiser* urging his divided Party to lift its game. While members of the Liberal Party may be happy to continue their brawling indefinitely, the South Australian business community is crying 'Enough is enough!' While the business community continues to stand up and be counted and to tell you to get your act together—

The Hon. J.S.L. Dawkins interjecting:

The Hon. T.G. CAMERON: Did I just hear a maiden interjection? I can understand that members here in the Legislative Council may be happy to continue to see the brawling go on. But when are you going to start listening at least to your own constituency—the business community—because it is saying that 'enough is enough'? How many more times does it have to stand up and publicly give quotes to the *Advertiser* calling upon you to lift your game?

In the interests of our State's future, the current insanity of the Liberal Party's internal machinations must stop—for the sake of the 10 per cent of South Australians who are unemployed and for the thousands of young kids who cannot get a job. Members opposite were elected to do a job, that is, to try to get this State moving again. They wasted the last term of office and they all know it. They wasted the last term of office. They got dealt a body blow at the last election and, if they do not get in behind John Olsen, the entire State will suffer, particularly the unemployed and the young kids.

One only has to examine some of the material I have put before members today. It is important to note that the Hon. Legh Davis has been singularly quiet during this address. He usually interjects when he disagrees with what I am saying. But the Olsen Government is failing to create jobs, it is failing to create job security, it is failing to create economic growth that will lead to new jobs and it is failing to engender business confidence through its constant infighting. That is its Achilles heel. Even the conservative Centre for Economic Studies has stated in its latest briefing, and I quote:

> Continued number counting despite appeals for unity leaves something of a question mark over the Government's capacity to build and sustain a long, revitalised economic development strategy.

Members opposite have wasted the last four years; please for the sake of our State do not waste the next four. South Australia needs economic growth to create jobs and that growth is not there under John Olsen. Two per cent growth will not reduce our unemployment. By the year 2002 we could be looking at 12 per cent unemployment in this State. We need economic growth to create jobs, and that growth is not there. We need Mr Olsen's plan for jobs and we need a plan for economic growth—because if there is a plan nobody knows anything about it. The Liberals certainly did not know what it was before the last election. They did not put their vision for the State and their plan for the future as far as their privatisation program was concerned. They did not put that to the electorate at all. Talk about deceit. Disunity is one thing but that is deceit on a grand scale.

According to the Premier, unemployment remains the Government's highest priority. Has the Premier not read the latest unemployment statistics? Unemployment hit 10 per cent here in South Australia in the last quarter, with 32.5 per cent of 15 to 19-year-olds unemployed. I know that that is a slight improvement, but that was an improvement from a figure of around 40 per cent. I do not know how Liberal politicians go out there and look young people in the eye, when one in three 15 to 19-year-olds cannot get a job in this State. Yet, if we listen to the Premier he deems unemployment to be the Government's highest priority. Hell's bells, if that is his highest priority, and we have the worst record in the country, how must he be performing in other areas that he does not consider to be such a high priority? How long can the Premier possibly remain focused on the economy and job creation when he is constantly forced to look over his own shoulder to fend off the knives from disloyal members of his own Cabinet and backbench as they currently thrash around

in the corridors trying to find out who in the hell they can replace him with?

For more than three years now Mike Rann has been calling for an employment summit, in an effort to forge an agreement to create jobs for South Australians. Since July Mike Rann has on three occasions offered to meet with the Premier. The Liberal Party should have learnt from the last election and from Mike Rann's offers to enter into a jobs summit and to cooperate with the Liberal Party in order to get a better result for all South Australians that that struck a chord with the South Australian electorate. That chord saw this Government majority reduced to a majority of nil. Since July, Mike Rann has on three occasions offered to meet with the Premier to offer his support to sit down with business, unions and community groups to thrash out a jobs growth agreement, a blueprint to secure and create jobs for South Australians.

It might be the case that the Premier does not like Mike Rann. I do not know; it may be that he is not prepared to sit down and speak with him, or that he is not prepared to sit down and have a discussion—

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order! Interjections across the Chamber do not do us any dignity at all.

The Hon. T.G. CAMERON: What we are on about, Mr President, is trying to sit down and in a cooperative way to see what we can do to address some of the problems that we have in South Australia. After nearly four and a half years of Liberal Government, unemployment is mired at the 10 per cent figure. So, if unemployment is John Olsen's highest priority why will he not sit down in a jobs summit with the business community, which is roundly criticising him at the moment, to do something about what is obviously the State's major problem, namely, unemployment and economic growth?

If we were able to sit down with business, unions, community groups, with the Labor Party and the Liberal Party, we could thrash out a jobs growth agreement and get a plan going; but none of that will be achievable until such time as the infighting within the Liberal Party stops, until they get in behind their Premier and he feels confident enough. He has no confidence at the moment. Give the man a bit of confidence, and then he might sit down with us and do something about what he considers to be his top priority. I would hate to see some of his other priorities. If unemployment is his top priority, heaven help all of us.

While Mr Olsen has recently formed the Partnership for Jobs Committee, he has stubbornly refused Mike Rann's offer to be involved. In the final analysis, the buck stops with the Premier and his Government, and Mr Olsen should be prepared to put aside his personal views of Mr Rann. For the sake of South Australia's unemployed he should be prepared to sit down with the Labor Party, and the Democrats if they want to be involved, so that we can do something about tackling what has been correctly identified as the State's main priority: unemployment. It is the responsibility of the Government to ensure that tens of thousands of South Australians are not left waiting forever on the unemployment scrap heap, but are assisted to get back to work, through realistic and accountable industry assistance made available to existing local companies, rather than throwing tens of millions of taxpayers' dollars at foreign and overseas firms in an attempt to buy jobs.

This is the responsibility of this Government in relation to the thousands of small businesses who are the backbone of our economy. They used to be the friends of members opposite. They are now casting around looking for friends elsewhere because they saw the Government's attitude when it came to the tenancy legislation. The Liberals support for small business has been good in the past but it has now deserted small business. However, it is the Government's responsibility to support small business both in employment and economic terms, and not see them forced to the wall by unfair trading and business practices. They need tough legislation, as I outlined earlier, to give them a fair go.

Mr Olsen has been the key economic Minister in the State Liberal Government since it came to power and he has failed the State woefully because he has been too busy trying to secure his own job. He should be securing jobs and growth for South Australian families. The message from the election is that people want their politicians to work together to create jobs; they do not want a Government of MPs fighting amongst themselves for the perks of office. The Liberals must show South Australians they have really heard what the people have said and, most importantly, act upon it. We have not seen any evidence at this stage. Mr Olsen should be big enough to admit that and be prepared to bring everybody together to pool their ideas and thrash out a plan that everybody can commit to.

I call on Premier Olsen to show real leadership and to place the needs and aspirations of South Australia before the internal bickerings of the Liberal Party. I ask him to join the Labor Party so that we can work in a bipartisan way to get our economy moving; because, quite simply, no single person or Party has all the answers to South Australia's employment problems. I support the motion.

The Hon. P. HOLLOWAY: In beginning this Address in Reply speech, first, I would like to congratulate the Governor on his address to Parliament and I also congratulate him on the job he has done in representing this State and, in particular, in bringing business to this State. I suggest he has been a lot more successful than his Government. I would also like to take the opportunity to pay a tribute to the members of this Parliament who retired at the last election: Paolo Nocella, Anne Levy, Peter Dunn and Bernice Pfitzner. I think all of those members have made a great contribution to this Parliament. I would also like to welcome the four new members to the Parliament: Carmel Zollo, Nick Xenophon, John Dawkins and Ian Gilfillan, and I am sure that those members will, over time, make as considerable a contribution as the members they replaced.

First I will go through the contents of the Governor's speech and comment on particular aspects of it. The great omission from the Governor's speech—which, after all, sets out the policy of the Government for the forthcoming parliamentary session—is the bit about selling ETSA. Where is the mention of that? We all know that this Government went to the people at the last election promising that it would not sell the Electricity Trust. Subsequently we now know, just two or three months into the term of the Government, that it has now broken that fundamental promise. If we judge the Government's program as outlined in the Governor's speech on that fundamental factor, we can be somewhat cynical about everything it says. I refer in particular to that part of the Governor's speech where he states:

> My Government's commitment for our future is. . .to engender trust in the political process by ensuring a productive level of debate within Parliament.

How on earth can you engender trust in a Government when that Government has broken one of its most fundamental promises within weeks of the election? I imagine that if you went out to the people of South Australia today there would be absolutely no trust whatsoever in this Government or anything it says again. There would absolutely no trust in the Government at all, after what it has done.

I move on to some of the other parts of the Governor's speech, because again we can see some problems there. The Governor mentions that the State's debt reduction strategy will continue with equal vigour to that pursued for the past four years, as will an emphasis on job creation, particularly for our young people. What sort of promise is that—that the Government will continue with equal vigour its emphasis on job creation? I would suggest that it will have to try a damned sight harder than it did for the past four years because, although it promised 20 000 jobs a year in 1993, it has delivered only a small fraction of that. So, rather than saying it will pursue that target with equal vigour, I would think it would have to try a lot harder than it has.

In outlining his Government's program, the Governor states it has listened to and acted upon the message of October 11. I come back to the ETSA sale; how is the Government listening to the people on that message?

The Hon. L.H. Davis: What's your view? Are you against it?

The Hon. P. HOLLOWAY: The Hon. Legh Davis will see when we come to that. Of course I am against this.

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: I will not be distracted by the Hon. Legh Davis. He can have his time. The Hon. Legh Davis had the opportunity to stand up and speak and give his views but, as nobody else was doing so, I decided to stand up and do it. I will cover some of the issues he would like me to talk about a little later.

The PRESIDENT: I suggest the honourable member not listen to interjections; he is doing very well.

The Hon. P. HOLLOWAY: Thank you, Mr President; I will keep that up. There are some more interesting parts of the Governor's speech. On behalf of the Olsen Government the Governor talks about the changes to the ministerial structure, stating that they are bold and innovative. Heavens above! We all know why this Government brought in the five junior ministries: it did so to try to keep peace within its ranks, and that is a subject which my colleague the Hon. Terry Cameron has just covered at length. The reason why this Government has a policy to change its ministerial structure has nothing to do with boldness or innovation: it has purely to do with trying to pacify its opponents from within.

The Hon. T.G. Cameron: And not doing a good job of it.

The Hon. P. HOLLOWAY: Certainly not. The Governor's speech continues:

> My Government has moved with speed to ensure that across all portfolio areas tourism is treated as a key sector. This can be seen by the Glenelg and West Beach foreshore developments.

I thought it was rather unusual that the West Beach foreshore development could be mentioned as a tourist policy; I cannot see tourists coming down to see it.

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: I will tell you my views on it, all right. We all know the risk that that development at West Beach will pose to the beach in that area, but it is also right next door to the largest caravan park in this State. How will putting that foreshore at risk help tourism? I would have thought that, rather than being a tourism sensitive development, it will have completely the reverse effect.

The Governor then goes on to mention some of the legislation coming up, including some to eliminate avoidance mechanisms in the taxation system, and legislation is being introduced in another place at this very moment to deal with that issue. The Governor states:

> Any further avoidance schemes which become apparent during the life of the Parliament will also be dealt with in a similar fashion. These measures are to ensure that everyone pays their fair share of the taxation burden.

I would like to take up that issue. Of course we would all wish that everyone paid their fair share of the taxation burden, but I would like to mention the outsourcing and privatisation program of this Government and how it will contribute to that issue of people paying their fair share of tax. This Government has outsourced a number of services, and the biggest of them have been to multi-national corporations. We have seen EDS, which is one of the largest multinationals in the world; United Water, which is a joint venture of two very large multinationals; Serco running the buses and so on. On 14 January this year an article in the *Advertiser* stated '100 big firms paid no tax'. It stated:

> About 100 multinationals operating in Australia and each earning more than $300 million a year paid no tax in 1996. . .The Australian Tax Office documents reveal that just under 40 large multinational companies did not pay any tax in 1994, 1995 and 1996.

It goes on to state:

> About 55 per cent of multinationals or companies—

The Hon. L.H. DAVIS: I rise on a point of order, Mr President. The Address in Reply relates to State issues, yet here the honourable member is talking about corporate tax, which is a Federal issue.

The Hon. P. HOLLOWAY: Mr President, I am quite happy to—

The PRESIDENT: Please, Hon. Mr Holloway: a point of order has been taken and I must address it. In light of the irreverent use of the Governor's speech and many members not referring to it I will rule that it is not a point of order.

The Hon. P. HOLLOWAY: I had quoted from the Governor's speech, where this Government claims it will do everything it can to prevent tax avoidance. The point I was making is how, by outsourcing to large multinationals, this Government is actually reducing the income that this country will receive, because these large multinational corporations, which are getting the benefit of all this outsourcing and privatisation that is going on, do not pay tax—and the record is there.

The Hon. Diana Laidlaw: You're not naming Serco as not paying tax?

The Hon. P. HOLLOWAY: No; I was naming it as an example of the type of company. Because of its confidentiality provisions, of course the Tax Office will not name those companies that are not paying tax, but we do know from the survey that about 100 multinationals, each earning more than $300 million a year, paid no tax in 1996. This Tax Office spokesperson referred to in this article states:

> The obvious question which arises is how can a business exist in a market over a lengthy period, sometimes decades, if it never makes a profit?

The answer is that these companies are using all sorts of subterfuges and are transferring profits out of this country.

An honourable member interjecting:

The Hon. P. HOLLOWAY: They may well be legal, but the point is that they are not contributing to the development

of South Australia, and yet it is these companies which have been the principal beneficiaries of the outsourcing and privatisation developments of this Government and which are praised so lavishly in the Governor's speech. If we go on to some other areas of the Governor's speech, under Education, Employment and Training, we see the following comment:

> School closures and amalgamations will be minimal and closures will be considered only after a compulsory process of public consultation, as has been the case in the first term of my Government.

If this Government is serious, as it claims to be in the speech, in trying to engender trust in the community, how can it expect anyone to believe that when we have had what we have seen in the case of Croydon, The Parks and a number of other schools, where there was anything other than proper consultation with those communities? Again, this Government's credibility has been very much under question.

This Government refers, under Human Services, to major new building projects at the RAH and QEH. The Governor's speech was given last December. We now know from the Premier's statement, when he announced the sale of ETSA that funding for these projects required the sale of ETSA. According to the Premier, unless ETSA is sold we cannot possibly fund these new hospital projects. Who has—

The Hon. L.H. Davis: What do you think?

The Hon. P. HOLLOWAY: I'll tell you what I think: I think this Government has been very dishonest. It ought to work itself out. Apparently in December it said that we could go ahead. Back in December the Government said the budget was fine, that we would have a surplus, that there were no problems at all and that all these hospital projects were on track—no problems at all. Suddenly it appears that problems have developed.

Over the past four years this Government has consistently underspent its capital budget. In every budget this Government has brought down it has underspent the capital budget for the previous year, sometimes by anything up to $200 million. Clearly it is fudging its capital budget to make it look as though it is going to have a bigger program than it obviously ever intended.

Reading further in the Governor's program, I see under the heading 'Energy' again there is no comment on ETSA. However, the comment is made:

> My Government will be introducing legislation to advance the introduction of a national electricity market.

Under 'Mines and Energy Resources' it says:

> Exploration expenditure is now at its highest level since 1986.

One of the reasons why mining exploration in this State has been at high levels was the introduction of the South Australian exploration initiative back in 1992. Under that program there was extensive aerial surveying of about 60 per cent of this State and, as a result of that program, there has been a great increase in exploration.

The tragedy is that in the last budget brought down by this Government there was no new money to continue that exploration initiative into new areas of aerial surveys. The money that was made available under that program was purely to process existing information. It is a tragedy that the Government could not find the relatively small cost of several million dollars to enable that exploration initiative, which incidentally has been copied by most other States in this country, to continue. It was introduced when Frank Blevins was Minister for Mines and Energy. The initiative was certainly welcomed by the former Minister for Mines and Energy, Dale Baker, when he came to office. It has been widely accepted throughout this country, but tragically that program, in terms of its aerial survey component, is at an end.

One of the next sections of the Governor's program relates to Government enterprises. Reference is made to the new ministry that has been formed to provide greater Government oversight to the broad area of public corporations. It would be better named the Ministry for Sales because Michael Armitage has become the Myles Pearce of the Government. It is clear that all these areas of the Minister's department will gradually be dismantled and sold.

The Hon. L.H. Davis: But you supported the State Bank sale?

The Hon. P. HOLLOWAY: Yes, I did.

The Hon. L.H. Davis: And you supported the sale of Gas Company shares?

The Hon. P. HOLLOWAY: Yes, I did. Some of the corporations within this new portfolio include the WorkCover Corporation. We know that is under question. We know the Minister for Government Enterprises has the forests. I guess there are problems with Independents in the South-East, so that has not yet been announced. No doubt, not too much further into the future, perhaps when those Independents have been lured back into the Liberal fold, the forests will be appearing on the list of sales, along with the TAB, and so on. The Minister for Government Enterprises will be the Minister for Nothing before too many years pass under this Government, as there will be nothing left.

To turn to transport, I note that the Minister is here on the front bench this evening. In this respect, His Excellency the Governor stated:

> Over my first term the Government delivered increased patronage and improved services in public transport.

We know that with the introduction of the private operators some people have had double journeys and that has had some impact on the measurement of services. I was reading in the *City Messenger* today that car parks in the city are doing boom business, apparently because of the fall in the number of people using public transport. It will be interesting to hear the Minister's reaction to that article in the *City Messenger* because—

The Hon. Diana Laidlaw interjecting:

The Hon. P. HOLLOWAY: I am saying that in today's *City Messenger* we have people alleging that public transport patronage has fallen and not increased.

The Hon. Diana Laidlaw: And you are not interested in the facts?

The Hon. P. HOLLOWAY: If the Minister has some of the latest statistics and can prove that the people at the city car parks are wrong—

The Hon. Diana Laidlaw: Don't you want public transport patronage to go up?

The Hon. P. HOLLOWAY: That was in the past. We will have to see what the truth is. Moving along, also under 'Transport' we note that legislation will be introduced to clarify school zone safety issues. We have had that legislation, but the Governor's speech does not outline why we needed this clarification. Why did we need to clarify the school zone safety issues? We know that there was plenty of bungling in the way that the issue was handled in the first place. This is why we had to have this legislation.

The section of the Governor's speech to which I wish to turn next relates to Parliament. It is a most interesting section. The Governor's speech says:

My Government is committed to that goal—

this is the goal that the operations that Parliament advance to recognise the changing needs and demands of the community—

and will initiate a review which analyses the processes and procedures of Parliament as well as the accountability and responsibilities of members in the parliamentary process. Significantly, current practices of sitting late into the evening and even into the early hours of the morning often make it difficult for members to properly assess legislative matters.

I certainly agree that we have had lots of long sittings, but it is worth making the point that since July last year when we broke for the election, up until the budget, which is the last week of May this year—a period of not quite a year but something like 10 months—we will have had a total of six weeks of parliamentary sittings. Is it any wonder that we have to sit into the early hours of the morning when the Parliament sits so infrequently? I would like to think that we did not have to sit so late and into the early hours of the morning, but one of the problems we all face is that this Government only provides copies of its legislation to members of the Opposition in some cases only a day or two before it expects it to be passed.

We had plenty of examples of that during the first sitting of this Parliament just after the Governor made his speech, when we had important legislation such as that relating to West Beach, where the Opposition had something like 24 hours to respond. Indeed, there are problems with the way in which the legislation is handled, but I suggest that most of those problems are in the hands of the Government. If it were to sit more frequently and provide legislation to Opposition members in a more timely fashion, we could solve a lot of those problems.

I have just gone through some of the elements of the Governor's speech on which I think some comments need to be made. However, I think we also need to look in this new session of Parliament at some of the issues that we will address and some of the solutions that we need for the problems we now face. A few weeks ago, I read an interesting article in the magazine published by the University of South Australia. It referred to some comments by Professor Ashley Goldsworthy, the Chair of the Information Industries Task Force for the Federal Government. That body has just produced a new report on global information economy. Some of the comments that Professor Goldsworthy made are useful. He says:

Investment in, and promotion of, high quality education and training is one of the most important contributions that can be made to Australia's future. The availability of skilled workers is a key to attracting investment, advancing the take-up of new technology, undertaking innovation and creating sustainable competitive advantage.

The report goes on to say:

We must significantly increase aggregate expenditures on education, including contributions by the private sector.

Professor Goldsworthy states specifically:

To encourage the development of centres of excellence Government should fund a redeemable vouchers system to provide 15 000 additional tertiary places in information and communication technology related courses (included engineering) over the next three to five years.

That is one of the issues that this State needs to address. It is certainly a matter that I have raised in this Parliament on a number of occasions.

There is no doubt that information technology is one of the most important growth areas in the world economy at the moment. If we are to fully capitalise on that, we need to make sure that we have the skills available within our work force. Tragically, because of the disintegration of the education and training system that we have witnessed, particularly federally—I must admit it is more the Federal Government than the State that must shoulder the greatest blame—we will face some real problems. We will not get the best out of the growth in these new technologies. In fact, the combination of the Olsen Government and the Fraser Government—I mean the Howard Government—that was a slip of the tongue mentioning Fraser, but there is not a lot of difference—is a deadly and disastrous combination for this State.

I want to move on to another issue relating to the national competition policy. In her speech earlier today, the Hon. Sandra Kanck spent most of the time berating Cheryl Kernot.

The Hon. L.H. Davis: A very powerful speech, and a very interesting insight. She persuaded me.

The Hon. P. HOLLOWAY: I am sure that it persuaded the Hon. Legh Davis, but of exactly what he may care to tell us later. The point that the Hon. Sandra Kanck missed was that, in relation to issues such as the national competition policy, it is not simply a matter of being for and against. If we go through what happened in relation to the national competition policy, originally in the early 1990s at the Council of Australian Governments (formerly the Premiers' Council) discussions were held on improving the efficiency of Government businesses. Of course, those early meeting involved the Bannon Government. However, it was in 1992 that the committee of inquiry, the so-called Hilmer committee, was established to report on the four principles of competition policy.

The Hilmer report was produced in August 1993, several months before the election in this State. The Hilmer committee recommended a number of changes to the Trade Practices Act and set out the four principles for competition. The major recommendations of the Hilmer committee were accepted by the Council of Australian Governments at a meeting in Hobart exactly four years ago tomorrow. On 25 February 1994, the former Premier (Hon. Dean Brown) signed on behalf of this State.

Some time later, in April 1995, the Prime Minister and the Premiers of all the States and Territories signed the Competition Principles Agreement which was designed to implement the key national recommendations of the Hilmer report. The reason I have gone through that history is to indicate that the development of the competition policy took some time. Whereas I think most people would agree—and I include myself—that there are great benefits to be derived for the Australian economy by introducing principles of competition, there is a long way between the introduction of those principles and the fine print that has subsequently been developed.

I have some concerns about particular aspects of the development of the national competition policy. It is interesting to note that, now that the policy has been under way for some years, some academic research has been undertaken into this policy and how it is working. The point needs to be made that many of these principles, particularly that of applying competition to what were previously Government monopolies, were pretty much a theoretical exercise. Some of the analyses now query some of the assumptions that were made. In that context, we should examine the performance of the national competition policy.

I refer to a particularly useful article that I found recently in volume 73 of the *Economic Record* of September 1997. The article on national competition policy by Stephen King of the Australian National University makes the point that there were a lot of difficulties in trying to introduce competition into what were previously public monopolies. Economists considered for many years that areas such as the railways, electricity and so on were natural monopolies and that there were sound reasons for why they should remain in Government hands. It was only when the free market economists started to exert their influence during the 1980s that they tried to invent ways of introducing competition into what are natural monopolies.

The paper to which I refer raises some grave doubts as to whether that can be achieved. I recommend that anyone who is interested in this subject look at this paper. I wish to quote what I think are some of the more important parts of this paper. First, the author makes the following point:

> Corporatisation—the restructuring of the internal organisation of a Government business enterprise to more closely mimic the structure and incentives that characterise private firms—has been transforming the operations of both State and Federal Government business enterprises since at least the mid 1980s.

So, it is not necessarily as a result of the national competition policy that these things are happening. The paper continues:

> The principle behind competitive neutrality that 'Government business should not enjoy any net competitive advantage simply as a result of their public sector ownership'. . . means that Government business enterprises should be subject to similar, if not identical, regulations to private firms, should pay the same taxes as private industry and should not receive the benefit of a lower cost of capital from Government ownership.

Those are fairly sound principles that were adopted in the early days of competition policy and, again, I think most people would agree with them.

The problem is that in order to make competition policy actually work in some areas, particularly the electricity market, we have had to set up quite large bureaucracies. These bureaucracies, rather like the famous bureaucracies in Brussels, seem to have taken on a life of their own. There must be doubts as to how much many of these bureaucracies are costing and how effectively they are doing the job that they are supposed to do. I think it is important to quote the following point:

> The Hilmer reforms consider the introduction of competition rather than ownership. In this sense, national competition policy addresses neither privatisation nor contracting out, although some elements of competition policy potentially may involve these issues.

I think that is an important point to recognise in this whole debate. The Hilmer report does not, contrary to what many people say, imply questions of ownership; it is purely looking at competitive neutrality principles to which I referred earlier.

Some of the problems that we face with these natural monopolies—and it is not just electricity but also railways and so on—is the question about how you have access to what is clearly a national monopoly. In relation to the electricity industry, it is quite clear that the wires which distribute electricity are a natural monopoly. It is unlikely that a competitor would want to construct a duplicate set of electricity wires to service houses. Clearly, one set of wires will be used.

What has developed under national competition policy is this artifice of access regimes to try to make what is a natural monopoly competitive, and I think that is where a lot of difficulties have arisen. In this article, some points are made about some of these problems and I quote:

> Consider the owner of an electricity transmission/distribution network. Such a network is likely to involve natural monopoly technology and, given the lack of substitutes for electricity in a variety of domestic and commercial uses, access to the transmission and distribution network will be essential to compete in the electricity market. Competition, however, may be both feasible and desirable at the upstream 'generation' stage and the downstream 'retailing' stage of electricity production. If each of these stages is highly competitive and the network owner does not participate in generation or retailing, then he can still seize monopoly profits by raising the price of access to his network. As the price of access rises, so too will the competitive final market price for electricity. By setting an appropriate access price, the network owner can raise the retail price of electricity to the monopoly level, with retail and generation competition guaranteeing that all monopoly profits are gained by the network owner.

This paper also raises the question of breaking up vertical entities and this is particularly pertinent to the electricity industry.

The Hon. L.H. Davis: Are you saying you're against this?

The Hon. P. HOLLOWAY: If you listen I think you might learn something, and I quote:

> Vertical integration by the network owner into either electricity generating or retailing may help maintain monopoly pricing, but neither integration nor the degree of competition in other parts of the vertical chain of production change the basic essential facility problem. The owner of the essential facility [which in this case is the networks—the monopoly] can design access prices that lead to monopoly pricing of final products and enable the owner of the essential facility to seize all the monopoly profits.

In fact, studies in the United States have looked at the break-up of vertical monopolies and much of the evidence should lead us to some concern. A study by Kaserman and Mayo finds significant economies of scope between electricity generation and distribution, concluding that:

> . . . for a vertically integrated firm producing the sample mean generation and distribution levels, the estimations suggest that costs of vertically disintegrated production are 11.96 per cent higher than for vertically integrated production.

This research is actually raising questions about the financial validity of the arguments that we should be breaking up monopolies because there are benefits in this.

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: No. Perhaps the tragedy of the whole national competition policy is that many of these issues were not debated five or six years ago when they should have been.

I apologise to the House for quoting at some length what is a fairly technical paper, but I wish to make the point that serious questions are now arising about the basic economic assumptions underlying the application of national competition policy to particular industries, especially the electricity industry. I think that is something about which we should be very careful.

To come back to the point I was making in relation to Sandra Kanck, the question of national competition policy is very complex and there are many aspects to it. While most of us would agree, perhaps with the exception of the Democrats, that there are potentially great benefits to be derived from competition amongst Government business enterprises in many instances, we do have to look at these things on a case by case basis and, instead of rushing into it on an ideological basis, we need to look at all the evidence to make a careful assessment.

In conclusion, I would like to refer to the Government's policy speech. I think it is a great pity that this Government did not come clean with the electors of South Australia and

indicate to them at the election on 11 October what it really thought about the sale of ETSA. If it intended to sell ETSA—and there is no doubt now from the evidence that is emerging that it planned to do so beforehand—it should have come clean with the electors of South Australia. Instead, it involved itself in this exercise of deceit, and the Government deserves to be roundly condemned for it.

The Hon. L.H. DAVIS: I thank His Excellency for his address to the Parliament which formally marked the commencement of the new session following the State election of October 1997. I pay particular tribute to the retiring members from this Chamber, and also welcome the new members, the Hon. John Dawkins, the Hon. Carmel Zollo and the Hon. Nick Xenophon.

I would like to begin my Address in Reply contribution by quoting from an *Advertiser* editorial:

> It is now 18 months since the Federal Government's chief industry advisory body, the Industry Commission, reported that Australian households were losing $330 each every year because of inefficiencies in the electricity and gas industries, and recommended that all publicly-owned utilities be privatised. The commission reported that privatisation would generate 9 000 jobs, cheaper energy prices for the consumer and save the national economy $2.65 billion a year.

It goes on to state that money from privatisation represents:

> . . . a welcome, if limited, opportunity to direct millions of dollars back into run-down State infrastructure, into schools, hospitals and essential services. These and the retirement presently of some of the spiralling State debt, presently $6.6 billion, are the spending priorities.

This editorial, in fact, was written on Tuesday, 14 July 1992—5½ years ago. It was written to comment on the State Government's decision to sell its majority interest of 57 per cent in SAGASCO Holdings, the South Australian Gas Company listed on the Stock Exchange in which the State Government had a 57 per cent interest. That editorial began by stating:

> The State Government's decision to sell its majority interest, 57 per cent, in SAGASCO Holdings deserves support but its tardiness was remarkable.

In concluding, the editorial states:

> The privatisation of SAGASCO Holdings should be only the first step. Next should come ETSA, SGIC, the State Bank and the numerous other commercial operations in which the Government has interests. The Premier [John Bannon] appears to have seen the light recognising that the progression from State ownership to commercialisation to privatisation does not have to be the apostasy he once imagined. A pity his conversion came on the rocky road to the State Bank Royal Commission.

It concluded:

> Mr Bannon must drag the Left and other Party troglodytes along with him to break the burden of State debt which otherwise will continue to visit itself on the present and future generations in the form of higher taxes and charges which will kill business investment, jobs and growth.

That editorial may have been written today but it relates to an event 5½ years ago. It is my intention this evening to put on record the facts about Labor's commitment to privatisation in the Arnold-Bannon years.

As I have said, the Government committed itself to selling the South Australian Gas Company, and it did that in several stages. First, in 1991 it committed itself to selling 20 per cent of the South Australian Gas Company, and then it later moved in 1992 and 1993 to sell off the balance.

The South Australian Gas Company had been listed on the Stock Exchange for a long time. It provided energy to South Australia, just as ETSA does, and it had been highly regarded in the marketplace as a very efficient provider of gas. In July 1992, when the Hon. John Bannon announced that decision, the news release of the day from the Premier said:

> The decision had been taken as part of the Government's ongoing action to rebuild South Australia's economy and to enable the State to emerge from the recession with a secure, long-term future.

He said:

> Money raised by the sale would be used to fund the Government's comprehensive economic development strategy, generate employment and assist debt management.

The Government's involvement with Sagasco resulted from a merger in June 1988 between the largely Government-owned South Australian Oil and Gas Corporation—I think it had a 99 per cent plus interest in that company—which had interests in the Cooper Basin, and the South Australian Gas Company, which was a publicly listed and privately owned company.

The Gas Company had always been in the private sector and had been reticulating gas into Adelaide since 1861. The new company that arose from the merger of the South Australian Oil and Gas Corporation and the South Australian Gas Company was called Sagasco Holdings and was listed on the Stock Exchange in 1988. The South Australian Financing Authority (SAFA), on behalf of the Government, was issued shares which represented 82 per cent of the total Sagasco Holdings at the time in 1988. In other words, only 18 per cent of the ownership of Sagasco was in public hands.

The Hon. Terry Cameron would know better than most of the significance of the Gas Company because my understanding is that he was once a very highly regarded employee of the Gas Company. I can declare an interest in the sense that, for the whole of the 1970s, certainly until I came into Parliament, I raised the moneys for the South Australian Gas Company by way of public debenture offerings in the marketplace through the broker A.C. Goode, for which I was an investment consultant and manager. I have had a very close and long involvement with the South Australian Gas Company, so I know the company well, as does the Hon. Terry Cameron.

The Government in 1988 owned 82 per cent of the South Australian Gas Company, which was the alternative energy supplier to the Electricity Trust of South Australia, which, of course, was a fully-owned Government statutory authority. In 1991 the Government reduced its holding of stock in the Gas Company to improve the liquidity of the stock in the market so as to create greater interest. It also benefited from the gain that it made—the appreciation in the price of the shares which it sold in 1991.

In July 1992, when the Premier made his formal announcement that the Government was hoping to sell the Gas Company, he was looking to sell the balance of 57 per cent of all the shares. The clear indication then was that the ownership of the Gas Company could either pass to a range of institutions or, more likely, be taken over by another company which was involved, or wishing to become involved, in this burgeoning gas sector. One should remember that the gas supplied to the South Australian Gas Company was supplied by Santos, which was also a major Adelaide based company and which was piping gas into Adelaide and Sydney from its Cooper Basin reserves.

It was interesting that the Hon. Paul Holloway, with his head down most of the way, did admit that he supported the Government's sale of the South Australian Gas Company shares. Let it not be forgotten that was privatisation in its

purest form: that it had sold off over two years an 82 per cent holding in a company which provided an alternative energy source to the Electricity Trust in the Adelaide market.

The South Australian Gas Company had a proud tradition, dating back to 1861, of reticulating gas supplies—a much longer standing service to the people of South Australia than the Electricity Trust, which was created in 1944 as a result of the ironic nationalisation of a privately listed company by the then Premier of South Australia, Thomas Playford. How the roles have been reversed!

It was interesting to hear what the then Premier, Mr Bannon, said at his media conference in announcing this sale. He said:

> It is not productive to have those hundreds of millions of dollars tied up in Sagasco Holdings when we need that money to address our budgetary problems and our employment initiatives. We are unlocking it and we are using it.

The Hon. Diana Laidlaw: Who said that?

The Hon. L.H. DAVIS: This was Mr Bannon, and he made a special point of saying how it was being used to reduce the debt. It was interesting that the left wing unions went into overdrive, developed a considerable lather and were not altogether gruntled with this idea of the Government's selling off its controlling holding in the South Australian Gas Company.

But it was instructive to see that in the days that followed the public debate the right wing Labor unity faction's highly respected economist Federal MP, Dr Bob Catley, added to the debate by saying 'the sale should signal the start of a wider sale of assets, including the State Bank and the State Government Insurance Commission to help reduce the State's mounting debt of more than $6 billion.' The ALP's right wing Labor unity faction publicly supported the sale of the State Government's $310 million stake in Sagasco. Dr Catley, on 23 July 1992, just 10 days after the initial announcement, said:

> The faction's decision was not based on ideological grounds but on the need to retire debt and to ensure services were not sacrificed.

That sounds very much to me like the Hon. John Olsen, Premier of South Australia in 1998, addressing the members of Parliament in another place just last week. Dr Catley also said:

> The Right would support the sale of the State Bank and the State Government insurance wing.

But on the other hand the Left Wing, through its powerful leader, the convenor of the Left, the Hon. Terry Roberts, a member of this venerable Chamber, said, when asked by political editor Rex Jory whether the $300 million the Government might make from the sale would be useful (*Advertiser* 24 July 1992):

> Yes, but it is a one-off sale and it is not felt that. . . retiring debt is the appropriate way to spend the money.

Welcome to the real world, Mr Roberts. Even Finance Minister Mr Blevins who at the time was Acting Treasurer told the union delegation of the sale plan. He told them that it was not negotiable and Mr Blevins issued a statement to the *Australian* newspaper on 30 July saying:

> We've called for expressions of interest to see what the market price is and the method of sale will be determined by the Government after we have received all the expressions of interest.
>
> The sale will be of benefit to South Australia by reducing the State's debt and financing our job-creating economic packages.

So there was no doubt about the Government's intention to sell the assets. What happened in fact was that SANTOS acquired 20 per cent of SAGASCO, but then the Trade Practices Commission (TPC as it was then styled) intervened claiming that SANTOS could not proceed with a takeover bid, and so SANTOS had to remain with its 20 per cent limit and the Government's plan to sell the remaining holding in SAGASCO was put on hold. But that was only for a little while, because just a year later in September 1993 Boral made a $760 million bid for SAGASCO after the Government had sold 19.9 per cent of its stake in SAGASCO to Boral. At the time the Government made quite clear in selling its 19.9 per cent stake, which raised $146.8 million, that it was a debt reduction sale. They sold 43 million shares at $3.40 each. That meant Boral had 19.9 per cent at the time, SANTOS had its 20 per cent and NRMA and AMP had 11 per cent between them. SAFA still had 31.8 per cent after selling down 19.9 per cent to Boral, leaving just over 17 per cent in other hands.

At the time I was on the record attacking the Government over the naivety of the way in which it sold off 19.9 per cent to Boral for $3.40, which within a handful of hours put in a full bid of $3.50 and subsequently ended up paying much more—I think from memory $3.90 for the lot. It was a classic case of the Bannon Government not knowing how to handle a business deal.

An honourable member interjecting:

The Hon. L.H. DAVIS: Terry Cameron was probably not advising them, and it is a shame he was not because I am sure they would have done it a lot better. So, in 1993 Boral, which supplied Brisbane, Rockhampton, Gladstone with natural gas and which had a long experience in the gas industry moved in and ultimately became the owner of SAGASCO. The market did not believe that $3.50 was a fair price, although of course the Government had sold 43 million shares at $3.40, which was a throwaway price at the time, and Terry Cameron is nodding his head—he agrees with that. It was absolute madness. Ian Porter who was then Finance Editor of the *Advertiser* in a very perceptive piece said (*Advertiser*, 4 September 1993):

> What the market is saying is that the $3.50 offer from Boral, while streets ahead of last year's withdrawn Santos offer, seriously undervalues SAGASCO and its future earnings potential. In short, SAGASCO is one of the industry's true jewels, sitting on one of the soundest spreads of petroleum industry assets to be found, with all that means for profit growth, dividends and share price appreciation.
>
> SAGASCO closed at $3.60 yesterday and analysts suggest that a price exceeding $6, double what the Government was prepared to accept from SANTOS, is not that far away.

That proved to be optimistic. He went on to say:

> SAGASCO has perhaps the best structure of any petroleum company, with a solid base of reticulation assets in South Australia a string of long term gas contracts which underpin future cash flows and earnings and some handsome gas reserves in the ground, ready to go.

Ian Porter, in a later article on 10 September, made the point that earnings per share in SAGASCO had grown by 11.7 per cent per annum over the past three years, which beat all but four companies in the 50 leaders index. It had also had a 15.3 per cent increase per annum in dividend growth over that same period, bettered by only three of the top 50 companies. All of the financial experts at the time said that Boral was getting this company far too cheaply. But the Government had given them a flying start with 19.9 per cent at $3.40 and SANTOS was locked out by the TPC, and so the Government, demonstrating all the financial inabilities that we have come to love and know so well, failed again. In an independent report prepared for the gas company, Grant Samuel and Associates valued SAGASCO shares between

$4.02 and $4.29 each, based on an estimated 21 per cent increase in annual profit to $63.4 million in the current year.

The Hon. T.G. Cameron: What would they with worth today?

The Hon. L.H. DAVIS: I would like to see whether we could pull that figure out of the Boral annual report. I suspect it would aggregate all the gas and other like operations and so the figure would be disguised; but I would have thought, quite candidly, taking a line through AGL, which I think since that time has appreciated probably by four times, that the gas company assets today might have been worth $10 or $11. The tragedy of all this, just as an aside inspired by the Hon. Terry Cameron, is that if the State Bank had not fallen over the Government could have sat back on its holding and be privatising it at the current time. This would have been an optimum time to be privatising—in the last couple of years. They certainly would have received much more than the $3.40 that they received at the time.

Fraser Ainsworth, who was the highly regarded Managing Director of the gas company, SAGASCO, at the time of the bid said:

> SAGASCO had outperformed Boral in the market. An investment of $1 000 in SAGASCO five years ago—

September 1993—

> had shown annual compound growth of 36 per cent to $4 700, while a similar investment of Boral had increased by only 7.2 per cent—barely above inflation—to $1 400.

So it came to pass that SAGASCO was taken over by Boral and, of course, we all know now that SAGASCO is no more as a name; it is called Boral Energy. The Liberal Opposition at the time did not object to the strategy *per se*, but in a question in the Council on 9 September 1993 I certainly made my objection well known about how naive the Government had been in taking such a low price when it had the whip hand and the control.

The Hon. T.G. Cameron interjecting:

The Hon. L.H. DAVIS: We were in Opposition at the time, of course. So, there it was. I highlight that, having made that point very strongly, the Government of the day embraced privatisation by selling off the energy assets of SAGASCO.

In that same year (1993) the Government announced it would sell off the State Bank. In a press release of 17 February 1993 the Hon. Lynn Arnold, Premier of South Australia, stated:

> I will be recommending to my Cabinet colleagues, my Caucus, my Party but most importantly to the people of South Australia that the State Bank of South Australia be sold to reduce the State's debt. The sale will be subject to receiving an appropriate price reflecting the value of the bank as an asset to the State.

Subsequently, in early April he went to the Labor Party State Council, which agreed to allow the bank to be put on the market. The sale was passed on the voices of council members and was not put to a vote. The Premier told the State Council of the Labor Party that the sale was necessary to combat South Australia's growing debt problems and that unless the Party agreed to the sale the Government would not be able to present a comprehensive strategy to deal with the State finances. Earlier that week he had gained the backing of Cabinet and parliamentary colleagues to sell the bank on the open market in 18 to 24 months' time. That was reported in the *Advertiser* on 9 April 1993, the reporter being Nick Cater.

Almost five years ago the Labor Party was in full privatisation mode. Then, in a major media release on 22 April 1993 headed 'Meeting the Challenge sets new agenda for SA,' Premier Arnold talked about a targeted program of asset sales which was:

> . . . expected to raise about $2 billion, including the sale of the State Bank, the Government shareholding in SAGASCO, grain bulk loading facilities at South Australian ports, commercial land and shopping centres at Noarlunga and Elizabeth owned by the South Australian Housing Trust and land owned by the Urban Land Trust.

Premier Lynn Arnold said—

The Hon. R.I. Lucas: Was Rann a member of that Government?

The Hon. L.H. DAVIS: Of course Mr Rann was a member of that Government; he was a key member of the Cabinet at that time. He was there.

Members interjecting:

The Hon. T.G. CAMERON: I rise on a point of order, Sir. Too many members of the Government are interjecting; I cannot hear the honourable member's speech, Mr Acting President.

The ACTING PRESIDENT: There is no point of order.

The Hon. L.H. DAVIS: Mr Arnold's press release stated:

> The Meeting the Challenge program included the most far reaching reforms of the public sector in South Australia's history. 'Overall this is a blueprint for sustainable change, with a wide and achievable agenda. It will put our economy on the front foot and give South Australians fresh belief in our future.'

On top of that there were not only the massive asset sales which were touted to raise about $2 billion but also the merger of ETSA and EWS to create a single electricity and water utility; that was part of the package. We all know that the bank ultimately did proceed to sell. It was not in terribly good shape, as members opposite in particular would probably know, and it took 18 to 24 months to segregate out the bad bank assets and revitalise and restructure what was left. It was interesting to see (and this should be noted, particularly by the Hon. Mike Rann) that on 3 April 1993 an *Advertiser* article by political editor Nick Cater stated:

> Mr Arnold said yesterday he favoured a straight sale rather than a Qantas style share flotation.

That was a straight sale of the State Bank. In other words, he was saying the Government would maximise the money for the State bank if it was sold to a bank. A report by assessors Baring Burrows and Co, part of which was released—

The Hon. T.G. Roberts: What long bow are you drawing between the State Bank and the sale of ETSA?

The Hon. L.H. DAVIS: So, Terry Roberts, front bench member of the Labor Party and convener of the Left, whom I quoted earlier tonight saying he did not see why SAGASCO shares should be sold and that he would not use the money from the SAGASCO sale to reduce the debt, has now asked (and I put this on the record), 'What is the long bow you're seeking to draw between the sale of the State Bank and ETSA?' Putting it very simply, the State Bank of South Australia was set up for privatisation by the Labor Party and it was recommended by Premier Arnold publicly that the best way of doing that was by the sale of the bank to another financial institution. That is on the public record.

The Electricity Trust of South Australia and Optima which provide energy to South Australia, as did the South Australian Gas Company, is also proposed for privatisation by the Premier, John Olsen, and he is also saying that we will maximise the return on the sale in a trade sale rather than a lease or a public float. In other words, with my lips moving as slowly as I can, I think the Hon. Mr Roberts will understand that there is a parallel between Mr Arnold's argument

of nearly five years ago in April 1993 and the proposal to sell off ETSA and Optima in February 1998.

So, the State Bank was prepared for privatisation through the corporatisation of the State Bank, and that was also assisted by guarantees of financial support from the Keating Government. The 23 April statement from Premier Arnold, which mentioned selling off assets worth $2 billion, also revealed that SGIC, which posted a before tax loss of $52 million for the six months to December 1992, was expected to report a full year loss, but the possibility of privatisation of the commission was not raised. That was perhaps not surprising, because the Government had provided SGIC with a significant $600 million bail-out package in the previous year. In his economic statement, Lynn Arnold states that in light of this substantial assistance and other changes it is not

> . . . appropriate for further restructuring assistance to be provided by the Government. SGIC's net worth position and capital structure will be considered at a later date within the context of the improvements in performance expected to be achieved by the new management and board in 1993-94.

Clearly, there was a signal that perhaps in time the Labor Party would have sold off SGIC, having presided over that extraordinary loss which arguably reached $800 million, which was predominantly made up of the loss of over $500 million on one asset, 333 Collins Street. So, we see in 1993 the announcement of the sale of the State Bank and the actual sale of SAGASCO; and a range of other assets which were intended for sale, announced by Premier Arnold of the Labor Party.

At that time he announced that a new super department would be created with 7 400 staff and assets worth about $5 billion through the merger of the Electricity Trust of South Australia and the Engineering and Water Supply Department. The merger would create a single electricity and water utility and would result in a huge rationalisation of services. They talked about shedding 600 white collar jobs and saving, they claimed, tens of millions of dollars.

The interesting fact that emerged subsequent to this announcement was that this idea of merging water and electricity was dreamt up overnight. It was one of those rushes of inspiration that one gets while tucked into bed overnight.

The Hon. T.G. Roberts: Susan Lenehan.

The Hon. L.H. DAVIS: Susan Lenehan was it? This announcement came without any strength or weaknesses analysis whatsoever. There was no plan or real working out of the benefits and costs that would flow from this merger—it was just announced. It was absolutely wild stuff. Many people said that if they were going to merge EWS (water) and ETSA (power) perhaps the new name could be 'WETSA'. That was about as good as it got!

The Hon. T.G. Roberts: You were on the select committee that took all that evidence.

The Hon. L.H. DAVIS: Indeed. Just to show how bizarre it was, shortly before the announcement was made, ETSA had called tenders to bid for its public relations account, which had been handled by Stokes King DDB Needham, and EWS was using quite someone else. They were both faced with using different public relations people. They were locked into that. Evidence suggested that the costs of actually working on the merger would be around $50 million—never mind the benefits that flowed from it—although the Government was quick to announce that the new logo would be designed in-house.

There was leaking, particularly from water as you would expect, but also from ETSA about this super department legislation that would be rushed through in the dying days of the Arnold Government. It was hoping to get it through in 1993. It had been announced without any financial plan or identified savings. It was confirmed, through leaked documents, that the Government had hoped to have the legislation in the House by 16 September, although the financial plan identifying the savings was not to be completed until a month later on 11 October. The by now very desperate Arnold Government claimed that it would save $500 million on the merger of water and power over the next 10 years—$50 million savings a year.

The proposal to slash 600 white collar jobs through the merger would account for about 20 per cent of the 3 000 job cuts which the Government had planned. To their credit the Australian Democrats became increasingly apprehensive and the Hon. Mike Elliott is on the record in July 1993 saying they were opposed to the move for several reasons, one being that water and power do not go together.

One of the big arguments the Government used at the time was that this was not a novelty, and that Singapore had water and power combined. Inquires by the Opposition revealed that Singapore was in the process of disaggregating the utility that looked after both water and power. So, it was resolved that a select committee be established in the Legislative Council. The Liberal Party and the Democrats moved for this committee and that delayed the merger. The public infrastructure Minister, Mr Klunder, who presided over such gems as Scrimber, which lost a lazy $60 million, found that the merger was double Dutch to him. He said he was very disappointed that the select committee had been formed because by then it was fairly obvious that the Government would not be able to get through the super department which, by now, it had decided to call Southern Power and Water.

The Hon. T.G. Roberts: Who chaired that committee?

The Hon. L.H. DAVIS: The Hon. Anne Levy chaired that committee as Minister. I was a member of the committee and I am not at liberty to disclose the evidence taken by it. However, the irony was that the Government was in such disarray that we still had a meeting of that committee which took evidence from people in relation to this proposed merger on the afternoon of the day in which Premier Arnold had announced the 1993 election. He announced the election in the morning, but the select committee still proceeded in the afternoon and I am at liberty to disclose, without breaching protocol, that the Hon. Anne Levy chaired the meeting and the Hon. Terry Roberts and I made up the quorum.

It was quite obvious the whole thrust around the world from my inquiries at the time was that this merger ran against general trends, and that governments were looking to break up utilities which had disparate operations. There was evidence from people to whom I spoke, including people who had been involved with the Industries Affairs Commission, that the merger of water and power might well reduce economic efficiency. So, this bizarre select committee took evidence and, although I am not at liberty to disclose it, I remember that the Economic Planning and Advisory Council (EPAC), which advised the Federal Government, in its comments about privatisation and competition policy, said:

> A fundamental aspect of restructuring within these industries—

referring to the utilities—water, power and sewerage—

> is the recognition that there is no need to bundle natural monopoly elements with conventional contestable businesses. Hence, while the

transmission and distribution wires in the electricity industry constitute natural monopolies, generation and distribution of energy can readily be undertaken by a number of competing firms.

If that merger between water and power had gone through, as proposed by the Arnold Government, with the support of Mike Rann, where would we be now in terms of our ability to enhance both the power and water delivery systems in South Australia? Already we are receiving the benefits of SA Water's management by United Water and the export potential which that brings. Also, we are dealing with the reality that from March South Australia will be entering the national electricity market.

One of the ironies was that because the Government of the day was so desperate to get up this merger between power and water, and because it had not done any planning before it made this announcement, it had to throw all its executive staff and many other key people into trying to pull the whole merger proposal together—a massive operation. As a result, customer services slipped badly because so many people were involved in the merger. The complaints about both ETSA and SA Gas and SA Water increased dramatically in that period of time.

The other point I remember from those times was that the Electricity Trust had looked at this idea in 1990 (I heard that privately from someone), and they found that the organisations were so dramatically different that no advantages could possibly accrue. There was not a great deal of overlap in many areas because ETSA provides power to a consumer who is generally on the premises, who lives on the property or is at the property on a daily basis. The meters can be read quarterly and the accounts can be rendered quarterly, whereas EWS sends its accounts to property owners who often may not be at that property, and it reads the meters half yearly.

So, there was not a great deal of overlap in many cases. The other point that emerged was that there was no compatibility between the computers of EWS and ETSA, both of which had recently invested heavily in new billing equipment. It was agreed by experts in EWS and ETSA to whom I spoke that it would not be possible to have a joint electricity, water and sewerage account. The leaking was quite bizarre: the Liberal Opposition, on the eve of Government, as it turned out, had great difficulty in keeping up with all the information that was pouring in. That was a timely reminder to the House. That proposal to merge power, water and sewerage—a desperate act by a desperate Government in its dying days—fortunately failed. If it had not failed, I suspect that this Government would have faced an extraordinary mess.

In conclusion, I come to the reality of the present. In his contribution tonight, the Hon. Paul Holloway skirted around what he personally thought of the proposal to privatise ETSA. However, it is instructive to note what the Hogg committee said in New South Wales when it reviewed the electricity options in that State. In his column in the *Electricity Supply Magazine* of September 1997, Keith Orchison, the well respected Executive Director of the industry, refers to the Hogg committee report of August 1997. He states:

> They were persuaded that the time was right for a sale, with a large number of cashed-up and willing buyers likely to bid—and that it was the right time from the point of view of development of the competitive market. [The report states:] 'If privatisation were to be delayed, and the New South Wales (electricity) businesses fail to compete effectively over the next few years, then there is no doubt that their value will decline.' The majority of committee members were also straightforward about Government ownership. In a market environment it was too risky. No Government faced with the need to spend money on hospitals, schools and other priorities for public service was going to choose to invest large amounts of capital in risky electricity ventures. Having to respond rapidly to developments in the competitive market and having to deal with conflict of interest in owning a number of competing assets were not matters that a Government was best placed to manage. And ownership was not the best form of regulation of the business—there were clear conflicts in Governments regulating their own commercial enterprises.

Mr Orchison quoted the committee as follows:

> 'Competition will always lead to winners and losers,' the committee commented. 'Government can thus expect that some of its businesses will grow while others may start to decline. Ownership of several competing businesses exacerbates the risks borne by Government.'

That is very telling material from the Hogg committee report. As members opposite know, the New South Wales Labor Government is pressing on with its commitment to privatise between $23 billion and $28 billion worth of assets. It is interesting to note that in New South Wales and Victoria there are already 20 retail suppliers of electricity. It is also interesting to note that in Labor governed States around Australia and at the Federal level there have been many examples of privatisation. Qantas, the Commonwealth Bank in 1991-92, State insurance offices, banks and power stations can be quoted as well as the celebrated examples that I have given tonight of the State Bank and SAGASCO.

It is interesting to note that the ETSA Corporation in its letter of 7 January 1998 to the Hon. Dr Michael Armitage, Minister for Government Enterprises, states:

> Looking forward, ETSA will face increasing challenges to sustain and grow its businesses because competition in the South Australian market from electricity companies in New South Wales and Victoria is expected to erode ETSA's future earnings. Electricity industry revenue regulation is expected to reduce real electricity franchise prices in South Australia and reduce financial returns on ETSA's assets. This will erode the value of ETSA. Competing demands on ETSA's cash flow including capital investment seeks to protect ETSA's existing market position and/or for it to enter new markets to replace potential market share losses in South Australia and return to the State by way of dividends and tax payments.

The arguments are irresistible and relentless. As the Auditor-General has said, there can be no guarantees that ETSA and Optima can deliver an annual dividend to the Government, which last year was a heady one: $220 million to $230 million, distorted admittedly by a one-off $77 million payment from a lease arrangement. However, even at its peak of $220 million, that falls well short of the $400 million in interest savings that we get from the sale of the asset, which is estimated, at the maximum, to range between $4 billion and $6 billion.

The Hon. T.G. Cameron: That is for the total sale of all the assets, not just for the sale of ETSA.

The Hon. L.H. DAVIS: Yes, of ETSA and Optima. In December 1997, the Institute of Public Affairs published a paper headed 'South Australia Energy Situation and Policy Approach'. It is a very detailed paper, and I urge members to read it. In its executive summary, with reference to the State Government, it states:

> The Government should move to further disaggregate its businesses by splitting the generation facilities into two separate firms and existing ETSA into a transmission business and two retail distributors. The Government should exercise leadership in promoting privatisation of its electricity assets. Privatisation is likely to bring improved efficiencies and to offer greater assurances of a continued stream of income similar to that presently obtained from its electricity assets. With a likely sale price of in excess of $4 billion privatisation would more than halve the debt.

Is it not interesting to see that it is encouraging, just as the Hogg committee and others have encouraged, the

disaggregation of businesses? Yet, the Rann and Arnold team of 1993 was looking towards aggregating businesses, going in exactly the opposite direction to the rest of the world by proposing to aggregate water and power. How banal; how bizarre.

The Liberal Government has already prepared ETSA through corporatisation. The ETSA Corporation has three subsidiaries: ETSA Power is responsible for retailing and distribution; ETSA Transmission for transmission and system control; and ETSA Energy for gas trading. ETSA Corporation owns virtually all the State's assets in transmission and distribution. It is interesting to note that ETSA has a larger home base than any of its Victorian businesses. It ranks number two or three in the nation in terms of customers and sales. As I have said, we have already moved to corporatisation, because that is an important element in making the businesses more competitive for the national electricity market which we will move into in March 1998.

The final point that I want to make from the IPA Energy Forum is a very good one, and I quote this comment on privatisation:

> While there is often a knee-jerk reaction against any privatisation (and nearly every candidate for privatisation is claimed to be especially sensitive), the outcome of privatisations in Australia and the rest of the world has been universally beneficial. Politicians need to provide leadership, if necessary, like the New South Wales Treasurer, incurring some political risk to press for reforms that take businesses out of public ownership and present the business risks to entrepreneurs and not taxpayers. Businesses in Government ownership will always be vulnerable to political patronage and arm-twisting to promote some short-term political advantage to the Party in power.
>
> The Victorian Government has demonstrated that its privatisations bring a steam of additional income to the State in the form of an annuity equivalent to over $500 million per year. This will be increased as a result of the sale of PowerNet and the subsequent sale of the gas assets. The [Victorian] Auditor-General estimated the savings at $622 million in 1997-98.

The challenge before this Parliament, and in particular this Chamber, will be the greatest any of us face, I would suggest, in our period in Parliament. This is a once in a generation decision; this is a decision where there can be no equivocation. The rest of the nation is embracing, as it must, the national competition policy which will be worth $1 billion maximum to South Australia if we do embrace it to the fullest extent. If we do not privatise ETSA and Optima we run the risk of losing money in the marketplace through the risks associated in operating in an increasingly unpredictable market at a national level. More importantly, we run the risk of losing perhaps $1 billion or $2 billion from the worth of those assets as the Hogg committee emphasised in its report to the New South Wales Government in recent months. Whilst the Labor Party may make cheap political points today, it must make a decision which will ultimately benefit the State tomorrow. Let us hope that the right decision is made.

The Hon. R.R. ROBERTS: I support the motion. I was looking forward with some anticipation to the contribution by the Hon. Legh Davis. I thought that it would be succinct and to the point because I did notice that he took a point of order when another member was making a contribution, suggesting he ought to have stuck to the Governor's speech. But, unfortunately, the Hon. Legh Davis in his usual loyal way has now made a speech that he wishes his Excellency the Governor, Sir Eric Neal, had made. All the matters in his contribution were nothing to do with the Governor's speech. The Hon. Legh Davis in trying to defend this dishonest Government in his usual loyal way has thrown himself to the fore to try to defend the indefensible. The Liberal Party ought to make Legh Davis a life member. He ought not to have to pay another contribution or levy. He must be the most loyal person in the Liberal Party. He is continually kicked from pillar to post, but he always comes out and defends these rogues who have put this package together.

I must commend Sir Eric Neal on the presentation of his speech. I do admire Sir Eric James Neil. I have had the distinct pleasure of being in his company on a number of occasions. I am sure that when he made his speech he did it with the utmost sincerity, believing that his Government, as he continually calls it, had done the right thing and had written a speech which was accurate and honest. But he has been lied to. His speech is premised on a lie—on a number of lies.

An honourable member: Well, tell us what they are?

The Hon. R.R. ROBERTS: Nowhere in this speech is there any mention of asset sales. What we are being asked to believe, and what Sir Eric Neal was misled into believing—and it is on the front page of the *Advertiser* today—is a '$1 billion hole but no-one told Premier Olsen.'

In his contribution yesterday at the standing committee, Mr Ken MacPherson pointed out that he made his draft report available on 28 July last year—well before the election. Seven heads of departments had this report. Premier Olsen and the Treasurer, the Hon. Rob Lucas, want us to believe, and they now want Sir Eric to believe, that the seven heads of departments did not mention it to John Olsen.

Well, the Opposition has been getting leaks and documents for the past couple of years. Some 18 months ago, I received a document headed,'How to sell ETSA without going through the Parliament'. We raised all those matters and we suggested through a number of pieces of legislation that the Government was setting up these organisations for privatisation. Why would we do that? It was quite simple. We saw what it did with the water contract and we saw what it was doing with ETSA. We have seen the job losses. We have seen the con they put over the workers to become efficient and competitive. They then sacked two-thirds of them. They make it efficient and profitable and then flog it from underneath them. That is what they were setting up here.

During the election campaign, a concerned member of ETSA walked into the Labor Party office, threw documents on our bench and said, 'This is what these mongrels are doing to the State and to ETSA.' Ralph Clarke travelled that day to Port Augusta and produced the documents. The Government wants me and Sir Eric Neal to believe, despite all the publicity which was taking place, the protestations which were loud and thick, 'No, we are not going to sell ETSA.' The Hon. Mr Gunn was in Port Augusta saying, 'We are not selling it.' He was telling all the Optima workers, 'We know what happened with water and it will not happen with ETSA.'

The Premier and the now Treasurer want us to believe that the Premier never said, 'Let me find out what is going on here.' Seven heads of departments have this document in their hands yet the Premier did not ask, 'What the hell is going on here?' That is what they want us to believe. They want us to believe that they did not know about it until later.

According to the Premier, he did not know anything about this $1 billion black hole until December. Let me point out to the Council that Sir Eric Neal made this speech on 2 December. This is the time when the Premier, and presumably the Treasurer, found out. But, did the Hon. Premier say,

'Rob, you better shoot over and tell Sir Eric that this is not true and we must amend the speech'. No, the Treasurer (Hon. Rob Lucas) and the Premier sat there and watched Sir Eric Neal make this speech knowing full well that it was premised on a lie.

With the greatest of respect to Sir Eric Neal, I say that he has done his job and I commend him for what he has done. He can only recount what the Premier's speech writer and the Hon. Rob Lucas have written for him. They have grossly misled the Governor. In fact, they ought to apologise to him. They should be made to front Sir Eric Neal to explain to him what they have done. Sir Eric Neal must have thought, 'This is pretty right.' There was only one indication that anything was going on with State finances, because we have now heard the Treasurer, the Hon. Mr Lucas, starting to repeat these lines:

> Everything that needs to be accomplished in South Australia—

Sir Eric repeated what the Government had written for him—

> and can be accomplished is predicated on the finances of the State. It is predicated on achieving a balance between spending to stimulate the economy and critical debt reduction to reduce South Australia's still massive interest payments on its debt and to facilitate a return to this State's triple A rating—

and we have heard the Treasurer in the last few days repeating that—

> a vital outcome to ensure business confidence.

I am not convinced that the Government did not know in December that this was going on. Sir Eric would have been aware that this Government had been saying to the public throughout the election campaign that its debt reduction strategy was working and that everything was tickety-boo, and that it was going to be down hill from now on.

We now see this Government with privately run bus systems and we have a privately run prison, water management corporation and a hospital. The Governor would have known that in 1994 the Liberal Government established the Assets Management Task Force, which surpassed its $1.8 billion in sales and debt reduction target and reached the magical figure of $2.1 billion—and we should be thankful for that because it cost only $30 million to sell it!

Sir Eric would have known that we had sold the Bank of South Australia for $730 million, the former SGIC for $170 million, Austrust for $43.6 million and the former State Fleet for $195 million. Then there is SAMCOR, which is a tragedy all on its own. I could speak for an hour on that but I will not do so night. What the sale of SAMCOR will do to the livestock industry in South Australia is outrageous, with none more affected than the Stockyards Corporation. The handling by this Government of that function was abominable and has left the livestock industry in South Australia in a very vulnerable position.

Before too long, if the Environment Department does its job at SAMCOR and makes sure there is compliance with environmental regulations—this is in the paper, and the Salisbury council knows all about it—we will have the situation where there will not be any meat saleyards between the Northern Territory border and Millicent. This could have been overcome by a bit of diligence by the Minister—but that is a long story. We have sold Forwood Products for $130 million, the Pipelines Authority for $304 million and the property in Collins Street for $240 million—and I am sure the Hon. Legh Davis will be very happy about that.

We now have the announcement about ETSA, which is absolutely a broken promise. The Premier ought to have enough guts to go back to the people and say, 'We have lied to you. Let's have an election.' But he will not do that because he has been running and hiding, just as he has been running and hiding from his own people for 12 months. If he has been dishonest enough to say it once he will be dishonest enough to say it again.

I have been extremely concerned about what has been happening with ETSA. We were told when we broke up the ETSA Corporation into Optima Energy and ETSA that we would achieve great gains. We were told that we were to get the head office here in South Australia—but we did not get that. However, we still signed the documents.

Other disasters have been perpetrated by this Government. In its vain attempt to make out that it is doing something, the Government has been giving enormous incentives to multinational companies to come to South Australia. The Government is that dumb that it has been giving these companies the money on a promise that they will set up an office in this State and employ 300 people. However, these companies come in, employ 50 people, take the money and then say, 'No, we are not going to do it'—and shoot through with the cash in the back pocket. Galaxy is an example of that.

We were assured that if we passed the legislation to break up ETSA the head office would come to South Australia. That is another failure for John Olsen: that office went over the border. The Government did not tell Sir Eric Neal that the other entities that would go on the chopping block were HomeStart Finance, the Ports Corporation, the TAB and the Lotteries.

The Government is now talking about flogging off the TAB and the Lotteries. Let us look at the TAB and the Lotteries and the history of the Liberal Party with respect to these bodies. The Lotteries and the TAB were mooted to be sold for a long time. The racing industry in particular was very keen to get the TAB in South Australia but the wowsers opposite did not want that and raised all sorts of arguments, as they did with South Australian Lotteries. They said that it must be run by the Government because the crooks would get in there; we would have SP bookmakers; and we could not have a Lotteries Commission because it had to be run by the Government.

When the Government was in Opposition it came up with all the arguments. When the Hon. Frank Blevins introduced this legislation, he went through all their arguments against it and satisfied the lot of them, including the ownership by the Government of the TAB and the Lotteries licences. Having made all those pious remarks, this Government has now gone in there and grabbed every cent it could from the South Australian Lotteries Commission and from poker machines in particular.

The overwhelming majority of Government members were opposed to poker machines on the basis they were bad and improper, but when it got into office the Government did not take long to get its grubby little fingers into the poker machines. It upped the ante straight away and, along with Lotteries, RBTs and speed cameras, it has milked the South Australian public dry. If it were not for the RBTs, poker machines and other fundraising activities, this State would be broke.

I do not want to go on much longer. The combined profit for all Government-owned assets in 1996-97 was $140 million. If we add to that ETSA and Optima Energy, we come up with $342 million. All these assets are making money for the State and employing South Australians and,

overall, contributing to the strength of our economy. But what does the Government do? These companies are efficient and they provide employment and income, but the Government will flog them off. No-one opposite has said, 'When we sell these valuable assets, where will we get the income that they have been generating?' I know where it will come from, as does the public—out of its pockets. That is why John Olsen did not have the guts and honesty to tell the electorate of South Australia before the last election that he was going to flog off its assets. On behalf of his Party, Mr Olsen told the public deliberate lies. Mr Olsen was challenged time and again about whether he was going to sell ETSA, and he denied it.

The Hon. A.J. REDFORD: I rise on a point of order. The honourable member said that the Premier had told 'deliberate lies'. I ask him to withdraw that, as it is a reflection on a member of another place.

The Hon. R.R. Roberts: He told political lies on behalf of the Government.

The PRESIDENT: I ask the honourable member to withdraw any reflection on the Premier with respect to the words 'deliberate lies'.

The Hon. R.R. ROBERTS: I withdraw the remark, Sir. I assert that the Premier relayed untruths with respect to the sale of ETSA to the people of South Australia on behalf of the Liberal Party during the last election. If anyone has any truck with that, just let them ask Joe the punter on the street. Channel 7 did it. It asked the public whether they thought we ought to sell the State's assets, particularly ETSA, and in a telephone survey 91 per cent said 'No.' But what have the Liberals done? They have run around and have got Jeff Kennett to say that it is a great idea. They could not even keep the Grand Prix; Jeff Kennett whipped it out from underneath them.

Members interjecting:

The Hon. R.R. ROBERTS: You did not know anything about it. Graham Ingerson's son in law was over here and was staying with him but he did not say during the election campaign, 'Oh, by the way, Jeff is going to take your Grand Prix.' If you believe that, you believe in fairies. I am deeply troubled by the decision taken over the past few weeks. I feel that in the long term the sell-off will be of detriment to our State. I am certain that the Government is short-sighted. These assets are South Australian and they ought to remain so. We do not want overseas and interstate companies running these services. I do not want it and the public does not want it. John Olsen and the Treasurer (Hon. Mr Lucas) know that, too. That is why they would not come clean during the election campaign. The people out there see the Government having responsibilities in five key areas, including water, electricity, health services and law and order.

We have seen some of the effects of privatisation, and one of the tragedies was the privatisation of the water contract. What did that lead to? We privatised the management and then we got the Bolivar stink. Are the French going to fix that up? No they will not. We got ourselves a pup. The people of South Australia will go out and fix up the infrastructure problems. We find that country divisions of SA Water were told clearly that the capital works budgets would be cut by at least 50 per cent and that the money would be put into fixing the Bolivar stink. So, we have a situation where the Government has fumbled the sale again. It has sold the facility and is left with a responsibility to pay for the debts.

It will mean that capital works in areas around Port Pirie and Crystal Brook, and so on, will be cut in halves. You might say that that will be for only one year, but it means that works that ought to be done will not be done. That has a consequential effect on the work force. Those people will be under employed. What really happens is that as soon as they become under employed they are pushed out the gate. That is another offshoot of the privatisation, which affects badly those people living in country areas.

The Hon. T. Crothers: What about Auckland?

The Hon. R.R. ROBERTS: My colleague the Hon. Trevor Crothers reminds me that we are also seeing problems in other areas where there has been corporatisation and the setting up of companies for privatisation. He has mentioned Auckland and I concur in his observation. Briefly, in relation to SAMCOR, I see that Mr J. Weatherall, representing the meat workers, is taking the Government off to court again to make sure that those people who worked at SAMCOR get some justice in their superannuation. We had the ridiculous situation with the former Treasurer, Mr Baker, saying, 'The Government is going to sell SAMCOR,' and when he was asked, 'What about the Public Service superannuation for the meat workers so that they can get a decent package?' he said, 'No, they are not public servants.' If they are not public servants how come the Government was selling it? He had some flimsy excuse that, during a time of stringency, the work force in cooperation with the Government decided to take a reduction in wages to try to keep the thing afloat. They have now been kicked in the guts and denied what is rightfully theirs.

The Government could not even handle the Gepps Cross Bowls Club. Two Ministers had a go at it. Dale Baker was going to fix it up and so was Rob Kerin, and there was also involvement of the previous Treasurer, Stephen Baker. What did they do? They flogged of SAMCOR at a bargain basement price; they gave it away. They never even had the nous or ability to sort out the bowls club. I am now told that the new owner of the bowls club has upped the rent considerably and it has also been asserted to me that the Government has now reached an agreement that it will pay the rent. We do not know how much or for how long. This is indicative of this Government's record in privatisation. It has been abysmal.

The effect of these sales has been dramatic in country areas and, with your affinity with the country, Mr President, I am sure you would realise that we have lost jobs from ETSA and the Pipeline Authority and this has devastated places such as Peterborough where they have gone from 43 employees to 16 in a critical area of unemployment. We have seen the consequences of the cavalier way in which the Government has closed down Government departments throughout South Australia without any consultation with school councils, local councils or development boards or even other Government agencies, and this has led to the closure of banks and the alienation of people living in country areas. During the last election when I was moving around, many of those people were asking questions about the privatisation of ETSA. They were all very concerned about the further privatisation of water in metropolitan management and were deeply concerned that the next step was to go out to country South Australia—and they have good reason to be concerned.

The Government may wish to offer platitudes and assure people that everything will be all right, but the real question is why we would believe it. It is an absolute indictment that you cannot believe anything that this Government tells you. When on numerous occasions the Premier has been challenged to come clean he has given unequivocal guarantees that these things would not happen, but after the election

members opposite came in and slashed and burnt once again. The real tragedy is that, even if they had not found out about it until December (and I dispute their claim that they did not find out until then), they did not have the decency to tell the Governor that this thing which they had cobbled together and asked him to deliver on their behalf in his exalted position as head of the Government in this State was all premised on a lie. They ought to apologise to Sir Eric Neal and give him a proper briefing.

Most of all, if they had any decency whatsoever they would go back to the people of South Australia. Can you imagine how the member for Davenport must be feeling at present, given that I see in today's paper that next week he will find out whether there will be a challenge? Can you imagine how he is feeling now, when he may have to face the electors? Do you think that in that short time the people of Davenport will forget all the broken promises that ETSA would not be sold or that they will cop that? I look forward to seeing the first Democrat in the Lower House if this Government is forced to a by-election. Moreover, if this Government had any decency whatsoever or any honesty—

The Hon. R.I. Lucas interjecting:

The Hon. R.R. ROBERTS: Don't you start, because you are part of this duplicity; you could have told the Governor. You were sitting there basking in the glory at his right hand, and you did not have the decency to say, 'Hey, hang on a minute. We're going to flog off ETSA; we didn't tell you that.' The first indication we had that something was wrong was when the Treasurer came out and said our power would go up by $40. We did not realise that there was such a thing as power loss, because if we buy electricity from Victoria it could go up by $40. It is obviously the same old routine: soften them up and then say they will have to flog off the facility.

Many things are referred to in Sir Eric Neil's speech. I commend him for his presentation of the speech. I commend him on his honest effort to portray what he was led to believe. I condemn the Government for misleading him and, Mr President, if I was able to say it without breaching Standing Orders, I would say that the Government had lied to him. However, you would rule me out of order.

The PRESIDENT: I make two observations, and not just in relation to the last speaker. I firmly believe that the Governor of South Australia should be referred to as 'His Excellency, the Governor' and not by his proper name. The correct form is to use his title and not his personal name. Many members are throwing Christian names of members, Ministers and former members and Premiers across the Chamber, and I ask members, who should know the rules, to refer to them by their title and proper name.

The Hon. CAROLYN PICKLES secured the adjournment of the debate.

MFP DEVELOPMENT (WINDING-UP) AMENDMENT BILL

Received from the House of Assembly and read a first time.

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

That this Bill be now read a second time.

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

Leave granted.

The Government has previously announced its intention to abolish the MFP. This Bill gives effect to the decision. It has been evident that the original MFP concept to build a high tech city in the Gillman swamps was flawed.

This Government when it came to office in 1993 made the decision to refocus the MFP around Technology Park and The Levels campus of the University of South Australia. This is now taking shape in the Mawson Lakes development. However despite this, projects associated with the MFP have taken a long time to come to fruition.

It was clear that the Corporation was not sufficiently linked to the needs and priorities of Government. The current MFP legislation, agreed to with the Commonwealth and put in place by the former Federal and State Labor Governments, has given this State Government and the relevant Minister virtually no say in how funds were to be spent and staff resources deployed.

It is for these reasons that a decision was taken earlier this year to bring together other activities with the MFP and to foreshadow changes to legislation which would address these matters. This has helped in rechannelling the MFP to deliver tangible results and to deliver projects of significance to the State.

This Bill now provides for the winding up of the MFP Development Corporation. The Minister for Government Enterprises will have the responsibility to deal with the assets, liabilities and staff of the Corporation prior to the formal expiry of the Act.

The Government will be establishing a new Land Management Corporation under the Public Corporations Act. This body will manage the land and property assets of the MFP which will be transferred to it. Major projects currently managed through the Corporation will transfer to other agencies in the public sector.

The opportunity will also be taken to terminate some of the more controversial aspects of the Corporation. It has been decided to terminate the Australia Asia Pacific Business Consortium (AABC) and to transfer the intellectual property to local universities as appropriate. All marketing and promotional activity will be terminated and activities that are more appropriate to the Department of Industry and Trade will be passed across.

One of the concerns of the Government has been the number of highly paid executives in the Corporation. The Government has decided not to renew the contracts of a number of these and the new Land Management Corporation will have a lean and responsible executive structure.

The Government has made a commitment that there will be no forced redundancies and that all staff will be transferred to new organisations within their existing terms and conditions of employment unless otherwise negotiated by mutual agreement between the parties. Discussions with staff will take place during the implementation of these changes and it is anticipated that the Government will be in a position to finalise them as soon as the Bill has passed through the House and been proclaimed.

The winding up of the MFP Development Corporation will be completed quickly so that staff will be able to continue their important tasks of managing assets and projects on behalf of the Government and in accord with the Government's priorities, and at the same time there will be more clarity in roles to assist the private sector in its dealings with government. It is anticipated that the finalisation of the transfer of assets, liabilities and staff can be effected expeditiously after the passage of this Bill, so that the Act can be brought to an end by proclamation.

I commend the Bill to the House.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

The measure will be brought into operation by proclamation.

Clause 3: Amendment of s. 3—Interpretation

This clause strikes out definitions that will no longer be required after the passage of this Bill and inserts definitions of 'asset' and 'liability' in view of the fact that the Corporation is to be wound up and its assets and liabilities vested in other entities.

Clause 4: Repeal of s. 4

This clause will repeal section 4, which is a previous repeal and transitional provision that is no longer required.

Clause 5: Repeal of Part 2

This clause will remove the detailed provision setting out the objects of the Act in view of the fact that the Corporation is to be wound up.

Clause 6: Amendment of s. 6—Corporation

The MFP Development Corporation will continue to exist under the Act pending the disposing of its assets and liabilities.

Clause 7: Substitution of s. 7
The Corporation is now to be constituted of the Minister.
Clause 8: Amendment of s. 8—Functions of Corporation
These are consequential amendments.
Clause 9: Amendment of s. 9—Powers of Corporation
Various approvals from the State Minister will no longer be required by virtue of the fact that the Corporation will now be constituted of the Minister.
Clause 10: Repeal of s. 12
Section 12 of the Act is now redundant.
Clause 11: Amendment of s. 13—Compulsory acquisition of land
Clause 12: Amendment of s. 14—Delegation
Various approvals of the State Minister will no longer be required by virtue of the fact that the Corporation will now be constituted of the Minister.
Clause 13: Substitution of ss. 15 to 23
The provisions relating to the constitution of the Corporation by persons appointed by the Governor, and to the proceedings of the Corporation, are to be repealed by virtue of the fact that the Corporation will now be constituted of the Minister.
Clause 14: Repeal of Part 4
Part 4 of the Act may be repealed in view of the winding up of the affairs of the Corporation.
Clause 15: Substitution of Part 6
It is proposed to replace Part 6 of the Act with new provisions that will facilitate the winding up of the Corporation and the expiry of the Act. New section 33 will provide a mechanism that will allow the Corporation, by instrument in writing, to vest assets or liabilities of the Corporation in the Crown, a Minister, an instrumentality of the Crown, or another authority or person. New section 34 will allow the transfer of the employment of staff to other instrumentalities of the Crown. New section 35 preserves the ability of the Governor to make regulations for the purposes of the Act, pending the winding up of the Corporation. New section 36 will allow the Governor, by proclamation, to fix a day on which the Act will expire. Any remaining assets or liabilities of the Corporation will then vest in the Crown.

The Hon. P. HOLLOWAY secured the adjournment of the debate.

CHILDREN'S SERVICES (CHILD CARE) AMENDMENT BILL

Received from the House of Assembly and read a first time.

FINANCIAL INSTITUTIONS DUTY (DUTIABLE RECEIPTS) AMENDMENT BILL

Received from the House of Assembly and read a first time.

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

That this Bill be now read a second time.

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

Leave granted.

This Bill seeks to amend the *Financial Institutions Duty Act 1983* to remove a potential avoidance issue.

Currently, a concessional rate of duty (0.005%) is applied to short term money market transactions. Such transactions comprise amounts greater than $50 000 invested for a term of less than 185 days, or at call. Transactions falling outside of this category attract the full rate (65 cents/$100) of financial institutions duty ('FID').

Where short term money market deposits mature and are rolled over, no duty at the prime rate would result, provided no accounting entries have been made nor any substantial changes made to the terms and conditions.

Where however, the character of those transactions changed on rollover so that they no longer reflected short term dealings, FID at the prime rate would be applicable.

Until recently, it was the common accounting practice of financial institutions to effect rollovers by the debiting and re-crediting of accounts. As a result, rollovers shifting status from 'short term' to 'long term' were adequately covered.

New technological advances to banking systems, however, have now enabled financial institutions to rollover investments without giving rise to any accounting entries upon which FID would normally be payable. Consequently, short term money market transactions that no longer constitute short term dealings on rollover, have no basis for attracting the prime FID rate of duty in the absence of a physical receipt or the crediting of an account.

New South Wales, Victoria and Western Australia have already incorporated deeming provisions into their respective FID legislation to counter this problem.

In order to restore the status quo and to combat potential avoidance issues, it is proposed that the Act be amended to ensure that such roll-overs are dutiable at the full rate of duty.

I commend this Bill to the House.

Explanation of Clauses

Clause 1: Short title
Clause 2: Commencement
These clauses are formal.
Clause 3: Amendment of s. 3—Interpretation
Clause 3 inserts a definition of 'rollover' into section 3 of the principal Act. This definition is included for the benefit of section 6 of the principal Act.
Clause 4: Amendment of s. 6—Receipts to which this Act applies
Clause 4 adds a new subsection to section 6 of the principal Act, to include as a dutiable receipt, a term deposit which starts out as a short term dealing and which is rolled over into a deposit or investment which does not constitute a short term dealing. The rollover will be regarded as a receipt of money of the amount so rolled over. The effect of this new subsection is to subject such rollovers to the full primary rate of duty under the principal Act.

The Hon. P. HOLLOWAY secured the adjournment of the debate.

PASTORAL LAND MANAGEMENT AND CONSERVATION (BOARD PROCEDURES, RENT, ETC.) AMENDMENT BILL

Received from the House of Assembly and read a first time.

ADJOURNMENT

At 10.45 p.m. the Council adjourned until Wednesday 25 February at 2.15 p.m.