LEGISLATIVE COUNCIL

Wednesday 12 August 1998

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

POLICE BILL

The Hon. K.T. GRIFFIN (Attorney-General): I move:

That the sitting of the Council be not suspended during the continuation of the conference on the Bill.

Motion carried.

QUESTIONS ON NOTICE

The PRESIDENT: I direct that written answers to the following questions on notice be distributed and printed in *Hansard*: Nos 136, 231 and 248.

SMALL BUSINESS EMPLOYER INCENTIVE SCHEME

136. **The Hon. T.G. CAMERON:**

1. Is the Government considering extending the Small Business Employer Incentive Scheme beyond the current financial year?
2. If so, how much will be spent on the scheme during 1998-99?
3. How many trainees or apprentices are expected to be employed under the scheme during 1998-99?

The Hon. K.T. GRIFFIN: The Minister for Employment has provided the following information:

1. In the lead up to the 1998-99 Budget, the Premier made a comprehensive statement on employment initiatives and programs worth almost $100 million. Given the strong support from employers for the Small Business Employer Incentive Scheme an extension to this program formed an important component of this statement.

A commitment for a further 1 500 grants to support the employment of additional trainees or apprentices in small businesses has been made beyond the 1997-98 financial year. This will bring the total number of grants made to 2 500.

2. All 1 000 places under the original program, which commenced in January 1998, have been allocated and employers have been progressively receiving their first $1 000 payments after the expiration of a probationary period.

Whilst all original 1 000 places have been allocated in 1997-98, the first payments of $1 000 for approximately 450 of these places will not be made until July 1998, due to the time of contract finalisation by small businesses and expiration of the probationary period before payment is made. The 550 businesses who have received their first payments in 1997-98 will also be eligible for their second $1 000 payments during 1998-99. It is anticipated that 1 000 of the additional places will also be taken up by small business in 1998-99 and these businesses will be eligible for their first $1 000 payment.

Given the different timing of the initial employment by small businesses, the funds likely to be spent on the scheme during 1998-99 are outlined in the table below:

No. of Trainees/ Apprentices	Intake Year	First Payment $1 000 per position	Second Payment $1 000 per position
450	1997-98	$450 000	
550	1997-98		$550 000
1 000	1998-99	$1 000 000	
Sub Totals		$1 450 000	$550 000
Total expected expenditure	1998-99		$2 000 000

3. The 1 000 apprentices or trainees employed under the 1997-98 allocation will be continuing their employment during 1998-99. In addition to this, it is expected a total of 1 000 new apprentices/trainees will be employed by the scheme in 1998-99. Accordingly, the total number of apprentices or trainees employed under the scheme in 1998-99 will be 2 000.

FISHING, RECREATIONAL

231. **The Hon. P. HOLLOWAY:**

1. Why have further restrictions been proposed for recreational fisheries in a recently released discussion paper, given that increased size limits for King George whiting and restrictions on recreational netting have been introduced within the last three years?
2. What are the objectives of the proposal to increase minimum sizes and restrict bag limits of fish species, specifically King George whiting, for recreational fishers?
3. (a) When will the annual stock assessment for King George whiting be completed; and
   (b) When will it be publicly available?
4. When does the Minister for Primary Industries, Natural Resources and Regional Development expect that a decision on the proposal(s) put forward in the discussion paper on recreational fishing will be announced?
5. Can the Minister provide any scientific or objective data on the impact on recreational fishing stocks caused by the restriction of recreational netting in 1995?

The Hon. K.T. GRIFFIN: The Deputy Premier, Minister for Primary Industries, Natural Resources and Regional Development has provided the following information:

1. The discussion paper provides the community opportunity to comment on a range of measures designed to protect fish stocks and ensure optimal utilisation.

The discussion paper discusses management options for a range of species and techniques and is not confined to issues relating to King George whiting and recreational netting. The paper indicates that most of the options relating to King George whiting should only be considered if stock assessment reports indicate that the species is under threat.

2. The discussion paper provides options for the future management of King George whiting in order to preserve, and possibly improve, stocks and to optimise the utilisation of the resource. These options will be considered if the stock assessment indicates that they are necessary to protect the stock.

3. (a) The annual fisheries assessment for King George whiting is expected to be completed by 31 December 1998. This report will include an update on commercial catch and effort information, a summary of available biological information and an indication of any causes of concern for the biological status of the fishery.

   It is hoped that a full stock assessment of the species will be available by the end of June 1999. This document will include an assessment of the possible effect of changes in management options such as bag limits and size limits.

   (b) Both reports will be publicly available after they have been presented to the Marine Scalefish Fishery Management Committee.

4. The review of recreational fishing is expected to be completed by 30 June 1999. The closing date for submissions on the discussion paper is 28 August 1998. A review committee will be formed to assess the submissions and will provide recommendations to the Minister for Primary Industries, Natural Resources and Regional Development by 31 May 1999.

5. There is no specific research project being undertaken to assess the effect of the prohibition of recreational net fishing on King George whiting stocks. However, there is currently a research project to develop an integrated fisheries management model for King George whiting in South Australia.

In developing this model the changes to stock distribution, recreational catches and methodologies will be considered and this should provide further information on the effect of the prohibition of recreational netting. When making the decision to prohibit recreational netting in marine waters stock status was only one of the many issues considered. One of the major drivers for the adoption of current management arrangements was the view that recreational fishing should be a participative activity and in most cases recreational netting is a passive activity. This view is in accord with the National Policy on Recreational Fishing.

TUNA BOAT OWNERS ASSOCIATION

248. **The Hon. R.R. ROBERTS:**

1. Is the Tuna Boat Owners Association of Australian Inc. an 'association' as prescribed under the Associations Incorporation Act 1985?

2. If so, has the Tuna Boat Owners Association of Australia Inc. applied for an exemption under section 38 of the Associations Incorporation Act 1985 for the purposes of not lodging periodic returns?

3. If the Tuna Boat Owners Association of Australia Inc. has applied for an exemption:

(a) when did the Association apply for the exemption; and

(b) what is the time limit on the exemption?

The Hon. K.T. GRIFFIN: I provide the following response:

1. No.
2. No.
3. Not relevant.

LEGISLATIVE REVIEW COMMITTEE

The Hon. A.J. REDFORD: I bring up the eighteenth report 1997-98 of the committee and move:

That the report be read.

Motion carried.

The Hon. A.J. REDFORD: I bring up the nineteenth report 1997-98 of the committee.

QUESTION TIME

ELECTRICITY, PRIVATISATION

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Treasurer a question about secret Government reports on the ETSA and Optima sale.

Leave granted.

The Hon. CAROLYN PICKLES: Throughout 1997, the State Opposition campaigned strongly against the privatisation of ETSA before the election because we had been told by senior Liberals that the Olsen Government was planning to privatise our power utilities immediately after the election if it was re-elected.

The Hon. A.J. Redford: Are you making this up?

The PRESIDENT: Order!

The Hon. CAROLYN PICKLES: You know very well that we're not making it up.

The PRESIDENT: Order! The Leader should not answer interjections.

The Hon. CAROLYN PICKLES: We always protect our sources. We want every Liberal in this place to know that we always protect our sources. We were also told that, following negative public reaction to the United Water outsourcing deal, if the Opposition tried to turn the last election into a referendum on the privatisation of ETSA the Government would deny any plans to sell ETSA right up until election day.

Our information was correct. Detailed work on the sale of ETSA was undertaken before the last election. When we released documents, the Government said that Labor's claims were lies and publicly joined with the Opposition in pledging not to sell ETSA. Following the Liberals' narrow victory at the election, the Olsen Government broke its promise to the people of South Australia in respect of ETSA after it was presented with a series of independent reports. The Government has refused to release nearly 1 200 documents under the Freedom of Information Act, including the apparently key Schroders report and the reports of the separation steering committees.

My question to the Treasurer is: will he now, before a vote is taken in this Council on whether or not ETSA and Optima should be privatised, release those secret reports to all members of the Council and the House of Assembly so that we can see the supposedly compelling evidence that convinced the Government to change its mind on ETSA after the election?

The Hon. R.I. LUCAS: No. Some of the reports to which the honourable member refers have little, if anything, to do with the proposed sale of ETSA and Optima. One of the reports to which the honourable member refers, in a question which obviously has been prepared for her, talks about the whole issue of separation. To my knowledge, it has no reference at all to the proposed sale of ETSA and Optima. So, the answer to the honourable member's question is the same as the answers that other members including the Leader of the Opposition in the other place have received from the Premier. The Government's position remains the same.

The Hon. CAROLYN PICKLES: As a supplementary question, given the Treasurer's reply to my previous question, will he tell us whether his refusal is because these documents reveal that the Olsen Government misled the people before the election about its plans to sell ETSA, because these documents fail to make any compelling case for the sale of ETSA or both of the above?

The Hon. R.I. LUCAS: As I indicated in response to the first question, just one of the documents to which the honourable member refers and alleges is a secret document which reveals secret information which secretly argues against this position is a flight of fancy of the Leader of the Opposition, Mike Rann and Kevin Foley. Flush with the success of having achieved leaks of some previous information on other matters, such as the outsourcing of the water contract, the Leader of the Opposition in this place and another place seek to make great claims about supposedly secret information secretly giving advice to the Government about the sale of ETSA and Optima. That is news to me. The Leader of the Opposition and Mike Rann hint that they have this information.

The Hon. L.H. Davis interjecting:

The Hon. R.I. LUCAS: If they have names they will reveal and reports they will release, we look forward to it. If they have names and reports to release, let them release them.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: I had no direct involvement with these reports prior to the last election. If the Leader of the Opposition has these supposedly secret reports which Ministers and departmental officers supposedly had, she may flop them on the table. I will be very happy to look at them and we will all read them with great interest. The challenge rests with the Leader of the Opposition. You can hint at all these things for as long as you wish but, in the end, if you have them, flop them on the table. We will all read them and determine whether the claims made by the Leader of the Opposition in this place and another place can be justified by the release of these supposedly secret reports. Until the Leader of the Opposition can actually identify the names of these reports and give some titles so I can go off and look at them or have somebody look at them, they remain in the realms of the flights of fancy of both Leaders of the Opposition in this place and another place.

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Treasurer a question about the amount already paid or committed to consultants working on selling ETSA and Optima.

Leave granted.

The Hon. P. HOLLOWAY: Before Parliament considered or made a decision on the sale of ETSA and Optima, the Government entered contractual arrangements with a range of consultants to manage the sale process. In a media release dated 17 June 1998, the Treasurer said that $3.7 million had been spent in 1997-98 on consultants which the Premier had announced were appointed on 1 May 1998. Over eight weeks this was more than $460 000 a week. The Treasurer also said that a further $8.5 million had been set aside for 1998-99 and that these amounts include success fees. It was reported on 16 March 1998 that the fee for the lead advisers, a consultancy awarded to the foreign owned Morgan Stanley, could be up to $30 million.

An honourable member interjecting:

The Hon. P. HOLLOWAY: It was reported in the press. While the Government has rejected a referendum, the consultancies include payments to the former staffer of the Premier, Ms Alex Kennedy, and Mr Geoff Anderson to run a 'Yes' campaign, paid for with taxpayers' money to promote the Premier and his plan. My questions to the Treasurer are:

1. How much in total has already been paid to these consultants and what penalties will be incurred if the contracts are cancelled?

2. Given that the Government pre-empted the Parliament by engaging these consultants before the sale was approved, what action has the Treasurer taken since yesterday to minimise further payments to these consultants and to stop the haemorrhage of taxpayers' money?

3. Why does the Treasurer believe it is more important to spend $12.2 million on consultants, including the Premier's 'Yes' campaign, than it is to spend $3 million to $5 million on a referendum to ask the people whether they agree with the Government's breaking its election promise?

The Hon. R.I. LUCAS: The explanation by the Deputy Leader of the Opposition is deceptive, and he knows it to be so. The money to which the honourable member refers is not being spent entirely on the construction of a 'Yes' campaign. The Government is using the advice from its lead advisers—commercial, legal and accounting—to prepare our electricity businesses for the national market. We have already seen, in the decision (led in large part by the advice we received) not to proceed with some $40 million to $50 million worth of expenditure on an interconnector with New South Wales, the value that the taxpayers of South Australia are getting from the money being spent on our lead advisers. If as a result of the advice we receive from our advisers the Government also does not proceed with the $150 million to $200 million repowering of Torrens Island, a proposition supported by the Labor Party in South Australia, then again the taxpayers of South Australia will, I am sure, be eternally grateful for the advice that is being received in a continuing way from our—

Members interjecting:

The Hon. R.I. LUCAS: That is where the honourable member is being deceptive, because Alex Kennedy and Geoff Anderson are not getting $12 million, and the honourable member knows that they are not.

The Hon. P. Holloway: No, but they are getting heaps.

The Hon. R.I. LUCAS: 'They are getting heaps', says the Hon. Mr Holloway. The Deputy Leader knows that his question was deceptive. He has now been caught out, because he knows that Alex Kennedy and Geoff Anderson are not being paid anywhere near $12 million for the communications job in relation to the sale of ETSA and Optima; and he knows that, because he has been told that. He has been told it, but he chooses to stand up and make that sort of deceptive explanation to his question.

As I said, when the bills and the savings are in at the end of this process, the taxpayers will have cause to look at the amount of money that potentially will have been saved by our advisers, and also, we hope, at the amount of money they will be able to generate through maximising the sale value of our electricity businesses, which will repay many times over the not inconsiderable sums that consultants obviously are paid in this day and age to provide this high powered advice.

That is the reality. The Deputy Leader is also being deceptive because he too was a member of a Government that spent tens of millions of dollars on consultants, at the same time as still employing all the public servants to whom he has referred on many other occasions, over and above the annual budget of public service expenditure within the Government. So, again he is being deceptive in his explanation in terms of the approach of Labor Governments—of which he was a senior member and adviser at many stages over recent years.

GAMBLING REVENUE

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Treasurer a question about a reciprocal taxation arrangement.

Leave granted.

The Hon. T.G. ROBERTS: Yesterday the Treasurer told the Council that he had not had detailed discussions with the Federal Government on the impact of a GST on South Australia and that we should all trust John—'Honest John'—in relation to our question on the impact of a GST on lotteries and the TAB and the related lost taxation revenue to our hospitals. The Opposition has been informed that a reciprocal taxation agreement with far reaching implications for the assessment of the impact of a GST on the States was to have been signed at the March Premiers' Conference.

Will the Treasurer tell the Chamber whether South Australia's financial position is protected by any reciprocal taxation agreement to provide revenue neutrality following the introduction of a GST? If not, why has the Treasurer not taken any action to protect South Australia's funding base?

The Hon. R.I. LUCAS: Again, I think that the honourable member will need to provide more information and detail about his question. I am happy to receive that information and detail at a later time, if he so wishes, so that I can take some well considered advice on this issue. Discussions have taken place about reciprocal tax arrangements, but certainly not in the context of knowing what the Commonwealth Government intends to do about broad based indirect tax. As Treasurer, I have just not been advised of the final decision by either the Prime Minister or the Federal Treasurer in relation to the detail of a broad based indirect tax, which is highly likely—obviously from the press speculation—to be announced some time tomorrow afternoon.

Therefore, any discussions in relation to reciprocal taxation arrangements can only have been done in the absence of that knowledge. If it is Mr Foley who has provided that information to the honourable member, or Mr Rann, I suggest that the honourable member goes back to those gentlemen and suggest that either they have been ill-advised or perhaps they can provide some greater detail as to this question. If greater detail can be provided then I am happy to explore whatever the particular issue or concern might be from the Opposition.

The Hon. T.G. Roberts: Have any of your South Australian colleagues contacted you?

The Hon. R.I. LUCAS: Have any of my South Australian colleagues contacted me?

The Hon. Caroline Schaefer: Is that a supplementary question or an interjection?

The Hon. T.G. Roberts: A supplementary interjection.

The Hon. R.I. LUCAS: Okay. My South Australian colleagues contact me on a number of occasions on a number of different issues, not necessarily all directly related to issues of reciprocal taxation. I think that supplementary interjections from the honourable member will need to be a bit more specific as to the nature of the contacts that I might have with my Federal colleagues.

STATUTORY AUTHORITIES REVIEW COMMITTEE

The Hon. L.H. DAVIS: I bring up the report of the committee on the review of the Enfield General Cemetery Trust on the issues relating to the management of the West Terrace Cemetery and move:

That the report be printed.

Motion carried.

ELECTRICITY, PRIVATISATION

The Hon. L.H. DAVIS: I seek leave to make an explanation before asking the Treasurer a question about a referendum on the privatisation of ETSA.

Leave granted.

The Hon. L.H. DAVIS: It is well known that the Labor Party at its State Convention in October 1996, nearly two years ago, decided to oppose the privatisation of ETSA and has neither reconvened nor reconsidered that decision in the almost two years that have elapsed since that time. It is also well known that the Labor Party is led by the Hon. Mike Rann, whose previous financial triumphs include a blanket opposition to the development of Roxby Downs and laughing and ignoring the Liberal Party's concerns about the State Bank for at least two years prior to Premier John Bannon's announcing that a disaster was afoot in February 1991. This morning on Radio 5AN, the Leader of the Opposition, the Hon. Mike Rann, said:

I think a referendum is unnecessary.

That was Mike Rann's response to the question whether he believed that the ETSA privatisation issue should be put to the people. I repeat, Mike Rann said:

I think a referendum is unnecessary.

However, on that same radio station, 5AN, Kevin Foley, who apparently is the Treasury spokesman for the Labor Party, said:

The least the Government owes the people of this State is an opportunity for them to express a view.

It appears that in the 17 or 18 hours that had elapsed between the Hon. Nick Xenophon's saying that he believed that the ETSA Bill should be put to a referendum and this morning, the Hon. Mike and Kevin Foley had not even had communication about this matter. Could the Treasurer shed any light on this matter?

The Hon. R.I. LUCAS: I thank the honourable member for his question. As we have proceeded with the debate in this Chamber on the whole issue, it is clear that there are significant divisions of opinion within the Labor Party on the sale of ETSA and Optima. The views that were expressed by the Hon. Mr Holloway last week, which gained some prominence in the Adelaide *Advertiser* and other media outlets, hinted darkly at what was going on in the inner circles of the Hon. Mr Holloway's mind in relation to the sale of ETSA and Optima. As Deputy Leader, he could go no further than that. It was a well considered and thoughtful contribution, given the restrictions of his being a member of the leadership group. I will not hint darkly at what else is going round in the inner recesses of his mind about the ETSA and Optima sale, but I think that the Adelaide *Advertiser* and other media outlets have referred to that already. The Hon. Mr Crothers last night in a thoughtful contribution—

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: I do not know why the Hon. Carolyn Pickles scoffs at that. It was a thoughtful contribution from the Hon. Mr Crothers and, if the Leader of the Opposition wants to scoff at it, that is for the Leader of the Opposition.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: I am disappointed that she would—

Members interjecting:

The PRESIDENT: Order! The Leader of the Opposition.

The Hon. R.I. LUCAS: I am disappointed that the Leader of the Opposition would respond to one of her own backbencher's contributions to an important Bill in that way.

The Hon. L.H. Davis: She has clearly not bothered to read it.

The PRESIDENT: Order! The Hon. Mr Davis.

The Hon. R.I. LUCAS: I apologise to the Hon. Mr Crothers for the inability of some of the transcribers in the media monitoring services for part of the following quote, which was taken directly from the Chamber and heard on the ABC this morning, and which states: 'Hard. Not being', and then it has the word 'unclear', so I am not sure whether that was a lack of volume or the honourable member's accent, but that word was not picked up by the transcriber. Nevertheless, Mr Crothers went on to say:

I for one, having respect for Party allegiance, would have had considerable difficulty in not supporting the sale of ETSA.

To be fair to him, the Hon. Mr Crothers went on to explain why he would vote against the legislation, again on the issue of the mandate question. It highlights the significant divisions that I have indicated. I knew personally of eight members of the Labor Party who, in previous times, had spoken to me and indicated their support for the Government.

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: The Hon. Carolyn Pickles says 'What rubbish.'

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: I have just read a comment.

The Hon. T.G. Cameron: Was I one of the eight?

The Hon. R.I. LUCAS: I am not going to publicly indicate that. Confidences are safe with me, Mr Cameron. I will never reveal the nature of the private discussions asked to be kept confidential.

Members interjecting:

The PRESIDENT: Order! There is an honourable member on his feet answering a question.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The divisions within the Labor Party are further evidenced by a number of statements made by the Leader (Mr Rann) and the shadow Treasurer (Mr Foley) on the issue of the referendum. There are a number of references in the Foley interview with Ashley Walsh on 5AN, one of which the Hon. Mr Davis has referred to, and another one as follows:

Let the people have a say and I would've thought, with the rise of Hansonism around the nation, the least the Government could do is give the people an opportunity to have a say. . .

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: That is the response that the Hon. Mike Rann has adopted. The Hon Carolyn Pickles says that we gave them the opportunity at the election and Mike Rann has been speaking to journalists today saying, 'We don't need a referendum. The referendum was held at the last election.' That is the Mike Rann position, which Carolyn Pickles by way of interjection has just confirmed. We have the shadow Treasurer supporting a referendum, and we have the Leader of the Opposition in another place and the Leader of the Opposition in this place opposing a referendum. Where is the Deputy Leader of the Opposition on this? Is he supporting it?

Members interjecting:

The Hon. R.I. LUCAS: Have a word to George Weatherill about what he raised in other fora about similar issues—and I will not go into the detail of that, either. It would be interesting to know what the Deputy Leader of the Opposition thinks.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: Does the Deputy Leader support a referendum or not?

Members interjecting:

The Hon. R.I. LUCAS: *Hansard* should record that we have a stuttering, mumbling—

Members interjecting:

The PRESIDENT: Order!

The Hon. P. HOLLOWAY: I rise on a point of order, Mr President. Is it in order for the Treasurer to ask me questions when he knows full well that under Standing Orders I cannot respond, and then try to get it put into *Hansard*? I suggest that that is completely out of order, Sir, and I ask you to rule it out of order.

The PRESIDENT: There is no point of order.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: All we get from the Deputy Leader is a stuttering, muttering and mumbling 'I don't know.' He does not know whether to support his Leader or the shadow Treasurer. That is the position with the Labor Party at the moment. We really do not know what its position is. In conclusion, not only on the issue of the referendum but also on the issue of the sale of ETSA and Optima there is significant division within the Labor Party on both aspects.

GOODS AND SERVICES TAX

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Industry, Trade and Tourism, a question about GST implications for small business.

Leave granted.

The Hon. M.J. ELLIOTT: I have noted that the State Government has very publicly made strong representations to the Federal Government in relation to the wine industry and the soon to be released Federal tax package. Over recent times I have been contacted by a number of small businesses in South Australia who indicate that the tax package has the potential to create severe disadvantage to them relative to larger businesses. I will give an example which illustrates the point quite well. Presently, a can of soft drink sold by a small retailer for $1.40 attracts 14 cents in wholesale sales tax, whereas the large supermarkets pay some 12.5 cents to 13 cents wholesale sales tax, which creates a saving of about $120 million a year for just two Australian companies.

Under a goods and services tax, the independent retailers, who receive little or no discount when purchasing, will still have to sell the can of soft drink for about the same price with the added GST of between 12.5 cents and 14 cents, depending on the sales price. However, the big retailers, who get a significant discount below the wholesale sales price, can sell a can of soft drink for 50 cents. It will attract for them only 5 cents GST to charge the consumer. The GST in this instance will create an additional disadvantage of some 8 cents to 9 cents a can for small retailers—

The Hon. A.J. Redford interjecting:

The Hon. M.J. ELLIOTT: No, it is a matter of fact. That is one of a number of examples of the severe disadvantage which can be created for small business. The questions I ask the Minister are:

1. What awareness does he have of these sorts of problems?

2. Have these issues been discussed with the Federal Government to this point?

3. If not, will the Minister take them up immediately to ensure that the package does not create that sort of disadvantage for small business?

The Hon. R.I. LUCAS: I am happy to take advice from the Minister's office because, if there were any discussions, they would have been conducted by the previous Minister, the Hon. Mr Ingerson, and I am not aware of the detail of any discussions that might have been conducted by the then Minister. I am happy to take the question on notice. The only other comment I would make is this: at this stage it is very difficult to comment on hypothetical circumstances because we do not know the precise nature of the total tax reform package.

The Hon. M.J. Elliott interjecting:

The Hon. R.I. LUCAS: I do not know why the Hon. Mr Elliott is shaking his head. That is a statement of fact.

The Hon. M.J. Elliott interjecting:

The Hon. R.I. LUCAS: We do not know the shape and nature of the total tax reform package. We read that there is going to be a comprehensive tax reform package: not just the simple removal of one tax and the addition of a new one. We are told that a range of changes will be implemented by the Commonwealth as part of the total package. I am not in a position to comment, because I do not know the detail of the changes that the Prime Minister and the Treasurer will announce tomorrow afternoon. I am happy to take the question on advice.

Clearly, the State Government would share the honourable member's concern about the impact on small business, and I am sure the Government will do all it can within the overall nature of an indication of support from the Premier for a comprehensive tax reform package. There is no doubt that the vast majority of Australians acknowledge that we have major deficiencies in our current tax arrangements. Too many average income tax earners in Australia and South Australia are moving very quickly into the highest marginal tax rate as

a result of the changes that have ensued over the past 20 or 30 years, and I believe that most Australians believe our tax system needs a significant shake up. Whether they believe in or agree with the particular prescription that the Commonwealth Government puts will be a judgment for them to take in the full knowledge of the tax reform package when it is announced. It is only reasonable that we at least wait for that so that we can endeavour to answer the questions in an informed way.

INDEPENDENT MEDICAL EXAMINATION CENTRE

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Government Enterprises, a question about WorkCover.

Leave granted.

The Hon. J.F. STEFANI: I have been made aware that the Independent Medical Examination Centre, which is situated at Fitzroy House, 20 Fitzroy Terrace, Fitzroy, has written to many medical practitioners in South Australia promoting its administration functions and other services so that 'doctors can come along to their sessions carrying just their favourite pen and have a steady flow of patients on whom to report.' The efficiencies of the medical centre have been promoted as speeding up history taking, examination and reporting processes and in many cases 'allowing an average of an extra patient to be seen per session'.

In the letter the centre advises that a direct invoice would be rendered to the requesting agent or solicitor, deducting its fee of 30 per cent. Doctors were advised that the centre would be aiming for excellence in reporting standards, which will ensure that the doctors' workload would continue. In its brief, WorkCover clearly states that only specialists who are accredited with WorkCover and who have signed an appropriate contract with WorkCover are eligible to do the independent examinations. The Independent Medical Examination Centre has itself become accredited to WorkCover. Individual doctors will not be required to be accredited or sign any contract with WorkCover or its agents because it will be the responsibility of the centre to maintain adequate standards satisfying the requirements of WorkCover. My questions are:

1. What is the amount that WorkCover has paid to the Independent Medical Examination Centre for various medical reports for the year ended 30 June 1997?

2. Can the Minister advise of the amount that WorkCover has paid to the Independent Medical Examination Centre from 1 July 1997 to 30 June 1998?

The Hon. K.T. GRIFFIN: I will refer the questions to my colleague in another place and bring back replies.

UNIVERSITY FUNDING

The Hon. G. WEATHERILL: I seek leave to make a brief explanation before asking the Treasurer a question about university students.

Leave granted.

The Hon. G. WEATHERILL: Over the past 10 years, the Federal Government's unwillingness to fund the universities and other added pressures have contributed to the perceived funding gaps which, some would say, aided the growth of popularity in full fee payable places at universities around Australia. The introduction, development and successful marketing of full fee payable places for overseas students has rapidly made a sound contribution to the State's capital inflow consumption and city dynamics. Will the Treasurer inform the Council whether any increase in the availability of full payable student places for Australian citizens and residents contributes positively to the State's economy?

The Hon. R.I. LUCAS: I will need to take advice on that and bring back a reply for the honourable member.

LOCAL GOVERNMENT, FINANCIAL ASSISTANCE GRANTS

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Local Government, a question about Commonwealth financial assistance grants to South-East councils.

Leave granted.

The Hon. A.J. REDFORD: Recently the 1998-99 grants from the Commonwealth financial assistance scheme were announced, and the figures in relation to the South-East were interesting. Grant moneys were allocated on the basis of principles outlined in the Federal Local Government Financial Assistance Act. The Government legislation aims to ensure that as far as possible each local governing body—be they inner metropolitan Adelaide, the South-East or the Far North—is able to operate at a comparable standard to the average of other local governing bodies. This balances the needs and resources of different councils across the State.

South-East councils such as the Grant, Lucindale and Tatiara councils received a 10 per cent increase, and the Wattle Range council received nearly an 8 per cent increase. In relation to other councils, Lacepede and Robe Councils received a drop of about 5 per cent and Mount Gambier a drop of 1.9 per cent. Indeed, I understand that the Mayors of the three councils who had reductions have expressed their disappointment, although they were advised that the Grants Commission undertook a comprehensive review concerning the distribution of grants.

I have had a number of discussions with the Mayor of Mount Gambier concerning the process adopted by the Grants Commission in changing the methodology for establishing those grants. I understand that the methodology assesses the capacity of councils to raise revenue and their expenditure needs relative to the average, or standard, council.

I understand that funds are directed to councils with less capacity to raise revenue from rates, being those councils with lower than average property values, or where services cost more to provide for reasons outside the council's control, for example, those councils with higher than average expenditure needs. In that regard, the general grant for the City of Mount Gambier was decreased by about $14 891, although its local road grant was increased by $8 800.

In any event, on a positive note, it is pleasing to note that an additional $173 000 has gone into the South-East this year through this means. I note also that the Local Government Grants Commission is continuing to refine its methodology in relation to cost relative to indices associated with grants. In relation to that methodology and review, I would be grateful if the Minister could provide me with answers to the following:

1. Who will be responsible for this review?

2. What will the process adopted by the Grants Commission in reviewing the methodology?

3. What will be the underlying criteria in the review process?

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

DENTAL HOSPITAL

The Hon. SANDRA KANCK: I seek leave to make an explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Human Services, a question about emergency dental health care.

Leave granted.

The Hon. SANDRA KANCK: A couple of weekends ago on a Friday night I was contacted at my home by a woman who was in tears because of the pain she was suffering from a mouth abscess. This women is an invalid pensioner and had been into the Dental Hospital that morning for the second time in 10 days for emergency treatment. At the first examination she was told that she would need a tooth removed but was given a further appointment for 17 August to see a specialist dentist. This was because she has Crohn's disease and, because of the medication that she is on, she is immunosuppressed.

On the second occasion, on the Friday, she went back in because an abscess had erupted in her mouth. The dentist checked it out, noted that a second tooth would have to be removed, gave her antibiotics and told her again to come back on 17 February.

As things were on that Friday night this woman was having difficulty eating and, with an improper diet, the Crohn's disease would be likely to flare up. There was also the possible consequence of blood poisoning. She was very upset about the perceived lack of support and the long waiting times for her appointments in what she saw as an emergency. There was a happy ending to the story in that by sheer persistence she went back in again on the Monday morning and they did find a way to give her some emergency treatment. My questions to the Minister are:

1. How many patients are currently on the waiting list for routine treatment at the Dental Hospital?

2. How many patients are currently on the waiting list for emergency treatment at the Dental Hospital?

3. What is the average waiting time for routine patients at the Dental Hospital?

4. What is the average waiting time for emergency patients at the Dental Hospital?

5. Has the Dental Hospital suffered staff cuts since the 1996 Federal budget?

6. What efforts has the State Government made to pressure the Federal Government to restore funding to pre-1996 Federal budget levels?

7. Has the Minister conducted negotiations with the Dental Association about the possibility of private dentists performing emergency treatment on public patients *pro bono*?

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

ELECTRICITY, REFERENDUM

The Hon. CAROLINE SCHAEFER: My question is directed to the Treasurer and relates to the cost of polling. Given that the Hon. Nick Xenophon last night committed himself to campaigning for the sale of ETSA and Optima at any referendum, will the Treasurer inform the Council of the cost of running a referendum on any topic and, more particularly, of the approximate costs of running a referendum on an issue which already has a majority of support from both Houses of Parliament?

The Hon. R.I. LUCAS: Advice that—

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: Well, I think it is important, because a number of figures have been floated around in the media about the cost of a referendum.

The Hon. M.J. Elliott interjecting:

The Hon. R.I. LUCAS: None.

An honourable member: Name one.

The Hon. R.I. LUCAS: None.

Members interjecting:

The PRESIDENT: Order, the Hon. Angus Redford!

The Hon. R.I. LUCAS: I think that was an unfortunate interjection from the Leader of the Australian Democrats. I do not think he will deny that he made that interjection. I do not generally reveal the nature of Party room discussions, but I can say that on this particular issue not one dissenting voice was expressed in Party room discussion. The Hon. Mr Elliott is in airy-fairy land or cloud-cuckoo-land if he believes that there were two members who indicated their opposition. I can assure the honourable member—and a number of other members will attest to this—that there was a united and unanimous position in terms of support. I might say that some members who for many years had been outspoken critics and opponents of the sale of ETSA and Optima were the first ones to speak in the Party room indicating support for the changed position. I think a number of those members—I will not reveal their names—would be quite—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: I do not think we will enter into that particular debate. We are told that the cost of the referendum would be marginally less than the costs incurred for the most recent general election, which totalled just over $5 million: in fact, we are told it cost about $5.1 million to conduct that election. In terms of a possible referendum, we are advised that obviously it would be in that ballpark of, I guess, just under $5 million. It is important to put that on the record, because I know there have been varying estimates at varying times of somewhere between $3 million and $5 million as to the cost of the referendum. The only other point I would make publicly in relation to the referendum proposal is that the history of referenda proposals in Australia has been that, if you can get both major Parties supporting a proposition, you have a reasonable chance of success. It is not guaranteed, because there have been some well-known examples where both major Parties—

The Hon. T.G. Cameron: I know a referendum that would get up—abolish this place! Even if no Parties campaign you would probably get 70 per cent.

The Hon. R.I. LUCAS: I suspect that, if you promoted it on the basis of 'Abolish the whole of the Parliament and get rid of all members of Parliament', you would probably get the same response. I do not know why the Hon. Mr Cameron—

The Hon. T.G. Cameron interjecting:

The Hon. R.I. LUCAS: It is generally well known that members of Parliament are a species who are not held in good odour by the majority of the community, and that does not matter whether they are Labor, Liberal or Democrat. Frankly, the esteem or prestige attracted to the parliamentary life as a profession, as I said, is not high in the general community. Certainly, when there has been a referendum where one of the major Parties has campaigned openly, actively and passion-

ately against the particular referendum proposal, history shows that your chances of success are not high—and I think that is probably an understatement. It certainly is a very difficult row to hoe and a very difficult task to achieve if one of the two major Parties is against it. I think that is because the Australian electorate and the South Australian electorate are concerned about significant change and reform. We are seeing that in many areas and, if they are and can be frightened by one of the major political Parties about an issue, then it is sometimes easier to resort to the *status quo*. The simple answer to the honourable member's question is that the best estimate is just under $5 million.

The Hon. T. CROTHERS: Given the Treasurer's delineating the cost of holding a referendum, can I then infer from that that the Government will run its full four year term and not be taking us to an early election because of the costs involved?

The Hon. R.I. LUCAS: I certainly hope so. Let me assure the honourable member that, as a member of the leadership group in the Cabinet, I have no intentions of urging the people of South Australia to be put to any unnecessary expense in relation to an early State election. I am just but one vote in the greater scheme of things, but I am happy to put my position on the public record in relation to the prospect of an early election.

ADELAIDE CASINO

In reply to **Hon. NICK XENOPHON** (2 June).

The Hon. R.I. LUCAS: I am advised by the managing director of the Adelaide Casino that the return to player aspect is only a minor component of the Casino's advertising focus. It does appear in a 30 second television commercial but is qualified by the words 'only on selected machines'.

The purpose of the Adelaide Casino's advertising and promotional programs (the cost of which is regarded as commercially sensitive) is to portray the casino as a place of broad entertainment, wherein the high return to player on some machines is just one of the casino's attractions amongst restaurants, concerts, rock bands etc. There is no specific budget which relates to, nor any specific advertising which is dedicated to, the gaming machine return to player.

Neither the Adelaide Casino, nor its specialist consultants, believe that the advertising referred to is in any way misleading. In their view, the advertisement falls within the normal bounds of commercial promotion.

The issue as raised by the member as it might apply to all gaming machines is one which should be discussed with industry and other interested parties before any consideration of amendment in the imminent Parliamentary debate on gaming machine legislation.

EMPLOYMENT

In reply to **Hon. G. WEATHERILL** (25 March).

The Hon. R.I. LUCAS: The Minister for Industry, Trade and Tourism and the Minister for Employment have provided the following information.

According to the South Australian Centre for Economic Studies, the most likely scenario is that the services sector, including information technology services, will account for most of the new jobs. This sector is expected to contribute 99 000 new positions by 2009-10. The mining, agriculture and manufacturing sectors are also likely to contribute significantly to the State's economy, particularly in terms of exports. Agriculture is anticipated to support an additional 3 000 jobs and mining will offer 400 new jobs in the same period.

The projected job growth from 1996-97 to 2009-10 is 15.3 per cent (1.1 per cent per year).

The State Government continues to assist industries with a potential for employment growth or economic significance for the state. This is part of a strategy that is establishing South Australia as a market leader in defence and electronics, call centres and back office operations, and viticulture and aquaculture.

Through the State Government's continued assistance to these industries, we are assisting in the development of new job markets which are creating exciting employment opportunities for South Australians.

ELECTRICITY, PRIVATISATION

In reply to **Hon. CAROLYN PICKLES** (26 May).

The Hon. R.I. LUCAS: I refer to the press statement released on 17 June 1998 responding to this issue, further to the response I provided to the Estimates Committee on the same day.

The cost of each of the consultants appointed by the Government as advisers on the electricity reform and sale program has been released for the 1997-98 financial year.

In the case of Mr G. Anderson and Ms A. Kennedy of Business Development Communications Network, the cost of their appointment as communication advisers to the Government for the 1997-98 financial year was expected to be $50 000.

ABORIGINES, YOUTH EDUCATION AND TRAINING

In reply to **Hon. T.G. ROBERTS** (8 July).

The Hon. R.I. LUCAS: The Minister for Education, Children's Services and Training has provided the following information.

1. The percentage of secondary students who are Aboriginal and attended South Australian government secondary schools in 1997 is 2.14 percent of full time equivalent (FTE) (including full time and part time secondary students) secondary students or 1295.1 FTE Aboriginal students from a total of 60478.1 FTE secondary students.

2. Officers from the Department of Employment, Education, Training and Youth Affairs (DEETYA) have advised that the pilot program in relation to pharmacy students conducted in Queensland will be evaluated and a report made available. The South Australian Government intends to await the results of the pilot in order to determine the success of the traineeship and whether other alternatives would provide better outcomes, for example, customising existing pharmacy assistant traineeships.

It is important to note that South Australia delivers a number of accredited courses that are specifically designed to meet the needs of Aboriginal people. These courses range from Certificate I level in, for example, land management and small business enterprise through to diploma level including a diploma in Aboriginal primary health care—management. A traineeship in retail operations is also being delivered in South Australia by Anangu Winkiku Stores (Aboriginal Corporation) to remote communities in northern South Australia.

YORKE PENINSULA LABOUR EXCHANGE PROGRAM

In reply to **Hon. CARMEL ZOLLO** (4 June).

The Hon. R.I. LUCAS: The Minister for Employment has provided the following information.

1. The labour exchange program based on the Yorke Peninsula and operated through Yorke Personnel has placed people in clerical, labouring and trades positions. The purpose of the labour exchange program is to meet seasonal labour shortages experienced by targeted areas of South Australia. As these are seasonal positions they are all casual with the length of the contract varying substantially between industries and employers. People involved in the program remain on the books of Yorke Personnel and are considered for successive contracts.

2. The budgeted funds provided to Yorke Personnel have, as per the contract, been expended on wages, on-costs and administration costs.

3. Yorke Personnel is required to report on a quarterly basis. The latest figures to the end of April showed 20.3 full time equivalent positions placed by Yorke Personnel for the April 1998 quarter, making a total of 57.6 full time equivalent positions filled since the inception of the exchange. In accordance with the contract, a further amount of $15 500 was paid to the exchange after the receipt of this information, making a total of $40 000 paid in the 1997-98 financial year.

Yorke Personnel is meeting the objective of addressing seasonal labour needs, but has also supplemented this by responding to other identified labour needs in the region. Targets and funding in the original contract have been renegotiated to reflect this diversification.

The Premier's announcement of further funding for the regional labour exchange program was for additional coverage in the state, not for more funding beyond that already contracted with existing exchanges. Location of further exchanges will be determined in

conjunction with regional development boards, which will assist in identifying the potential viability of an exchange in their regions. This is in line with the recommendations of the evaluation that has occurred of this program.

UNIVERSITIES, MATURE AGE STUDENTS

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Education, questions concerning the fall in the number of mature age students enrolling in South Australian universities.

Leave granted.

The Hon. T.G. CAMERON: There have been recent reports in the media of a sharp drop in the number of mature age students enrolling in South Australian universities. Figures supplied to the Australian Vice Chancellors Committee reveal that the number of mature age undergraduate applications to South Australian universities fell by 15.1 per cent this year. The fall, from 4 536 in 1997 to 2 689 in 1998, was the highest in Australia—just another statistic about why our economy is in trouble. The fall in student numbers is a real concern as, globally, the most successful economies have relied not on comparative advantage but on creating competitive advantage based on investment in knowledge and skills. The following is a quote from Green and Burgess:

> Economists have for some time now argued that the industries experiencing the most rapid and sustained employment growth world wide are those making knowledge-intensive products and services and that within most of these industries the main areas of employment growth are characterised by high complexity and high skill.

Mature age students make up over half of all university enrolments in South Australia. According to preliminary SATAC figures, there were 930 fewer applications for undergraduate courses by mature age students in 1998 compared with last year. The fall has prompted the Australian Vice Chancellors Committee Executive Director, Mr Stuart Hamilton, to warn that the trend has serious implications for South Australia's future. He stated:

> The mature age student population is important if we are going to have a highly skilled work force. It is this very group which we should be encouraging to study to get the State going.

Mr Hamilton went on to state that possible reasons for the drop included higher HECS fees, a lower HECS debt repayment threshold and the fact that current high unemployment levels have made many people feel insecure about their jobs and they were reluctant to ask for time off to study, as this was often refused.

At the last State election, the Liberal Party further education and training policy made the following points: the recognition of South Australia's increasing participation in a global economy; the changing nature of work practices and work organisation; the need for restructuring of Australia's work force and the associated change in skills requirements; the impact of technological change; and the need for a more flexible approach to training. The Liberal policy promised that a Liberal Government would '. . . provide training opportunities in both the private and public sector'. My questions to the Minister are:

1. Considering the Government has consistently argued that a highly skilled work force is necessary if we are to be competitive in an increasingly globalised world economy, what steps has the Minister taken to reverse the alarming drop in the number of mature age students at South Australian universities?

2. How many State Government employees in all departments are currently undertaking mature age studies at South Australian universities, and how many were there in 1996 and 1997?

3. Can the Minister assure us that any State Government employee who seeks to undertake relevant mature age study and who may be required to have paid time off from their workplace is encouraged to do so and will not be penalised in any way?

The Hon. R.I. LUCAS: I will refer the honourable member's questions to the appropriate Minister or Ministers and bring back a reply. In relation to the last issue, I believe that there is a relatively reasonable and generous policy in relation to time off during normal—

The Hon. T.G. Cameron: Brought in by the last Labor Government.

The Hon. R.I. LUCAS: I am not sure who introduced it. If it was the last Labor Government, let me be the first to give credit where credit is due. I believe that the current arrangements are reasonably generous, and it would be hard to criticise them in terms of the time off that is allowed. Generally, it has to have something to do with trying to assist in the work that the particular officer or public servant is undertaking in their department or agency; there obviously needs to be some connection with their workplace—or perhaps future workplaces. As I said, I believe that it is a relatively generous policy.

In relation to the honourable member's interjection that it was introduced by a previous Labor Government, he has prompted me to make sure to double check that, just in case it was introduced in those periods in between the 25 years of Labor Governments, when we had two years and three years of Liberal Governments.

The Hon. T.G. Cameron: I feel fairly confident in saying that it was Labor, because I've never known a Liberal Government to improve work conditions.

The Hon. R.I. LUCAS: Whilst I agree with the honourable member on some issues, I obviously cannot agree with his most recent interjection. Nevertheless, having responded in part to his last question, I will refer the other questions to the honourable Minister and bring back a reply.

INTERNET SERVICE PROVIDERS

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General and Minister for Consumer Affairs a question about Internet Service Providers.

Leave granted.

The Hon. IAN GILFILLAN: On 8 July this year there was a news report on the ABC about the collapse of a number of Internet Service Providers (ISPs). Tens of thousands of Internet users who had prepaid for long-term subscriptions had lost money as the ISPs failed. Most of these customers were from interstate. However, the report continued:

> In the past few weeks, at least three ISPs in Sydney, Brisbane and Adelaide have either gone out of business or into receivership. . . The records of the Telecommunications Industry Ombudsman show 12 ISPs have ceased to exist since July 1.

The report further stated that the Internet Industry Association was calling for a review of the industry's business practices. The Australian Consumers Association had also called for uniform national laws to protect consumers.

Because this is a new and growing industry, Government regulation may be lagging behind the pace of change in this

area. There is in South Australia a branch of the Internet Industry Association. In this State there are about 60 or so Internet Service Provider companies. However, only a dozen of them are members of the Internet Association. These dozen or so are, in the main, the larger service providers who have between them about 60 per cent of the customer base in South Australia. Members of the SA Internet Association have drawn up a code of practice and a code of conduct by which they have agreed to be bound. This is an admirable initiative and, for those 60 per cent of customers connected to those companies which have that foresight and responsibility, their situation is much more secure.

However, that means approximately 40 per cent of South Australian customers are connected to the Internet through about 40 or 50 mainly smaller providers who, for one reason or another, are not members of the Internet Association and consequently have not adopted the association's code of conduct or practice. As the ABC news story revealed, one of these smaller companies here in South Australia went broke recently, leaving its customers without the service for which they had paid. In addition to this, as many as a dozen other Internet Service Providers in South Australia have recently disappeared after coming very close to financial collapse. Their customers have been spared the same fate only because a larger rival company has bought them out and absorbed them, sometimes at the last minute.

Recognising the fact that the Government cannot prevent companies, whether ISPs or other types of companies, from failing, but given that there are thousands of householders and small businesses facing potential loss worth hundreds of dollars each through no fault of their own, it may be desirable to achieve industry regulation which protects consumers in these circumstances. Therefore, I ask the Minister:

1. What consumer protection is available in South Australia for people who have prepaid for Internet access and whose ISP may subsequently fail?

2. Is the Government participating in any national moves to either regulate the industry or otherwise protect consumers? In fact, has the Government addressed this issue at all to any degree and, if so, could he inform the Council?

The Hon. K.T. GRIFFIN: The honourable member has raised a number issues. It is probably preferable to get them all dealt with at the one time. I will have some work done on the issues and bring back a comprehensive response.

WOMEN IN AGRICULTURE

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Primary Industries, Natural Resources and Regional Development, a question about the production of a video acknowledging the involvement of women in Australian agriculture.

Leave granted.

The Hon. CARMEL ZOLLO: I was prompted to ask this question following the very successful South Australian rural women's gathering at Kadina last weekend which I attended, along with my colleague the Deputy Leader of the Opposition and member for Napier, Annette Hurley MP. At this stage, I wish to acknowledge the vigneron talents of the Hon. Caroline Schaefer who was co-opted at the last minute, along with the very respected Mrs Joan Harvey from the Riverland, to take a class in wine appreciation following an emergency in the family of the workshop facilitator. During that weekend gathering, we had the opportunity to visit several rural enterprises, and the central role that is played by women in Australian agriculture was obvious to all.

Several months ago, it was reported that the Federal Minister for Primary Industries and Energy had announced a $23 800 grant for the production of a slide video acknowledging the involvement of women in Australian agriculture. My question to the Minister is: how are South Australian women in agriculture involved, acknowledged or featured in this work and when will the video be available for public viewing? I understand the project was overseen by the foundation for Australian Agricultural Women.

The Hon. Caroline Schaefer: It was shown on Friday night.

The Hon. CARMEL ZOLLO: I thank the Hon. Caroline Schaefer for that response. It still does not answer how South Australian women were involved.

The Hon. K.T. GRIFFIN: Obviously, I do not have to follow up one part of the honourable member's question, but I will refer the second part of her question to my colleague and bring back a reply.

MATTERS OF INTEREST

HONESTY

The Hon. T. CROTHERS: In the five minutes allotted to me today, I want to talk about honesty. When I was a small boy, my mother, an old Irish lady without much formal education, instilled in me the premise that whilst you can watch a thief you can never ever trust a liar. There are many ways and formulas in respect of telling lies, and many an argument I have had when, as industrial officer for the union, we used to get into the courts over who had coverage for what member and when, in fact, the placement of commas and semicolons were all important to enable the presiding officer of the court to determine where he perceived the truth lay.

In this day and age, those of us who have to abjure it are sometimes consigned to the whimsies of members of the media (audio, electronic or printed media) who, on many occasions, publish things out of context to suit a particular story they are covering and perhaps to colour an article they are preparing in respect of the journal or the station for which they work. Again, I do not mind that. I acknowledge that one of the problems in Australia is that we are probably over-mediarised. In a nation of 18.5 million, it is difficult to get a lead story that is totally accurate and based on truth if one is to justify one's position as a journalist.

I heard on ABC radio this morning (which I taped) part of what I said yesterday in the contribution I made on the Bill that is before us to determine the ownership of ETSA. It is quite clear that in order to understand what I said one had to read the totality of my contribution and not pick out bits here and there so as to, if you like, add additional drama where I believe none existed or, indeed, none was determined. So, the utilisation of truth is a powerful weapon.

It is unfortunate that, today, we live in a society where truth, whilst it is still valued, is not often adhered to by many sections of the community. Of course, the community is the worse for that, as witnessed by the ongoing scandal that is currently centred around the sexual exploits—or 'exploita-

tion', depending on which side of the fence you are—of the present incumbent President of the United States. I have no qualms about those journalists' reports, however, it is unfortunate that, when they quote a contribution out of context, they can so clearly and with much emphasis put a different slant on that which was intended by the contributor. I totally understand that because of the way in which we are overexposed to the media.

Unfortunately, the lack of truth in our community today leads to much more than just misunderstanding. We have crime rates right across the western world that are reaching all-time highs. There is no doubt that the high levels of unemployment are in part to blame for that. But I believe that the ethic that is necessary to underpin truth has been much eroded away, and I think the media has a fairly heavy responsibility, as indeed do some members of Parliament, with respect to the pursuit of truth in the interests of common and proper understanding relative to any particular position that one might wish to canvass in the print, audio or electronic media.

The PRESIDENT: Order! The honourable member's time has expired.

SOUTH-EAST TRAINING

The Hon. T.G. ROBERTS: I draw to the attention of Parliament and the State and Federal Governments, which may be able to do something about it, a problem in relation to a group training scheme that exists in the South-East. I have received a letter from a parent of a young person who was admitted into this training scheme from the metropolitan area and who travelled to Lucindale in the South-East. The letter explains some of the difficulties experienced by the young people involved in this group training scheme. I will quote the letter and briefly explain the circumstances in which they find themselves. In part, the letter states:

> Through Freshstart Services our son Charles and approximately 60 people were given a contract of training through Accreditation and Registration Council (ARC), contract number of 983649. Vocation: wine industry worker, level 2, the employer being Murraylands Training and Employment Association of South Australia Inc., the host employer being Eden Valley Wines, Villiers Vineyard Management Services, the manager being Mr Peter Thompson.
>
> Our son, along with many other trainees, was unlawfully sacked without warning on Friday 31 July 1998 by the host employer. On Wednesday 29 April the course began at Eden Valley with two weeks compulsory health and safety instruction, followed by two weeks of 'cutting sticks' for propagation purposes [that is, vine propagation]. On 1 June 1998 the trainees were taken to Lucindale by bus at 2.30 a.m. on Monday morning, returning to Adelaide 6.30 p.m. on Friday. During the week they were pruning vines and staying at a 'camp' in Lucindale.

I have previously asked questions about this camp in Parliament. The letter continues:

> When the trainees initially arrived at Lucindale they were housed in Avco double bunk units. The camp had only one toilet, no showers, no kitchen and no electricity. A generator was eventually installed, which regularly broken down. The trainees had to use the caravan park ablutions about ½ km away, and eat at the pub, deli or fish and chips [shop]. During this time quite a lot of the trainees packed it in due to the appalling conditions. We told our son to 'hang in there' as it was probably teething troubles, and things would get better. This he did, as did a few others. After several weeks an ablution block—

The PRESIDENT: Order! There is too much wandering about and discussion in the Chamber.

The Hon. T.G. ROBERTS: The letter continues:

> After several weeks an ablution block (three showers and three toilets for approximately 40 men) and kitchen were installed. The kitchen, after it had been condemned by the local council, eventually began operating on Tuesday 28 July 1998. In the meantime, Villiers had been employing casual labour to replace the trainees who had left. As I see it, Villiers had no intention of carrying out the full terms and conditions of the contract. No attempt at any training was made after the initial compulsory health and safety (the second and third wave of trainees did not even receive that). The trainees were used as basic labourers to fill a private financial contract with Orlando Wines. The degrading conditions were systematically used over a period of time to demoralise the trainees to a point where the enthusiasm to work was gone.

The PRESIDENT: Order! I have just asked members to stop talking in the Chamber. Sorry, the Hon. Mr Roberts.

The Hon. T.G. ROBERTS: The letter continues:

> The casual labourers brought in to finish the work could then be dismissed without any recall.

I will not go on, because I must explain a little bit, and I am not making accusations regarding everyone involved in the scheme. I have had a look at the trainee program used for the two weeks' induction, and the TAFE material that was drawn up for that was very good and quite adequate. But the problems faced by these young people when they were on site in very basic conditions need to be sorted out by the Federal program administrators, and the State members should be looking at them with the idea of trying to prevent such a thing from happening again.

The questions that I would like answered—and I know that this is not Question Time, but the Minister might like to look at the contribution—are: what practices and procedures are currently in place to protect trainees and other unemployed people from the sorts of exploitation I have just outlined; and what screening practices and procedures are in place to vet current and future training schemes—

The PRESIDENT: Order! The honourable member's time has expired.

RURAL HEALTH

The Hon. CAROLINE SCHAEFER: Members may know that I spent 10 years on a rural and regional health board prior to coming to this place and, when we had backbench policy committees, I was also on Minister Armitage's policy committee, so my interest in health, particularly in rural health, goes back for quite some time. There is a widely held view in rural South Australia in particular but also within the State that rural health and rural health facilities have deteriorated over probably the past 10 years and possibly even longer than that, and there has been a great deal of consternation about the setting up of regional health boards. Whenever one asks people what their main concerns are, the answer is always health, education and roads—although not necessarily in that order.

I would be the first to acknowledge that health facilities are not as good in the country as they are for our city counterparts. However, I have maintained for some time that health facilities in rural areas are better than they have ever been before, although by virtue of population they are never likely to catch up with their city counterparts. Therefore, I was pleased today to receive a media release from the Hon. Dean Brown in which he announced four projects at the Queen Elizabeth Hospital. The one that particularly interested me was tele-health in the home. Tele-health in the home will allow people suffering particularly from renal problems and respiratory complaints to have a desktop unit installed in their

home, giving them a direct telelink to the nursing staff and hospital where their specialist is.

An example is cited of a patient from Yorke Peninsula who had spent 33 days in the previous six months at the Queen Elizabeth Hospital. However, since having this desktop unit, that patient has been able to remain at home for four months without having been readmitted. I also have personal knowledge of telelink medicine throughout the State, as well as telelink psychiatry, which has given a great deal of confidence and comfort, I suppose, particularly to GPs who practise on their own in often very isolated situations.

Another announcement today introduced 'smart chip' technology for people using palliative care. This allows the patient's full medical history to be stored on a microchip which they wear and which is therefore accessible at all times to provide information and, of course, to provide them with some mobility and the ability to leave home when they otherwise would be unable to do so. In relation to asthma sufferers, and particularly renal sufferers, within the past 20 years I have personal knowledge of a number of people who have been unable to remain on their farms and unable to remain in country areas simply because they have not previously been able to access the medical advice that they require.

I am, of course, praising this Government, but I am also, I suppose, wanting to alert country people to the fact that technology will provide them with great advances, and that some of the things they fear are a fear of change rather than a fear of worse services. I believe that services generally are better and will continue to improve, but they will be delivered under a very different system from that which people have been used to previously.

MONOPOLIES

The Hon. M.J. ELLIOTT: An article appearing in the business section of yesterday's *Advertiser* entitled 'Retail giants reap $37.4 billion' states:

> Retailing giants Woolworths and Coles continued their assault on smaller retailers during 1997-98, squeezing an extra $2.7 billion in sales from the marketplace. Last week Coles Myer posted record sales of $20.6 billion while Woolworths achieved a hefty $16.8 billion.
>
> The results revealed sales jumps of 7.1 per cent and 8.1 per cent respectively, but retail sales overall rose by just 3.8 per cent in the year ending with the June quarter—the difference coming from the smaller players. In food and alcohol alone Woolworths bolstered sales by 8.7 per cent to $14.2 billion while Coles increased its share of the kitty by 10.8 per cent to $11.6 billion. The two operators are gaining market share from the independents in the supermarket industry at the rate of over 1 per cent a year.

I note that the Council of Small Business Organisations made comment and that the Australian Hotels Association noted that hotels, pubs and liquor stores had seen 50 per cent of their sales captured by the major retailers since they entered the liquor market earlier this decade. This question of monopolies can no longer be avoided. In fact, as an issue in Australia, it has been avoided for too long. It is interesting to note a comparison between, say, Australia and the United States. Our two largest retailers, Coles and Woolworths, control 31 per cent of the retail industry. If one looks at the industry in the United States, the top 10 retail groups control only 12 per cent of the retail market. The world's largest retailer, Wal-mart, controls only 2.4 per cent of the US retail market, so one can see a degree of relative market power.

The Hon. L.H. Davis interjecting:

The Hon. M.J. ELLIOTT: Just shut up. One can see the relative—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! I ask the Hon. Mr Elliott not to listen to interjections and proceed with his contribution.

The Hon. L.H. Davis interjecting:

The Hon. M.J. ELLIOTT: Shut up.

The PRESIDENT: I ask the honourable member not to use that language in the Council.

The Hon. M.J. ELLIOTT: I am sick of his persistent and inane interjections. Monopolies have the capacity to be clearly anti-competitive and they have all sorts of ways of rorting the system and taking advantages that others do not have available to them.

The Hon. L.H. Davis interjecting:

The Hon. M.J. ELLIOTT: Yes, there is a difference between publicly and privately owned monopolies in terms of their potential impact within the marketplace. The Council of Small Business Organisations states that approximately 1 per cent of market share lost to large retailers means the loss of approximately 1 800 jobs. The larger retailers tend to use capital investment in lieu of labour.

It is worth noting that Woolworths is not happy with what it has so far. It is looking at a major expansion into petrol with its first Adelaide station now open and one in Port Pirie. It is looking at quite significant expansion in the liquor industry and it is also lobbying heavily to be allowed to run pharmacies within its operations. There is no doubt in my mind that the United States, under its legislation, would have moved in long ago and broken up companies that operate at that size because they are anti-competitive. I recall when the US felt that the market power of Bell Telephone had become too great, so it moved in at that point—

The Hon. T.G. Roberts interjecting:

The Hon. M.J. ELLIOTT: —and ITT as well—and forced breakups to ensure that there was real and genuine competition in the marketplace. I gave an example of how small retailers are about to be hit badly by a GST, but one of the reasons that they are going to be hit so badly is that the wholesale price deals that are available to the Woolworths and Coles of this world are just so dramatically lower than those available to other purchasers in the marketplace. It is cheaper for a small retailer to go into Woolworths or Coles and buy the goods they want to sell than to go direct to the wholesaler. There is a wholesale rorting of the tax system going on by the big retailers.

The PRESIDENT: Order! The honourable member's time has expired.

MANDATES

The Hon. L.H. DAVIS: I wish to speak on the subject of mandates. 'Mandate' in the sense that we understand it today gives Governments the power to introduce legislation on a matter which has gone to the people at an election. That is the loose form of the word 'mandate'. In fact, the doctor's mandate in the 1930s was a mandate from the people empowering the Government to take extreme measures in the national interest. Today, it is better known as giving the Government the power to introduce legislation which it has indicated it would introduce during the election campaign.

Members interjecting:

The Hon. L.H. DAVIS: Members interject with levity opposite but they will fall silent when they realise how much the idea of mandate has been debased at State and Federal

levels in recent times. In 1979, the Tonkin Opposition went to the people clearly indicating that it would develop Roxby Downs if it were elected to Government, and that would require indenture legislation. When the Tonkin Liberal Government came into power and introduced that legislation, it was vociferously opposed by the Labor Opposition which, at that time, had a three uranium mines policy and was against Roxby Downs. Never mind the mandate, it was still opposed.

That has also occurred at the Federal level. Even though the Howard Government is about to introduce a dramatic reform of the taxation system, there are clear indications from the minor Parties that, even if the Howard Government is successful in being re-elected, part or all of the taxation package may be opposed.

Yesterday the Hon. Nick Xenophon indicated that he opposed the ETSA privatisation, although he was personally in favour of the economic benefits that would flow from the privatisation. He believed on balance that the matter should be referred to a referendum.

I found this curious because on Wednesday 22 July in this Council, just less than three weeks ago, he indicated his opposition to voluntary voting. Now, the Olsen Government on three previous occasions has introduced legislation for voluntary voting. As far back as July 1987, the Liberal Leader, John Olsen, indicated support for voluntary voting. In introducing the legislation, the Hon. Trevor Griffin indicated that on two occasions the Liberal Party had gone to the people with a policy of voluntary voting and on each occasion, after success at the polls in 1993 and 1997, attempts were thwarted by the ALP and the Australian Democrats.

The Hon. Nick Xenophon in opposing voluntary voting, although he indicated some sympathy for it, in the end said he had been to America and he had been persuaded that voluntary voting was not a good idea. He said:

> A Bill must be judged on both its intent and its likely outcome.

If that is the way in which you judge a Bill, you are only paying lip service to a mandate. On three occasions we had a Bill before the Council where the Liberal Party had a clear mandate, as we understand it, yet the Hon. Nick Xenophon on this occasion opposes voluntary voting.

It does highlight the issue of what we mean when we refer to a mandate. It is of relevance to Governments around Australia because, as members would know, with the exception of Victoria, all States and the Federal Government do not have a majority in the Upper House. It creates a real conflict, a real crisis in Government in Australia. It is about time that more recognition was given to the importance of a mandate.

The PRESIDENT: Order! The honourable member's time has expired.

TATAR-BASHKURT ASSOCIATION

The Hon. J.S.L. DAWKINS: On 1 August, I represented the Premier at the Migration Museum at the unveiling of a memorial plaque which commemorates the events that led to the emigration by the Tatar-Bashkurt people from their homeland. On that occasion I was hosted by the President of the Tatar-Bashkurt Association of Australia, Mr Ziya Maski, and I was joined by my Legislative Council colleagues the Hon. Julian Stefani and the Hon. Carmel Zollo. Also attending were members from another place including the member for Hartley (whom I am pleased to see in the gallery today) and the members for Ross Smith, Taylor and Playford.

The Tatar-Bashkurt is the smallest and least known of the immigrant groups in Australia to date. About 70 families from that nation are in the various State capitals, with the largest settlement being in Adelaide. For many of these families resettling in Australia was not their first experience at migration. They were dispersed from their homeland to countries such as Germany, Turkey, Eastern Turkistan, Latvia, Lithuania, Russia, Uzbekistan and Kazakhstan and experienced many hardships and difficulties.

The first Tatar-Bashkurt immigrants to South Australia arrived in 1949. They were displaced people who had been living in camps in Germany after the Second World War. Today, there are Tatar-Bashkurt communities in the United States, Japan, Turkey and Finland, as well as in Australia. Their ancestors fled conflict and oppression from the time of Ivan the Terrible's annexation of Kazan in 1552. During the seventeenth and eighteenth centuries, the Tatar-Bashkurts rebelled against the Russian policies of suppression. During the nineteenth and twentieth centuries they emigrated from their homelands.

The Tatar-Bashkurt South Australians have demonstrated that, though their own lives are filled with promise, past sacrifices will be commemorated always as, too, current trials and tribulations will always have an active audience—and, indeed, the memorial plaque serves as a vivid yet gentle reminder. The Tatar-Bashkurt South Australian population is one of our smallest cultural groups. However, though small in number they have already demonstrated a positive strength in both their own community and, of equal importance, to the broader community. They have brought with them some of the most valuable assets necessary for a cohesive and progressive society. They have brought with them levels of community commitment, appreciation of community participation, dedication to family structure and respect for their fellow man.

The South Australian Government is committed to the continuation of multiculturalism. We are members of one of the most culturally diverse societies, which values many basic rights, including equality of treatment, equality under the law, democracy and equal opportunity for all. South Australia's democratic institutions, values and principles underpin its efforts in maintaining these principles and establishes a framework that recognises that all South Australians have both rights and obligations. Particularly relevant for the Tatar-Bashkurt South Australians is the State Government's affirmation to the principle that all people have a right to maintain, develop and express their cultural heritage within the legal and social framework of our State.

I was pleased to note that this commitment was exemplified when, with assistance from the Office of Multicultural and International Affairs, the broader community was introduced to the Tatar-Bashkurt South Australians at the Saban Toy Festival last year. I was honoured to unveil the memorial plaque which commemorates the events which led to the Tatar-Bashkurt immigration from their homeland, and I was also privileged to meet many individual members of the Tatar-Bashkurt community and to witness some of their food, culture and Turkic language. The great community spirit evident that day was impressive.

The PRESIDENT: Order! The honourable member's time has expired.

LOCAL GOVERNMENT INSPECTORS

The Hon. G. WEATHERILL: I wish to turn my attention to local government because recently local government employed inspectors who are supposed to be moving around our streets looking after the environment and our rivers, the Torrens River and the Patawalonga, on which we have spent millions of dollars getting them cleaned up. If one were cynical, one might think that these inspectors were simply another means of raising revenue, but I will give them the benefit of the doubt and accept that they are there to look after the environment, although some of the fines imposed on people will be high. I believe that when you give people a uniform they tend to get zealous and behave as if they are policemen. I imagine that these inspectors will run around collecting lots of revenue for local government. However, before local government starts looking at constituents and what they are doing to the environment, I believe it should be looking seriously at its own professionalism.

I believe local government does not use a lot of commonsense in its administration. Local government plants what I believe are called gumnut trees on median strips, but these trees drop nuts on the footpath and it is like walking on a skating rink. These gumnut trees grow to 30 or 40 feet in height and, of course, they are usually planted under electricity wires. Local government has done this in many of the streets in which I have driven. Local government does not seem to use a lot of commonsense in this matter.

I have also been watching local government over the past six months, ever since inspectors were employed, in regard to contractors who trim the edges of ovals. When they do this trimming work, the grass drops into the water- table. The contractors do not leave the grass where it is because they have to make the area look pretty, so they use a machine that blows the grass cuttings along the street until they find a hole in the watertable and blow the material in there. Certainly, before inspectors start inspecting anyone else, they should have a good look at local government.

SCHOOL FEES

The Hon. CAROLYN PICKLES (Leader of the Opposition): I move:

> That the regulations under the Education Act 1972 concerning materials and services charges, made on 28 May 1998 and laid on the table of this Council on 2 June 1998, be disallowed.

It is interesting to look at the history of this disallowance motion. In 1997, when similar regulations were disallowed, the regulations were the subject of a disallowance motion that was supported by the Australian Democrats. On this occasion, the disallowance motion has been moved by the Hon. Mr Redford of the Liberal Party, and the honourable member has adjourned the debate on his motion on behalf of the Legislative Review Committee, the Australian Democrats and the Labor Party. It must be some embarrassment to the Minister to have a Legislative Review Committee raise serious concerns about the power of a Minister to make such regulations under the Education Act.

The Hon. A.J. REDFORD: I rise on a point of order, Mr President. I am sorry if I take a while to explain this point of order, but it raises a very serious matter. These regulations came before the Legislative Review Committee, and one of the staff members drafted a document, as is his standing instruction. That document, which was circulated amongst members, had absolutely no status other than it was a document prepared by one of the staff members. As a consequence of that, I received a telephone call from a member of the media, saying that they had obtained a copy of that document.

The Legislative Review Committee has not considered this regulation and it has not prepared a report; in fact, it has done nothing, except move this motion. I do not know how information has got out—

The PRESIDENT: Order! I ask the honourable member to precis his point of order.

The Hon. A.J. REDFORD: —but nor do I understand how it can possibly, properly or appropriately be said that the Legislative Review Committee has any view about it whatsoever. The report that we tabled last week in relation to this is that we have not—

The PRESIDENT: Order! The honourable member is not entitled to make an explanation. He should just draw our attention to the point of order.

The Hon. A.J. REDFORD: That is my point of order.

The PRESIDENT: Order! The honourable member makes a point about a report to his committee which has been leaked outside of that committee.

The Hon. A.J. REDFORD: It is not a report.

The PRESIDENT: Order! I rule that there is no point of order.

The Hon. CAROLYN PICKLES: During the process of the Estimates Committee, the Opposition raised questions about the legality of the regulations, and it was the opinion of a Queen's Counsel that compulsory fees constituted a new tax and that the Education Act did not provide authority for such a regulation. I would imagine—although I do not know this—that is the basis for the Legislative Review Committee's looking at this whole issue. For these reasons alone, there would seem to be sufficient reason for this Council to disallow the regulations for technical reasons.

However, there are more fundamental reasons why these regulations should be disallowed. The current Minister and his predecessor have both argued that these regulations are essential to assist school councils to collect fees from parents. Of course, this argument avoids the real issues and is not their real agenda. The Minister's real agenda is to establish the framework to pass ever increasing levels of responsibility for funding public education from the Olsen Government to parents.

The Hon. Diana Laidlaw interjecting:

The Hon. CAROLYN PICKLES: Well, the Labor Party policy is that students should have access to free, comprehensive and secular education. I make that note to the—

The Hon. Diana Laidlaw interjecting:

The Hon. CAROLYN PICKLES: Well, if we are to talk about mandates let us not forget that the Liberal Party is in a very shaky position in the House of Assembly. While the Opposition understands and is sympathetic to the difficulties faced by schools in recovering some fees, the solution does not lay in legislation that would pit schools against parents in the courts. Also, let us remember that it was this Government that took 20 000 children off the School Card list and accused the parents of those children of being some kind of bludgers. In my time as shadow Minister for Education I came across many parents who were struggling to pay these fees.

There are many issues that need to be addressed in terms of how our schools are funded. For example, the responsibilities of the Minister, as defined in the Education Act, need to be clearly identified, as well as the appropriate level of operating grants, to allow schools to operate efficiently. Instead of embracing compulsory school fees as a panacea for all funding problems and hitting parents with bigger and bigger fees, we encourage school councils to tell the Minister how it is.

Instead of being faithful servants, we believe that school councils and principals need to tell the Minister about the difficulties they face as they are being asked to pay for more and more. To this end, my colleague the shadow Minister for Education has moved to establish a select committee to inquire into and to report to the Parliament on the funding for public school operating costs and the adequacy of existing arrangements.

This inquiry will consider which costs should be met by the Government and which costs should be met from other resources, including voluntary contributions from parents. It is not good enough that some schools have been forced to ask parents to pay for basic repairs to buildings and car parks and the wages of support staff. Surely such items are the responsibility of the Minister under the Education Act.

The inquiry will also consider the proposed regulations and associated issues such as School Card. I urge all school councils, professional associations and parents to take the opportunity to make a submission to this inquiry.

I would also like the Council to note that New South Wales and the Australian Capital Territory already have had inquiries on school fees, and in a sense we are lagging behind those systems in addressing the important funding issues facing our schools. Of course, there was a quite considered report from the Senate standing committee which also addressed this issue and to which the CEO of the Minister's department, the Teacher's Union, the South Australian State Schools Organisation and I gave submissions. There may well have been more from South Australia, but there were quite a considerable number of people. Perhaps members opposite, particularly Ms Laidlaw, who seems to be very vocal on this issue, should read the findings of that inquiry.

When the Opposition received leaked budget documents which set out the Minister's strategy for slashing expenditure on education, we knew why these regulations had been introduced. They were part of a plan by the Minister to achieve key budget cuts totalling $48.6 million in 1998-99, $62.8 million in 1999-2000 and $69.6 million in 2000-01. The leaked documents showed that some of the key savings would be made by transferring responsibilities to schools while at the same time capping school operating grants and School Card payments for three years.

School councils are already reeling under the burden of the additional costs imposed on them by the Government's DECS*tech* program, and South Australia now has the highest level of fees for public schools in any State of Australia. Schools should not be under any illusion about this Government's agenda. The agenda is not just about helping schools recover unpaid fees: the Government wants to make fees compulsory to facilitate the transfer of costs to parents and, by doing so, cut the Government's outlays on education.

Since we debated the motion to disallow similar regulations in 1997, none of the important issues raised in debate have been addressed by the Minister. The Minister has not done anything to ensure that parent contributions are related to enhancing educational outcomes rather than subsidising the Government's responsibilities—that is not part of the Minister's agenda. The Minister has not addressed the issue that schools grants are no longer adequate to cover school operating costs. In fact, the opposite has happened: the Minister has capped school grants for three years. The Minister has not addressed the impact of new costs such as information technology on school fees. In fact, the opposite has happened: the Minister has refused to guarantee for continuation of flexible funding for staff in 1999 and in another move has adopted a plan to cut funding for relief teachers.

The Minister has not addressed the inequality of individual schools charging fees that range from $40 to $400. In fact, the opposite has happened: the Minister has enshrined the inequities between schools in law with this regulation. I believe it is time for the Government to withdraw and acknowledge what is happening to our schools. Yes, we know that the Minister will argue that some schools have supported making fees compulsory, but I contend that this is because school councils have been marginalised and have had no choice but to raise fees to manage their schools. Let us face it: if parents and school councils had a choice between adequate funding and compulsory school fees, I think I know what they would choose. Perhaps the Minister should ask parents that question.

Finally, on the basis of the information in the leaked budget papers, I would warn school councils that are considering taking on a greater range of responsibilities under the devolution trials that they would be well advised to ensure that they have a cast-iron guarantee from this Government of adequate funding. I urge members to support the disallowance motion.

The Hon. M.J. ELLIOTT: I have an identical motion on file, and I think it is pointless for me to move that when I can speak to this one. I did not know, when indicating to the Whips that I would speak to my motion, that this motion would be moved today, and that is why it is not on the Notice Paper or indicated to various members.

This is the second time that the Government has sought to introduce compulsory fees through regulation. I will not cover all the same ground as I covered last time—members can refer to *Hansard* if they want to see all of that. It might be fair to say that this is a leftover agenda item from the previous Minister, and from what I have seen of the new Minister for Education I would hope that the education system generally is in for better days. In fact, I am receiving much better reports from school principals across the State about the level of consultation and listening that is occurring with Minister Buckby. So, I am very hopeful that indeed this is just a leftover item from the previous Minister and that this may be the last time that we see it.

In the view of the Democrats, public education is a right not a privilege and it is not something that should have to be bought. I have no worries with people who choose to opt for the private system, but we should always ensure that we have a public system that is so good that it should not be for reasons of quality of education that a person would go elsewhere. For instance, it should be due to isolation, for religious reasons, or whatever.

I must say that, from my involvement with schools, I believe that public schools do provide such a service. I not only attended public schools but I also taught in them, and my children are in the public school system in both primary and secondary schools. Having also been a member of various

school councils, I must say they battle for funds from time to time. However, despite that, a good quality of education is being provided to my children. But it always is a constant battle.

It is my view that this move (which is the first move anywhere in Australia to have compulsory fees within public schools) is, in fact, part of a move towards the coupon system (which is supported by a number of members of the Liberal Party) and is, in effect, that first step along the way to quasi privatisation—in fact, full privatisation eventually—of the school system also. There are certainly members of the Liberal Party who believe that that should happen, and this is just one of the steps along the way.

The report of a Senate inquiry into school levies released in June 1997 called on Governments to fund public schools at a level sufficient to deliver an appropriate standard of education within the eight key learning areas and commensurate with the national goals for schools. The Australian Education Union submission to the Senate inquiry raised concern about reduced levels of School Card assistance and the increasing gap between the amount of fees being levied by schools and the amount of School Card, which must be met by parents. These were seen as being matters of major concern and reasons for putting increasing pressure on school fees and on the ability of some people to pay them—and also increasing pressure ultimately upon school councils in seeking to recover fees.

Relative to other States, the trend has been for South Australia to become more expensive. I know, for instance, of schools in New South Wales with significantly lower fees than is the case in South Australia. In fact, one of the staff members in my office telephoned a relative in New South Wales and ascertained that a metropolitan primary school in that State has a basic fee of $30 plus $60 per child for text books and a country primary school has a basic fee of $25. Compare that with country schools in South Australia, which have fees of $140 or more. A New South Wales country high school has a basic fee of $56 plus $20 per elective subject for materials, compared to a basic fee of $310 at South Australia's Glenunga International High School—and I believe that the Marryatville High School fee is higher again.

South Australian school fees are rising, and I believe that, as sure as night follows day, once the Government managed to entrench compulsory fees, the next thing would be to put increasing financial pressure on schools, which would lead to their raising those fees. And while the Government is setting a relatively low level of compulsory fee at this stage, it will not stay there.

The Hon. Carolyn Pickles: At this stage.

The Hon. M.J. ELLIOTT: Yes, at this stage. It will not stay at that low level if the Government gets away with introducing the compulsory fee. Other States are watching what is happening in South Australia with a great deal of interest.

School fees are being expected to cover ever more. Previously, it was just essential materials such as books but we now find that, to give children a good education, they need to be computer literate and able to use technologies. That is very resource extensive and schools are now trying to fund a lot of that out of these fees, because they are simply not getting enough from Government. Whilst it is true that the Government can certainly point to a significant injection of moneys into technology, the point has to be made that it has not put enough in, which is placing additional pressure on schools and school fees, and it is part of that pressure that is leading us towards the path along which the Government is now trying to take us.

A number of school principals with whom I have spoken are concerned that facing a three year freeze on school operating grants could lead to pressure for an increase in school fees of between 6 and 10 per cent a year. That underlines my concern that, having made the fees compulsory, the next thing is to jack them up. It underlines my concern that this regulation is a back door move for the privatisation of the public schools system.

Finally—and the Government cannot afford to avoid this, even if it has no conscience in any other respect—I am aware that the AEU has legal advice which states that the raising of these fees is illegal. I understand that it is prepared to go the whole way to the courts, if necessary. I think it is time that the Government just took a deep breath, had a look and realised that this was, after all, the former Minister, and the new Minister can start with a clean slate.

The Hon. L.H. DAVIS secured the adjournment of the debate.

EDUCATION MATERIALS AND SERVICES CHARGES REGULATIONS

Notice of Motion, Private Business, No. 11: Hon. M.J. Elliott to move:

That the regulations under the Education Act 1972 concerning materials and services charges, made on 28 May 1998 and laid on the table of this Council on 2 June 1998 be disallowed.

The Hon. M.J. ELLIOTT: I move:

That this Notice of Motion be discharged.

Motion carried.

WEST TERRACE CEMETERY

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

That the interim report of the Statutory Authorities Review Committee on the management of the West Terrace Cemetery by the Enfield General Cemetery Trust be noted.

In April 1998 the Statutory Authorities Review Committee, consisting as it does of five members of the Legislative Council, resolved to examine the management of the West Terrace Cemetery following the amending legislation of August 1997 which vested the management of that cemetery in the Enfield General Cemetery Trust.

The West Terrace Cemetery is unique in the sense that it is the only operating capital city cemetery in Australia. The site for the cemetery had been fixed by Colonel William Light who had specifically excised it from the parklands in his 1837 survey of the City of Adelaide. Since that date, there have been burials at West Terrace. The history of the cemetery is fascinating. Much information is given in the very comprehensive book written by the current State Historian, Dr Robert Nicol, *At the End of the Road*. The committee was particularly grateful to the advice and assistance of Dr Robert Nicol in providing much valuable background information to West Terrace Cemetery.

Over the last 160 years, West Terrace Cemetery has been bedevilled by neglect, government disinterest, lack of funding, controversy, corruption and maladministration. Indeed, in the last 25 years—

The Hon. Diana Laidlaw: When was the corruption?

The Hon. L.H. DAVIS: In the nineteenth century. In the last 25 years no less than five State Government agencies

have been responsible for the administration of the cemetery. In that same period of time, there have been five inquiries into the cemetery but, in each case, specific recommendations made by those inquiries have not been acted upon.

The committee sought submissions from a number of people who have a particular interest in this subject. As is normal, we advertised, and we were pleased to receive 17 submissions and to take evidence from people who have an interest in and knowledge of the history of the cemetery. In particular, we took evidence from Dr Robert Nicol, the State Historian; Dr Jane Lomax-Smith, the Lord Mayor of Adelaide; Ms Judith Munro, the Chief Executive Officer of the Adelaide City Council; Ms Janet Forbes of Tourabout Adelaide; and, most importantly, Mr Don Noblet, Chairman, and Mr Crowden, General Manager, both of the Enfield General Cemetery Trust. The committee, in a visit to Sydney to have discussions with a sister committee, also took the opportunity to visit and inspect the historic Botany Cemetery and take evidence. So, in the end, we believed the committee was well equipped for its task.

It is significant to note that the findings of this committee are, again, unanimous. To put the West Terrace Cemetery into perspective, I think it is only fair to quote the prominent and well regarded heritage architect, Mr Bruce Harry, who said in evidence to the committee:

> I consider the West Terrace Cemetery to be among the 10 most important historic places in Adelaide.

Dr Nicol, the State Historian, put this into perspective when he said:

> Few people realise that most monuments are actually documents, unique documents that may be the only written documentation that survived about those people.

As I have explained, the Enfield General Cemetery Trust was given the management of the West Terrace Cemetery following the amendments in August 1997. During its visit to the Enfield cemetery, the committee was impressed with what is universally regarded as world-class facilities in what is a very modern cemetery. Thirteen or 14 years ago, the Enfield Trust was also given the management of the Cheltenham Cemetery, which was in decrepit condition. The committee also visited that cemetery. We were not overwhelmed with the quality of the preservation and conservation work that has been done at Cheltenham Cemetery. We took particular note of the challenge which exists at the West Terrace Cemetery given that it is an historic site and, as the committee recognises, the Enfield General Cemetery Trust has limited experience in heritage matters.

Strong evidence was also given by groups such as the Monumental Masons, the State Historian and others that some of the work required at West Terrace Cemetery is of a pressing nature and that time is of the essence. We were therefore disappointed to note that, although the management of the West Terrace Cemetery was vested in the Enfield General Cemetery Trust almost 12 months ago, little consultation had taken place between the Trust and other interested parties and that there had been a failure to act on the amendments which specifically required an increase in the members of the trust from six to 10.

That increase, which was agreed to readily through a bipartisan approach last year in the Parliament, was obviously to provide the trust with more expertise to deal with the pressing and important challenge of the West Terrace Cemetery, which was now to be under the umbrella of the Enfield General Cemetery Trust. Indeed, those appointments were made only in the past few days—and at five minutes to midnight, given that the management plan which is required by the amending legislation is due to be published before the end of August.

Significantly, the committee found that the Adelaide City Council which, as I have mentioned, gave specific and helpful information to the committee, had not been consulted in any way by the Trust, notwithstanding the fact that the council, through members of its executive (one of whom is Mr Paul Stark), has particular expertise in heritage, restoration and conservation, marketing and tourism programs and stormwater, soil and plant management.

There had not been any consultation with the Master Monumental Masons and Sculptors Association, which put in an impressive submission to the committee, nor had the National Trust been consulted in any way. One might also say (although I have not used these words in my report) that there was a touch of arrogance in the approach of the Trust, and my considered view is that it lacked professionalism. This is a task which really demands specialist skills, which the Trust as it now stands does not have. Indeed, one of the recommendations made to us in several submissions, including those of the Master Monumental Masons and Sculptors Association and the heritage architect, Mr Bruce Harry, was the desirability of an advisory committee dealing more specifically with the many matters of moment which need to be addressed at the West Terrace Cemetery. As the committee notes, we believe the task of restoring the West Terrace Cemetery is a substantial, significant and serious undertaking, and we consider it essential that goals be identified and a prioritised work program for achieving those goals be developed as a matter of urgency.

Another matter was of some surprise to the committee, emphasising again that the findings are unanimous. During the debate in the Legislative Council and in the other place last year, both the Hon. Stephen Baker, who had carriage of the legislation in another place, and the Hon. Robert Lucas, who as Leader of the Government had responsibility for the conduct of the legislation through this Chamber, recognised that cross-subsidisation would occur. The Hon. Paul Holloway, who made a contribution specifically on this matter, I and others referred to the desirability and necessity of cross-subsidisation. This meant that the Enfield Cemetery, which, as I have readily recognised, conducts a successful and profitable operation returning a surplus of $568 000 in financial year 1996-97, was in the initial years at least expected to use some of its surplus to address some of the urgent issues which existed at the West Terrace Cemetery.

However, in evidence to the committee, the Trust's Chairman, Mr Don Noblet, specifically rejected this proposal. He was asked this question on more than one occasion. He said:

> There was never any thought that there would be cross-subsidisation.

That was at odds with what the Government, the Opposition and the Parliament generally understood. The committee is most concerned that the Government meet with the Enfield General Cemetery Trust and redress this misunderstanding, which is hard to fathom.

In addition, there was the controversial matter of the closure of the cemetery in the year 2032, which is required by the legislation of 1932. This matter attracts emotion, heat and passion. One respects that some religious groups find the re-use of cemeteries anathema, although other groups, such

as the Catholic Church, seem quite supportive of it. To put the matter in perspective, it should be noted that the re-use of graves is an accepted practice at Enfield General Cemetery, where the initial tenure is set at 50 years, with the right to renew tenure thereafter. One has some sympathy with the Enfield General Cemetery Trust in that the West Terrace Cemetery is not a commercially attractive place in the sense that very few burial sites are available there at the moment because it is basically full and re-use is limited.

Indeed, in the past seven years there has been an average of only 111 burials a year. An amendment to that 2032 provision would allow the West Terrace Cemetery to generate more revenue and provide greater opportunities for conservation and preservation of the important heritage that exists there. Allied to that point, there was a suggestion in some of the submissions and evidence received by the committee that discussions should take place between the Government and the Adelaide City Council with respect to extending the boundaries of the cemetery on the northern and western sides to allow for more burial space.

The committee also believed that there should be greater recognition of the tourism potential of the site. Valuable evidence was received from people such as historian Ms Pat Summerling, from the Master Monumental Masons, from Dr Robert Nicol, from Mr Bruce Harry and from others about the tourism potential of the site—that in Europe, New Zealand and other places such as Botany in Sydney tourism helps bring in revenue through the sale of mementoes and through dining facilities at the cemetery.

In response to the submissions, we believe there is merit in the Trust's encouraging the support of the community through the establishment of Friends of the Cemetery. Obviously, there is the possibility of support from religious groups, from people who have family buried there and from the potential for commercial sponsorship of memorials.

The committee was disappointed to note that the statistics of the cemetery are in fairly lamentable condition. The then Secretary of the committee, Ms Helen Hele, made inquiries about the level of cremations in one particular year and was told, 'We will have to go back and count them up by hand.' This fairly primitive approach seemed to typify the state of the records at the West Terrace Cemetery. Clearly, there is an urgent need to establish a comprehensive, accurate and easily accessible register of statistical data showing the location of plots, lease agreements and so on.

An honourable member interjecting:

The Hon. L.H. DAVIS: I think so. There was also an argument that it was curious that the City of Port Adelaide Enfield was represented by two of the 10 members of the Trust, whereas the Adelaide City Council and the City of Charles Sturt had no representation at all. The committee was not necessarily suggesting that councillors should be appointed to the Trust but that it may be meritorious to have people with appropriate expertise to represent the interests of those councils. Evidence was taken that the name 'Enfield General Cemetery Trust' is no longer appropriate. The committee noted that back in 1934, in one of the many numerous attempts to address this running sore of what to do with the West Terrace Cemetery, the Government of the day attempted to introduce what was called the Metropolitan Cemeteries Trust Bill. After three years of debate, the Bill languished and fell over. The committee, on balance, favours the name, Metropolitan Cemeteries Trust.

That is but a brief resume of the findings of this committee. I pay tribute to the work of the committee; we have worked very closely together. There was no disagreement whatsoever on any of the major issues. My colleagues the Hon. Julian Stefani (who initiated this inquiry), the Hon. John Dawkins, the Hon. Carmel Zollo and the Hon. Trevor Crothers have worked together well, as they have in the past on issues where there is some contention and controversy. I also pay particular tribute to Mr Andrew Collins, our Research Officer (who has recently departed for a position in South-East Asia) and most particularly to Ms Helen Hele, the recently appointed Research Officer, who has had the carriage of this report. I support the motion.

The Hon. CARMEL ZOLLO secured the adjournment of the debate.

RETAIL AND COMMERCIAL LEASES (TERM OF LEASE AND RENEWAL) AMENDMENT BILL

In Committee.

Clause 1.

The Hon. IAN GILFILLAN: I move:

Page 1, lines 10 and 11—Leave out '(Term of Lease and Renewal)' and insert:

(Miscellaneous)

This amendment simply alters the short title to reflect the nature of the proposed additional amendments that I have on file.

The Hon. K.T. GRIFFIN: I have already indicated the Government's position on this Bill: we oppose it. However, for the purposes of the Committee, it would be helpful if I indicate again the reasons why. The Retail and Commercial Leases Act, which was amended significantly last year, arose out of very extensive consultation with the industry, both property owners and retailers who were tenants, and finally an agreement was reached which was reflected in the legislation passed last year. That wrestled with a number of issues, including the question of retrospectivity about which we will have some debate later.

At that stage the approach that the industry on both sides wished to take was that they should endeavour to have a period of settling down after amendments made last year and, I think, amendments made if not the previous year then the year before that. So that this legislation has been, in some sense, in turmoil and the industry at large was concerned to ensure that we allowed it to settle down. That does not mean that we cannot do some finetuning where that proves to be essential, but just fiddling around with it for the sake of fiddling around with it or making some changes which are not essential is not, in the Government's view, a satisfactory way of dealing with a complex set of relationships between property owners and retailers.

The issue of retrospectivity is fundamental, and I will make some more observations about that when we get to that specific provision. I will be indicating a general position in relation to each amendment. We will not be supporting any of them nor do we support the Bill. If there are to be any radical changes, they ought to be made after full consultation with all interested groups within the property and retailing industry. From my feedback from relevant organisations, that has not been the case. I will divide on certain issues, but I will not divide on every amendment, recognising at least from the second reading debate that the Opposition and the Hon. Mr Xenophon seem to be supporting the Bill in every respect.

However, when it comes to the issue of retrospectivity, as a person who practices in the law and deals with issues of principle, I am amazed that the Hon. Mr Xenophon should indicate support for this Bill which, particularly in respect of the issue of retrospectivity, will fundamentally change the whole of the retailing and property industry and its relationships. It will, I think for the first time or at least as one of a few occasions, fundamentally alter commercial and contractual arrangements entered into before amending legislation has been passed. That will cause a great deal of consternation out in the community among retailers—tenants as well as property owners. I will refer to some of the views expressed by them in response to my sending out the amendments to them for consideration.

In essence, the amendments will be opposed. The first amendment which the honourable member has moved is really consequential on the addition of the cooling-off period, and I will deal with that issue when we get to it, recognising that the definition provision is peripheral to the main argument.

The Hon. CARMEL ZOLLO: The Opposition supports the amendments filed by the Hon. Ian Gilfillan since my second reading speech, because we believe they clearly spell out the responsibility of both lessor and lessee in relation to security bonds and the entitlements of the lessor in seeking reasonable remuneration in relation to the renewal or extension of a retail shop lease. I can only reiterate the point I made in my second reading contribution that lessors will not be disadvantaged by these amendments. As the Hon. Ian Gilfillan summed up in his second reading speech, it is inappropriate for landlords or lessors to eliminate commercial risk by placing as much risk as possible on the lessees. The Labor Opposition sees this Bill as assisting in providing a balance to a very important sector of our society, the small business community.

In relation to the issue of retrospectivity, we believe that it affects nothing but future conduct, so we support that amendment. I also have some queries on section 20. Before proceeding, I take the opportunity to clarify that I inadvertently used Mr David Shetliffe's name in my second reading contribution instead of referring to Mr John Brownsea of the Small Retailers Association of South Australia Incorporated when mentioning people with whom I consulted. I mention that because, whilst I also had the opportunity of speaking to Mr Shetliffe, who was then with the Retail Traders Association of South Australia, and received written comments (as indeed I understand did the Hon. Ian Gilfillan and the Attorney-General), Mr Shetliffe indicated on behalf of the Retail Traders Association of South Australia his support for only some measures in this Bill.

Amendment carried; clause as amended passed.

New clause 1A.

The Hon. IAN GILFILLAN: I move:

After clause 1—Insert:
Amendment of s.3—Interpretation
1A. Section 3 of the principal Act is amended—
(a) by inserting after the definition of 'accounting period' in subsection (1) the following definition:
'business day' means any day except a Saturday or a Sunday or other public holiday;
(b) by striking out from subsection (1) the definition of 'statutory rights of security of tenure'.

This amendment is hardly consequential, but it relates to a more substantial amendment dealing with the cooling off period, and I assume that we will have a more extensive discussion on that matter when we get to that amendment. Obviously, I will be moving an amendment which deals with the cooling off period, but as it stipulates 'business day' then business day is dealt with in this amendment that I am moving now to facilitate the more substantial amendment later on.

New clause inserted.

New clause 1AA.

The Hon. IAN GILFILLAN: I move:

After new clause 1A—Insert:
Commencement
1AA. This Act will come into operation three months after the date of assent of this Act.

New clause inserted.

New clause 1B.

The Hon. IAN GILFILLAN: I move:

After new clause 1AA—Insert:
Amendment of s.12—Lessee to be given disclosure statement
1B. Section 12 of the principal Act is amended—
(a) by striking out paragraph (j) of subsection (2) and substituting the following paragraph:
(j) whether the amount the lessee is required to pay towards outgoings exceeds the actual amount of the outgoings as they are referable to the retail shop concerned, and, if it does, the basis on which the excess is to be calculated; and;
(b) by inserting after paragraph (o) of subsection (2) the following paragraph:
(p) a statement of the lessee's rights under Part 3A.

The Hon. K.T. GRIFFIN: As I understand it, the amendments re-word some of the provisions in the disclosure statement in relation to 'margins added to, expenses incurred'. At present the disclosure statement must disclose in relation to outgoings whether there is a margin of profit included and, if so, the percentage of profit or the basis upon which it is calculated. The current provision was included in the disclosure statement as a result of the unanimous recommendation of the Select Committee on Retail Shop Tenancies. It was unanimously agreed by the Hon. Mr Elliott, the Hon. Anne Levy, myself and other members of the committee.

As I understand it, the Hon. Mr Gilfillan proposes a rewording which removes reference to profit and simply requires a statement as to whether the outgoings the lessee is required to pay exceed the actual amount of outgoings and the basis for the calculation of the excess. The second part of the amendment is consequential on the amendments relating to a cooling off period—that is, new section 3A—and will ensure, if carried and enacted into law, that the disclosure statement contains details of the cooling off right.

A number of comments have been received. The Property Council says that it does not understand the purpose of the proposed amendment because it is of the view that the existing paragraph is of similar effect and, therefore, the amendment is unnecessary. The Retail Traders Association said that it understood that the major target for the clause is the distribution of electricity using capital infrastructure of a shopping centre rather than the electricity utility. Given that return on investment from capital is a legitimate expense, the notion of profit would seem to be more appropriate in the circumstance than the excess of outgoings claimed over expenses. Section 32 deals adequately with whether the amount spent on outgoings is less than the amount charged to the lessees. The Newsagents Association was not sure that the amendment in any way advanced the issue of outgoings.

The Hon. IAN GILFILLAN: I think the Attorney may be confused as to the amendment before the Committee. I will have a discussion about this matter after we have

proceeded through Committee. This provision deals with an attempt to acquire more appropriate information on the profit on outgoings. The method of increasing the amount involved in outgoings should not be regarded as profit, which is why the wording of my amendment insists that the basis on which the excess is calculated should be disclosed. So, the lessee has a clear revelation of how and why he, she or the corporate entity is paying above cost to the landlord for outgoings. That is the purpose for that amendment. Therefore, I obviously support it.

On advice from the table staff, I now realise in what segments these amendments are being put. Proposed new section 1B does require what I have just indicated in relation to the reflection on what would be an excess on outgoings. In paragraph (b) it also requires the disclosure statement to be given to a potential lessee before a lease is entered into or renewed and for that to include a statement of the lessee's statutory rights of tenure.

The Hon. K.T. GRIFFIN: If people look carefully at what is already in the Act, they will see that it is quite clear in paragraph (j) which the honourable member seeks to strike out that it refers to margin of profit for the lessor. The present provision requires the disclosure statement to state or contain whether the amount the lessee is required to pay towards outgoings includes a margin of profit for the lessor and, if so, the percentage profit or the basis on which the profit is to be calculated. What the honourable member is seeking to do does not in any way improve that position for anybody.

The Hon. CARMEL ZOLLO: We support the amendment.

New clause inserted.

The Hon. IAN GILFILLAN: I move:

After new clause 1B—Insert:

Amendment of section 13—Certain obligations to be void

1C. Section 13 of the principal Act is amended by striking out paragraph (b) of subsection (1) and substituting the following paragraph:

(b) a lessee may be required to fit or refit the shop, or to provide fixtures, plant or equipment, if—
(i) the disclosure statement discloses the obligation and contains sufficient details to enable the lessee to obtain an estimate of the likely cost of complying with the obligation; and
(ii) the lessee has signed an acknowledgment or receipt of those details (separately to having signed any acknowledgment of receipt of the disclosure statement); and.

This amendment requires disclosures about fitting or refitting costs to be separately acknowledged for a potential lessee.

The Hon. K.T. GRIFFIN: As I have said, these amendments are all opposed by the Government. If one looks at section 13(1), one sees that it is already quite clear. It provides:

An obligation to make or reimburse capital expenditure may only be imposed by or under a retail shop lease or a collateral agreement in the following cases:

Further, it provides:

(b) a lessee may be required to fit or refit the shop, or to provide fixtures, plant or equipment, if—
(i) the disclosure statement discloses the obligation and contains sufficient details to enable the lessee to obtain an estimate of the likely cost of complying with the obligation.

The honourable member wants to add to that an additional bureaucratic requirement, namely, that the lessee sign an acknowledgment of receipt of those details. The law already requires them to be in the disclosure statement and provides remedies if they are not. I do not think any valid reason has been advanced for a separate acknowledgment, particularly when the lessee already signs the disclosure statement. I indicate to the Committee that the Property Council says that to require the lessee to separately acknowledge the refit obligation is over-regulation. The amendment may have the opposite effect than that intended because, by singling out issues that the tenant must separately acknowledge, the tenant may assume that only those issues are important. All matters in the disclosure statement are fundamental matters which must be considered by the tenant.

The Retail Traders Association said that it did not oppose the proposal but also expressed the view that, given the requirements for signing disclosure statements, it would have thought that this proposition was unnecessary. The Newsagents Association also said that it would not have a problem if it was thought that in practice disclosure statements and attachments were not being presented properly; but there is certainly no evidence of that.

The Hon. IAN GILFILLAN: I shall make some observations, because the Attorney has used the Committee stage to establish credentials for some of his argument. All my amendments are the result of exhaustive discussion with people who represent the lessees. I have not had extensive discussions with organisations that represent the lessors, except for a meeting with David Shetliffe in his capacity at that stage as executive officer of the Retail Traders Association. I assure the Committee that none of these amendments have been moved for just a whim or fancy or to embellish bureaucratic tasks: they are the consequence of real concerns held by lessees in shopping centres in particular.

Although it may appear that this amendment is of a minor nature, I have moved it because I am advised that often lessees are not aware. Perhaps they have been inadvertent in following through what could have been their legal rights, but they are not aware of those obligations about fit or refit.

It is a facilitating and an enhancing amendment. It is not contradicting the intention of the Act. I will briefly pay acknowledgment to the work of earlier sittings of this Council in helping to evolve very good legislation, but even very good legislation is still subject to improvement. The trigger for this whole legislation is concern, financial hardship pressures and, at times, the non-viability of smaller retailers in shopping centres. I took the opportunity to state that; I will not repeat that time after time. I emphasise to the Committee that every one of these amendments has come on the request of very competent people who head representative organisations of small retailers in Australia and as a result of legal advice from lawyers who work in this area of litigation. I do not have any doubts about the need for the reforms that have come up in these amendments, and I hope the amendments will substantially address those needs.

The Hon. K.T. GRIFFIN: As the honourable member is a proponent of the Bill, can he indicate with whom he has consulted?

The Hon. IAN GILFILLAN: I have extensively outlined that in my second reading explanation, but Alan Branch was one of the legal advisers who spent a lot of time with me; Max Baldock, was (if not now) the National Vice President of the Small Retailers Association; John Brownsea; and the newsagents people. It was a fairly endless stream not only of the organisations but also of people in shopping centres in Whyalla and people representing lease negotiations in Adelaide.

The Hon. CARMEL ZOLLO: The Opposition supports this amendment.

New clause inserted.

New clause 1D.

The Hon. IAN GILFILLAN: I move:

After new clause 1C—Insert:

Amendment of s.15—Premium prohibited

1D. Section 15 of the principal Act is amended—

(a) by inserting in subsection (3)(d) 'in respect of a period not exceeding four weeks' after 'advance';

(b) by striking out from subsection (3)(e) 'or a guarantee from the lessee or another person (e.g. a guarantee by the directors of a lessee company guaranteeing performance of the company's obligations under the lease)'.

The insertion of this clause is aimed at limiting the security to a maximum of four weeks rent in advance. There are other amendments touching on the same matter to prevent there being a demand for bank guarantees for security by lessors of lessees. I did speak to this matter previously and it appears in *Hansard* at pages 1083-4. There is considerable concern that there has been a tendency to avoid the rent advance bond and seek bank guarantees (other forms of security), and the purpose of this amendment is to enforce compliance with the intention, as I understand it (and many others), of the original Act that it should be a period of four weeks rent.

The Hon. K.T. GRIFFIN: I am somewhat amazed that we should be deleting from this provision the right of a lessor to require a guarantee from the lessee or another person who might be a director of a company. No evidence has been brought to my attention of any abuse of section 15. However, the right to require a guarantee, particularly where you have a $2 company, has been a long established provision in the law and certainly a long established practice in the retail industry—whether it is for a shop or office or some other accommodation. I suppose what the honourable member is now proposing is that, by virtue of the amendment, you can establish a $2 guarantee and the lessor is not entitled, regardless of the fact that the lessee may have no assets, to protect his or her or its position by taking such a guarantee. Again, that is a fundamental change to the way in which business has been done, and one has to raise the question: why should such a fundamental change be made if there is no evidence of abuse? And even if there was evidence of abuse, is there not a better way of dealing with that than merely putting a blanket prohibition on the ability of a lessor to take a guarantee?

The Hon. IAN GILFILLAN: To administer this, it currently needs to be subsidised from the Attorney's own department, and if this clause were enacted the estimate is that there would be a revenue of some $50 million—that is, if every leased property contributes to the fund—whereas the annual report of the Commissioner for Consumer Affairs for 1996-97 reveals that the fund is administering only $1.1 million—approximately 2 per cent of what it could or should receive. I previously stated in *Hansard*:

> This total is insufficient even to administer the Act. So, the fund runs at a loss, which must be made up by the Attorney-General's Department.

I want to assure the Attorney, probably more to the point, that the evidence is overwhelming to us that lessors are abusing the position of bank guarantees, and it becomes very burdensome and very threatening to small retailers.

The Hon. CARMEL ZOLLO: I support this amendment.

The Hon. IAN GILFILLAN: The name of the fund in question is the Retail Shop Leases Fund. Legislatively, the Act envisages that fund being funded by the security bonds about which we are talking, which is the four weeks rent paid in advance.

New clause inserted.

New clause 1E

The Hon. IAN GILFILLAN: I move:

Insertion of Part 3A

1E. The following Part is inserted after Part 3 of the principal Act:

Part 3A

COOLING-OFF

18A. (1) If a disclosure statement for a retail shop lease is not served on the lessee at least 5 clear business days before the lessee enters into the lease or takes the retail shop on lease for a renewed term, the lessee may, by giving the lessor written notice before the prescribed time of the lessee's intention not to be bound by the lease, rescind the lease.

(2) The notice may be given as follows:

(a) by giving it to the lessor personally; or

(b) by posting it by certified mail to the lessor at the lessor's last known address (in which case the notice is taken to have been given when the notice is posted); or

(c) by transmitting it by facsimile transmission to a facsimile number provided by the lessor (in which case the notice is taken to have been given at the time of transmission).

(3) If in any legal proceedings the question arises whether a notice has been given in accordance with this section, the onus of proving the giving of the notice lies on the lessee.

(4) If a lease is rescinded under this section, the lessee is entitled to—

(a) in the case of a lease entered into for an initial term—the return of money paid under the lease;

(b) in the case of a lease taken for a renewed term—the return of money paid in relation to the renewed term of the lease,

less an amount referrable to an actual period of occupation under the lease.

(5) This section does not apply in respect of a retail shop lease if the lessee has, before entering into the lease or taking the retail shop on lease for a renewed term, received independent advice from a legal practitioner and the legal practitioner has signed a certificate in the form approved by regulation as the giving of that advice.

(6) In this section—

'prescribed time' means the end of the fifth clear business day after the day on which the disclosure statement for the lease is served on the lessee.

As it says in its title, this clause proposes introducing a cooling off period for lessees of retail shops. The cooling off period is five clear business days from the date of service of the disclosure statement. If the disclosure statement is served more than five clear business days before the lease is entered into or renewed there will effectively be no cooling off.

Under section 12(5) of the principal Act, if a disclosure statement is not given, the Magistrates Court may avoid the lease in whole or part. The amendment should encourage lessors to provide the required disclosure statement at an appropriate time. Not only does it do that but it quite obviously allows for the intemperate and ill-considered arrangement where a lessee may regret the first spontaneous decision five days from which that can be reconsidered, and I am convinced that that would benefit both sides. It is not to the advantage of the lessor or the lessee not to have arrangements carefully well considered before they are entered into.

The Hon. K.T. GRIFFIN: The amendment is opposed. The disclosure document now required to be given to a lessee is very much more informative than simply a list of outgoings. The disclosure statement now contains a range of information and warnings for lessees. For example, a disclosure statement contains information in relation to refits which the lessee must act upon to obtain quotes, etc., to determine how much additional costs would be associated with refitting the shop to certain specifications, details of undertakings, statements of legal consequences and other warnings.

The Property Council is opposed to this as it introduces an unnecessary element of uncertainty into the commercial relationship. It considers that section 12 already deals with this because the Magistrates Court can make orders where the disclosure statement is not given or contains false or misleading information. One of the orders available to the court is that the lease is avoided.

The Retail Traders Association has said that it cannot see the reason for this as the Act already requires that the lessee be given the disclosure statement before the lease is entered into or renewed. If a tenant chooses to enter into a lease before fully assessing the lease and the disclosure statement, then no legislation, according to the Retail Traders Association, will protect that person from his or her own stupidity.

The Law Society says that the introduction of a cooling-off period would equate all lease contracts including, say, monthly tenancies at nominal rentals with other contracts which attract cooling off rates. This would appear to be unnecessarily regulatory. The Law Society says that, unlike the Land and Business Sale and Conveyancing Act, the only proposed exemption is where a lawyer's certificate is obtained. Existing provisions requiring lawyers' certificates can already work against tenants who do not, for example, wish to have a five year term and are then required at their cost to engage a solicitor in order to take the lesser term. This proposal would also require the engaging of a solicitor to provide the appropriate advice. Any such provision would need to be carefully thought through and qualified to, say, refer only to lease contracts of substance.

The Newsagents Association say that in other Acts dealing with interests in land, sale of a business, contracts of insurance, etc., certain people are afforded a right to cool off. Other classes of persons are not afforded the right to cool off. To be consistent, newsagents believe that the right should be offered to all lessees except those not covered by the Act. Cooling off, they say, should not be used as a broom to obviate lax behaviour on the part of the lessor in not providing a disclosure statement. The association suggests that consideration could be given to increasing penalties, although I suggest that because the penalties are civil in nature and include varying a lease or avoiding the lease, it is difficult to see how they could be any stronger. The Government is not convinced that there is any merit in this proposal.

The Hon. CARMEL ZOLLO: The Opposition supports this amendment. I understand it is standard practice in almost all other major transactions.

New clause inserted.

New clause 1F.

The Hon. IAN GILFILLAN: I move:

Section 19 of the principal Act is amended by inserting after paragraph (b) of subsection (1) the following paragraph:

(c) require performance of the lessee's obligations under a retail shop lease to be secured by any form of security other than a security bond.

This is a further part of the amendment which obliges the lessor to seek a bond only by way of four weeks rent. It makes it illegal for it to be secured by any other form of security other than a bond.

The Hon. K.T. GRIFFIN: The amendment is consequential and it is opposed.

New clause inserted.

New clause 1G.

The Hon. IAN GILFILLAN: I move:

Section 20 of the principal Act is amended by inserting after subsection (1) the following subsection:

(1a) If the amount by way of security under a security bond exceeds four weeks rent under a retail shop lease as the result of a decrease in the rent payable under the lease, the lessee may apply to the Commissioner for payment to the lessee of an amount equal to the excess.

This is a facilitating amendment so that where there has been a reduction in the rent the amount of bond can be adjusted accordingly. Obviously, the bond would be adjusted accordingly if the rent went up, but this is to ensure a refund if the rent goes down.

The Hon. K.T. GRIFFIN: Opposed.

The Hon. CARMEL ZOLLO: Supported.

New clause inserted.

New clause 1H.

The Hon. IAN GILFILLAN: I move:

The heading to part 4A division 3 is amended by striking out 'SHOPPING CENTRE'.

This amendment seeks to amend the title because it expands the area of application of this legislation to not just shopping centres but also all retail shops. My following amendments to clause 2 are: page 1, lines 17 and 18, leave out 'in a retail shopping centre'; and page 1 after line 18, strike out paragraph (b) of subsection (2). The second amendment is consequential on an amendment to section 20K, which provides that the renewal provisions cannot be contracted out of, even if a lawyer has signed a certificate of the kind referred to in that section. So, the amendments deal with two separate intentions: the first is purely a name change to effect the intention of my amendment to embrace all retail shops, not just those in shopping centres, and the second deals with the contracting out of renewal provisions, which is dealt with more substantially later.

The Hon. K.T. GRIFFIN: This is an amendment to insert new clause 1H and some subsequent amendments in respect of clause 2 which relate to a fundamental question. I presume that you will merely put new clause 1H at this stage, Mr Chairman, and if that is the case I will not address the issues of retrospectivity and the extension to all leases until we get to the amendments to clause 2, which I will then regard as the fundamental question on which I will call for a division.

New clause inserted.

Clause 2.

The Hon. IAN GILFILLAN: I move:

Page 1, lines 17 and 18—Leave out 'in a retail shopping centre'.

This is in the same category as the amendment we have just dealt with.

The Hon. K.T. GRIFFIN: I will use this as the test case, and I may also deal with the implementation of preferential right under another clause. The collective effect of the amendments is that the application of the Act is extended to all leases with retrospective effect. The honourable member's Bill and amendments propose that the new provisions relating to right of preference at the end of a lease incorporated into the Retail and Commercial Leases Act last year apply to all existing shopping centre leases and expansion of its current application to leases entered into after 6 October 1997. It is also proposed that the right of preference provisions be extended to all existing and proposed retail and commercial leases whether or not in a shopping centre. As a general rule, the Government follows the principle that legislation should not affect already negotiated commercial arrangements. This issue was extensively canvassed during debate on the Government amendments in 1997, and the proposition that

the right of preference provision should be retrospective was defeated.

To impose the right of preference provisions at end of lease on existing leases would impose a new statutory scheme upon the parties to a lease which was not in their contemplation when they entered into their contractual arrangements. Past events and transactions should generally not be disturbed by the application of new laws. New retail leasing laws in Victoria and proposed new laws in Western Australia do not (and I stress 'do not') have retrospective effect. The new Commonwealth amendments to the Trade Practices Act apply only to conduct which occurs after 1 July 1998. The new legislation is not retrospective. In addition, the Government has generally opposed the application of the right of preference provisions to other than shopping centre leases.

The background to the development of the right of preference provisions was that a particular problem with the renewal of shopping centre leases had been identified, and all industry parties agreed that the problem should be addressed. There was not and still does not appear to be a problem with the renewal of leases in general. A number of comments have been made by various organisations. That from the News Agents Association is as follows:

> As I recall, the debate over this matter last year sprang from an assumption that shopping centres were afforded a unique location in space; that is, planning law allowed them a certain exclusivity as a higher order of retail space. Therefore, these retail spaces required additional legislation to effect more equitable dealings between lessor and lessee at the time of renewal. Conversely, strip shopping and other forms of shopping precincts with their diversity of lessors, numerous locations and normal market pressures, required less regulation to balance the position of lessor and lessee in the negotiation for retail space.

That really encapsulates the rationale for applying the rights in relation to the end of lease issues to shopping centres only. The Newsagents Association would only agree to a change in the agreed position if the assumptions made last year did not reflect the reality of the market or if it should be shown that lessees not in shopping centres were being harshly dealt with at renewal. The Property Council, as one would expect, is absolutely opposed to the retrospective application of preferential rights. It says that it is unreasonable to affect an existing commercial bargain by imposing such a fundamental change in a retrospective manner.

In relation to the extension of preferential rights to all leases, such an extension is unwarranted. The mischief at which the preferential right was aimed is that of a sitting tenant in a shopping centre being locked in at the end of a lease to unreasonable rental and other commercial terms. Retail organisations have never suggested that this same mischief exists to any large extent in strip shops, and it has never been suggested to be a problem with office tenancies.

The Retail Traders Association opposed the amendments. It is of the view that the effect of applying the provisions of division 3 to existing leases is to make the provisions retrospective. The application of a first right of renewal does, in effect, alter the terms of the existing contract. In addition, it was a deliberate and agreed position that part 4A would apply only to tenants in a retail shopping centre. Issues relating to the retail industry do not apply to premises such as doctors' surgeries, offices and so on. The Law Society indicates that it does not believe that retrospectivity is justified under normal circumstances. In relation to the proposal to extend the right of preference provisions beyond shopping centres, the society believes that to grant all tenants an indefinite right of tenure to another person's property may unnecessarily interfere with a landowner's rights to deal with their property.

While certain goodwill can be created as a valuable asset within a shopping centre location, it is difficult to see how an asset worthy of such protection can be created in a commercial office or industrial shopping strip. So, there are fundamental objections to the amendments that seek to extend the right of preference to all retail shops and also to apply the provisions to all leases. I will be calling for a division on this issue to indicate the concern with which the Government views this provision.

The Hon. IAN GILFILLAN: Most of the argument to support the amendment is in my second reading contribution and I do not intend to replay it all. There is a substantial argument that there is a reflection of a genuine legislative initiative to ensure a fair go for lessees built into the Act currently in force. To deprive thousands of lessees of the benefit of that on the assumption that the existing leases will be treacherously dealt with or that it will be counter productive for relations between lessor and lessee I reject as a spurious argument, and I believe that it is important that the advantages of this series of amendments be available in the present Act to all lessees. It will give confidence in an area where those who are participating need to feel confident of their future and confident that, if they invest their energies and goodwill, they will be able to secure a long-term benefit from it.

Not only will the lessees benefit but I am convinced that the lessors will. It is the same argument and the same justification that gave unanimous support to the measures as they were introduced into the Act when it was debated last. I support the amendment.

The Hon. CARMEL ZOLLO: The Opposition also believes that existing lessees should be afforded the protection of the law and we support this amendment.

The Committee divided on the amendment:

AYES (11)

Crothers, T.	Elliott, M. J.
Gilfillan, I. (teller)	Holloway, P.
Kanck, S. M.	Pickles, C. A.
Roberts, R. R.	Roberts, T. G.
Weatherill, G.	Xenophon, N.
Zollo, C.	

NOES (8)

Davis, L. H.	Dawkins, J. S. L.
Griffin, K. T. (teller)	Laidlaw, D. V.
Lucas, R. I.	Redford, A. J.
Schaefer, C. V.	Stefani, J. F.

PAIR(S)

Cameron, T. G.	Lawson, R. D.

Majority of 3 for the Ayes.

Amendment thus carried.

The Hon. IAN GILFILLAN: I move:

> Page 1, after line 18—Insert:
> (b) by striking out paragraph (b) of subsection (2).

I have indicated but I repeat that this amendment is not necessarily consequential but—

An honourable member interjecting:

The Hon. IAN GILFILLAN: It is consequential to an amendment to section 20K, which I will be moving. This amendment is part of two amendments. For the edification of the Committee, I advise that Division 3—Renewal of Shopping Centre Leases, Subdivision 1—Application of this

Division, section 20C—Application of Division, subsection (1), states:

This Division applies in relation to a retail shop lease of premises in a retail shopping centre entered into after the commencement of this Division.

The Committee has just amended that. Subsection (2) reads:

However, this Division does not apply if—
(a) the lease is a short term lease (*ie* a lease entered for a fixed term of 6 months term or less); or
(b) the lease contains a certified exclusionary clause;

My amendment seeks to outlaw the potential for a lessee to sign away the right to the renewal at the time that the lease is entered into. That is the purpose of this amendment and I am advised that it fits in with the amendment contained in proposed new clause 2E. I hope that helps the Committee understand what I am doing. The two amendments go together.

The Hon. K.T. GRIFFIN: I understand that the honourable member is removing the opportunity for an agreement between the parties subject to the prospective lessee being advised by a legal practitioner and a legal practitioner certifying that this right in respect of a renewal might be waived. With respect, I cannot see the purpose of that. It seems to me to be unnecessary and also overwhelmingly a nanny response to this issue. I would have thought that the provision in the Act is appropriate. If people wish to negotiate away their rights, they should be entitled to do it, provided they have the protection that comes with the legal practitioner's certificate. I oppose the amendment.

Amendment carried.

The Committee divided on the clause as amended:

AYES (11)

Crothers, T.	Elliott, M. J.
Gilfillan, I. (teller)	Holloway, P.
Kanck, S. M.	Pickles, C. A.
Roberts, R. R.	Roberts, T. G.
Weatherill, G.	Xenophon, N.
Zollo, C.	

NOES (8)

Davis, L. H.	Dawkins, J. S. L.
Griffin, K. T. (teller)	Laidlaw, D. V.
Lucas, R. I.	Redford, A. J.
Schaefer, C. V.	Stefani, J. F.

PAIR(S)

Cameron, T. G.	Lawson, R. D.

Majority of 3 for the Ayes.

Clause as amended thus passed.

New clauses 2A and 2B.

The Hon. IAN GILFILLAN: I move:

After clause 2—Insert:
2A. Section 20D of the principal Act is amended—
(a) by striking out from subsection (1) 'in a retail shopping centre' and substituting 'comprised of a retail shop';
(b) by inserting in subsection (3)(a) 'in the case of premises in a retail shopping centre—'before the lessor'.
After new clause 2A—Insert:
2B. Section 20E of the principal Act is amended by striking out from subsection (1) 'in a retail shopping centre' and substituting 'comprised of a retail shop'.

New clauses 2A and 2B are both consequential on altering the application of the division to a concept wider than just shopping centres. I therefore, subject to agreement, move them together.

The Hon. K.T. GRIFFIN: I agree that these amendments are consequential and I am happy to deal with them together. They are consequential but, nevertheless, I oppose them.

The Hon. CARMEL ZOLLO: I indicate the Opposition's support. We believe a retail shop is a retail shop whether in a retail centre or outside.

New clauses inserted.

New clause 2C.

The Hon. IAN GILFILLAN: I move:

After new clause 2B—insert:
2C. The following section is inserted after section 20E of the principal Act:
Holding over by lessee
20EA. If—
(a) a lessee has a right of preference; and
(b) negotiations do not result in the renewal or extension of the lease, the lessee may continue in occupation of the premises on the same terms as applied immediately before the end of the term of the lease for six months or until the commencement of the term of a genuine lease to some other lessee (whichever is the earlier).

This is a different area of amendment. It actually allows for the practical situation where an agreement cannot be reached between the lessor and lessee at the termination of a lease. There is a hold-over period, as a consequence of this amendment, of six months through which the lessee is able to continue to hold the lease, until they either come to an arrangement or until a lessee, who is genuinely complying with the terms of the lease that the lessor wanted and could not get from the original lessee, is shown to have come forward, and that then immediately terminates the previous lease. This amendment allows for that six month negotiation carry-over period.

The Hon. K.T. GRIFFIN: The amendment is opposed. The amendments allow a lessee who has a right of preference but who has not negotiated a new lease to hold over on the terms and conditions of the old lease for six months or until the commencement of the term of a genuine lease entered into with another lessee, whichever is earlier. It appears that the honourable member is concerned that negotiations may not have concluded by the end of the lease, the lessee will have to leave and a new tenant could come in on better terms and conditions. The object of the new right of preference provisions is that, as long as the lease is on foot, the lessor must put to the lessee proposals that it proposes to offer to other tenants. At some stage the end has to come. At present it is the end of the lease. If there is no agreement, the lease ends. The honourable member is proposing the end be delayed for a further six months. The Act already makes provision for the extension of a lease for a period of six months from the time negotiations for renewal commence if such negotiations do not commence within six to 12 months before the end of the lease.

The Property Council expressed three concerns. First, it removed certainty of the day on which the lease expires. Secondly, the term 'genuine lease' is vague and does not have legal definition and, thirdly, the tenant would have to vacate the premises during the holding over period, as soon as the genuine lease commences, and they raise the question of what sort of notice will the tenant get, if any. The Retail Traders Association supports this provision but the Law Society does not agree with it. The Newsagents Association says, quite pragmatically, that it does not see how an extra six months' occupation by a lessee in the retail shop will resolve matters if in the previous six to 12 months negotiations have failed. All in all, the Government believes there are more than adequate provisions to protect a tenant at the end of the lease already in the Act and that this provision of the honourable member prolongs the end or the dying process and creates a

level of uncertainty which is not in existence in the present provisions.

The Hon. CARMEL ZOLLO: The Opposition welcomes this extra safeguard for the lessee. We think it goes some way to protect the interests of the lessees who could lose their businesses through non-renewal of leases in a shopping centre. We support the new clause.

New clause inserted.

New clause 2D.

The Hon. IAN GILFILLAN: I move:

Section 20F of the principal Act is amended by striking out from subsection (1) 'in a retail shopping centre'.

This relates to the wider application of a retail shopping centre.

New clause inserted.

New clause 2E.

The Hon. IAN GILFILLAN: I move:

Section 20K of the principal Act is amended by striking out subsection (2) and substituting the following subsection:

(2) However, the term for which a retail shop lease is entered into may be less than five years if the provision fixing the term is subject to a certified exclusionary clause.

I indicated that an earlier amendment married in part with this with regard to taking out the capacity for an exclusionary clause to be entered into at the commencement of a lease, with legal advice. Our amendment took that qualification out. This amendment enables a lessee to effect a lease for less than five years, provided a lawyer signs a certificate certifying the matters set out in section 20K(3) of the Act. However, a lessee is not able to contract out of a right of renewal. I do not want to go over old ground, but we know that pressures can be applied to lessees either at the commencement or at the renewal stage of their lease. It is important that those pressures be removed so that there can be voluntary termination of a lease by a lessee who decides then that he, she or the corporation does not want to continue. This allows for the acceptance of a term of less than five years, with the proviso that a certificate has been signed by a lawyer.

The Hon. K.T. GRIFFIN: It is not just a matter of a lawyer signing a piece of paper, because the lawyer is required to certify that the lessee is not acting under coercion or undue influence. So there is a positive obligation upon the legal practitioner to give that certificate by ensuring that the legal practitioner is satisfied that, on all the indicators and from discussions with the prospective tenant, the prospective tenant is not acting under coercion or undue influence. If the legal practitioner is not able to give that certificate, the tenant will go somewhere else for a certificate.

I do not agree with the amendment, and I do not accept it. The problem is that the honourable member's amendment will only allow the exclusion of the five year term but not the right of preference, and it is inconsistent to allow parties to agree to have a lease for a shorter term than five years but at the same time say that the lessee retains the right of preference at the end of the lease. It was certainly the intention of all industry parties that the primary circumstance in which the right of preference at the end of a lease would be removed would be when the right to a five year term was also being waived. It was considered to be inconsistent to have an agreement for a term of less than five years but to have the statutory right of preference at the end of that term.

While the Act does not allow for the contracting out of the right of preference in other circumstances, it must also be said that it is difficult to imagine an independent lawyer being able to sign a certificate that the prospective lessee was not acting under coercion or undue influence in agreeing to a lease provision which they in fact did not want or agree to. The Property Council says that the affect of the amendment is that, although it will be possible to contract out of the statutory five year term provision, it will not be possible to contract out of the preferential rights.

It was agreed by the Retail Shop Leases Advisory Committee that, if the lease was for less than five years and the lease had an exclusionary clause, the term of the lease would be limited to the agreed term. If it was for more than five years, the preferential right should apply. It is a ridiculous result not to be able to contract out of the preferential right where the lease is to be for an agreed period shorter than five years. The Retail Traders Association indicated that it believes that, if the term is for less than five years but more than six months, the tenant ought to be able to exclude the right of preference. The Newsagents Association is of the view that, if the lessee wants a shorter term than five years and completes a certified exclusionary clause, the lessee should forgo the preferential right at the end of the term. It seems to me that the honourable member is trying to be too much of a nursemaid for those who are in business who may be tenants, and this is one of those amendments which reflects that attitude.

The Hon. CARMEL ZOLLO: I understand that the intent of this clause is to provide further protection to the lessee because it stops the lessor from contracting out of the right of renewal. The advice of the Retail Traders Association is that it does not make any sense, because it also relates to section 20B, division 2, 'Initial term of lease', paragraph (c). I will quote what the association has said:

We may be wrong, but it would appear that the addition of subclause (2) has resulted from a misunderstanding of the reference to a certified exclusionary clause in the original subclause (2). Certified exclusionary clause only related to a situation [as the Attorney-General has said] where a tenant and landlord agree to a period less than five years (or greater than six months). This arises from clause 20B(2)(c). In this context the wording suggested in the Bill makes no sense. It should be noted that the provisions of part 4A division 3 cannot be waived and a certified exclusionary clause has no relevance to these provisions.

The Hon. IAN GILFILLAN: I thank the Hon. Carmel Zollo for raising the matter and I will consider it. I suspect that the amendment is still effective, but I undertake to consider the matter and to report to the Committee at a later date.

Progress reported; Committee to sit again.

[Sitting suspended from 6.3 to 7.45 p.m.]

EXPIATION OF OFFENCES

Order of the Day, Private Business, No. 2: Hon. A.J. Redford to move:

That the rules under the Magistrates Court Act 1991 concerning expiation of offences forms, made on 8 April 1998 and laid on the table of this Council on 26 May 1998, be disallowed.

The Hon. R.I. LUCAS (Treasurer): On behalf of my colleague, I move:

That this Order of the Day be discharged.

Motion carried.

CONSTITUTION (PROMOTION OF GOVERNMENT BILLS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 22 July. Page 1076.)

The Hon. R.R. ROBERTS: I rise on behalf of the Opposition to support the proposition put by the Hon. Nick Xenophon in this Bill to restrict the Government's activities. I think this is a timely motion because what we have seen since the backflip of the Olsen Government in respect of ETSA in particular has been almost obscene. The amount of money that the Government has poured into this proposal, this absolute breach of faith to the people of South Australia, coupled with the money that it is paying for consultants—the snake oil salesmen from America, on a retainer for success—is an absolute scandal, and the Government deserves the greatest condemnation of all time. We are here talking about the victims of the Government's deceit having to pay to be brainwashed over something about which they clearly had no intention of ever changing their mind. Despite the hundreds of thousands of dollars that the Government has poured into this campaign, with all its glossy brochures, it has not convinced the public of South Australia—and neither it should. The Government's own polling is still showing that 70 per cent of South Australians are totally opposed to the sale of ETSA.

I do not just condemn the South Australian branch of the Liberal Party: we are about to see the same proposition in relation to the GST—the tax that John Howard said is dead and buried; we will never have it. Today, I believe, we will receive the big announcement about the GST, and the Howard Government has slotted away another $10 million of taxpayers' money to spend in a political propaganda campaign. That is what the Olsen Government has done in relation to ETSA in South Australia. It is a scandal.

I congratulate the Hon. Nick Xenophon for introducing this piece of legislation to curtail the Government's nefarious activities. I know what the Government will say—that previous Governments have put out literature to let the public know what is going on. I have no real truck with that, as long as the system is not abused, because Governments have done that over the years. The Labor Government has done it to explain Acts of Parliament or new systems that have been introduced in South Australia, and that is a legitimate proposition. However, an absolute mandate was given to the three major Parties in South Australia not to sell ETSA—and the matter was widely canvassed at the last election. For the Government to come back and put a proposition through the media, before it has been debated in Parliament, and when it is out spending hundreds of thousands of dollars—in fact, millions, if we take into account the money that has been poured into the American consultants—is a scandal, and it is another case of this Government expecting the victims to pay. I support and commend the Hon. Nick Xenophon.

The Hon. Caroline Schaefer interjecting:

The Hon. R.R. ROBERTS: The Hon. Caroline Schaefer obviously believes that it is okay to waste taxpayers' money and try to deceive them, after they have already had the daddy of all deceits placed upon them. I urge all members to support this small but very important piece of legislation.

The Hon. J.F. STEFANI secured the adjournment of the debate.

SUBORDINATE LEGISLATION (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 5 August. Page 1196.)

The Hon. NICK XENOPHON: I rise to support this Bill. The reasons for the Bill have been outlined by the Hon. Ron Roberts, and I do not propose to restate the matters set out by the Hon. Mr Roberts. I support the Bill because I believe it is an important reform to ensure that the Parliament has control over regulations. The current position is not satisfactory. The current situation where disallowed regulations can be brought into play the following day is clearly unsatisfactory. The proposal of the honourable member is a worthy one, particularly worthy because in the event that the Hon. Ron Roberts' Party is in Government again—

The Hon. A.J. Redford interjecting:

The Hon. NICK XENOPHON: Anything can happen in a democracy. The fact that this will bind any future Labor Governments as well is important. For those reasons, I support the second reading of this Bill.

The Hon. J.F. STEFANI secured the adjournment of the debate.

LOBSTER POTS

Adjourned debate on motion of Hon. R.R. Roberts:

That the regulations under the Fisheries Act 1982 concerning lobster pots, made on 28 August 1997 and laid on the table of this Council on 2 December 1997, be disallowed.

(Continued from 25 March. Page 632.)

The Hon. R.R. ROBERTS: I will conclude my remarks on this motion which members will remember I moved on 25 March, when I began my remarks with respect to lobster pot allocations to recreational fishermen. Members will remember that I did point out a whole range of anomalies that were present in the current arrangements. The Legislative Review Committee took the opportunity to have the head of the Fisheries Department, Mr Gary Morgan, attend and brief us. He advised the committee that the advisory committee had taken into account submissions from a whole range of people, many in respect of some of the matters I have already mentioned.

We did have the benefit of the experience of the Presiding Member whose father, I understand, has a lobster pot. After those discussions, I was reasonably assured that the Minister was overviewing this situation and there was going to be some rectification. I understand that the Minister has provided one of the Liberal members of the Legislative Council with a briefing, and I noted in Saturday's *Advertiser* an advertisement which referred to these matters and the new rules.

I am reasonably well informed that the situation of a one year old child being licensed to hold a lobster pot will not take place. I am also advised that lobster pot allocations will be for a period of 12 months, although those which were allocated last year will be extended for two years. I am sure that that the Hon. Terry Roberts, now that he is residing again in Millicent, will be one of the first people to resume this pastime which he has enjoyed for many years. I now move:

That this Order of the Day be discharged.

Motion carried.

NATIONAL PARKS AND WILDLIFE (GAME BIRDS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 1 July. Page 912.)

The Hon. M.J. ELLIOTT: I rise to close the second reading debate. I express my disappointment, although I am not totally surprised by the result: you sometimes find that these sorts of issues need to be debated a couple of times. I think that, based on trends in other States, this is one of those matters that will eventually prevail. Rather than cover the whole ground again, I want to address a few issues. Let me stress—and I said this at the beginning of the second reading debate—that this Bill is not primarily about conservation. Whilst I have some concerns about the shooting of some endangered species, such as the freckled duck, that is not the primary purpose of this legislation.

This legislation is about animal cruelty and a particularly inhuman form of hunting: the use of a shotgun which causes many woundings in proportion to the actual number of kills and leads to a lingering death in a large number of cases. That is the reason for the legislation and not any of the other furphies about which some people have digressed. The debate on this issue, both inside and outside the Council, has been characterised by large amounts of misinformation. The Duck Defence Coalition mailed out a reasonably detailed information pack about cruelty issues complete with poll results and copies of journal articles. The Combined Hunters and Shooters Association of South Australia replied with its own pack. Its packaging contrasts with the carefully referenced DDC package—

An honourable member interjecting:

The Hon. M.J. ELLIOTT: It was very carefully referenced. It was a collage of unreferenced claims. The Duck Defence Coalition responded by exposing many errors in the CHASA package. Unfortunately, some politicians did not check the facts and simply repeated the claims made by the hunters and shooters. It is time some of these misleading statements were exposed. First, I will comment on a few issues raised by the Hon. Caroline Schaefer, who said:

> I can understand the necessity to cull ducks and in fact most wild animals. . .

For the most part, duck shooting is not about culling: it is just about shooting ducks. Duck numbers are determined by water levels: when there is a lot of water, there are a lot of ducks and, when there is little water, there are few ducks. The official position of the then Department of Environment on the matter is stated in the 1990 Stokes report by senior wildlife officer Lindsay Best. At page 50 the report states:

> The conclusion drawn from these comparisons is that the density of ducks preceding a duck season impacts on the hunters' success rate, but the hunter success in any one year does not influence the density of ducks in the next year.

Put simply, current levels of hunting do not affect duck populations, although I should qualify that by saying that, clearly, hunting levels could have an impact on endangered species. The honourable member may understand the necessity to cull ducks, but no such necessity exists. On the matter of wetlands preservation, the Hon. Caroline Schaefer said:

> These people [hunters] have probably done more for the preservation of wetlands than any other group. For example, the Water Valley wetland system is privately owned and consists of some 5 600 hectares, which has been preserved and organised for duck shooters.

Shooters love to praise their wetlands efforts and it is certainly true that some shooters are actively involved in conservation work and do a lot of good work, but let us put their work into perspective. The *Authority on Wetlands in Australia* is a directory of important wetlands in Australia published by the Australian Nature Conservation Agency. This document lists 96 important wetlands areas in South Australia and describes 68 in some detail. The 68 comprise about 2 million hectares of permanent water, excluding the ephemeral wetlands of the Far North. Shooters can, at best, claim an important association with four of these: Loveday Swamps, Noora Evaporation Basin (although that was not put there by the hunters but was put there for other reasons), Water Valley Wetlands and Bool Lagoon, with areas of 479, 500, 5 600 and 3 221 hectares respectively. That is a total of 9 800 hectares out of 2 million hectares in the State.

The Field and Game Federation brochure *Modern Hunting and Conservation* gives a similar estimate of 10 000 hectares in South Australia, so I do not think I have missed any major wetlands. Thus, shooters have an association with half of 1 per cent of important South Australian wetlands. I repeat that for the Hon. Caroline Schaefer's benefit: half of 1 per cent is the most they can claim credit for. Thus, the relative contribution of duck shooters as a force in conservation in general and wetlands in particular is at best minuscule.

There is another important consideration: is their contribution always positive? If your major interest is shooting ducks, you may favour wetlands projects which are very narrowly duck oriented, with little regard for more general conservation values. You may claim to be preserving wetlands while doing little more than building duck ponds. Hunters around the world are well known for paying money to shoot an animal without being too particular about how natural the hunt is.

The PRESIDENT: Order! Members on my right will keep their meetings down to a whisper.

The Hon. M.J. ELLIOTT: For example, in pigeon shooting the pigeon is usually taken to the hunt site in a box, removed from the box, placed upside down on the ground and spun around to disorient it. When it takes off in panic and fright, it is shot by the hunter. Closer to home, members may be surprised to know that South Australian hunters can pay money to hunt deer in paddocks in the South-East. The animals are confined in large paddocks to make the hunt seem more natural: you pay your money and stalk away. The point is that hunters the world over frequently do not care about the 'naturalness' of the hunt, and many duck shooters are quite happy about shooting ducks on any old dam regardless of its conservation value.

Let us consider the two biggest projects for which duck shooters like to take the credit. The first is the Water Valley wetlands noted by Ms Schaefer. This is the biggest of the shooter wetlands and is in the Upper South-East. It is a controversial project, to say the least. The independent 1988 report *Wetlands of the Bakers Range and Marcollat Watercourses: Wetlands Management Plan*, by B. Atkins and J.D. Gray, commissioned by the Department of Environment and Planning, states that many of the projects in the Upper South-East—

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order!

The Hon. M.J. ELLIOTT: Why don't you wait until I've finished, as I did with the other speakers, and respond then, rather than going on with your belly-aching as you do so often. That report states that many of the projects in the Upper South-East have killed large red gum stands and created permanent wetlands where there have been historically only transient wetlands.

The Hon. A.J. Redford: Rubbish!

The Hon. M.J. ELLIOTT: It's not rubbish. Permanent ponds are very different and frequently lead to rising ground water levels. This in turn often increases salinity, which has a devastating effect on flora and fauna. The Atkins report called for a moratorium on the creation of permanent wetlands in the Upper South-East. A later report by G.A. MacKenzie and F. Stadter of the Department of Mines and Energy in 1992, *Ground Water Occurrence and the Impacts of Various Land Management Practices in the Upper South-East of South Australia*, shows that rising ground water has been accelerated, together with increased salinity, by these permanent duck killing ponds in the Upper South-East. That is the Department of Mines, Mr President.

A third report documenting the ill effects of this project is the *Upper South-East Dryland Salinity and Flood Plan Management Plan, Draft Environmental Impact Statement*, prepared for the Natural Resources Council in 1993. The original ecology of the Upper South-East was one of ephemeral swamps, not the large, permanent, frequently artificial swamps of the Water Valley system. The result of not allowing these to dry out regularly, especially when coupled with heavy clearing, is long-term salinity problems. These artificial swamps might be great duck breeding grounds but, as the above reports point out, many lack the rich biodiversity of natural wetlands.

One of the worst areas devastated by these artificial wetlands was the Pretty Johnnys swamp, one of the sites where old red gums were killed by excessive flooding. That matter was reported to the Native Vegetation Authority, but at that time there was a loophole that allowed the killing of trees by drowning. That loophole was closed as a consequence. The Water Valley wetlands are a diverse group, and not all are as bad as Pretty Johnnys.

As for Bool Lagoon, the history of the area by Judy Murdoch makes clear that hunters were just one group of a broad coalition of interested people who saved Bool from being drained, but their role at Bool in recent years has been less than generous. For example, I have been told by people within the National Parks and Wildlife Service that shooters fought tooth and nail to stop the building of the boardwalks at Bool Lagoon. Many people who have been on those boardwalks appreciate their value. In summary, it is simply—

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order!

The Hon. M.J. ELLIOTT: In summary, it is simply untrue to say that duck shooters have a large and untarnished history in wetlands conservation. Their relative role in wetlands conservation is tiny, and some of the projects they brag about are actually highly controversial. The Hon. Carolyn Schaefer also said:

> . . . at the moment, duck shooting is organised: we know where these people go, and we have some idea of how many ducks they shoot and the size of the culls—

and I note that the word 'culls' is still there—

> They are very heavily regulated. Without that organisation and regulation, I believe they would go back to their chosen activity as it was when I was a child, where people hunted ducks on every dam and every waterway on every private property onto which one could go, to such an extent that I believe they threatened the continuation of some species and it was almost unsafe to take on any leisure activities on one's own property.

The Hon. Ms Schaefer obviously remembers some disturbing incidents with uncontrolled shooters during her youth, but she is mistaken if she thinks that the decline in such events is due to the diligence of the National Parks and Wildlife Service. According to the Stokes report (page 23) the number of hunting permits in South Australia dropped from 26 000 in 1960 to a low of about 6 000 in 1982. The decline in yobbo shooters raiding people's dams has nothing to do with regulation but a change in culture and sensibilities. There are fewer hunters all round, including duck shooters. The yobbos are still out there, there are just fewer of them.

If the Hon. Ms Schaefer is in any doubt, then I suggest that she ask Minister Kotz for a report on the complaints received by her department about duck hunters at Lake George in April this year. According to my information, shooters destroyed quite a few tea trees making hides, they littered the area with wings torn off ducks, beer cans and shotgun shells—some of which were from lead shot—and generally made a complete nuisance of themselves, resulting in some other campers being forced to move, and a number of complaints. Some hides are made of imported timber, but these hunters do not seem to be able to self-regulate the yobbos who cut down the tea trees.

As to the regulation of duck shoots, the Hon. Ms Schaefer should ask Minister Kotz for a report on the shoots held at Watervalley swamps. My information is that attendance by officers at these shoots is negligible. Hence, I do not believe that the department has any idea how many freckled ducks are shot each year. I believe there has been only one occasion in the past 10 years when it has been possible to monitor department performance on this issue: the June 1992 Bool Lagoon shoot. Freckled ducks were on the lagoon during this shoot, and the presence of animal liberation rescuers and media ensured a highly visible presence by the National Parks and Wildlife Service officers.

Did the officers monitor the shoot? Perhaps they tried, but the facts are that they had no idea about the presence and the subsequent shooting of the freckled ducks until the animal liberation rescuers started to bring them in dead and dying. Animal liberation rescuers brought in 18 shot freckled ducks and estimated that as many as 60 may have been shot. The facts in this case are simple: freckled ducks were present; freckled ducks were shot. Hunters knew enough not to pick them up and risk—

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: Of course they will—prosecution by the National Parks and Wildlife Service officers circling the swamp in their four-wheel drives, so they left them in the swamp. Had animal liberation not been present, no-one would have known. No shooters were prosecuted for the illegal shooting of these protected ducks.

A second more recent example of the ineffectiveness of the National Parks and Wildlife Service control of shooters was in 1996 when the hunters devised a plan to bring down more gun dogs to Bool in an effort to reduce the number of wounded ducks retrieved by animal liberation. This backfired badly. Both TV crews present at Bool filmed gun dogs mauling swans. Think about it—Bool Lagoon is a massive place, but two cameras go out and two cameras film dogs attacking swans. Despite a heavy National Parks and Wildlife Service presence no National Parks and Wildlife Service

officer saw dogs mauling swans and no shooters were prosecuted. It makes one wonder how amazingly lucky both the cameramen were and how extraordinarily unlucky were all the National Parks and Wildlife Service officers.

The Hon. T.G. Roberts: And the swans.

The Hon. M.J. ELLIOTT: And the swans; they were the big losers in this deal. How good is the regulation when at this most heavily monitored shoot in the State, undisciplined gun dogs maul swans with impunity. I now move on to statements made by the Hon. Mr Dawkins, who said:

> I am concerned about the prospects of some shooters going underground and causing significant damage to the duck population and its habitat.

The earlier quote from the National Parks and Wildlife Service about hunting being irrelevant to the conservation of ducks makes it clear that, even if all current hunters flouted a ban and turned to underground poaching, they quite probably would not significantly damage the duck populations, except, of course, some of the more endangered species.

There just are not enough hunters, but such a scenario is ridiculous. Just as most gun owners complied with the ban on semiautomatics, most duck shooters are law-abiding and would probably just increase the time they spent shooting other species, such as rabbits and foxes, but, of course, this issue has never been about the extinction of ducks any more than legislation banning dog fights and cock fights is about preventing the extinction of dogs and cockerels: it is about ending a bizarre and unnecessary form of cruelty.

I turn to comments made about the situation in New South Wales. Various people have repeated assertions by hunters about the state of duck killing in New South Wales without checking their facts.

An honourable member: Who?

The Hon. M.J. ELLIOTT: For example, the Hon. Caroline Schaefer said:

> It is estimated that since duck shooting was banned 100 000 ducks are shot each season [in rice fields under destruction permits]. Prior to the banning of duck hunting in New South Wales, an estimated 30 000 to 40 000 ducks were shot each season.

Mr Dawkins said:

> I would like to echo my concerns about the evidence of what has happened in New South Wales where far more ducks have been killed in a supposedly restricted destruction permit situation than was the case prior to the ban when only 30 000 to 40 000 rather than 100 000 ducks were shot during an open season.

I think that Ms Schaefer and Mr Dawkins are wrong, and I will explain why. They have relied on the figures provided by the hunters.

The New South Wales Department of Environment has confirmed in writing the figure of 100 000 ducks killed in the rice areas in the year after the ban (1996). However, it has no idea where the figures of 30 000 to 40 000 before the ban come from. It has data that goes back to 1982 when, for example, 200 000 ducks were killed over the rice fields. This figure of 100 000 is of ducks killed over rice under destruction permits. Before the ban was in place, there were two components of duck figures: those ducks shot in rice areas; and those shot in open season.

The suggestion was made quite erroneously to all members of Parliament by the hunters that, once duck hunting was banned, there was a sudden explosion of shooting of ducks over rice fields. The fact is that had been going on for years and, as I said, in 1982 200 000 had been shot over rice fields. There was not a shifting of effort. Furthermore, a major study by the New South Wales National Parks and Wildlife Service (Curtin and Kingsford 1997) concluded:

> One concern for wildlife managers was that, on the closure of the open season in 1995, there would be additional shooting on rice growing areas as shooters transferred their attention to this part of the State. This is not reflected in the data. Numbers of licensed shooters on rice did not increase significantly upon the closure of the duck open season. They were similar for the years 1992 through to 1996.

That can be found on page 32 of the report. For politicians to simply accept assertions and repeat them in this Chamber without checking them is very dangerous. The implication that the New South Wales ban on open season was ineffective is thus totally without foundation. On the best available evidence, this implication is plainly wrong.

I now move on to the question of cruelty. The Labor Party has been particularly hypocritical on this issue, and I will quote from its policy as stated in this place in March. The Hon. Terry Roberts stated that the policy is to:

> . . . continue to monitor the impact on recreational hunting on indigenous animals and encourage recreational hunters to target feral pests rather than native species while in all cases ensuring full compliance with the Prevention of Cruelty to Animals Act and the National Parks and Wildlife Act.

If there was ever a form of hunting that contravenes the spirit and frequently the letter of the Prevention of Cruelty to Animals Act it is duck hunting. Information circulated to all MPs by the Duck Defence Coalition makes it clear that massive wounding rates are unavoidable. That the Labor Party can affirm this policy and not support this Bill shows a lack of logical thinking that beggars belief. This Bill will end an activity that does not comply with the Prevention of Cruelty to Animals Act. It will very likely cause an increase in hunting pressure on feral animals so, if Labor members follow their policy, they should support the Bill.

On the matter of public opinion, the Hon. Terry Roberts said:

> If there is to be any movement towards a total ban, then certainly the people of South Australia and the silent majority will have to speak with a louder voice than they have at the moment.

Mr Roberts seems to be unaware of some facts. The Duck Defence Coalition has presented the second largest petition in the history of the South Australian Parliament. It also commissioned a Morgan poll which showed clearly that South Australians want duck shooting banned. Even in the country the poll came out 2:1 against duck shooting. The honourable member ignores the fact that the Duck Defence Coalition represents a coalition of all the major animal welfare and conservation groups and he ignores a call from the peak conservation body in South Australia—the Conservation Council—for a ban. People in this Chamber may have been wondering in recent months why the public is so disaffected by politicians.

I suggest that the intransigence of people like Mr Roberts and others in the face of a polite, disciplined and civilised campaign for change is one factor. The alliance of both sides of politics with those who want to continue shooting ducks in an act of what is clear cruelty is an example of why politicians are not held in high regard.

In conclusion, throughout the ongoing debate on duck shooting there are some things which are clear. The Duck Defence Coalition consistently produced figures which were referenced and which have shown how they were derived. It always provided its sources. By comparison, the duck shooters produced figures which were clearly unreliable, and

I have given some examples of that in terms of the way they used the figures from New South Wales.

The conservation efforts of duck shooters, while worth applauding, as I said are insignificant against the work of many other groups and in fact have contributed 0.5 per cent of all the permanent wetlands which are used by ducks. Shooting flying birds with shotguns inevitably leads to massive wounding rates. It is a cruel sport. The public wants the sport banned.

Finally, I must address one false claim by duck shooters. The glossy brochure *Modern Hunting and Conservation* by the Field and Game Federation makes the following claim, and I quote:

> CSIRO surveys conducted regularly since the 1960s have indicated that this fate [being shot but not retrieved] meets less than 10 per cent of birds shot.

Where does this number of 10 per cent come from? The brochure puts a CSIRO survey in the bibliography (Norman 1976). Does the Norman paper, assuming this is the one containing information (the brochure does not give citations directly), say what the brochure says it does: no. The Norman paper states that 9.2 per cent of all birds X-rayed during surveys between 1957 and 1973 contained pellets from having been injured. The difference between the shooter claim about the CSIRO surveys and what they actually say is quite profound. One can only X-ray survivors, so any birds wounded but not retrieved or who died of their wounds will not be included.

Some 10 per cent of live ducks captured were carrying lead shot. A much larger percentage will have died in an intervening period and died a slow and painful death because they had been hunted in an extremely cruel manner. There are plenty of ways of wounding a duck that will not show up in X-ray, especially if a bird is shot at reasonable range with large pellets, then the pellets will pass right through the bird unless they hit a major bone. The shooters are clearly and seriously misrepresenting the study.

As I said, I had anticipated that on this occasion the Bill may not succeed but, having seen two other States already move successfully in this direction and knowing that the overwhelming public view is for such a move, I anticipated it would take a couple of tries. It is important that the arguments continue to be tested. I say very strongly that a substantial number of the claims made by the hunters are clearly and demonstrably false and, with that, their argument falls apart. I urge members to support the second reading.

Second reading negatived.

FREEDOM OF INFORMATION (PUBLIC OPINION POLLS) AMENDMENT BILL

Adjourned debate on motion:

That this Bill be now read a second time.

to which the Hon. A.J. Redford had moved the following amendment—

> Leave out all words after 'That' and insert 'the Bill be withdrawn and referred to the Legislative Review Committee for its report and recommendations'.

(Continued from 5 August. Page 1212.)

The Hon. P. HOLLOWAY: In closing the debate, I thank the Hon. Michael Elliott for his indication of support for the Bill in its original form and I also thank the Hon. Angus Redford for his contribution. The Bill is a fairly straightforward one and simply ensures that any public opinion poll undertaken by Government should be made available under the Freedom of Information Act. The Council will recall that what gave rise to the Bill was a situation in relation to public opinion polling on the outsourcing of water contract back in 1995. The Government subsequently tried to claim exemption for the public opinion polling that had taken place in regard to that outsourcing contract. When the Opposition questioned the Government about this the Government of the day denied that there had been any polling in existence.

Later, it admitted that polling did exist but the Opposition was refused access to the polling on the grounds that it was a Cabinet document. The Opposition persisted and sought an Ombudsman's ruling and ultimately the information was made available. The whole purpose of the Bill is to simply clarify the situation so that it cannot happen again and any public opinion polling that the Government undertakes at taxpayers' expense should be available to the public under the Freedom of Information Act.

As to the amendment moved by the Hon. Angus Redford to refer the Bill to the Legislative Review Committee, at present the committee is undertaking a review of the Freedom of Information Act. Indeed, I moved that motion before the last election to refer that issue to the committee. It is most important, some six years after the Freedom of Information Act was introduced, that we review the operation of the Act and have some improvements. However, the Opposition does not believe it is necessary to refer this Bill to the committee. The purpose of the Bill is clear. Everyone understands it and it is hardly complicated: it simply ensures that public opinion polling cannot be hidden from the public.

While I am quite happy for the Legislative Review Committee to consider all of these questions as part of its review, I do not see any reason why the Bill should be deferred. If the committee wishes to make recommendations on this or other matters, I am sure this Council will consider them at the appropriate time and make changes. Really, there is no need for the Bill to be delayed any longer in my view.

The Hon. Angus Redford also raised in his speech the definition of 'public opinion polling'. He is suggesting that a clever Government might be able to craft public opinion polling some other way so that it might fit under a different name and therefore be able to get around the Bill. I hope that any Government would accept this Bill in the spirit in which it is moved. I would have thought that the definition of a public opinion poll would be pretty obvious to most people. We all know in this place what we are talking about and I would have thought the Government, the courts and the bureaucrats who have to administer the Act would know full well what a public opinion poll is. We should not have too many problems with the definition.

In conclusion, I again thank the Democrats for their indication of support for the Bill and I hope that, with its passage, we will not see any of the nonsense we have seen in the past where taxpayers' money has been spent on public opinion polls leading to a situation where we do not have those public opinion polls being made available to the public. I support the Bill.

Amendment negatived.

Bill read a second time.

WEST TERRACE CEMETERY

Adjourned debate on motion of Hon. L.H. Davis (resumed on motion).

(Continued from page 1340.)

The Hon. CARMEL ZOLLO: The Presiding Officer, the Hon. Legh Davis, has already spoken at some length on this matter. This interim report on the management of the West Terrace Cemetery is the first full review I have participated in from the start. As someone who has a deep interest in history, I enjoyed taking part in this inquiry into the administration and management of the West Terrace cemetery by the Enfield Cemetery Trust. Although the European colonisation of South Australia is a relatively short period in terms of history, it should be well recorded, along with that of our indigenous community. I understand that the idea for the review came from the Hon. Julian Stefani, a member of the committee. My colleague the Hon. Trevor Crothers has indicated to me that he will not be speaking on this interim report and is happy for me to speak for both of us. I know that all members of this Chamber would acknowledge the extensive historical knowledge of the Hon. Trevor Crothers.

The discussion points and recommendations were agreed unanimously by the committee. The committee took extensive evidence from Dr Robert Nicol, an eminent South Australian historian. I understand that he has since been appointed by the Minister to the board of the Enfield Cemetery Trust. His extensive knowledge of the historical significance of cemeteries will prove invaluable. Evidence was also taken from seven other witnesses, and 18 written submissions were received. The committee views the task of restoring the West Terrace Cemetery, as the only original capital city cemetery operating in Australia, as a substantial, significant and serious undertaking and considers it essential that goals be identified. The committee has urged a prioritised work program for achieving these goals as a matter of urgency.

It was of concern to the committee that the Government's clear intention of cross-subsidisation appeared not to be understood clearly, given the reluctance of the Enfield Cemetery Trust to consider cross-subsidisation. The use of self funding may be admirable, but the committee is concerned about the time frame that would allow such self funding. The West Terrace Cemetery is in need of urgent restoration to stop any further deterioration.

As previously mentioned, many interested citizens gave valuable information for inclusion in this interim report. Their comments have been summarised under the various areas of contribution. They range from the protection of native vegetation to tourism, site access and the restoration of historical evidence. It is hoped that the management plan to be produced this month will be released in plenty of time to enable it to be exhibited and for further comments to be received prior to referral for adoption to the responsible Minister, the Hon. Diana Laidlaw, Minister for Transport and Urban Planning.

In the main, the membership of the board has been addressed, but the committee recommends that the membership of the trust be amended to acknowledge the physical location of the Cheltenham and West Terrace cemeteries to include one member each appointed from the City of Charles Sturt and the Corporation of the City of Adelaide. The committee noted that the City of Adelaide in particular would be in a position to provide valuable support for marketing and tourism.

The other very important issue to be addressed is the scheduled closure in the year 2032. The committee has recommended that the Government review the current legislation with respect to this closure. It is recognised that a working cemetery allows for a self funding, operational outcome. I believe that the historical significance of the West Terrace Cemetery has been enhanced further with the compiling of this interim report by the Statutory Authorities Review Committee. It is hoped that the recommendation for a strong, proactive policy for conservation and restoration will be acted upon.

I take this opportunity to thank Ms Helen Hele for her diligent hard work and commitment in preparing this report. Following the resignation of Mr Andrew Collins, who has transferred overseas, Ms Hele, the committee's former secretary, has been appointed Research Officer to the Statutory Authorities Review Committee. I place on record Mr Collins' professionalism and competence in providing the committee with his research skills. I wish him and his family well in their new adventures in life.

The Hon. J.F. STEFANI: In supporting this motion, I wish to endorse the comments of my colleagues the Presiding Member (Hon. Legh Davis) and the Hon. Carmel Zollo. This report is the seventeenth report of the Statutory Authorities Review Committee and specifically deals with issues relating to the management of the West Terrace Cemetery. I have had a long interest in the West Terrace Cemetery, because many of my constituents, whom I am proud to represent, come from an ethnic background and have relatives buried there. It is interesting to note that in 1988 the former Labor Government commissioned a study to develop a conservation plan for the West Terrace Cemetery. Following the study, a draft plan was produced for the South Australian Department of Housing and Construction. The plan documented the current management, heritage significance and options for future development. Unfortunately, there have been no tangible outcomes or the implementation of any plan dealing with the future use and development of the West Terrace Cemetery.

Unlike other cemeteries, the West Terrace Cemetery is the only cemetery near the city centre which has provided a resting place for thousands of people of many origins. It is important for me to mention that the practice of completely covering graves with traditional monuments stems from the belief that deep respect should be accorded to the dead and that, therefore, visitors to the cemetery should not be able to walk on graves. In visiting the cemetery, committee members noted the variety and historical importance of many monuments erected on various burial sites. Over the years, many Italian, Greek, Dutch, German, Yugoslav, Balt, Vietnamese and English people have been buried at the West Terrace Cemetery.

The report prepared for the South Australian Department of Housing and Construction indicated that an estimated 6 500 unleased plots were available at the West Terrace Cemetery. In addition, there were 6 000 burial sites in the common burial areas of the cemetery. Because of a Government decision to close the cemetery in the year 2032, many people have been unable to utilise the cemetery for the burial of their loved ones. Whilst the West Terrace Cemetery represents a unique connection with the history and settlement of South Australia and is considered to be of great heritage value, the facility has been poorly maintained and grossly neglected. It is my view that the conservation of the West Terrace Cemetery is extremely important not only from an historical perspective but also as a tourist attraction for the many visitors who might like to learn more about the people who have played an important role in the settlement of our State.

Finally, as a member of the Statutory Authorities Review Committee, I strongly commend the discussion paper which has been prepared by the committee in an attempt to address the various issues and concerns, as well as some of the important aspects which should be considered by the Enfield General Cemetery Trust in its future management plan when addressing such matters as the restoration of significant historic burial sites and the potential use of the West Terrace Cemetery.

Motion carried.

ELECTRICITY CORPORATIONS (RESTRUCTURING AND DISPOSAL) BILL

Adjourned debate on second reading.
(Continued from 11 August. Page 1308)

The Hon. T.G. CAMERON: I rise to speak in support of the second reading of this Bill which is, arguably, the most important piece of legislation that this House has had to consider in my lifetime—and I am getting pretty old. In order to arrive at a final decision on whether to support this Bill, I have had to consider the economic merits for and against the Government's case for selling both ETSA and Optima. For the sake of convenience, I will borrow from the Hon. Nick Xenophon's speech and refer to them both as ETSA. So, that bells the cat: I have written my speech since Mr Xenophon gave his speech yesterday. I have also had to consider my membership of the Australian Labor Party if I crossed the floor and voted with the Government. There is also the question of mandate.

In arriving at a conclusion on the economic merits, I have had to consider a wide range of material and have spoken to a range of economists, including John Quiggin, Professor Cliff Walsh, John Spoehr and others. I have also met with representatives from the United Trades and Labor Council and business. I also took the opportunity to study in detail Tom Sheridan's analysis and some analysis from Treasury. I had an extended meeting with Professor Cliff Walsh, which was my first opportunity to have a decent talk with him, and to say that I was impressed with his understanding of the economic situation in South Australia would be a gross understatement.

Under any analysis, crucial assumptions have to be made—about sale price, future direction of interest rates, future profitability of ETSA and retaining earnings for reinvestment. There are many other considerations that need to be made, but the Hon. Nick Xenophon has already referred to them in his speech and I will not repeat them. I believe that the sale of ETSA can be justified at a sale price of $4.5 billion, which would mean approximately $4.65 billion inclusive of stamp duty—provided, of course, that the Government did not let the new owners enter into extraordinary arrangements in order to avoid that stamp duty, and I trust that is something that the Government would keep a close eye on. I believe that the sale price of between $5.4 billion and $5.8 billion would be achievable, inclusive of stamp duty. I have arrived at these figures following my discussions with economists and a range of people—in particular, Professor Cliff Walsh—and an examination of the sale prices achieved in Victoria. I believe that there are also other contributory factors which would result in a high price for ETSA at the current moment. The Australian dollar is plumbing new lows, which allows foreign owned entities to pay much higher prices in Australian dollars than they otherwise would. Interest rates in Australia are at 30 year lows. The real rate of interest is high in Australia because we need to defend our dollar. After all, national debt is careering towards $250 billion and growing exponentially at the moment, as the Asian crisis flows through our economy.

A premium will be paid for our assets, although I concede that we will not get a premium such as Victoria did—in fact, I believe that some of the purchasers of the Victorian assets may well find that they have paid a little too much for some of those assets. There is a window of opportunity to sell our ETSA assets, whilst New South Wales dithers about whether it will sell or not. Premier Bob Carr and Michael Egan can see the benefit of selling their electricity assets, and I will quote Michael Egan later. The simple reason why they cannot get the numbers at the New South Wales convention is that unions affiliated to the Party will not support it. I believe that this issue will be revisited by the New South Wales branch after the Federal election in October or November. If not then, the issue will be addressed when there is an election in New South Wales in March, or before March next year. In my opinion, regardless of who wins in New South Wales, the electricity assets will be sold, because it makes sound economic sense to do so—and I remind members that that State's per capita debt pales into insignificance when compared with ours.

Another crucial assumption that has to be looked at is the future direction of interest rates. I have attempted to look at the future direction of interest rates over the next 10 years. In doing that, I took the opportunity of looking at what interest rate movements there had been in the Australian economy over the past 10 years, and it is a pretty frightening story. In addition, I obtained information from a number of leading financial institutions, and they included people such as the Deutsche Bank, the Commonwealth Bank, the National Bank and a range of leading Australian economic forecasters, one of which was Access Economics. I looked at about 15 of them—BT, Ambrose, and so the list goes on.

The information I got back was that these financial institutions, which included the cream of the crop in Australia, when attempting to predict what interest rates were likely to be, no further out than 1 July next year, less than 12 months hence, ranged from 5.2 per cent to 7.5 per cent for long-term debt in this country. That is a variance of over 50 per cent. Here we have Australia's leading economic institutions varying in their predictions about the direction of interest rates only 12 months into the future by over 50 per cent.

I had a look at short-term rates over the last 10 years. At one stage, interest rates in May 1989 exceeded 18 per cent. They plunged to a low of 4.7658 per cent on 29 October 1993 leaving an average rate over that 10 year period of 8.542 per cent. Some people might question whether there is any point in looking at short-term interest rates and say that there will be fluctuations and that, naturally, an average on short-term interest rates will be lower than the long-term rate. Well, surprise surprise, long-term interest rates have ranged from 5.39 per cent to 13.9 per cent in the last 10 years. The average, according to the information I looked at, was 9.495 per cent. They are currently running at 6 per cent.

So, if one looks at the last 10 years, one can see clearly that there have been quite extreme fluctuations in interest rates. So, how anybody could say with certainty that we will have 6 per cent interest rates in this country for the next 10 years amazes me. I am no economist, and I do not have a degree in economics, but it is a prediction that I would not

make. If we look at long-term interest rates, we find that we only have to go back to September-October 1994 to see that long-term interest rates in Australia peaked at over 10 per cent. They have since fallen back to slightly below 6 per cent but, if we go back to September 1993, they were a touch over 6 per cent. So, we have seen them ranging from 14 per cent, down to a bit over 6 per cent, back up to over 10 per cent, and back under 6 per cent.

I think there are some reasons why interest rates in this country are much more volatile than they have been in the past. When Australia floated the dollar, we left interest rates much more subject to the strength of our dollar. In the good old days, one could look at a correlation between the rate of inflation and the current level of interest rates, both nominal and real, and there was a very positive correlation. However, that connection has been upset. Why? Because when we floated the dollar and deregulated the banking system—and I have been lectured *ad nauseam* about the error of that decision by the Hon. Trevor Crothers, time and time again—we left interest rates subject to the strength of our dollar.

Interest rate rises are part of general government policy. I have seen country after country with better current accounts than ours forced to raise rates due to a weakness in their currency. We only have to look at where the Australian dollar has been trading over the past 12 months. It went nearly as high as 70¢ in the dollar, got down to 58¢, back up to 62¢, and it is back down below 60¢, with many economists predicting that it could fall as low as 55¢. You do not have to be an economic genius to work out that, if the Australian dollar falls to 55¢ or below, immediate pressure will be placed on our interest rates, not withstanding the fact that growth is currently falling through the floor.

Does anyone realistically believe that interest rates will be 6 per cent for the next 10 years? They will go up and down, but it must be remembered that we are currently at a 30 year low. Our currency is currently below US60¢. I know that it can be argued that it is better on the trade weighted index, but our currency is still in trouble. The plain facts are that our economy is entering difficult times. Look at our current account deficit, our balance of payments, call it what you like—the economists invent all sorts of wonderful names for these things, but they will not let interest rates fall any further in this country.

In my opinion, inflation is set to rise over the next 12 months to two years. Inflation rose by .6 per cent in the second quarter. Remember that when interest rates fall, as they have in Australia over the past five to six years, they push inflation lower. The reverse happens when interest rates go up. In addition to that, we have wage increases in the pipeline which could further add to inflation and a declining dollar that has fallen from 70¢ to 60¢—further inflationary pressures. Does any member realistically believe that we will hold down inflation over the next two years to the levels that we have held over the past two years? If we do, it will only be because the Australian economy goes into a massive recession—and then heaven help all of us.

We only have to look at what the Federal Treasurer is doing. My understanding is that he has already downgraded growth figures three times to 2.75 per cent. South Australia currently has a growth rate of 1.5 per cent. I could ask the Treasurer what advice he is receiving from his office about the likelihood of maintaining current growth rates in South Australia over the next 12 months or so because, if growth rates around Australia fall, inevitably, in an economy that is dependent upon interstate trade, that will have an impact on our growth rate in South Australia. I am just not sure where we are going in relation to forecasts. Perhaps we might see it in the financial statement that the Treasurer is currently preparing.

I could go on and on tonight, but I assured the Hon. Legh Davis that I would not make another flower farm contribution. I learnt the hard way from that speech that quantity does not beat quality. He did me like a dinner, so there is no way that I will go on for 3½ hours tonight. My only defence in the flower farm case—the honourable member is not here tonight—is that, as lawyers would say, I did not have a good brief.

After hearing all the experts and their forecasts and seeing how they vary, there are really only a couple of things of which you can be certain. One is that no-one really knows what will happen to interest rates over a 10 year period. However—and this is the general consensus of opinion—in the medium to longer term they are likely to go up. An additional 1 per cent increase in interest rates on a sale price of $5.5 billion is a lot of money. Of course, that is money that would flow directly back into the Government coffers and be of benefit to South Australians.

So how can anyone argue, as I have heard some members argue, that there is no real element of risk associated with interest rates. In my opinion, only an economic fool would say that. Of course there is a risk. Selling ETSA now will significantly remove the interest rate nightmare that awaits South Australians. I believe that the Government has underestimated the risk associated with interest rates. I ask members to consider where we will be in five years' time if the long-term rate creeps up by a couple of points.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. CAMERON: The Treasurer interjects that that could be conservative.

The Hon. R.I. Lucas: No. You're saying that we're too conservative.

The Hon. T.G. CAMERON: I think you are too conservative. In all the utterances I have heard from Government members, I think you have underestimated the risks associated with interest rates. Let us look at some of the factors that we need to consider. Our nearest neighbour with over 200 million people is Indonesia. I have just come back from Indonesia where 20 million people have been plunged below the poverty line. Their currency has fallen by 80 per cent. Imports from Australia have dwindled to a trickle. That will be seen if we look at our wheat exports in South Australia which are falling. And this is just Indonesia. Look at Thailand and the Philippines and the problems in Hong Kong with the property collapse.

Do I need to remind members of the problems with the Japanese economy with the yen careering towards 150 and likely to reach greater heights over the next few years or so? Have a look at South Korea. Taiwan is going all right for the time being, but then look at the big economic blunderbuss in Asia that is in trouble—China: 40 per cent of its loans are non-performing. The only reason the yuan has not fallen through the floor is that it is a fixed exchange rate and that between them China and Hong Kong have over $200 billion worth of reserves in the kitty. That is the reason there has not been a more sustained attack on either the Hong Kong dollar or the Chinese yuan.

I am sure I am starting to test members' patience, but I could go on and on about some of the problems that exist around the world. Stock markets are plunging all over the world. Asian stock markets are at 10 year lows; the Japanese

yen is at an eight year low on its currency. The index has fallen to 15 500, and I can quote all the other indexes in South East Asia, particularly without the Hon. Legh Davis here; no-one else would know whether or not I was citing the right figures. Russia is in desperate trouble and Eastern Europe is in trouble. In his contribution the Hon. Trevor Crothers referred to the some of the economic difficulties faced by countries around the world.

On top of all that, we will be sending ETSA into a new, competitive, deregulated market. The very reasons why Paul Keating and the State Premiers walked down this path of creating new rules—call them what you like: ACCC, NEM, etc.—was that they agreed that it would be in the national interest to have a national market for electricity. I will not quarrel about that now because I would be wasting everybody's time. Let us deal with the reality of where we are, not whether or not we should have done it five or six years ago. The reality is that we have done it, we will have to deal with it and, if we are to deal with it properly, it is much better to deal with it sooner rather than later. Sometimes when you procrastinate and vacillate and put things off they are much harder to fix later.

It was argued then that we needed a national market. I was one of those in the Labor Party who did not happen to agree with them at the time. However, you fight your battles and when you lose them it is no good crying over spilt milk: you just pick up your sword and shield and go onto the next battle. I was aware of it and I cannot believe that other members of this Chamber who have been around for longer and who are better informed than I were not. We all knew that State Governments, particularly those that were short of cash—that is, South Australia—started using ETSA as a milch cow. We had industries that were protected State monopolies, where the price of electricity was set by Governments to determine a budget outcome. The result? Consumers were paying more than they should have been paying for electricity in this country, particularly industrial and commercial users, who will be the biggest winners if ETSA is sold and we deregulate the market. And what is wrong with that? It will improve South Australia's economic competitive position and it might do something in a minor way to improve the disastrous job situation that we have here in South Australia.

When they were fixing ETSA prices, State Governments also cast an eye to the next State election, and it is best that I say no more on that point. Is it any coincidence that ETSA profits in South Australia soared in the early 1990s, just as we were having to deal with the State Bank crisis? In a competitive market and under public ownership, ETSA will be under real pressure. Up to 30 retailers will be in the market, ETSA will still have its fixed costs and it will lose market share. It will. I do not say it could or it may; every experience, everywhere around the world, has shown that, when the markets have opened up to competition, whether the existing public monopoly is left in public or private ownership, it suffers market share.

Does anyone realistically believe that 30 competitors can come in here and that ETSA will be able to beat them all and maintain its market share? Of course it will not. Therefore, its profitability will be under pressure. I do not know how it will cut its fixed costs quickly enough in order to deal with the competitive pressures that it will face, notwithstanding the phasing-in approach to competition that has been used, with the bigger industrial customers going first, followed by the commercial customers then followed by the residential customers in the year 2003.

The budget already incorporates a reduced dividend of $193 million for 1998-99. But next year it could be lower, and let me tell members that it could be lower again the year after. At the moment, 35 per cent to 40 per cent of our power comes from Victoria and New South Wales via the 500 kilowatt interconnect. I will not bore members with the details: if anyone wants to check it with me, there is $50 million worth of profit that may not be available, that will not be available, to the company in its current indirect form.

ETSA's profit in the short term could also be affected by weather conditions. We would also have a public company that is not as efficient as its interstate rivals—certainly if we look at levels of productivity per employee—notwithstanding the cut in the work force at ETSA over the past few years. We still have lower productivity per employee, despite massive improvements here in South Australia over the past few years. This public utility that is not as efficient as its interstate rivals would be subject to price cut tactics from its competitors to gain market share. Members should not believe for one moment that, once the market is deregulated, if ETSA is left in public hands, all those interstate competitors will say, 'That is a bit too hard a market for us to try to get into.' They will rub their hands with glee.

The Hon. A.J. Redford: Look what happened to SA Brewing and our beer.

The Hon. T.G. CAMERON: The Hon. Angus Redford interjects and refers us to the brewing industry—a good example. And it happened all over the country, did it not? If interstate competitors come in and start cutting their price, particularly for the big industrial customers, followed by the commercial customers, what will ETSA need to do if it wants to keep its contracts? It will need to be competitive. If they start lowering their prices, ETSA will need to do the same. So, of course, ETSA's profit could be affected. And I could go on with other concerns, but I am going on for longer than I should now and I still have half an hour to go.

Trying to predict precise profit figures for ETSA with certainty in a new competitive market is fraught with difficulties. We could have a Treasurer formulating not only the current budget and having to guesstimate what this year's profitability will be but he will be on a wing and a prayer: he will have the crystal ball out trying to work out what ETSA will make four or five years down the track. Is that not great for sound, long-term planning for the State's economy! And it is not a particularly good situation when the State desperately needs an integrated financial plan and an industry policy. In short, it would be an impediment to proper long-term financial planning to have the Treasurer subjected to whatever ETSA's profitability might be like that year, particularly in its first few years of operation. In my opinion, that is when it will come under most pressure.

What a scenario: interest rate rises, for whatever reasons, and ETSA in public ownership having a bad year! What do members think we will be doing? And I do not care who is in office, whether it is Liberal or Labor. Just look at our record: it is not that much better than the current Government's when it comes to sacking public servants. We will be sacking public servants and ramping up taxes on those who cannot afford them. What a disaster awaits us when we win the next State election if ETSA is not sold now! We will inherit the nightmare: that is what we will do. We will win the next election and we will inherit a financial nightmare.

What are the advantages of a AAA rating on interest rates? I had a look at that, and in my opinion they were over-sold by the Government. They are only marginal: we can be looking at .1 or .15 of a per cent, perhaps, on the interest rate, if we are lucky. The savings could be $5 million to $10 million. The advantage of a triple A rating is in attracting investment to this State. All things being equal—I guess they never are but if things are pretty close—if investors must make a choice they will always gravitate towards the State with the best credit rating. Why? Because they believe it removes an insecurity for them about where Governments will turn if there is a change in heart about just who is going to pay off the debt. Based on historical experience business knows what Governments are like, whether they be Labor or Liberal, in respect of these sensitive issues. I have seen it happen in the past: 'Oops, there is an election around the corner. Let's ramp up the increases for the business and industrial consumers and we will only just have a slight increase for the residential consumers because they vote and big business does not.'

The level of retained earnings would be a Government decision, or would it? If it is left in public ownership would it really be a Government decision? Would we have a corporatised authority coming to the Government and saying, 'Look, we need more money for plant and equipment.' We all know that South Australia's plant and equipment is older and less efficient than our interstate rival. If ETSA is to take on interstate competitors under public ownership it will—and I do not say could—involve massive reinvestment of up to $3 billion over the next 10 years. From where will that money come? Left in public ownership the Treasurer could be faced with the situation, 'Oops, no money from ETSA this year to help with the budget bottom line; it wants to retain all profits this year because it needs to invest in its future.' The question needs to be asked: could profits suffer in the short term? Yes, they could, and I do accept the Government's arguments on this point.

I am not going to predict ETSA profitability levels into the future. I have spoken with some of the best economists in the State and they are not prepared to do that with any real precision. But what one can say with absolute certainty is that ETSA's profit will fall. I do not care whether one uses the Sheridan or Walsh analyses, one will still arrive at figures that support a sale. Perhaps I will talk a little about the Quiggan and Spoehr analysis if I get time. Taking all of the above into account and notwithstanding the uncertainty, in my opinion, on economic grounds, a sale figure of $4.5 billion to $5 billion justifies the sale. If it were my asset, and I do own a share of it, I would sell it at $4.5 billion. I have been in similar situations before—

The Hon. T.G. Roberts: I would vote against it.

The Hon. T.G. CAMERON: Does that mean that you might sell it at $5.5 billion?

The Hon. T.G. Roberts interjecting:

The Hon. T.G. CAMERON: The Hon. Terry Roberts says he is not so sure about that. I think he might get $5.4 billion to $5.8 billion for it. So, that is even higher than the $5.5 billion. I know what a good old-fashioned leftie the Hon. Terry Roberts is, so I will leave him alone and make no more reference to his interjection. I have been in similar situations before—and the Hon. Terry Roberts would know because, on a number of occasions, he has been on the convention floor attacking me about my financial management of the Labor Party.

As the secretary of the South Australian Labor Party, a national vice-president of our Party, chair of the national ALP's finance committee and an individual I have been caught in situations where you cannot pay the bills and you have no way of increasing your income, so what do you do? I can tell you what you do: you do what the South Australian ALP do, you sell off some of your assets; you do what I did, you sell off some of your assets; and you do what the national ALP did, you sell off some of your assets. I can tell members that when a Commonwealth Bank manager tells you that the bank is not extending the overdraft and you have no more money for the next election you know you are in trouble.

The Hon. R.I. Lucas: Which assets did the Labor Party sell?

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

The Hon. T.G. CAMERON: Yes, we sold the Banner building and we got—

The ACTING PRESIDENT: Order! Interjections are out of order. The Hon. Mr Cameron will assist the Chair in upholding that Standing Order by not responding to interjections.

The Hon. A.J. Redford interjecting:

The ACTING PRESIDENT: Order! I call on the Hon. Angus Redford to come to order.

The Hon. T.G. CAMERON: I will not respond to his interjections.

The Hon. A.J. Redford interjecting:

The ACTING PRESIDENT: I call on the Hon. Angus Redford to come to order immediately.

The Hon. T.G. CAMERON: Thank you, Sir, for your protection from the Treasurer. He is always getting stuck into me when I am on my feet. When I was the secretary of the Australian Labor Party, I sold our asset—it happened to be about the only asset we had at the time. It was called the Banner building at Tea Tree Gully and we sold it for $2.05 million. Eighteen months later the Commonwealth Bank told me it valued it at $950 000. Are we going to let the same thing happen to ETSA? Not only is the sale justified on the economic merits, when we take into account the risks associated with profitability and interest rates, the case becomes overwhelming.

Because time does not allow me, I do not intend to deal with issues such as environmental protection and consumer protection and what we would do with the moneys from the sale. However, on my examination, the level of protection offered is greater than we currently have, and I happen to believe that we could have improved some of those areas in the legislation. I believe that, if ETSA is sold, the money should be used to pay off debt and to give the State a chance at a new future. I also believe there is merit in using some of the proceeds to reinvigorate our stagnant economy. However, despite all of that, I still would not be prepared to support the sale.

I will now briefly outline why I am prepared to put aside a lifetime ideological belief in public ownership on this occasion. I refer members to previous speeches that I have made on the South Australian economy and why I believe our economy is in such desperate straits and has been ever since the State Bank collapse. The collapse of the State Bank, SGIC and Scrimber during the Bannon Labor Government cost approximately $4 billion and, since then, with accumulated interest it is up to about $5 billion. Our State debt is $7.5 billion, or roughly $5 000 for every man, woman and child in this State.

An examination of State debt shows that, in 1990, it was $4.682 billion. By 1991, it was $7.15 billion. In 1995, after a couple of years of Liberal Government, the debt had grown to $8.468 billion. We have already had a couple of billion dollars worth of asset sales, and we have still only been able to get the debt down by $1 billion to $7.465 billion. After five years of a great deal of economic pain, many asset sales, thousands of public servants cut, taxes being rammed up through the roof, what have we been able to achieve? We have been able to get the debt down from $8.468 billion in 1995 to $7.465 billion in 1997, but I hasten to add that the fall between 1996 and 1997 was less than $300 million.

The Liberals who are in Government must know how tough it is to draw up the budget every year, and we cannot wait because we know there will be plenty of ammunition with which to attack the Government. If the Government does not sell something, the only choice it has is to increase taxes, cut back on public expenditure, sack public servants or, heaven help us all, go further and further into debt. I allowed 10 minutes to speak about the diabolical state of the South Australian economy. I have believed that ever since the State Bank collapsed. Until the most recent budget, I have not believed that either Labor or Liberal Governments have made any real attempt to try to get our State debt down. Perhaps I just do not like debt, but I believe that the South Australian economy is bleeding to death with this debt hanging around its neck.

What are we doing to the South Australian economy? Every time we push up taxes, we take disposable income out of people's pockets, so they have less money to spend at the deli. What do you think poker machines did to the South Australian economy? Despite the best laid out arguments of the Hon. Nick Xenophon, they had an impact on small business. The real tragedy about poker machines is that approximately 80 per cent of the losses are incurred by about 10 per cent or 15 per cent of the players. The effects of poker machines were limited to those people but they had an impact everywhere. What about the $80 million a year that is dragged out of people's pockets with speed cameras? Every time the Government takes money out of people's pockets with increased taxes, what happens to the economy?

Every time the Government sacks public servants or reduces Government expenditure, what happens to the economy? I do not have an economics degree: I do not have any degrees, but I reckon I can tell you the answer to that one. Almost every step we have taken over the past eight or nine years has helped maintain the South Australian economy in what I would call a recession. Now, neither the Bannon nor the Arnold Governments, in my opinion, made any real inroads into our debt and it was left to the incoming Brown Liberal Government who promised to fix up Labor's mess. That is what members opposite were elected to do: that is why they copped a 9.5 per cent swing. I know why they were elected: I ran the campaign. I also knew what the result would be a long time before I had to run the campaign. But, the Liberal Party got a huge swing. We were thrown out, we were rejected, and it was our punishment and our penalty in the electorate's opinion about our involvement with the State Bank.

However, the Liberal Government promised to fix up Labor's mess and five years later most of that mess, particularly the debt, is still there. What has happened since then? I will take members through a little course of history. What did we witness when the Liberal Government came to power? It said it was going to fix up Labor's mess. How on earth could it fix up Labor's mess? Members opposite were too busy trying to fix up each other—and they still are. We saw a hopelessly divided Government turning in on itself and taking its eye off the ball, that is, the economic ball.

The last time the Liberal Party told the truth about the state of the South Australian economy was in the lead up to the 1993 State election campaign. Ever since then and until this budget—and this is my opinion—it has been fudging the truth. Dean Brown told us the economy was getting better. What a load of bullshit that was—sorry, Mr President, I should not have said that. Dean Brown told us the economy was getting better. Well, what a load of rubbish. The trouble we had with the Liberal Government is that no-one would bite the bullet. No-one would really tackle this question of debt. We all know what happens in this country: Governments have a go at it for the first two years and then start panicking about the next election. What has happened? The infighting has continued and the economy has continued to deteriorate.

I really have to say: what really tough, hard decisions did Dean Brown take in his three years as Leader? In my opinion, there were not too many. As far as I am concerned he was an economic wuss. John Olsen took over as Leader. Not only did the instability continue unabated, but then John Olsen had his eye on the next election. It is politics, members; it is politics. He had his eye on the next election, not the economy. Hence, the promise was dragged out of the Government that it would not sell ETSA. Well, I believed that at the time about as much as I believed the rest of the Government's promises.

So, there we have it, members: no leadership and instability in the Government whilst the State continues to suffer. Then we had an election. John Olsen in an attempt to justify the coup and reinforce his leadership was looking for a good result—and who could blame him? The Government, I believe, realised the parochialness of the South Australian electorate, and I believe that to admit that it has to sell off ETSA is almost an admission that our State is failing and things have not worked here. Well, our State is failing and things are not working here, but I do not see that in any way, shape or form as an admission that we cannot fix up the mess and build a prosperous future for South Australia and for everyone who lives here.

John Olsen said that a Liberal Government would not sell off ETSA. Well, if one is frank and honest, at the time that was said I, together with many other members both in this House and in the other House, from both the Liberal Party and the Labor Party, realised and, even though we did not agree with it, accepted that it would be inevitable that ETSA would end in private ownership either now or at some time in the future. If it is in the future it will be at a substantially reduced price and that price could be by as much as $2 billion. I will not go into the reasons for that: if you want to know them, come and see me afterwards.

South Australia has reached the point where the Liberal Party has clung to office and governs with the help of three Independents. The Treasurer knows that I criticised the last budget with tax increases, particularly those increases which affected motorists. I believe it is a flat tax which impacts dreadfully on lower income earners. If you drive around in a $1 000 second hand Mazda Capella, those increases impact on you a hell of a lot more than if you drive around in a brand new Mercedes.

Where can the Government go? Growth is at 1.5 per cent. We have a mountain of debt and there are no easy cuts left. We were cutting and you were cutting. For how many more

years are we going to keep cutting the public sector and reduce Government expenditures? They have already been cut to the bone. That is part of my reasoning in my speech to the Council.

Is there anyone in this Council who wants to see more public servants sacked and Government expenditures reduced, more schools closed, further deterioration in our health system and the lowest per capita spending of any State in the country on our State road system, which is starting to feel the pressure? I do not think anyone here would support that, but one wonders what real alternatives we have left. I want to say—and I might get into some trouble for doing so—that the Olsen/Lucas budget is the first budget I have seen since the State Bank disaster that seriously makes an attempt to address the question of State debt. It is the first time I have seen real leadership and courage shown on an issue like this in this State over the past 10 years. It is a courageous decision and one has to respect the Premier for having the courage to make it. If he did not know that this would be unpopular and did not realise what the attitude of the public would be, I do not know what he does realise.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: I certainly realised that it would be unpopular. It was a tough decision to make and I respect the decision. Even though my heart tells me to oppose the sale of ETSA my head is telling me that it is the best option—not the only option—in the range of options available. I will not be standing up to attack the Government over tax increases and expenditure cuts at the macroeconomic level again. I might argue about who has to pay and where the cuts are; but if we do not reduce debt while interest rates are low we will never get our debt down. This is an historic opportunity to rid ourselves of the State debt once and for all, because I can tell the Council that, if we do not do it when interest rates are 6 per cent, what do you think the chances are of getting rid of the debt if interest rates are 7, 8 or 9 per cent or, heavens above, they could go back into double figures?

Remember, it is only a few years ago that they were at that level. I can talk about debt levels in the past and there has been a bit of debate about that, but the answers are so obvious to that question that I am not even going to address the issue. What would I do if I were the Treasurer in terms of macro budget options? (I apologise to the Council because I am going to go longer than I expected.) Would it be tax and fee increases? Would I sack public servants? Would I cut expenditure, borrow and go further into debt, or would I sell some assets and reduce the debt? I know what is the least painful option for the people of South Australia, that is, to sell ETSA and put in regulatory and protective measures. That is the most painless way of dealing with our situation over the next one to five years. It gives our State a circuit breaker, a breathing space.

Who knows, if we sold ETSA the light might still go on but at least we would have a breathing space for our people and industry and, as interstate experience has shown, prices will fall, particularly for industrial and commercial users. That should improve the State's competitive position and it will take time to flow into jobs. But how can we expect investment to come to South Australia if we are charging 20 per cent more to our industrial consumers above prices that they can get elsewhere? Do members think that business will be parochial and continue to buy from a public-owned ETSA when it can buy its power at even 2 per cent less from an interstate rival privately owned? I can tell members what industry will do. It will go to the interstate rival and buy its power from whoever is selling it at the lowest price.

They are some of the reasons why I am prepared to consider supporting this sale. I believe we have all let South Australia down. You have been diverted and we are playing politics. I am not sure that the Democrats would know, and I include only the two speakers I have heard to this point: I will reserve my opinion on the Hon. Ian Gilfillan until I hear his contribution. I must say that I have been singly disappointed with the contributions so far from the Democrats.

I do not know why we come into this place and spend hours arguing about mandate. Members opposite did not have a mandate and they have broken their promise. Let us get on with it. Let us now make a decision about what is in the best interests of South Australians. The decisions we take now on this issue will play a significant role in what kind of a State we will be living in five, 10 and 20 years. On examination of the economics and the state of our economy, I can only come up with the same answer as the Hon. Nick Xenophon, that is, it is in the best economic interests of our State. However, to be fair to Mr Xenophon's contribution, I am more positive about the economic benefits and I have a more pessimistic view about the state of the South Australian economy. I have been in here for nearly four years. I have spent a bit of time having a look at the economy, and I have a fair idea about the state it is in.

The Hon. Nick Xenophon's methodology and mine might have been different, but we started at the same point, took different routes and arrived at a very similar conclusion. It is at our destination that our troubles really started: for the Hon. Nick Xenophon it was a mandate and for me it was my membership of the Australian Labor Party. Mandate is not an issue for me. I believe in kicking a backside when it deserves it, and then walking around the front and tackling the issue head on. I have been around politics for longer than the Hon. Nick Xenophon has been alive, and I have perhaps become a little hard bitten and some would say a little cynical these days. I would like to comment on the Hon. Nick Xenophon's contribution, and I will do so later.

The road to privatisation was eloquently outlined by the Hon. Trevor Crothers in his contribution yesterday. Without reflecting on the content of the Hon. Nick Xenophon's speech, it was a pity that the media left in such a hurry. They would have heard a worthwhile contribution on this 20 year debate on privatisation and they might have learned something. In his speech, the Hon. Trevor Crothers said:

> The initial road to privatisation was commenced by the Hawke Government.

Never was a truer statement made in this Council. He went on to say:

> Thatcherism, if you like, emanating from within the ranks of my own Party, rolled us back time and time again.

I was part of the ranks to which the Hon. Trevor Crothers is referring, and I have seen the broken promise on Commonwealth hostels, to which the Hon. Trevor Crothers referred. I have seen the broken promises on Qantas, Australian Airlines, the Commonwealth Bank and CSL—and I will not go on any more, because I might embarrass some of my Labor comrades. I have fought many a battle over privatisation. Some have said that it was my late father's influence or that it was Uncle Clyde's influence. They did have a little to do with my attitude on privatisation. However, my mentor on privatisation, my confidante, the one person to whom I could

always talk and express my fears, doubts and uncertainties about where the Labor Party was going on this issue—and we sat down and talked about it for probably hundreds of hours—was the Hon. Trevor Crothers, and I have taken his advice because it is usually wise. It was his influence, not my family's influence, that put the steel in my back about privatisation. We have fought many a long and bitter battle over privatisation in the Australian Labor Party, and it was always a comfort to me to have him by my side protecting my flanks and offering sound and wise counsel. Over the years, I have fought many a battle with the Hon. Terry Roberts—and I have probably won them all. But we joined forces on privatisation.

Members interjecting:

The Hon. T.G. CAMERON: He is a good old lefty. I have fought many a battle with the Hon. Terry Roberts.

The Hon. A.J. Redford: Do you know a Kevin Foley? Did he turn up?

The Hon. T.G. CAMERON: Well, Kevin Foley was a member of the Centre Left and he supported its position—and did so with gusto. I joined the Hon. Terry Roberts on many a privatisation battle. Time and again, despite the best help I could offer him and despite the votes I would deliver to the Left at national conference after national conference, we were rolled by the right wing of the Party.

The Hon. R.I. Lucas: Did the Centre Left support them?

The Hon. T.G. CAMERON: No.

The Hon. R.I. Lucas: Split were they?

The Hon. T.G. CAMERON: Yes. I know which side I was always voting with: it was the Left against privatisation.

An honourable member interjecting:

The Hon. T.G. CAMERON: Quite simply, the Right was too good for us. We lost all these public assets. Mind you, the debt position of the Australian Government was nothing compared with the albatross that hangs around our necks in South Australia. Did we believe our leadership when we were continually promised that there would be no more privatisations? I will let others speak for themselves, but I did not. Look at the paradox when, at the last election, we opposed the sale of Telstra. We had a convention a couple of years before that when we paved the way for the sell-off of Telstra and, again, I lost when voting with the Left. I have come to the end of a lifelong journey on public ownership. I still support public ownership, but I will not support it any more when I become convinced that it is in the best economic interests of our people to privatise.

Before I continue—and I am slowly getting to the end of my contribution—I want to refer to what the Hon. Nick Xenophon said yesterday. The Hon. Nick Xenophon's contribution yesterday—and I know some people will accuse me of piddling in his pocket, but I do not do that with anybody—was reasoned and intelligent and, in my opinion, was something of which he as a relative newcomer can be rightly proud. I was with him even over his concerns about the ethics and morality of broken promises and the disillusionment felt in the wider electorate. Both the major Parties have been doing it, and the electorate has had enough. It is no wonder that One Nation is polling up to 35 per cent in seats around the country. If anybody here seriously believes that the support that is flowing to Pauline Hanson and One Nation is all about Asian migration and Aborigines, they are sadly mistaken.

I believe that is a ploy being used by both the major Parties to cover up some of their own inadequacies. The major Parties and the two Party system are being rejected because people have had enough of broken promises. As the Hon. Nick Xenophon pointed out, perhaps it is now the time to remedy that. The Hon. Nick Xenophon was right yesterday. The honourable member is a little more articulate and intelligent than I in terms of the sort of language I will use, so perhaps I can precis what I believe he said to the Council yesterday. The Hon. Nick Xenophon said yesterday that the electorate has had a gutful of broken promises by both major Parties and that we want some integrity and honesty put back into politics—and he is right. If you do not agree with the honourable member on that point, go outside, stand in front of a television camera and tell the people of South Australia that they have not had a gutful. Go out and tell the people of South Australia that they do not want more honesty and integrity put back into politics. I congratulate the honourable member for having the courage to say this. So, the Hon. Nick Xenophon has been much maligned for his stand and his call for a referendum.

The Hon. Nick Xenophon supports the sale of ETSA. So, the Government is happy to agree with him on that point and to praise him. What about the honourable member's call for a referendum? Of course he is right on the principled stand he has taken. The Hon. Nick Xenophon is sending a message to us all, but does the message mean that he would support all the policies for which the Government has a mandate? I had a very close examination of the Government's policy documents at the last election and I hope the honourable member does not support them all. I will not be accepting the mandate argument that every single one of its promises should be supported in that House because I warn the Hon. Nick Xenophon: the devil is always in the detail—the devil is never in the politician's promise, the devil is always in the Bill when it comes into the Chamber.

In my opinion, the Hon. Nick Xenophon has delivered a timely message to us all, including this Government. We all need to put a bit of honesty, integrity and confidence back into our political institutions. There is a lack of confidence undermining our society—and I agree with Tim Costello's quote, although I understand he is a better bloke than his brother, but I have never met him. However, I do not support the call for a referendum unless it is linked with another question, that is, the abolition of the Legislative Council, which, I might add, is consistent with the Australian Labor Party's policy. The Hon. Nick Xenophon has made his point and delivered his message. What concerns me now is that a referendum would almost certainly not succeed and that would be despite the best campaigning efforts that the honourable member and I might be able to lend this inept lot in their efforts to try to sell it to the South Australian public.

The Government's credibility, quite frankly, is too low. There is no way that this Government could sell a dead horse to the South Australian electorate at the moment, let alone sell to them a 'Yes' case in the referendum. I warn the Hon. Nick Xenophon—and this is a serious concern—if we do end up having a referendum, it will be you and I sunshine who will have to sell the case to the South Australian electorate because they will never believe this lot. Not only would that be the case but we would have the Australian Labor Party, the Democrats, One Nation and a gaggle of conservative Independents all out there on their populist cause trying to scratch out a few votes for the next election, all opposing what I believe most of them in their hearts know—that the sale of ETSA would be in the best interests of South Australia.

Now let us have a look at how easily it is to derail a referendum. Can anyone recall that magnificent demolition job Peter Reith did in the referendum a few years ago when it looked like a monte and it was going to bolt in? After giving Peter Reith two weeks at it there was a 20 per cent or 30 per cent drop in the vote—

The Hon. A.J. Redford: He's a good politician.

The Hon. T.G. CAMERON: He might have run a good campaign on the referendum, but he ran a lousy campaign against the MUA. My understanding is that we are about to have a tax package released in this country in the next few days. That is of no small moment; it will probably be a defining moment in Australia's history whether or not this tax package is accepted at the next election. We face a Federal election in October. Does anyone in this Council seriously believe that Howard and Costello will drop their GST package and let it hang out in the electorate for as long as silly John Hewson did with his Fight Back package? I mean, for heaven's sake, it took him 270 odd pages to tell us how he was going to lose the next election—and he lost the unlosable election.

But seriously, we will have a Federal election sometime in the next few months, so I am not quite sure when a window of opportunity would present itself for a referendum. The earliest I can see is about February, March next year; that is, if we in this place could get past squabbling about what the actual words of the question were to be. It might take us two or three weeks to come to an agreement on just what the question might be. So, are we to have a referendum at the same time New South Wales is having an election and when the key issue will be whether or not they will sell off their electricity organisation? Would that be good timing? Anyway, I say to the Hon. Nick Xenophon: you have made your point, we have all listened, but walking us down the referendum path could hurt South Australia even if we got a 'Yes' vote.

If we had a referendum that delivered a 'No' vote, we could be locked into never selling off ETSA. The very people who I believe the Hon. Nick Xenophon and I are desperately trying to help are crying out for help—our future generation of young people, whom I believe we have all let down. In fact, 35.5 per cent of our youth in this State are out of work. And I can take you to working class suburbs in Salisbury and Elizabeth, into the western suburbs and the southern suburbs (and it is no coincidence that they are all held by Labor) where adult unemployment rates are pushing 20 per cent and youth unemployment rates are well over 40 per cent. They are the people about whom I am concerned and who I believe would be helped—the unemployed, struggling small business, country people—and here we have a historic opportunity to get the debt monkey off our back.

I probably know the Hon. Mr Xenophon's concerns better than anyone in this Chamber, and I believe I know how genuine and sincere he is about his call for a referendum and he is right to remind this Government of its record. However, I fear that we might be hurting the very people whom we want to help if we do not move on this issue—and in that group I include the thousands of victims of poker machines here in this State.

I am convinced that it is in the best economic interests of our people to privatise. I agree with Bob Hogg, a leading left wing activist in the Victorian branch of the ALP, and a former ALP National Secretary, who said:

> Engaging in commercially competitive activities is not an appropriate function for government and it is one which carries a high risk for the taxpayer and for a government's longevity.

I believe this is something that every person in this House ought to listen to. When Governments and Oppositions know what the right course of action is but do not act through fear of the electorate's reaction, that is a reflection on their political capacity to engage the community, to educate, to convince and to carry the electorate with them. It is also a fundamental abrogation of their responsibility which further diminishes their standing. I did not vote for Bob Hogg when he became National Secretary: I fought Senator Chris Schacht over that one.

The Hon. A.J. Redford: We are hearing all about your losses—

The Hon. T.G. CAMERON: There have been plenty of them. It was one of the few battles that I did lose against Senator Chris Schacht, but I am big enough to admit that he was right and I was wrong. I worked with Bob Hogg as State Secretary for a number of years. He was not only a great National Secretary of the Australian Labor Party but, to this very day, Bob Hogg remains a Labor man to his bootstraps, and I would defy anyone—particularly my comrades—to tell me otherwise.

I also happen to know Bob Carr and Michael Egan—also Labor men to their bootstraps. They might have a different view from some other people in the Party about privatisation, but do not tell me that Bob Carr and Michael Egan are not Labor people. They are advocating the sale of their assets—and their *per capita* debt is nowhere near as bad as ours. I had the pleasure of hearing Bob Carr address a function here in South Australia a few years ago, as he explained his vision of Labor in the future. He brought tears to the members' eyes that night as he talked about the need to invest in education, to emancipate the sons and daughters of the working class. He spoke about rebuilding our health system and our transport system (particularly the public transport system), and he talked about how one of the greatest contributions that a Labor Government could make to its supporters out there in society was to provide them with infrastructure development, particularly in areas such as health and transport. It was stirring stuff. So, are Bob Carr and Michael Egan any less Labor men because of their stand on New South Wales power?

Of course, they are not. I would like to take this opportunity to quote from a speech that Michael Egan made back on 22 May 1997. I will slip in only a few quotes; there are many more quotes that I would like to have on the record but, as delicious as they are, it would take me too long. I will put just four quotes on the record, three with which I agree, and one with which I partly agree and partly disagree. Michael Egan said:

> For many in the Labor Party continued adherence to public ownership of Government businesses is seen as a distinguishing feature, but why? It does not make sense if it actually defeats our purpose of providing better and more fairly shared public services and providing new social and economic infrastructure that meets contemporary needs. Continued public ownership of utilities is pointless if it provides no continuing social or economic benefits, and if the public investment tied up in it can be invested elsewhere to achieve better results for the community.

Further on, he made this observation:

> The gas industry has been predominantly owned by the private sector through AGL. Private ownership has not precluded the effective delivery of gas for 160 years in New South Wales.

The Hon. R.I. Lucas: Who sold gas here?

The Hon. T.G. CAMERON: We sold it off. I know a bit about the SAGASCO sale, but I will not be diverted.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: Another occasion. Michael Egan continued:

> The provision of electricity is not redundant. However, in my view, its provision by Government is.

I do not agree with that statement. He went on to say:

> When large scale electricity generation was first established in the late nineteenth century, capital markets were primitive. Government had to do the job themselves or give monopolies to private companies to generate power. This is no longer the case, as demonstrated the world over. A competitive private sector can now produce and distribute electricity effectively.

Later on in his speech—and I will wind up shortly—he said:

> The choice for Government is whether it regulates an overseas industry to secure good social and economic outcomes or whether it owns the industry, thereby risking billions of dollars of taxpayers' money in commercial business enterprises, rather than investing those funds in social and economic services and facilities that are the core areas of Government responsibility.

So, I have considered the matters that I have outlined in my speech today, and a whole lot more material that I have not included. I had a chat with the Hon. Sandra Kanck. Whilst I do not agree with her conclusions, I do appreciate the fact that she has done a lot of work on this. She made an observation to me that she could have spoken for four or five hours. The mind boggles. I hasten to add that I probably could have bored members stupid for four or five hours on this subject as well—so you have been mercifully let off with an hour and a half.

In conclusion, I state that I am therefore prepared to seriously consider the sale of ETSA and to consider voting for it. I have been convinced on the economic merits. I do believe that proper regulations and controls can be put in place. I will not declare my intention on this legislation because to do so could involve my immediate expulsion from the Labor Party, of which I have been a member for nearly 40 years and to which my family has belonged for well over half a century. I suspect that is what some people in the Party want. However, I will not give them that wish at this point in time. So, unfortunately, those people and everyone else will just have to wait until such time as an actual vote is taken—if ever. I am not prepared to contemplate that at this time. Thank you for listening to me.

The Hon. T.G. ROBERTS: I rise to indicate that, unlike my colleague, I oppose the second reading.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. ROBERTS: I certainly will not support the sale of ETSA. I will give my reasons, perhaps not for as long as my colleague but hopefully as lucidly as he did in what was a very detailed speech. As his speech progressed, I took a bit of a mark on the arguments that he put forward to support the sale compared with the arguments that I could use to support the sale, and I marked them at about even. Chaos in financial markets is a consideration that has been put forward not only by that honourable member but by others as a reason for selling ETSA at this time. We would be financial cowards if we accepted that argument.

ETSA has been in operation for at least 60 years. The Hon. Ron Roberts provided us with an historical rundown on the formation and control of ETSA during that period. There were times of much greater hardship than there are now in terms of our financial debt, and governments that preceded this Government and this Opposition did not take the easy way out by selling off the State's assets. The honourable member referred to our standing in the community—and I agree with him. One of the reasons for that is that we are not prepared to take the hard decision and we are not prepared to look at alternatives. If we are all heading off to hell in a handcart without a brake, as the honourable member said, then selling off ETSA will not make one jot of difference.

The Hon. R.I. Lucas: What's your alternative?

The Hon. T.G. ROBERTS: I will not give the Treasurer the benefit of a two second analysis of why we should not sell ETSA. There are a number of reasons why I will support the retention of ETSA in the stable of the State Government's assets so that it can continue to put at least $200 million a year—and in better years over $200 million—into our coffers for the benefit of South Australians.

Everyone is talking about the new rules. I cannot see how anyone with any financial credibility at all can argue a case for the sale of ETSA without knowing the sale price. I am a metal worker by trade, I have no financial credits to my name in terms of degrees, as the previous member said, but I cannot understand how anyone can contemplate selling an asset without knowing the market price. I am sure that members on the other side could put a case about the way in which the Victorian sale was constructed. My view is that the window of opportunity which people have been talking about has frosted over or disappeared.

The Victorian sale set the tone for those who are cashed up in the marketplace. Most of those people are foreign buyers. Very few Australian companies have the ability to be cashed up enough to buy the sort of assets that we are talking about. The Victorian sale price has now been assessed as over priced by the companies that have been involved in the buying of those broken up assets. They are now starting to look at off selling.

In my contribution to a previous Bill I predicted that, as soon as you put a public asset on the market of the size of ETSA and the Victorian and New South Wales power corporations, the big international players will come into the marketplace. In most cases—the Victorian situation being an exception—they buy under valued sale price assets because governments do not have the courage to continue to manage and distribute power in the interests of their constituents. They buy them under valued, they run them down and, as I said in my previous contribution, the formula they use is to cut one-third of the employees regardless of their duties.

Maintenance levels drop off to a point where power distribution and generation become dangerous, and they then asset strip, make a capital gain and leave the market. That is the general rule of thumb. In the break-up of the eastern States of the Soviet Union, the ownership of the assets was transferred to apparatchiks at almost peppercorn prices. The carpetbaggers moved into those countries, bought up the assets, asset stripped them and sold them down, and as you can see their economies are comic book style economies. I am not saying that that will happen here. We are told that the regulators, the financial market operators and the Government will make sure that the price we get for ETSA will match the expectations of the marketplace and the Treasurer to be able to relieve us of our debt burdens and give us from $150 million to $250 million per annum benefits in return.

As I said, I do not have the economic degrees that people in Treasury may have, but I would think they would have been a little more circumspect about offering us a Bill that has no indication of sale price. There is no point in working out what international interest rates or the value of the dollar

will be in five years' time or how much debt we can expunge from any of the benefits of sale if we do not know the sale price. We do not even know who the potential customers are—or, if we do, I have not been told. There have been no briefings.

The Hon. R.I. Lucas: Are you happy to test the sale price?

The Hon. T.G. ROBERTS: I said to the honourable member when he made the statement that, if he and I owned it, I might be prepared to sell it. When he bumped up the price from $4.5 billion to $5 billion, I thought I might be prepared to accept $5 billion. That was a light-hearted comment, but it is not mine to sell. I act on behalf of constituents in this State who believe that ETSA should remain as a Government owned enterprise and be managed in conjunction with a national electricity market, under Government control. Alan Fels, one of the most important non-elected people in Australia, and the regulators will make a decision on what our returns will be.

The capital markets are not very happy about having pegged returns. They will do exactly what they did in Britain. The regulators in Britain are starting to say, 'The regulations are far too strict: we want to throw them off.' Because they have been in this game for much longer than we have, they have lived through it. The British regulations that have been placed on their enterprises prevent them from making the capital returns they require to expand into Europe. The Europeans are expanding into Britain but Thatcher's great plan has undermined the ability of British capital to compete in the European game.

If you want to learn how to own and run assets properly and get the best returns, look at the French. The French are dominating the asset ownership of the sell-down under the big privatisation plans that have been developed not only in Britain but also all around the world. They have a linkage among the Government, the military, enterprises and industry that is far stronger than we can realise here in Australia. We are easy targets and easy pickings, and the weakest way out is to comply with an asset sale and lose any strength or leverage the Government might have to influence the management of assets and the distribution of profits into social services in any State. We must be the laughing stock of the private sector, when they start to look at the breakdown and sale of our assets.

The Hon. Diana Laidlaw interjecting:

The Hon. T.G. ROBERTS: I think we are going a bit early. All the indicated positions—

The Hon. R.I. Lucas interjecting:

The Hon. T.G. ROBERTS: We are going a bit early in relation to working out what Queensland and New South Wales are doing. It is quite possible—

The Hon. R.I. Lucas interjecting:

The Hon. T.G. ROBERTS: My position was that those people who wanted to sell ETSA missed the opportunity. They should have gone at the same time as the Victorians or beaten the Victorians.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. ROBERTS: I am saying that we are too early in analysing whether we are going to be left alone. I suspect that Queensland will go back to a position of Government ownership of a changed, reorganised structure for its power utilities. The honourable member behind me might have a better idea, but the New South Wales numbers appear to me to be lining up against sale. Those were the last discussions that I had. The Egans and the Carrs may have the voice, but the numbers will be in the hands of those at the State convention.

The seeds of the division that the Hon. Terry Cameron spoke about earlier emanated from around 1982-83. It was the early 1980s when the divisions of power within the Labor Party started to be employed around the proposals being put forward in terms of privatisation. We had to struggle with the Friedmanites, who were starting to dictate the economic arguments within Australia. The Liberal Party went through the same turmoil—international capital versus national capital positions. South Australia was probably the last of the hideaways for national capital until John Elliott moved in on his black horse and rode away with Elders' assets. The financial sector within Adelaide was stripped and moved interstate, and the Hon. Diana Laidlaw, who is a part of local national capital (or her parents certainly were), was mopped up by interstate capital and then mopped up by the national capital interests, which then moved all the power back into the Eastern States.

If there is an argument for power aggregation in private capital hands, it is because Governments will be so weakened that they will not be able to influence outcomes in relation to how the national electricity market will frame its pricing mechanisms and protections. The early days of Friedman's arguments were about the same time as Thatcher started to put in place some of the theory. I will read a little extract—

An honourable member interjecting:

The Hon. T.G. ROBERTS: This is a book called *Out of Crisis*, edited by Stuart Holland. He was a Left economist who eventually won a seat in Parliament in Britain. This book was first edited in 1983, so it goes back a while, but the seeds were sown then and one can see that, for those people who look at small pictures, this is where the arguments commence. The book states:

> Friedman's fantasies on sale of public enterprise include the proposal that they should be divided into shareholdings divided equally between the population of particular countries. He argues that this would result in a market for the shares, and an approach to profitable functioning in the public enterprise. But there would only be a market for the shares if the enterprise were able to earn a profit. In practice, and since they are monopoly providers of services and basic inputs for industry, this would mean price rises. In itself, this would mean yet more inflation in an already inflation ridden system. Friedman claims that the privatisation of activities at present in the public sector would give rise to greater efficiency.

If ever there is an argument against private break up of a public monopoly, power generation, distribution and supply is one. You cannot get a more efficient system than that. That view is not expressed in this book: that is my opinion. The extract continues:

> But the real reason why several world governments are pursuing such policies has little or nothing to do with better value for money or consumer sovereignty. It is clear that the rate of profit achieved by big business has been declining with recession and in some cases recently collapsing in the short term with slump. Despite the increased share of total profits by the big business sector (where in Britain the top 25 companies increased their share of total industrial and commercial profits from around one-fifth to nearly two-fifths from the late 1960s to the later 1970s) the private sector can best defend and extend profits by buying into the public sector.
>
> Thus big business is buying into public services and utilities such as telecommunications in Britain or gas, electricity and other utilities in countries such as Brazil.

Australia is now in the Brazil category. It continues:

> It also frequently is doing so on bargain terms allowed by governments who offer issues below conceivable real market values and also in several cases write off the long-standing debt burden originating in the compensation paid to owners of utilities and services when they were first nationalised,—

and some people have referred to the $300 million superannuation debt that may have to be written in or written off—

and which have seriously impeded the commercial viability of such concerns under public ownership. In no sense can such policies be conceived to serve the public rather than private interests.

One can see that the seed for buying into public sector operations was not a call made by Governments and it was not a call made by constituents in constituent companies: it was a call by capital. Capital was not able to make enough money in the private sector when the escalators to which the Hon. Terry Cameron referred were in play.

We are heading into a period of uncertainty. I did not consult with a half a dozen economists; I have not spoken to anyone of any great note. But telecommunications can now provide an international 24 hour daily service on the state of economies around the world. For those members who watched a program last night one would have to believe that we are heading into what was explained as third stage melt down of the Asian economies. The Hon. Terry Cameron did not mention the Japanese economy, but I am sure he would have—

The Hon. T.G. Cameron interjecting:

The Hon. T.G. ROBERTS: You mentioned the Chinese but I did not hear you mention the Japanese. The Japanese economy is into slow down and it is not expected to pick up for at least the next three years. One could say that if we were to be a little circumspect in relation to our own economy that, rather than go for a revolutionary position in relation to asset sales, we should assume a more conservative position and maintain our asset development to ensure that we can at least protect ourselves from some of the excesses of international capital which will be taking bruises in other markets and which will want to protect itself from international capital losses by maximising its profit returns in countries such as Australia, where domestic demand should remain relatively, and I say only relatively, high.

I, too, share the concerns of the Hon. Mr Cameron in relation to protecting the interests of the unemployed, those people who do not have the ability to protect themselves. But I am afraid the seeds for the redistribution of wealth within Australia started well before privatisation. The seeds were sewn in the late 1970s. Australia became an economy that would not be held back by a broadened social welfare net on which, over the past 20-odd years, social welfare facilities and the net share of wealth by a large proportion of those people who cannot compete and cannot get into the mainstream of our economy must rely. The number of people who will be thrown out of work in the next recessionary period will be an indication of where the starting point for our next building block for growth in our economy will be.

Over the last 25 years, our unemployment rate has risen gradually from 1.7 per cent, which used to be regarded as full employment, to 4 per cent, then in the next five years it grew gradually to 5.5 per cent or 6 per cent, and now by degree it is up to an established 8.59 per cent and, in some States, it is 10 per cent. That is structured unemployment that has nothing to do with privatisation, but it has a lot to do with the centralisation, ownership and control of capital.

Rather than have at least four separate arguments about how we as a State should proceed to wrap ourselves in cotton wool against some of the problems that are going to occur at a national level, and rather than fight each other, conservatives and progressives alike, people should get together to work out a plan that assists the State based on a fighting restructure that includes a realistic look at public ownership of the valued assets that we will need to maintain our infrastructure.

As for South Australia's position in relation to the Eastern States, it is quite clear that the new federalism, which has been supported by both major Parties over the last decade and a half, has led to smaller States like South Australia and Tasmania being isolated from any cross-subsidies in relation to the protection of those States. The result is population drift. All of our best young people are moving out of the State and going interstate, but not because of public or private ownership of our assets. I would say that, if somebody did a survey on how many people we lost when water was privatised, that would be a good indicator as to the confidence that young people have in our future economy.

Other speakers have indicated that, although there will be some presence by the new players in the field, if they get hold of the assets of Optima and ETSA, it will not be long before they will centralise their capital and administrative units in those States where they aggregate their power by buying into similar or the same asset fields. To give an illustration of that, not long ago I received an account from a firm which was situated in Adelaide until just recently. I looked at the top of the account to find out where I could pay the bill, and I found that I had to send the account to Sydney because the administrative office of that company is now located in Sydney and any phone calls that I make to the accounts branch must be directed to Sydney.

The Government should be restructuring the economy to suit the new circumstances in which we find ourselves in relation to the application of the centralisation of power and capital. If we are going to strip the Government of its assets by selling off those assets to the highest bidder for short-term gain and to ameliorate debt, that will leave a burden for the people who remain in this State to try to put together a climate that suits their requirements.

There was an article in the Melbourne *Age* of 3 August 1998 written by Kenneth Davidson. I am not sure how the Hon. Mr Cameron holds Kenneth Davidson in his esteem, but I have been reading him for some considerable time, probably the past 20 years; he leans a little on the left side of the political spectrum. He wrote an article which relates to not only South Australia but also Victoria and, perhaps, Tasmania. The article is headed, 'Why State power companies are worth keeping' and states:

The Victorian Treasurer, Mr Alan Stockdale, stumped—

he probably means 'stamped'—

around Tasmania last week supporting a policy of selling the Tasmanian hydro-electric authority to reduce State debt. In 1997, Tasmanian debt stood at about $6 800 per head of population compared with $2 900 in Victoria and $3 000 in New South Wales.

But this is only half the story. What revenues are generated by the debt?

The latest Government finance statistics published by the Bureau of Statistics in 1996-97 show Tasmania had to make interest payments on its debt of $492 million, or $1 045 per head of population. But against this, the Government earned $469 million from its Government business enterprises and investments, leaving a shortfall of $23 million on the debt that had to be met out of general revenue.

How does Victoria compare? While Tasmania has been hanging on to its assets, Victoria has undertaken a massive privatisation program, with sales of numerous assets, including the State Government insurance office, the Grain Elevators Board, the TAB, the ports of Geelong and Portland—

which, incidentally, were sold to a second buyer almost as soon as they were privatised resulting in a capital gain—

and what used to be called the State Electricity Commission. These sales have reduced public sector debt from $32 billion in 1992 to $13 billion in 1997.

But is Victoria better off as a result of its lower level of debt? According to the ABS, Victorians paid $2.2 billion on their reduced level of debt in 1997, but the remaining State assets generated only $1.4 billion in operating surpluses and interest receipts.

The shortfall of income over expenses in Victoria's case was $800 million, or $173 per head of population, which had to be topped up from general revenue.

Based on these figures, Tasmanians might be excused for thinking Mr Stockdale would be better off in Melbourne figuring out what has gone wrong, rather than attempting to persuade Tasmanians to dig themselves into a similar hole.

I think on those figures you could transfer Tasmania to South Australia. For those people who want to sell off ETSA and Optima as a quick sale for fixing up our debt, those figures need to be fed into the human computers, the minds of those people with mind-sets based on a philosophical position rather than an economic position about the sale of State assets.

The argument about the restructuring of the economy to allow Governments to relieve themselves of the responsibility of running any enterprises at all, I think needs to be examined. If one looks at electricity, electricity generally has been used in South Australia by successive Governments to cross-subsidise. In some cases, where the manufacturing sector wants to get some advantage over interstate counterparts, then electricity has been used as a way in which to lure companies into South Australia away from other States. Governments certainly will not be able to do that when electricity generation and transmission is in the hands of the private sector.

I spoke to people in Western Australia when I went up to the Pilbara region to find out what was going on in the restructuring of the labour market up there, rather than the electricity market, and the answer I was given to a question I raised with people in the iron ore and commodities industries was that they would prefer to see assets and the management of those assets in the hands of Governments rather than in a myriad of private sector operators.

It surprised me a little because I thought, as owners of large business enterprises using large amounts of electricity, they would prefer to be into electricity marketing themselves. But they said they would prefer to see it in Government hands because, if there was downturn in their industry and they needed electricity concessions, it would be far easier to tap on the door of the Minister for Energy to get a temporary reprieve from electricity costs than to go to a hard-nosed capital developer who was only interested in making profits out of the generation of power.

So, we can see that there are some people in industry who would support the sale and there are others who would be very nervous about dealing with a privatised electricity market. The point about the financial status of the AAA rating was mentioned by the Hon. Terry Cameron, who said that it did not really make a lot of difference in relation to Government borrowings. Kenneth Davidson's article goes on to state:

Those who find comfort in Victoria's AAA financial status might look at the cost of achieving this. According to the ABS, New South Wales trading enterprises earned $3.7 billion for the State last year and paid $2.5 billion in interest expense on State debt, to give a surplus to the State of $1.2 billion or $190 per head to spend on State development.

Mr Stockdale claims that the publicly owned vertically integrated New South Wales electricity supply system is inefficient by comparison to Victoria's horizontally and vertically fragmented electricity supply industry. He also claims that the New South Wales electricity supply industry has an unfair competitive advantage over Victoria's because the New South Wales industry is publicly owned.

One might say that that is a backhanded compliment, but here we have people getting on their feet saying that all of the disadvantages remain with publicly owned enterprises because they cannot compete with the private sector. The Victorian Treasurer's argument, like many of the arguments I have heard on this issue in this Council, can be pointed against him. The article continues:

Can Mr Stockdale make up his mind? What would we make of a one-legged man insisting on all the two-legged competitors having one leg amputated in the interests of equality?

That is the argument that Kenneth Davidson puts up in relation to the comparison of Victoria and New South Wales. If the political process in New South Wales, plus the current economic crisis that appears to be putting a lot of the buyers on the back foot regarding a competitive price, goes according to the way that some of us read it, we may have Queensland, New South Wales and, with some luck South Australia, generation and transmission facilities in public hands. If it is privatised, it is possible that Victoria and South Australia will be in a privatised market competing with New South Wales and Queensland.

I would hate to be a Government member at this time. It is all right for Upper House members to argue that State power companies ought to be privatised without being able to spell out realistic benefits to the people. Most people in the community are practical and want to hear the real reasons, arguments and figures. I have heard members dismiss the fact that we have no buyers on the horizon and no offers of any range between $4 billion and $7 billion and that there is a huge unknown in relation to the carry-over of the superannuation debt and the number of employees who will remain in the privatised broken up generation and transmission markets. What is going to happen to the diminishing number of South Australian workers who are already under pressure in this State in relation to unemployment?

People want to know the answers to all those questions. It is all right for people to get to their feet and say, 'These will be the benefits. We are going into a national market. Alan Fels said that he would look after the system. There will be price equalisation, and there will be a protection mechanism by regulators that will regulate costs so that they will not get out of hand.' Unfortunately for anybody who is putting forward that argument in the community, it does not hold any weight. I know that the Government is doing its best to sell its position to members of the public, but at this stage they are not buying it. I would argue that, if the Government did not have a mandate to sell after it was elected, it has a reduced mandate on the basis that it cannot convince anyone in the community that what it as a Government is proposing will work in their best interests.

I will read into *Hansard* a letter which was written as a letter to the Editor of the review. It has also been sent to a number of members of Parliament, including the Leader of the Opposition and Paul Holloway. The letter is from Mr Bruce Dinham, and it is self-explanatory. It states:

Dear Mr Holloway, I worked for the Electricity Trust of South Australia for over 30 years, the last six, before retirement, as General Manager. Although I have been retired for some time I believe I still have a good understanding of the industry. I hope the following comments may be of some interest and help to show that selling ETSA is not in the interests of South Australia.

1. Selling ETSA does not remove the burden of State debt. All it does is transfer it from State taxpayers to electricity consumers, because the private owners will seek a return on purchase price at

least equal to the interest being paid on the same amount of State debt. Because the return to a private company would be subject to Commonwealth income tax, the burden on electricity consumers—

and I have also seen this formula in an international article, which I might read to supplement this—

would be increased to maintain the company's after-tax return. The main beneficiary of any sale would therefore be the Commonwealth Government at the expense of South Australian electricity consumers.

2. If ETSA is sold for $5 to $6 billion, the State will be between about $120 million to $180 million per annum worse off because the savings in State debt interest will be that much less than the returns derived by the State from ETSA. The Sheridan report, which was commissioned by the Government, gave a sale price of about $4 billion for break-even (i.e. for interest savings to equal returns from ETSA). However, this report is seriously flawed with several major errors and omissions. When corrections are made for these, the break-even price needed is over $8 billion. Anything less than this, apart from leaving the State worse off, would be making a gift to the purchasing company's shareholders. These figures, incidentally, are easily derived from information in ETSA's and Optima's last published reports (if you know where to look).

3. Various statements being made about risks to ETSA from competition under the national electricity market are nonsense and simply demonstrate that the people making them do not understand how electricity systems and ETSAs in particular operate. One of the claims is that large consumers will be able to install their own generating plant. There is nothing new in this. For as long as ETSA has existed and before that, there has been nothing to stop anybody in this State installing their own generators and some with a cogeneration situation or access to cheap or by-product fuel have, e.g. BHP at Whyalla. Competition of this kind will be no more or less in the future than it has been in the past. It is also claimed that ETSA will have to compete with cheap electricity from the Eastern States. This ignores the fact that electricity can only come into South Australia via the Mount Gambier-Portland interconnection which has limited capacity and already operates continuously at full level supplying ETSA. Any consumer wanting to import directly would obviously have to pay interstate suppliers more than ETSA is paying, which is not likely to give them cheaper electricity than they are already getting.

4. The national electricity market, now being given as one of the main reasons for selling ETSA, is not a market at all but a contrived arrangement under a completely artificial set of rules which can be changed at any time. It is inflicting gross inefficiencies on the industry, especially in this State, by requiring what should be a highly integrated organisation, from generation through to distribution, to be fragmented into numerous small separately managed companies. At the same time it is spawning a virtual parasitic army of regulators, lawyers, public relations consultants, financial advisers, brokers, advertising agents, salespeople, futures traders, etc., none of who contribute anything to the production of electricity but all with a hand in the electricity consumer's pocket. At last count there were to be at least 10 separate Federal or State regulatory or supervisory type bodies involved with the industry in this State, with similar situations in other States.

The whole arrangement defies commonsense. It might well be described as economic rationalism at its lunatic best and has far more to do with empire building in Canberra than with cheaper electricity. While it is claimed that some groups of consumers, notably big business, will be better off, what is not being said is that other groups will be much worse off because neither privatisation nor the so-called market will reduce the cost of producing electricity; quite the opposite, both will increase them.

5. A serious effect of the proposal to fragment ETSA/Optima into numerous small companies is that none of them will have any overall responsibility for the reliability or adequacy of electricity supplies, particularly future supplies requiring the construction of new power stations and transmission lines; that is to be left to something called market forces.

6. The effects of Commonwealth income tax, which would be quite significant, do not appear to have been given much consideration. Apart from effects on the consumer mentioned above, because ETSA does not pay Commonwealth income tax whereas a private owner would, the effect of this would be to devalue the undertaking in private hands. Looking at it another way, selling ETSA, in effect, makes a gift to the Commonwealth equal to the sum that would need to be invested to return the annual amount of income tax it will gain.

If these comments are of any interest to you and there is anything about them you would like to discuss, particularly the cost figures, I would be very happy to do so.

Yours sincerely,
Bruce M. Dinham.

He does not mention what impact a GST will have on electricity delivery and service or sale. Earlier, I referred to two very powerful, unelected individuals who have influenced the policy development of both Parties. One is Alan Fels, who has his eye on the competition policies between States. Of course, the other who cannot go without a mention is Mr Hilmer. Both these gentlemen have had a marked influence on the policy development of the Commonwealth and all States over the last decade.

Most members who have contributed to this debate have said that Governments do not have the respect of people in the community because they break promises. The largest impact on our Party followers—and this includes the conservatives; in fact, I think the conservatives have been hit more by the phenomenon than has the Labor movement—occurred when the decision making processes for both major political Parties were taken out of Party rooms and put into the hands of those driving the economic engine room. In terms of the arguments about national capital versus international capital having been fought and lost with international capital having the upper hand, I point out that the Hilmer report and the competition policy now emanating through the Fels program are having a marked impact in relation to the limitations imposed on Parties in formulating their policies.

If you take the position that this Bill will pass—and I hope that it does not—industry development will be impacted upon by the way in which electricity is generated, distributed and sold in this region, because in less than five years States will really have no role or function: they will all be broken into economic regions. Taking all our public assets—water, electricity and so on—out of Government control and taking Government's hands off the levers not only impacts on its ability to raise revenue through customer payments and to have that money available in this State but it also impacts on social policy. If we have no levers at all, if both major Parties decide to go down the same road without the options required for membership—that is, without the ability to at least discuss options and formulate outcomes—then, obviously, people will lose faith with the democratic process in which they have been involved.

The Liberal Party has not had large membership but it has had broad participation, particularly in regional areas. The Liberal Party meeting on a Friday night in the general hall or the hotel has always led to good, rowdy debate and various opinions and views have been expressed. There will be the social venue of bring your own plate, which, over the years, has provided a democratic forum for outcome. Similarly, the Labor Party has a branch structure and a State Council structure and, over the years, people have made contributions to the democratic process by attending meetings, formulating policy—

The Hon. T.G. Cameron: I understand they are down to 6 000 members now from a peak of 11 000 less than two years ago.

The Hon. T.G. ROBERTS: Our membership would not be in a much healthier state either. The democratic processes are starting to alter—

The Hon. T.G. Cameron interjecting:

The Hon. T.G. ROBERTS: No, I understand the point the honourable member is making. The only ones that are on

the rise are those organisations and structures that do not have democracy at heart. Many people feel that their views, opinions and contributions are not being heard because of the economic rationalist debate occurring around them and not with them, and the sale of ETSA is probably the best example of a marked policy movement, without any indicated position prior to an election, that this State has had. The water privatisation debate certainly got many people thinking about what options there were in relation to the—

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: I am saying that it is a debating point. The honourable member says, 'It is not privatisation; it is outsourcing.'

The Hon. A.J. Redford: There is a difference.

The Hon. T.G. ROBERTS: I understand that.

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: It is good to be able to be educated by the educated! I understand the nuances and the differences between outsourcing, privatisation and sale. The point is that a large number of people in the community who were not familiar with these terms half a decade ago are certainly having to come to grips with them. A previous Labor Government leased part of a public enterprise without consulting with its Party and the Leader of the Government at that time was taken to task over it.

The point is that a number of major policy issues are being made by Governments without consulting with their constituents—and I do not care whether it is Labor or Liberal. I know that there is a certain amount of nervousness, particularly in regional areas, about the privatisation and the removal of ETSA from Government ownership. It has not been filtered through perhaps to the decision makers within the Liberal Party, but I am sure that when Ian McLachlan conducted his private polling in the South-East—because he would not have relied on the Liberal Party polling because that would have been inflated to try to keep him—he was certainly made very nervous by a lot of opinions held by regional people.

My prediction in relation to the seat of Barker is that no Party will receive any more than 35 per cent of the primary vote. The vote will be broken down into very small job lots and it will become very important as to how the preferences are distributed. It is my feeling that both major Parties will be the last to be consulted about how preferences are distributed. I suspect that, whichever Party is in Government (whether it is the Labor Party or the Liberal Party), the sitting Government member and the sitting Government's Party will be impacted worse than the other major Party that is in Opposition.

The Labor Party has not had a vote over 35 per cent in Barker for a long time but I suspect that, on this occasion, it might get it. It is not because the electorate wants the Labor Party in: it wants the Liberal Party out. I believe that one of the key ways in which both the Labor Party and the Liberal Party may have to assist each other is to exchange preferences—something unheard of in the past, particularly in regional areas. There would have to be some sort of consideration based on the quality of candidates hereafter. A crisis is occurring. It is a crisis of confidence in Governments to govern in the best interests of—

The Hon. R.I. Lucas interjecting:

The Hon. T.G. ROBERTS: Yes, it is all linked. The fact that—

The Hon. R.I. Lucas: Are there ETSA employees in Barker?

The Hon. T.G. ROBERTS: There are very few left, but there are still some there. The mandate that the Government has not got to sell is the point that I make in relation to crisis of confidence. It is a major policy shift and it is a major policy change that has not been explained properly, and I believe that the Government is either very brave or very foolish. I believe that it is very brave for people to put their reputation and their credentials on the table by saying that if this Bill passes South Australians will be better off, that we will be able to fit into a national electricity market and that the private sector will make sure that market forces bring about benefits to this State, when in fact the history of privatisation of major power bodies has been the direct opposite.

I refer to Mercury Power in New Zealand. That is an example of what happens when power is broken down into units but it can be Government supervised, owned and controlled. When it is broken down so that profits are maximised into sections, I have already explained that maintenance goes out the window and the consumers are put at risk. That could not have happened at a worse time for the Government. Mercury Power is an illustration of the fear that many people have in the back of their mind. We have had 60 years of stable delivery of service and power. There has been the odd hiccup in relation to surges and blackouts but, in the main, power has been managed effectively and efficiently and distributed at cost that most people are prepared to pay. Some people pay a little late, but they are still prepared to pay their bills. We have major uncertainty in the lead-up to an election, and at a time when we have international uncertainty in relation to financial and economic markets. It would be my view, being a progressive in the political scene, that we take a conservative position, ride out the bumpy track that we are about to see—

Members interjecting:

The Hon. T.G. ROBERTS: Perhaps I will just take a minute to explain how we lose. When the numbers were gathering for the Commonwealth Bank sale, the first argument that we had to overcome was within the Party itself. The Party had to have a mandate. Here is a—

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: Here is a real illustration of democracy for the Liberal Party and the Government. Keating tried to get it through on his own, in conjunction with Bob Hawke as well. They must have had lunch and decided to go ahead and sell it off. The first that the rank and file heard about it was when there was an announcement that a third of Commonwealth Bank would be sold. Everybody knew that a third meant the lot, eventually. There were then hastily-called meetings by branch secretaries. Some stood in the way of the democratic process and tried to stop them, and others facilitated the process.

The Hon. R.I. Lucas: Where were you?

The Hon. T.G. ROBERTS: We were trying boldly to stop the sale. A national meeting was called, and the honourable member sitting behind me may remember, but the Centre used to break up into two groups, with one delivering the numbers to the Right and the other delivering the numbers to the Left, but they would always deliver enough to the Right to make sure the policy got through!

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: No, you missed it. You will have to read—

Members interjecting:

The PRESIDENT: Order! The Hon. Terry Roberts will please stick to the script.

The Hon. T.G. ROBERTS: You will have to read *Hansard*. The Centre did its count very well. It would know how many were voting for it both on the Right and on the Left. It would then proffer a little more or a little less than half, depending how the policy bent went, but in the main the number of Centre votes was always delivered to make sure the policy got through. You would then get the Left section of the Centre going back to their various States saying, 'We tried to stop it.' You would get the Right section of the Centre going back to that State saying that they sold it; so everybody in the Centre was happy. There was a constituency to meet.

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: The point I am making is there is a democratic process that has to be gone through. Hawke and Keating had to get a mandate. They then had to face an election. As to the SAGASCO argument, the Government held shares. It did not hold the controlling interest of SAGASCO. SAGASCO was a managed corporation that had a little bit of Government interference from time to time but, in the main, was based on a private organisational structure.

The Hon. R.I. Lucas: So was that a privatisation?

The Hon. T.G. ROBERTS: That was a sale of corporate shares.

The Hon. R.I. Lucas: A privatisation?

The Hon. T.G. ROBERTS: No, not in the true sense. If what the Treasurer is putting to me now is—

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: We opposed it, but if the Treasurer is telling me that he would either sell shares in ETSA to the public or sell bonds to finance the building of new power stations, then that is the way in which most Governments have operated over the last 30-odd years.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. ROBERTS: It was a return on capital invested.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. ROBERTS: That's the only explanation I will give you.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. ROBERTS: We opposed it on the same principle as you are implying. I have completed my constructive—

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order! I ask members to let the Hon. Mr Roberts finish his contribution.

The Hon. T.G. ROBERTS: I will not respond to any further interjections. I have concluded my case as to why I do not support the second reading and why I do support the retention of ETSA in public ownership.

The Hon. R.D. LAWSON secured the adjournment of the debate.

EMERGENCY SERVICES FUNDING BILL

Adjourned debate on second reading.

(Continued from 11 August. Page 1322.)

The Hon. CARMEL ZOLLO: My comments will be brief. As I understand it, this Bill establishes the framework for an annual levy on all land in South Australia or motor vehicles registered under the Motor Vehicles Act 1959 and all vessels registered under the Harbors and Navigation Act 1993. The Opposition recognises the need for legislative change. It believes that everyone has the right to expect access to emergency services for the protection of life, property and the environment and the responsibility to make a fair contribution towards the cost of those emergency services.

I acknowledge and appreciate the work of volunteers in our emergency services and recognise that many people involved in such work have the added burden of not being adequately funded. Volunteers are people with tremendous community spirit. They are the ones who provide the social capital in society. It was somewhat embarrassing to see volunteer SES personnel on roofs saving homes during our last spate of bad weather with inadequate protective clothing because the local council was funding a different emergency service. It is pleasing to see that funding will now be directed to all the major services including the State Emergency Services.

The concern of the Opposition, as has been expressed in the other place, is that this Bill does not address the ability of all consumers to pay. We are concerned for those people on a low or fixed income and their ability to pay. The options of raising the levy on capital values, a fixed charge or a combination of those two methods were the subject of considerable debate in the Committee stage of the Bill as was the need for legislated provision for concessions and the method of collection.

The Labor Opposition sees this levy as an additional burden which many people can ill afford to pay. It is a new property tax that shifts the responsibility to pay for our emergency services from Government consolidated revenue to the people of South Australia. I have already said in my contribution to the Appropriation Bill that this is nothing more than a land tax on every home, motor vehicle and boat.

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

TOBACCO PRODUCTS REGULATION (DISSOLUTION OF SPORTS, PROMOTION, CULTURAL AND HEALTH ADVANCEMENT TRUST) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 6 August. Page 1244.)

The Hon. R.D. LAWSON (Minister for Disability Services): I support this measure. It is a significant measure, because the Living Health organisation has existed under various names since 1988 and has performed a good service for the community of South Australia. It is worth reminding members that the original objectives of Living Health were to replace tobacco sponsorship programs and to promote good health and healthy practices and the prevention and early detection of illness and disease related to tobacco consumption. The Government remains committed to those worthy objectives. The measure presently before the Parliament should not be seen as in any way undermining or watering down the Government's commitment to effective health promotion. The Government has decided, however, that its commitment to health promotion and to maximising the level of funding available to be distributed to health, sports and arts

groups should be met by a mechanism different from that which has prevailed in recent years.

As most members would be aware, in 1997 the Economic and Finance Committee of Parliament reviewed Living Health and made unanimous recommendations. The committee was comprised of members of both Government and Opposition Parties. The recommendations were:

1. It is the view of the committee that the trust—

that is the formal name of the organisation colloquially known as Living Health—

has been unsuccessful in achieving its original objective.

That recommendation related to the fact that smoking rates, especially amongst young people in South Australia, have not declined significantly, notwithstanding the substantial amounts that have been put into anti-smoking campaigns by Living Health over a long period of time. The committee went on to recommend:

2. The trust's inability to focus on and appropriately resource this remaining objective (that is, to reduce smoking) has led the committee to recommend that the trust be disbanded.

That committee was comprised of members of both Government and Opposition Parties and had some very experienced members. Mr Heini Becker was the Chair of the committee, and its members were the Hon. Frank Blevins, the Hon. Malcolm Buckby, John Quirke, Mark Brindal, Sam Bass and Kevin Foley, so it was a very experienced committee of parliamentarians.

The Hon. A.J. Redford interjecting:

The Hon. R.D. LAWSON: There is no accident in the fact that Mr Foley remains where he is. The committee had noted that only one-fifth of all moneys disbursed by the trust between 1986 and 1996 was directed towards anti-smoking campaigns and programs. The committee also indicated that administration costs were reported to be about $900 000 in 1995-96. It should be acknowledged that some of the findings made by that committee were disputed by Living Health, but the substance of the allegations—in particular the high administration costs of administering a fund which was at the end some $13 million—was substantial. The Government acted entirely appropriately, in my view, in accepting most of the recommendations of the committee but, as I said at the outset, the Government remains committed to programs to encourage and promote good health and healthy practices, and to address health issues related to tobacco consumption.

The Government has given a commitment that the budget appropriation of, I think, $13.4 million in the current budget will be allocated to the departments primarily concerned with these programs, namely, the Department of Human Services, the Department of Transport and Urban Planning, the Department for the Arts, and the Office of Recreation and Sport within the Department of Industry and Trade. I commend the Bill and commend the Government for having introduced it.

The Hon. A.J. REDFORD secured the adjournment of the debate.

WHEAT MARKETING (GRAIN DEDUCTIONS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 11 August. Page 1308.)

The Hon. P. HOLLOWAY: The Opposition supports this Bill, which is to provide deductions from the sale of grain crops. Industry levies within the primary industry sector have become an established feature over many years now. In relation to the wheat and barley industries, there have been industry levies for some years, which have been used to fund research activities in relation to one of this State's most important primary industries. As a matter of fact, in coming weeks the other place will be debating a Bill to enable generic industry levies to be set up; that is, the various primary industries will be able to establish their own levies, which will raise money for promoting those rural industries, and we will be dealing with that shortly. But the levies in the grains industry have been around for a number of years.

This Bill seeks to provide deductions that go to two sources, the first being a research levy for the South Australian Grain Industry Trust Fund. That continues a levy that was established back in 1991 by a trust deed. What is new about this Bill is that there is an additional levy to support the activities of the South Australian Farmers Federation Grains Council. This Bill establishes an SAFF Grains Council levy.

The reason for the levy should be quite obvious when one thinks about the great changes that have happened in the grains industry over the past five or 10 years. Any person who has any knowledge of rural industries would be aware of the great debates in recent years over the future of the Australia Wheat Board and other grains councils. The National Competition Policy has also intruded into discussions on the future of the wheat and barley boards. It is quite obvious that those particular boards, which have been acting on behalf of farmers in those industries over recent years, have had an incredibly large workload dealing with some of these big issues. There is no doubt that their workload will increase in the future.

Mr President, I know that, earlier this year, you attended the annual conference of the Grains Council. I also attended as, I think, did the Hon. Ian Gilfillan. We were present when the question was asked how the industry could guarantee its future in terms of funding, and it was overwhelmingly supported by the members of that Grains Council. The papers from that particular conference indicate why this was needed. One section of those papers states:

The key reasons why an autonomous funding option for the SAFF Grains Council should be supported:

- It overcomes the inevitable trend of the declining number of grain growers and hence the declining number of federation members. If we do not change our financial structure in the foreseeable future, the federation and hence the council may wither and die;
- It captures the positive trend of increasing annual grain production by the use of a voluntary levy, hence it captures a mechanism to realise the financial sustainability of the council;
- It improves the transparency and accountability of federation staff by the use of a service agreement between the council and the federation.

The discussion papers then mention average outlay. The number of grain growers, like other farmers, has been declining over the years. A 1.7 per cent fall in the number of commercial farms has been continuing for decades. Of course, the output of the grains industry is approximately $7 billion across the nation. So, it is a very important industry for this country and it is important therefore that those who manage the industry should have the necessary resources. This State has provided a number of key figures in the grain industry nationally. The current President of the Grains Council of Australia is John Lush from South Australia.

It is important that we support this levy to enable the Grains Council to continue its important work in dealing with a number of quite difficult and complex issues. It is also important to continue the levy because it provides research funds for the grains industry. The fruits of that research, we know, are very productive. They have a very high return and they are absolutely essential if the grain industries are to continue to reduce costs and therefore compete on a world market.

This Bill also extends the definition of 'crops'. As I said, the original research levy was included in both the Wheat Marketing Act and the Barley Marketing Act. This Bill will bring them all under the Wheat Marketing Act, but the definition of 'grains' will be expanded to include a full range of cereal crops, oil seed crops and pulse crops. It is interesting to note the large increase in a number of other crops. If these new industries involving new crops are to prosper then it is important that they also be part of the research effort.

I note this year that Pulse Australia released a yearbook. It held a conference in July and also publishes an update newsletter. It has a number of goals for expanding competitiveness and production and expanding and developing new markets within this industry. It is interesting to note that the average production of pulse crops in this State has increased from 187 000 hectares sown in 1989-90 to 265 000 hectares in 1995-96, so there is a great expansion in these crops, the most common being broad beans, chickpeas, field peas, lentils, lupins, mung beans, and so on. It is important that we expand the definition to enable additional research effort to be undertaken in those areas.

While the Opposition is happy to support levies of this type and while we are happy for rural industries to collect their levies—after all it is the growers' money and they can do so as they want—I draw the comparison with collecting union fees through Government agencies. Before the 1993 election, the Government collected deductions from members of the Public Service Association, the Institute of Teachers, and so on. A comparison can be made here. While the Opposition is quite happy that these industries are able to collect the money because it is their money and they should be able to employ it to advance their industry—

The Hon. Caroline Schaefer: It is voluntary.

The Hon. P. HOLLOWAY: It is voluntary as it was with the Government collecting from PSA or SAIT members. No-one is forced to be a member. There is an analogy between the two of them and, for consistency, we believe that individuals who want to come together to act in their interest to promote their industry, in this case, or their common good in the case of unions should be able to do so. In that sense, we do not distinguish between the two. In conclusion, the Opposition is happy to support the Bill.

The Hon. J.S.L. DAWKINS: I thank the Hon. Paul Holloway for his comments, most of which I agreed with, although I thought in the latter part of his contribution that he drew a rather long bow. I support the Bill and I state that, while not actively growing grain any longer, I still have an interest in land on which grain is grown. The purpose of the Bill is to provide for deductions from the sale of all grain crops in South Australia and the allocation of those deductions for the benefit of the grain industry in this State. The first deduction is the research levy for the South Australian Grain Industry Trust Fund and the second levy is to support the activities of the Grains Council of the South Australian Farmers Federation.

The research levy was established in 1991 and, to date, it has been funded by deductions from the sale of wheat and barley. This Bill reflects the rapid expansion in the production of other broad acre crops in South Australia, including oil seeds and pulses, and the resultant need to broaden the base for supporting crop research and other industry activities.

This Bill, in expanding the definition of 'crops' on which deductions can be made, has adopted the wide-ranging definition included in the Commonwealth Wheat Marketing Act. This includes the full complement of cereal crops, oil seed crops and pulse crops as follows: wheat, barley, oats, triticale—all of which I have had some experience with—maize, grain sorghum, soya beans, safflower seed, sunflower seed, linseed, cereal rye—another one with which I have had experience—grape seed, rice, field peas, lupin, millet, canary seed, grain legumes, pulses, canola and cotton seed.

In the case of both levies, a grain grower can notify the Minister in writing that as the seller of that grain they do not consent to paying the levy, and in that case the money would then be refunded. It is, in essence, a voluntary levy. Great advances have been made in cereal crop growing in recent years, Mr President, as you would be well aware, and it is important that resources are available for further research into the wide array of crops grown in this State.

The provision of certainty in funding for the South Australian Farmers Federation Grains Council is also very important. I think this greater certainty will allow for some reimbursement to key grains council personnel for the many hours of time that they devote to their industry. Many people in rural areas provide their time for industry and, indeed, community organisations without any thought of reimbursement. However, my own experience reminds me that many meetings, particularly involving interstate travel, fall at times which are most inconvenient to the seasonal programs of the South Australian farmer. This quite often necessitates the employment of alternative labour to replace the person who is away on industry business at a peak period.

The industry in South Australia has been well served by representatives from the grain industry, as the Hon. Paul Holloway said, including the late Alan Glover from Yeelana who was a great ambassador for his industry. I well remember a meeting at Loxton where I had the privilege to speak, as did he. I represented the Liberal Party and, at that stage, I do not know that the Farmers Federation agreed with everything we were doing federally at that time and I wondered whether he might stitch me up, but he was actually very generous and statesmanlike. Unfortunately, he did not live a great deal longer after that evening.

South Australia has also been well represented on the Federal stage of the grains industry by people such as Mr Andrew Inglis of Crystal Brook, Mr Jeff Arney of Bordertown (who is currently the President of the South Australian Grains Council), and John Lush of Mallala, who recently assumed the position at the helm of the Grains Council of Australia. These people have made that contribution at considerable personal cost. I note, as the Hon. Paul Holloway said earlier, the AGM of the South Australian Farmers Federation Grains Council gave overwhelming support to this measure and I hope that that can go some way to allowing others, who may not have the resources, to be involved in grain politics. I have pleasure in supporting the Bill.

The Hon. CAROLINE SCHAEFER secured the adjournment of the debate.

WORKERS REHABILITATION AND COMPENSATION (MENTAL INCAPACITY) AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 5 August. Page 1193.)

The Hon. NICK XENOPHON: At the outset, I disclose that I am still the principal of a law firm that practises in personal injury and workers compensation claims. I rise in support of the Bill and support the Hon. Ron Roberts for his reformist zeal in bringing this matter before the Council. This Bill seeks to remedy what I and many others in the community see as a fundamental omission in the current legislation—the lack of any entitlement for non-economic loss for mental incapacity, which of course includes psychiatric disability. I note that the entitlement for non-economic loss lump sum for psychiatric disability was removed as a result of amendments to the principal Act in 1992 moved by the then Labor Government.

This was an unintended consequence of those amendments. It removed the right for non-economic loss payments for those injured workers left with permanent psychiatric injuries. I hasten to add that the previous Labor Government moved a number of other amendments at that time that had intended consequences, which included the removal of common law rights which I found then and find now to be quite unfair and unacceptable.

However, this Bill seeks to remedy a significant injustice in the 1992 amendments and I wholeheartedly support it. All credit to the Opposition and to the Hon. Ron Roberts in particular for acknowledging the quite serious mistake that was made and setting about to rectify it.

Those opposing the Bill seem to rely on the premise that, because it relates to psychiatric injury, it is somehow less serious than a so-called physical injury. Having acted for many victims of work injuries where there is a psychiatric component, in whole or in part, I can assure honourable members that a psychiatric injury can be just as debilitating and destructive to a person's enjoying the amenities of life as a physical injury, and in many cases more so.

There seems to be a logical inconsistency in the current Act allowing weekly income maintenance for a psychiatric injury but not allowing a lump sum payment for non-economic loss for a permanent psychiatric disability. I emphasise that the entitlement envisaged under this amendment is applicable only if there is a permanent loss of mental capacity and so the scope of this amendment is responsibly confined to those cases where there is a permanent loss. In the circumstances, I support the second reading of the Bill.

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

PROSTITUTION BILL

Adjourned debate on second reading.
(Continued from 22 July. Page 1080.)

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I support the second reading of this Bill, which seeks the decriminalisation of prostitution. I commend the initiative of the Hon. Terry Cameron in bringing forward this Bill. It arises from the report of the Social Development Committee, which was tabled in this place on 2 October 1996 by the then Presiding Member, the Hon. Bernice Pfitzner, and I note that the Hon. Terry Cameron was a member of the committee at that time. While the Hon. Bernice Pfitzner is no longer a member of this place, at least the work undertaken by that committee is being pursued in her absence. I want particularly to commend the Hon. Bernice Pfitzner for undertaking what can be a trying task when one is addressing social reform issues. I noted that, in her speech in tabling the committee's report, she commented on the tremendous effort that had been made by the committee in addressing this issue, and I suspect she might have been reflecting on the tremendous effort she had to make as Chair of that committee to bring the proceedings to some conclusion.

This is the fourth Bill since 1980 that has sought to change prostitution laws in South Australia. All have been private members' Bills and all have failed to find majority support in the Parliament. Yet the community believes that the current laws on prostitution need to be changed. I note that the Social Development Committee itself was unanimous in agreeing that the present laws are unworkable and ought to be changed, although different views were held by members of that committee about how those laws should be changed. Certainly, I am of the view that the present laws are not working well. They are out-dated and outmoded, and they ought to be changed. I have said the same in debate on two previous Bills that have been before this place, one introduced by the Hon. Carolyn Pickles in August 1986 and the other introduced by the Hon. Ian Gilfillan in August 1991.

I do not know whether there is any truth in the old saying: 'Third time lucky'. I hope that that does eventuate in the case of this Bill—that we will certainly get it into a select committee and seriously consider initiatives that we can take. I am not happy with all aspects of this Bill, but I believe earnestly that I can certainly be pragmatic in some of the views I hold about some of the measures contained in this Bill in an effort to accommodate the need for change in the prostitution laws in this State. While other members have also expressed misgivings about some aspects of the Bill, in seeking change there may have to be some give and take not only in personal views but also in consideration of various issues under the Bill.

In terms of social legislation, in another 20 years we could be talking about quite pedantic issues and forgetting that for over 40 years this Parliament had been calling at different times for different forms of change to the prostitution laws, all essentially agreeing that they are not working, that they ought to be changed, that there ought to be greater protection for women who are working in this industry, but not to the degree that we would accommodate legalisation of the industry. So, rather than believe that we could still be debating this in 10, 20 or 30 years, it is time that we started looking seriously at some form of change, even if we are not able to accommodate all the issues that we believe are important in addressing the prostitution issue overall or the aspects of this Bill.

I am not easily put off by defeat in this place on matters that I hold dear. I always take heart in that regard by the example last century of the courageous individuals, men at the time, who proposed seven Bills to introduce women's suffrage before this Parliament. It was only on the seventh attempt that the Bills were passed, and it was landmark legislation worldwide. At this time we are well behind

reforms that have taken place in other States in terms of prostitution law. We may not always like what has unfolded in those States, but they have at least had the courage to address something that we know is instinctively and insidiously wrong in our society, that is, the way in which the law addresses prostitution. So, I will support the Hon. Terry Cameron's effort to bring this issue before the Parliament and, hopefully in some form, to see some reform.

In making those comments I highlight that this is a conscience matter for Government members. I have also provided the same advice to the Women's Advisory Council, which has considered this matter. I make reference to its consideration, because it does not support the Bill as proposed by the Hon. Terry Cameron. As I said, I do not think that that is a major factor, because I think we can work around some of these issues but, out of respect for the consideration given to this matter by the Women's Advisory Council, I do want to quote the following resolutions that have been passed. I should add that these resolutions flow from the Women and Violence Standing Committee of the Women's Advisory Council and a forum it held on 4 May 1998. These recommendations of the forum were then considered by the Women's Advisory Council on 19 June 1998. The first recommendation is as follows:

> That the Women and Violence Standing Committee of the Women's Advisory Council support the decriminalisation of prostitution because:
> - Women working in the sex industry are severely stigmatised, disadvantaged and endangered as a result of the criminal status of prostitution.
> - Criminal status of prostitution inhibits safe sex practice in the industry.
> - South Australia is retrograde in that it is one of only three States and Territories that have not enacted prostitution law reform.
> - Legislative systems based on prohibition have not been successful in stopping the sex industry.
> - There is *prima facie* unfairness in current legislation which renders sex workers, but not their clients, subject to the criminal law.
>
> Recommendation 2.
>
> That the Women and Violence Standing Committee of the Women's Advisory Council does not support the Prostitution Bill 1998 proposed by the Hon. Terry Cameron MLC.

In discussion which follows, the comments of the Women and Violence Standing Committee (since adopted by the Women's Advisory Council) are as follows:

> Under the Cameron legislation sex work is only decriminalised if it occurs in registered brothels or escort agencies (s21). The registration process requires operators to meet strict criteria, pay fees, operate only in non-residential areas and comply with a prescribed registration and application process. Under this system, many operators would either be disqualified or dissuaded from becoming registered and many workers would still be engaged in criminal sex work. Women working in small or private operations, and women who are in less empowered situations would be particularly disadvantaged under the segregation of the sex industry into 'two-tiers' of criminal and legal sex work.
>
> On advice, we understand that this pattern has emerged in Victoria. In that State a restrictive and burdensome licensing system has caused the majority of prostitution to remain unlicensed and illegal. Large scale, commercial brothels have benefited from decriminalisation at the expense of small traders. . . The majority of women working in the industry remain subject to the same problems, dangers and disadvantages as they always faced.

The Women and Violence Standing Committee of the Women's Advisory Council believes that the proposed Bill would create a two-tier sex industry by causing a significant proportion of sex work to remain illicit. This would disadvantage a significant number of women working in the industry. The mandatory health testing component of the legislation is an ineffective means of ensuring the health of sex workers and their clients. This is best achieved by maintaining safe sex practice in the industry.

Given that sex workers have a lower STD rate than the general population and have been noted to have high levels of safe sex practice—and that was certainly pointed out by the Social Development Committee inquiry into this matter—the Women and Violence Standing Committee of the Women's Advisory Council believes that mandatory health testing specifically for this industry constitutes unwarranted discrimination.

In recommendation three, the Women and Violence Standing Committee of the Women's Advisory Council recommends that any legislation enacted to reform laws regarding prostitution must support and enhance the rights, safety, working conditions and well-being of women working in the sex industry.

I believe that this Bill is one that will be debated more extensively in the Committee stages. Many commendable initiatives have been introduced by the Hon. Terry Cameron in bringing forward this Bill. However, I have misgivings about the degree of regulation that the Hon. Terry Cameron is seeking and I have some concerns about some of the planning issues, and I have expressed those concerns on past occasions when addressing Bills by the Hon. Carolyn Pickles and the Hon. Ian Gilfillan. I take a more active interest in those issues today as Minister for Transport and Urban Planning.

Generally, I certainly commend the Hon. Terry Cameron. He—man of the world I suppose is a good description of him—would know that this Bill will not address all issues. I do not think that it addresses some of them very satisfactorily at all, but it offers some form of protection and legal framework which is not provided now and, in my view, it certainly does get rid of the discrimination that applies today in the way in which the law is administered in relation to prostitution, and the discrimination is clearly and unfairly levelled against women who are the majority of workers in the industry.

The Hon. J.S.L. DAWKINS secured the adjournment of the debate.

ADJOURNMENT

At 11.50 p.m. the Council adjourned until Thursday 13 August at 11 a.m.