LEGISLATIVE COUNCIL

Thursday 29 October 1998

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

PAPER TABLED

The following paper was laid on the table:

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

Medical Board of South Australia—Report, 1997-98.

ASSET SALE

The Hon. R.I. LUCAS (Treasurer): I seek leave to table a copy of a ministerial statement made in another place today by the Premier on the subject of WorkCover.

Leave granted.

EDUCATION AND CHILDREN'S SERVICES LEGISLATION

The Hon. R.I. LUCAS (Treasurer): I seek leave to table a copy of a ministerial statement made in another place by the Minister for Education, Children's Services and Training on the subject of the legislative review of the Education Act and the Children's Services Act.

Leave granted.

PORT PIRIE

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I seek leave to make a statement on the subject of Port Pirie.

Leave granted.

The Hon. DIANA LAIDLAW: In this place yesterday, the Hon. Ron Roberts used five minutes of the 35 minutes that we set aside each Wednesday of sitting to grieve about Port Pirie. I endorse the honourable member's comments about the major contribution that the City of Port Pirie and the Pasminco lead smelter (the largest in the world) makes to the economic development of South Australia. I also endorse his comments about the friendly nature of the people of Port Pirie. Indeed, I had the pleasure just one week ago to spend 2½ days in Port Pirie, and during that time I had the opportunity to meet at the local supermarket a host of people associated with the local council, regional development, industry, commerce, tourism, transport and the arts.

Perhaps it is the fact that in each instance my contacts in Port Pirie were positive and full of goodwill that has driven the Hon. Ron Roberts to lose his sense of perspective. Certainly, it is clear from his Matter of Interest speech yesterday that the Hon. Ron Roberts has developed a thick skin during the parliamentary break—a sensitivity for which he is not usually renowned. It is equally clear that the Hon. Ron Roberts has not lost any of his colourful capacity to distort the facts.

Yesterday the Hon. Ron Roberts based his defence of Port Pirie on remarks that he claimed I made on Tuesday in answer to a question from his Labor colleague, the Hon. Trevor Crothers, about heavy metal discharge. Early in the explanation to his question the Hon. Ron Roberts interjected. As all of us in this place know, there is no need for any member to respond to any interjections, and *Hansard* will record an interjection only if the honourable member who has the call to speak elects to respond. In this instance I can only surmise that the Hon. Mr Crothers must have taken extreme exception to the interjection from the Hon. Ron Roberts, because *Hansard* has recorded the following exchange:

The Hon. R.R. Roberts interjecting:

The Hon. T. CROTHERS: You have been brought up in Port Pirie. Do you think the lead had any effect on you?

Members interjecting:

The Hon. T. CROTHERS: Ask a silly question and you get a silly response.

Members interjecting:

The Hon. T. CROTHERS: I know you lived in Port Pirie for a long time. You must have done—you reflect it.

From this graphic exchange between ALP members opposite, it is clear that the Hon. Mr Crothers was reflecting on the Hon. Ron Roberts alone and no-one else. Reference to *Hansard* also confirms that my reply focused on the Hon. Ron Roberts alone—no-one else—and certainly not the people of Port Pirie, as I was accused yesterday. Today I simply take the opportunity to set the record straight and to register my objection that the Hon. Ron Roberts would distort my reply as a reflection on the people of Port Pirie. Such a distortion is unfair—a cheap political sideshow which has no basis in fact.

Reference to *Hansard* will now also show that, if the Hon. Ron Roberts wanted to take issue with any of the comments made in this Chamber on Tuesday, his odium should have been directed at the Hon. Trevor Crothers. No wonder the Hon. Ron Roberts has lost the confidence of his Labor colleagues and today sits on the back bench, no longer Deputy Leader of the ALP in this place.

LOCAL GOVERNMENT REVIEW

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I seek leave to table a ministerial statement delivered this day by the Hon. Mark Brindal on the subject of the Local Government Review.

The Hon. L.H. Davis: There's a new street in Port Pirie called Ron Roberts Walk.

The Hon. DIANA LAIDLAW: Ron Roberts what?

The Hon. L.H. Davis: Ron Roberts Walk.

The Hon. DIANA LAIDLAW: Well named!

The PRESIDENT: Order! Leave is granted.

Leave granted.

MINISTER'S STATEMENT

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

Leave granted.

The Hon. T. CROTHERS: The Minister has just referred in her contribution to putting the record straight. She had to get on her feet to put the record straight the other day—the day to which she referred—and let me now put the record straight for her by way of this personal explanation.

The Hon. Diana Laidlaw: Do you want the *Hansard*?

The Hon. T. CROTHERS: I don't need it: I have a very good memory. My second response was in fact to an interjection from the Hon. Robert Redford.

Members interjecting:

The PRESIDENT: Order! The Hon. Mr Crothers, there is no member in here called the Hon. Robert Redford.

The Hon. T. CROTHERS: Sorry; I was acting a bit. The Hon. Angus Redford—

The Hon. Diana Laidlaw: That's not what the *Hansard* says.

The Hon. T. CROTHERS: The *Hansard* doesn't say what you said.

The Hon. Diana Laidlaw: Yes, it does.

The Hon. T. CROTHERS: No, it doesn't—

The Hon. Diana Laidlaw interjecting:

The Hon. T. CROTHERS: I don't care—

The PRESIDENT: Order! The Hon. Mr Crothers has asked to make a personal explanation. Will he stick to it?

The Hon. T. CROTHERS: Whatever the Minister might deem to read into *Hansard*, my response to the second interjection was directed to the interjection of the Hon. Angus Redford. I am sorry that by way of personal explanation I have once again had to get up to correct the Minister's wrong statement. This is the second time in two days that she has been in error about the same subject matter. The other day she named the Hon. T. Roberts, and not the Hon. Ron Roberts, and had to make a personal explanation to correct that. Let me correct it again for her today: my second response was to the Hon. Angus Redford.

The Hon. Diana Laidlaw: Well, that's not what the *Hansard* says.

The Hon. T. CROTHERS: The *Hansard* doesn't say what you said it did.

The PRESIDENT: Order! The honourable member will resume his seat; he has concluded his explanation.

The Hon. A.J. REDFORD: I seek leave to make a personal explanation.

Leave granted.

The Hon. A.J. REDFORD: I assume that when the Hon. Trevor Crothers was referring to the Hon. Robert Redford he was referring to me. In some respects it is a little trite to be critical of a Minister who gets Christian names right or wrong. As to the personal explanation I wish to make, the *Hansard* report is as follows:

> **The Hon. T. CROTHERS:** You have been brought up in Port Pirie. Do you think the lead had any effect on you?
>
> *Members interjecting:*
>
> **The Hon. T. CROTHERS:** Ask a silly question and you get a silly response.
>
> *The Hon. A.J. Redford interjecting:*
>
> *Members interjecting:*
>
> **The Hon. T. CROTHERS:** I know you lived in Port Pirie for a long time. You must have done—you reflect it.

If the Hon. Trevor Crothers seeks to change *Hansard* to indicate that he was responding to me, I offer this explanation: first, I have never lived in Port Pirie. The only member, as I understand it, who has lived in Port Pirie is the Hon. Ron Roberts. I have met many people from Port Pirie—they are wonderful people and I would be proud if I had come from Port Pirie, but that is not the case. *Hansard* states:

> I know you lived in Port Pirie for a long time.

That does fit the Hon. Ron Roberts and it does not fit me. I think the Hon. Trevor Crothers is trying to rewrite *Hansard*, and that is an appalling reflection on the *Hansard* staff who work so diligently to get the record correct.

The Hon. T. CROTHERS: Mr President, I seek leave to make a personal explanation.

The PRESIDENT: This is not the time or place to debate the matter. Do you claim to be misrepresented by what the Hon. Mr Angus Redford stated? Please state how you have been misrepresented.

The Hon. T. CROTHERS: I have been misrepresented by the last speaker, because part of what he said is not true.

Leave granted.

The Hon. T. CROTHERS: The Hon. Angus Redford said clearly in his statement (this must have been his legal mind at work, God help us!) that it had to be the Hon. Ron Roberts I was referring to because he is the only one who lived in Port Pirie for some time in his life. Let me tell the Council that he has lived in Port Pirie for almost all his life.

The Hon. A.J. Redford: That's what I said.

The Hon. T. CROTHERS: The Hon. Mr Redford did not say that. *Hansard* will record what he said. He was trying to use his so-called barrister's trained mind of evidentiary logic to pin something on me which is not true. I am the only one who knows to whom I directed my second comment and it was to the Hon. Mr Redford.

QUESTION TIME

AUSTRALIAN DANCE THEATRE

The Hon. CAROLYN PICKLES: Just for the record, I have never lived in Port Pirie, either.

Members interjecting:

The PRESIDENT: Order! If the honourable member is not going to seek leave to make an explanation, she should resume her seat.

Members interjecting:

The PRESIDENT: I have not heard it.

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Minister for the Arts a question regarding the Meryl Tankard Australian Dance Theatre.

Leave granted.

The Hon. CAROLYN PICKLES: I refer the Minister to documents received by me in response to a freedom of information request. Whilst there are a number of interesting documents and also a number of documents that are just as interesting because they have not been forwarded under FOI but are in my possession, I refer to a letter sent by Justice Margaret Nyland, the Chairperson of the board, to the Minister dated 14 May 1998, as follows:

> I acknowledge receipt of your letter dated 1 May 1998. The board understands your concerns and appreciates your interest in this matter. Before addressing the specific matters raised by you, I make by way of background some general comments.

It is therefore clear that Justice Nyland's letter responds to issues raised by the Minister. Apart from background points, the letter lists a number of headings, which are: current contractual obligations; the ownership of the works; and the company's ongoing ability to meet objectives and targets set out in the draft performance agreement. Of particular significance is point 6 which states:

> At the board meeting held on 12 May 1998, the board, although still wishing to achieve an amicable solution, considered it essential to expedite the resolution of this issue. The European tour concludes with its last performance on 28 May 1998. The board therefore resolved that unless some progress was made in the near future that formal notice of the board's intention to terminate the contract should be given to the Artistic Director at the end of the tour, that is, on or about 1 June 1998.
>
> I mention these various matters as the responses to your queries are to some extent contingent upon what happens in the next two weeks. At present, however, it is likely that a formal termination notice will be given to the Artistic Director on 1 June 1998.

About one month later, on 17 June 1998, and later on 2 July, the Minister advised the Parliament very differently. She stated:

> Her statement that she has been given marching orders and that she has been sacked is false. . . She has not been given her marching orders, nor has she been sacked.

The letter states further:

> A proposal for substantial restructuring was sent to Tim O'Loughlin on 6 March 1998. He has subsequently confirmed receipt and has advised he will respond at the appropriate time.

This suggests that the Minister's departmental head knew at least a month before the Minister claims she was first advised of the situation at the ADT. My questions to the Minister are as follows:

1. Why did the Minister advise the Parliament on two separate occasions of facts that are very clearly contradicted by the Minister's own Chairperson, Justice Margaret Nyland, and will she supply a copy of the letter she sent to Justice Nyland on 1 May 1998?

2. Did Mr Tim O'Loughlin or any other member of the Minister's staff brief the Minister verbally or in writing or provide her with a copy of Justice Nyland's proposal for substantial restructuring, and will the Minister authorise the release of such a proposal?

3. Do the documents released under FOI represent the total number of documents available?

The Hon. DIANA LAIDLAW: In response to the third question, the honourable member knows that that is not so, because I advised her by letter that 10 documents had not been released. These documents, as the honourable member has already been advised but did not choose to say in this place, relate to a board member's *curriculum vitae*; a letter from the Minister to the board about appointment issues which simply clarifies who was appointed to the board and for what term; a letter from the Meryl Tankard Australian Dance Theatre to Arts SA re strategic planning issues, which includes reference to a third party—it is because of that reference to a third party that the letter was not released; and minutes of four of the company's board meetings which include budget material.

So, I put on the record the advice that the honourable member has already received in relation to this matter. She would be aware that, regarding the request from the honourable member to Arts SA, 26 documents were identified and, in relation to a request to me, 23 documents were identified, and all those documents were forwarded to her.

Regarding the explanation and the first question, I have advised this place several times that Meryl Tankard has never been sacked—and that is true. She still works with the company and is engaged until the end of the term of her revised contract which all parties have signed—and that is April. As Artistic Director she takes the company to Japan next year.

The Hon. A.J. Redford interjecting:

The Hon. DIANA LAIDLAW: Well, the contract has been revised and all parties have signed the terms. She is still an employee of the company. The first advice that I received in relation to the unanimous decision of the board to revise that contract—and, as the Chairman said in the letter to which the honourable member referred, it was the board's view at that time that there would be an amicable solution to this issue—was on 1 April, at a meeting with the Chair (the Hon. Justice Nyland).

CORPORATE CREDIT CARDS

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Treasurer a question about corporate credit cards.

Leave granted.

The Hon. P. HOLLOWAY: In his recent report, the Auditor-General directs a warning at the Treasury department over security issues related to the use of corporate credit cards on the Internet. Specifically, he is concerned that there is no formal policy on such use of corporate credit cards. At page 1028 of Volume 3 of his report, the Auditor-General warned:

> The use of State Government corporate credit cards over the Internet clearly presented security issues for agencies in that outside users may be able to gain unauthorised access and use Government corporate credit cards.

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: Yes, it could do. That's why I don't do it. Is the Treasurer aware of any incidence of corporate credit cards being used in this way, and what specific action does the Treasurer intend to take to ensure that this security risk is averted?

The Hon. R.I. LUCAS: As with all issues raised by the Auditor-General, the Government will certainly give this issue proper consideration. I am not personally aware of any examples of Government credit cards being used, although in either the Auditor-General's Report or in the discussions I had with Treasury officers yesterday there was an indication, or a belief, that there might have been one such example in one Government department somewhere. I am not aware of the circumstances of that particular case, and I would have to seek further details.

The issue of security is a difficult issue. We had a discussion about it yesterday with Treasury officers. I believe the initial view from Treasury is that because the Auditor-General has raised this issue we ought to perhaps amend Treasury instructions to make it clear, if it is not, that this should not be allowed and that, indeed, may well be the final result. We certainly will consider the Auditor-General's recommendations. But in the course of the discussions that I had yesterday, one of the immediate questions I had was that if the Government is trying to encourage e-commerce (being a Government and a State trying to encourage greater use of information technology in business) would such a proposition be a sensible amendment to Treasury instructions or not? We did not have a significant length of time to discuss just this issue, as we were discussing a range of issues raised by the Auditor-General and so it is only an initial view at this stage, but the initial view of Treasury officers was that, if the Auditor-General is seeking this, perhaps we ought to amend the Treasury instructions to ensure that it does not occur.

I have asked that we at least consider the implications of such a move. As is the case in relation to the use of normal credit cards, if you go to a merchant to purchase something with a Government credit card and you leave a carbon copy of it there and someone steals your carbon copy, the sorts of issues about which the Auditor-General is concerned, I suppose, in terms of security for purchasing could equally be directed at that use of credit by a Government officer sensibly purchasing Government goods and services using the Government corporate credit card.

There are other examples that could be contemplated. I believe that people use their own credit card these days to pay a range of bills by quoting their credit card number over the

telephone. Again, you could think of circumstances where that arrangement might not be entirely secure, either. I know that in some agencies Governments are encouraging payment of accounts. My colleague the Minister for Transport might be able to help me here, but I think that in Registration and Licensing consumers are already able to pay some bills via the Internet.

The Hon. Diana Laidlaw: Registration, yes; not drivers' licences because of the need for the photograph.

The Hon. R.I. LUCAS: So, registration via the Internet already. I think SA Water is advertising—

The Hon. L.H. Davis: And many of the banks have Internet transactions.

The Hon. R.I. LUCAS: Yes. A number of agencies are encouraging the use of the Internet for the payment of accounts and therefore—

The Hon. Diana Laidlaw: It is really in response to a lot of customer demand.

The Hon. R.I. LUCAS: Yes, a lot of customers are demanding easier access to these sorts of services. As always, we are mindful of what the Auditor-General says. But, as I said yesterday, it is not always the case that we will always agree with what the Auditor-General recommends. I do not seek to make a political point out of this. It is an important issue that he has raised. We need to make sure that we are not opening up a huge new area where abuse could occur through lack of security; but, equally, we have to be cautious that we do not throw the baby out with the bathwater, that we do not prevent a whole range of sensible developments through a pre-emptive action in relation to an amendment to our Treasurer's instructions that go out to agencies.

The answer to the honourable member's question is that we will give it serious consideration. We have already discussed it and have not concluded a view. I am sure that we will have discussions with the Auditor-General as to how he sees it developing but, as I have sought to indicate, I do not think it is clearly a black and white issue. There are shades of grey about this one.

NITRE BUSH

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for State Development, a question about the nitre bush.

Leave granted.

The Hon. T.G. ROBERTS: There has been a bit of a dispute in the northern regions about the role and function of the nitre bush in relation to Aboriginal heritage. The issue was highlighted by some Aboriginal people who had been collecting berries from the nitre bush in the northern regions for bush tucker. The Native Vegetation Unit has given permission for one particular station to clear land in the northern regions and to burn the nitre bush so that the spinifex which grows in and around the nitre bush can be grazed by sheep or cattle. The Aboriginal people have been collecting berries from the nitre bush for their own purposes and, more recently, for bush tucker. I have been told by the Aboriginal people who contacted me, including Geraldine Anderson, who was the subject of an article in the *Advertiser* on 16 October about the nitre bush being cleared, that some artefacts associated with their spiritual life are being disturbed.

I do not raise this issue in relation to Aboriginal heritage because I understand that question is being discussed at another level, but the Aboriginal people concerned raised the issue in relation to the potential for the future use of the berries of the nitre bush for cultivation, or at least exploitation, by them for commercial purposes. We are always looking for jobs in regional areas. I have spoken quite regularly in this place about using more of our native flora not only to provide safe habitats in the wild but to provide protection and perhaps exploitation in a commercial sense to provide job opportunities for Aboriginal people, particularly in those northern regions.

The Hon. T. Crothers interjecting:

The Hon. T.G. ROBERTS: Not the way Question Time has gone today. Will the Minister for State Development consult with the Aboriginal people in this State, particularly in the northern regions, to identify the potential for commercial growing of native vegetation such as the nitre bush in regional areas? Will the Government consider appointing an appropriate Aboriginal person to the Native Vegetation Unit so that these issues can be discussed with Aboriginal people before any of those clearance measures take place?

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

ROADS, COUNTRY

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking the Minister for Transport a question about the state of country roads in South Australia.

Leave granted.

The Hon. A.J. REDFORD: Yesterday, on 5AN, Mr John Fotheringham of the RAA claimed on ABC radio that the condition of some roads in country South Australia could reach a crisis point unless more Government funding was allocated to upgrade them. He is also reported as saying that he travelled to Whyalla for a RAA board meeting and he indicated that some roads were no longer able to cope with the amount of traffic. Indeed, he went on to say:

> Bearing in mind that, you know, money for roads seems to go backwards, as I said, many of these roads are getting older and older; unless we start to do it now, then there will come a point where there is too much work to be done and there will be a crisis problem.

My questions to the Minister are: what is the Government doing in relation to country roads and, secondly, what levels of expenditure has the Government committed to the improvement and upgrading of regional roads in South Australia?

The Hon. DIANA LAIDLAW: I am very pleased that the honourable member alerted me to the statements made by Mr John Fotheringham, representing the RAA, on ABC radio yesterday. He made the claim, as the honourable member said, that money for roads is going backwards. That is blatantly untrue, and perhaps I should seek leave to insert into *Hansard* a statistical table confirming my statement.

Leave granted.

Year	National Highway	Rural Arterial	Urban Arterial
1994-95	54.7m	44.0m	60.8m
1995-96	66.7m	58.1m	74.3m
1996-97	66.2m	57.9m	106.7m

The Hon. DIANA LAIDLAW: The figures for 1997-98 are not yet available but they are currently being compiled in terms of breaking down the categories into national highway, rural arterial and urban arterial roads. However, I have the figures for 1994-95, 1995-96 and 1996-97, and members will see from the table that under 'national highway' the Federal

Government contribution to roads has increased from $54.7 million to $66.2 million—hardly a step backwards. For rural arterial roads, which are a State Government responsibility, the figure was $44 million in 1994-95 and that rose to $57.9 million in 1996-97. I should point out that that involved a 30 per cent increase between 1994-95 and 1995-96, and it remained about the same last financial year. In terms of urban arterial roads the increase has been from $60.8 million to $106.7 million.

I would highlight two things about Mr Fotheringham's trip to Whyalla. Clearly, he had not driven that road for some time or he failed to acknowledge the Federal Government's contribution to the passing lanes between Lochiel and Port Augusta which, I think, the Hon. Ron Roberts, as a result of his trips to Port Pirie, has acknowledged in this place are a vast improvement when travelling to and from Port Pirie. Also, the Federal Government's funds for the dual highway all the way from Adelaide to Port Wakefield is an excellent contribution. That initiative was started by the Federal Labor Government and was completed in recent years.

So, there has been a lot of investment in those roads to Port Pirie around to Whyalla. I think it is regrettable that the RAA does not acknowledge the investment that is being made to road conditions in South Australia, particularly for the benefit of people living in rural and regional areas.

In the meantime, the Government has a strategy for sealing rural arterial roads in country areas, and members would acknowledge the sealing of the Burra to Morgan road and the work being done on Kimba-Cleve, Lock-Elliston, in the Riverland, in the South-East and in the Mid North.

I would highlight, too, that there are problems which I acknowledge. If we did not have a whole lot of other projects, whether it be backlogs in schools or hospitals, or even in roads, water or power, it would be easy if we had loads of money but we do not. That is not the fault of this Government: it is the fault of earlier Governments. If we had the money, that would be terrific. But, in the meantime—

An honourable member interjecting:

The Hon. DIANA LAIDLAW: How could I be when I have just said that I have increased spending on rural arterial roads from the days when you were in government from $44 million to $57.9 million and on urban arterial roads from $60.8 million to $106.7 million? It is hardly rolled over in fat. My colleagues would accuse me of getting my way too often. What Labor could not do we are seeking to address.

I do acknowledge that in the Murray-Mallee area there is a particular problem because neither the Coalition Federal Government nor the earlier Labor Federal Government acted on a royal commission on grain handling which recommended that when any rail line is closed funds should be provided to the local and State Governments in equal proportions to upgrade those roads because of extra wear and tear from grain trucks during harvest time. That extra money has never come to the State, notwithstanding AN's decision to close grain lines in rural areas.

We have, however, this past week finished the standardisation of the Pinnaroo-Tailem Bend line; that is a project by ASR, two-thirds funded by the Federal Government and one-third funded by the State. That will be open for grain business on standard gauge line from Pinnaroo right through to Outer Harbor in the near future. The goal in many cases is to ensure that, as much as possible, we can get freight onto rail and off roads. We are certainly doing that with appointment of the first ever rail coordinator within Transport SA. That appointment should be made within the next week or so, and that person will have to do a lot of negotiating with companies to win back business to rail from roads.

I acknowledge, and always will, that there will always be work to do on roads. I think it has been an issue for every Government and every member every time they go to country areas. It does not matter which Government is in power. I would like to say that with this Government the funding has been increased dramatically. I am proud of that. We are doing our best in difficult circumstances and the commitment is certainly there for country and regional areas from this Government in terms of roads.

The Hon. T.G. CAMERON: I have a supplementary question. Could the Minister please advise the House which State on mainland Australia has the lowest per capita spending on its roads?

The Hon. DIANA LAIDLAW: I will obtain that information for the honourable member.

The Hon. T.G. Cameron: I think you will find it is South Australia.

The Hon. Diana Laidlaw: This State had—

The PRESIDENT: Order, Minister! The question and answer have been completed.

POLICE BRANCH, AMALGAMATION

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Minister for Police, Correctional Services and Emergency Services a question in relation to amalgamation of the Anti-Corruption Branch and the Internal Investigation Branch.

Leave granted.

The Hon. IAN GILFILLAN: Information given to me from several sources, one of which is involved in enterprise bargaining in the Police Department, is that the Police Department is considering an amalgamation of the Anti-Corruption Branch and the Internal Investigation Branch. I have been told that this is under active consideration as a cost cutting measure occasioned by the Government's $4 million reduction in this year's police budget. The Anti-Corruption Branch is presently housed independently at Rose Park, away from other police units and branches. Savings in rent would be made by collocating it with the Internal Investigations Branch at Police Headquarters in Flinders Street.

I am concerned, and concern has been expressed to me, about what this proposed amalgamation would mean for the functions currently performed by these two bodies. Corruption does not necessarily involve police internal affairs: corruption can occur anywhere in public life. Therefore, the Anti-Corruption Branch has a very different role from that of the Internal Investigation Branch. However, the ACB is the only body that investigates corruption, including police corruption, in South Australia.

In her review of operations under the Police Complaints and Disciplinary Proceedings Act 1985, Iris Stevens received submissions from the public complaining about a 'lack of professionalism at times in the investigative procedure' of handling police complaints. Indeed, there has long been public concern about police investigating police. Section 13 of the Police Complaints and Disciplinary Proceedings Act 1985 requires the Internal Investigation Branch to be a 'separate branch' within the Police Force. Section 15 of the Act prohibits the Internal Investigation Branch staff from investigating offences by civilians, yet investigating offences by civilians is part of the duties of the Anti-Corruption Branch. Therefore, the two cannot be legally combined unless

the ACB is stripped of its functions to investigate non-police corruption. Through the Treasurer, I ask the Minister:

1. Does the Government support the amalgamation of the ACB and the IIB?

2. Is it the Government's intention to strip the ACB of its functions to investigate non-police corruption to facilitate this proposed collocation?

3. Does the Government accept that combining the ACB and the IIB would reduce the independence of the ACB?

4. Would it increase the ACB's direct accountability and potential influence from police management located in the same building?

5. If this does go ahead, does the Government consider that it is appropriate to set up a new, independent entity to investigate corruption in South Australia?

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

BAROSSA MUSIC FESTIVAL

The Hon. CAROLINE SCHAEFER: In the light of recent speculation, will the Minister for the Arts inform us as to the future of the Barossa Music Festival?

The Hon. DIANA LAIDLAW: Yes, this is a subject of considerable speculation. I was pleased to attend the festival on two of the three weekends on which it was held. I would have attended all three weekends if the Federal election had not meant that I was in Adelaide rather than having fun in the Barossa.

The Hon. T.G. Cameron: That would've been a bit indulgent, wouldn't it?

The Hon. DIANA LAIDLAW: To stay in Adelaide?

The Hon. T.G. Cameron: No: to have three weekends.

The Hon. DIANA LAIDLAW: It would have been a little indulgent to attend all three, yes, but the arts are never indulgence: it is always work. The Barossa Music Festival is generally regarded as having been a great success again this year. I certainly am aware that Arts SA is initiating a meeting with the festival management and has asked for such a meeting to be held soon. Arts SA initially thought that such a meeting should be held after the accounts were in and audited, but it has taken the initiative to call the meeting even before that time to start discussions to examine how the festival can continue on a sustainable financial and artistic basis with benefit to tourism in the longer term. I am also very keen to see the festival management build its audience base through its program and marketing, and to achieve all that without increasing amounts of subsidy from Arts SA.

I should point out that the general view expressed to me by many people who have attended all Barossa festivals was that it would be better to hold it on two weekends and the intervening week rather than three weekends, but this is a matter for discussion. Certainly, the Barossa Music Festival, as a legally constituted incorporated association, will ultimately have to make those management decisions.

The Barossa Music Festival has had well publicised financial difficulties, with considerable budget overruns occurring in the 1996 and 1997 festivals. It has done so despite Arts SA, on behalf of the Government, doubling the Arts SA contribution to the Barossa Music Festival over the past three years. I point out that no other arts organisation in this State has enjoyed such an increase—a doubling—in its operating grant. So, that is an important consideration when I make the statement that, in looking at the future of the Barossa Music Festival, I am looking at arts investment in a program which will build its audience base without requiring increasing subsidy from Arts SA, which will focus on financial management and financial sustainability and which will make a high level contribution to the artistic and tourism benefit in this State.

I believe that the Barossa Music Festival can achieve all those outcomes, but to do so it must certainly meet with Arts SA soon. Hopefully, it will do so with accounts which have been audited and which would suggest that the festival came within budget on this last occasion. Even if the accounts are not audited, I would still suggest that the Barossa Music Festival meet with Arts SA rather than delay the matters that are clearly at hand so that the structural, financial, audience and artistic issues regarding its programming for next year can be addressed earlier rather than later.

SMITHFIELD LANDFILL SITE

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about planning approval processes.

Leave granted.

The Hon. CARMEL ZOLLO: The Northern Adelaide Waste Management Authority (NAWMA) has submitted a proposal to Planning SA for a waste dump near Smithfield. The supplementary EIS is currently being considered. In its *Region Roundup* newsletter, NAWMA has stated that the assessment report has been completed, is currently with the Minister and will be submitted to Cabinet for approval shortly. NAWMA goes on to quote from the report and print extracts which indicate approval for the project. Local residents have contacted Planning SA and have been unable to obtain a copy of the assessment report. My questions to the Minister are:

1. Has the report been completed, and is it with the Minister?

2. Is it normal practice for Planning SA to release a copy of the assessment report to the proponents of a project before it is publicly available?

3. If the report or part of the report is released prior to the public release, are the proponents permitted to publish selected extracts from that report?

4. Will Planning SA release the assessment report to other groups that have made submissions to the EIS?

The Hon. DIANA LAIDLAW: As the proponent, NAWMA did receive a draft or interim copy for last minute comment. I understand that is standard practice and not for general distribution at that stage, because the assessment report has not been completed. I have written to the Chair of NAWMA, Mr Ron Watts, taking extreme exception to the statements in that newsletter, I think made on behalf of NAWMA by the General Manager, Mr King.

The Hon. Carmel Zollo interjecting:

The Hon. DIANA LAIDLAW: I think that is the case. I have written to the Chairman expressing the fact that I take extreme exception to the statements made. They are troubling to the constituents to whom the honourable member refers, because they have a big interest in the outcome. For them to be fed wrong information, as they have been on this occasion, particularly by the proponent, is offensive in my view. I hope it does not jeopardise the outcome for the project. However, I would say that the assessment report has not been completed. Also, I highlight that, as it has not been completed, it has not been received by me. There is no basis to the

statements in the newsletter and I am pleased the honourable member has raised the question so that in this place I can put the facts on the record.

PUBLIC OPEN SPACE

The Hon. M.J. ELLIOTT: I seek leave to make an explanation before asking the Minister for Transport and Urban Planning a question about public open space.

Leave granted.

The Hon. M.J. ELLIOTT: The State Government has been under fire from local communities on a number of occasions in relation to the sell off of local urban open space. The *Guardian Messenger* newspaper published a series of articles in September about the threat to our public open spaces from million dollar price tags which have been placed on former school land by the State Government. Suburban councils say they cannot afford the high prices being asked by the Government for the surplus land to be maintained as ovals, parks and reserves. The $1.3 million set aside by the State Government to help 31 councils buy land for open space is farcical when you look at the price tags on land such as the $3.5 million Mawson High School oval site. I understand that Holdfast Bay council has been forced to sell off other blocks of land to buy the Mawson High site. My questions to the Minister are:

1. Does the State Government have an honest commitment to retention of urban open space?

2. If so, what will the Government do to ensure its surplus open space is sufficiently affordable for local councils (many argue that they should not have to buy local space that already exists)?

3. Will councils continue to be forced to sell other land to buy these open space plots?

The Hon. DIANA LAIDLAW: If the council wants to buy the land, it will make a decision in its interests; it will not be a matter of a council being forced to sell land. They may wish to pay for it some other way. It is the council's decision and it is not for me to interfere. However, from time to time the State Government does make a contribution to applications from councils for open space and the $1.5 million—it is a little more than that this year—that the Government contributes for this purpose actually comes from levies on development. I have recently announced and can provide to the honourable member or table—

The Hon. M.J. Elliott interjecting:

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: Not while I was Minister. Is that the accusation?

The Hon. M.J. Elliott: I didn't say that.

The Hon. DIANA LAIDLAW: No, I do not think you should. That has not been the case while I have been Minister.

The Hon. L.H. Davis interjecting:

The Hon. DIANA LAIDLAW: Yes, he does tend to have a long memory but, notwithstanding changes of practice, he does not give credit where there is a change of practice with a change of Minister. It is not an issue with me. We have changed practices in the department. I have issued the list of eligible or successful applications and I will provide the honourable member with that list. I highlight that the Government has just been involved with the Federal Government, in terms of open space, with a major initiative in terms of Glenthorne in the southern area. Of course, the honourable member has not chosen to refer to that successful initiative by the Government and the Federal Government.

Also, I have released for public discussion the PAR in relation to Chandlers Hill and that certainly makes provision for eight hectares of open space, native vegetation in that area. I would not necessarily expect that to be applauded by the honourable member either, but that is a fact. As part of the Government's regeneration initiatives there will be a green paper on the subject, a commitment to open space, and I look forward to outlining those initiatives in the next few months.

The Hon. M.J. ELLIOTT: I desire to ask a supplementary question. In light of the Minister's comment about a green paper, would she consider a moratorium on further sales of open space until that paper is discussed?

The Hon. DIANA LAIDLAW: I did not say there was a green paper on open space: I said it was on urban regeneration. There will be initiatives in relation to open space.

GAMBLING, ELECTRONIC

The Hon. NICK XENOPHON: My question is directed to the Treasurer as Leader of the Government in this Council. Can the Treasurer guarantee that all members of this Government in this Council and the other place will have an unfettered conscience vote on the Government's proposed introduction of legislation with respect to gambling offered by the Internet or any other telecommunication means?

The Hon. R.I. LUCAS: We would be delighted to see the honourable member's legislation, which has been oft touted for as long as the honourable member has been in this Parliament, for 12 or 14 months or so. If it is a matter of you show me yours and I'll show you mine: we are waiting to see the honourable member's legislation. We are anxiously awaiting the honourable member's legislation in relation to gaming machines. Speaking seriously, the honourable member will be aware that there are some significant and reasonable concerns about the delay or possible delay that has been mooted by the honourable member in relation to his own legislation. Certainly, it is in the best interests that as soon as it is possible the Parliament be in a position to resolve its position on the honourable member's legislation.

In relation to the Government's proposed legislation, no, I am not in a position to give that undertaking. It is a decision that the Premier and the Government will take at the appropriate time. I can say that it has generally been the practice on gambling matters that the members of the Liberal Party have been given a conscience vote on those issues.

Members interjecting:

The Hon. R.I. LUCAS: It is a bit like the Democrats.

The Hon. L.H. Davis interjecting:

The Hon. R.I. LUCAS: Exactly. They are the ones who vote with their consciences and there has not been such an occasion in five years: there was an administrative procedural matter in the past five years of this Government where one Democrat voted according to his or her conscience differently from the collective Party view.

Members interjecting:

The Hon. R.I. LUCAS: Do not talk to me about conscience votes. The Democrats are the ones who beat their chests and say, 'We are the only Party not bound by a Party vote.'

The Hon. M.J. Elliott: Absolutely.

The Hon. R.I. LUCAS: 'Absolutely', says the Hon. Mr Elliott. They say, 'We are the only Party not bound

by a conscience vote on any issue', yet slavishly on every issue they vote according to whatever their spokesperson says on every issue. So, I think the Hon. Mr Elliott leads with his chin on this issue.

I return to the honourable member's question and indicate that the practice generally has been that in respect of gambling issues members of the Liberal Party are entitled to a conscience vote. That would be my expectation when the Government Party room has an opportunity to see the legislation, but at this stage I am not in a position to give an undertaking. The Premier and the Government—ultimately the Party room—will decide whether or not a piece of legislation is deemed to have a conscience vote.

SEABED POLLUTION

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Primary Industries, Natural Resources and Regional Development, a question about seabed pollution.

Leave granted.

The Hon. R.R. ROBERTS: Some 2½ years ago, a lease was provided to an oil company to operate an oil rig drilling system, known as the *Maersk Victory*, in Gulf St Vincent. We all welcome new industries and their exploration in South Australia but it is now history that this was somewhat of a disaster because the rig collapsed. Three pylons became lodged in the seabed of Gulf St Vincent. I understand that two of those pylons were completely removed by physically pulling them out of the seabed and that this had the effect of raising the seabed and creating mounds. The third pylon was lodged too firmly, and after consideration by Marine and Harbors, Environment and PIRSA, it was decided that the leg should be cut off one metre below the seabed.

Unfortunately, because the level of the seabed had been raised, they cut off the leg and after a couple of storms the seabed subsided to its normal position. I am now advised that there is an obstacle at the bottom of Gulf St Vincent which is affecting the operations of fishermen in that region. I also understand that PIRSA has declared this area as foul ground.

This has caused a great deal of consternation and a lot of discussion between three departments: Mining, Fisheries and Environment. I understand that the Environment department wants the obstacle removed, Fisheries recommends that it be removed, and Mining does not want to upset the mining companies. That is something for them to discuss between themselves.

The problem that we have is that after investigation we found that there were a number of barrels at the bottom of the gulf in the same area. I am advised that an investigation is taking place in respect of the *Maersk Victory* and that the drums are not from the *Maersk Victory* and that any subsequent disposal would be the Government's responsibility. I do not know whether this site has become a dumping ground, but I am advised by my constituents that there are grave concerns about this site.

It is alleged that this site is not being cleaned up because it would be uneconomic to do so. It has been put to me that it would be a sad state of affairs if waste products from mining and drilling operations are to be left in the ocean because it is too expensive to pick them up. My questions are:

1. Does the attitude that is being exhibited mean that the hazards created in the marine environment, despite the lease stipulations that the site must be left in the form in which it was found, only have to be moved if it can be done cheaply?

2. More importantly, where did the drums on this site come from, what do they contain, why were they put there, and, finally, who dropped these drums of unknown product into Gulf St Vincent?

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

JULIA FARR SERVICES

In reply to **Hon. J.F. STEFANI** (20 August).

The Hon. R.D. LAWSON: In addition to the answer given on 20 August 1998, the following information is furnished:

1. 139 workers' compensation claims were lodged during the period 1 July 1997 to 30 June 1998.

2. The total cost in the 1997-98 financial year was $2 388 520 made up of:

Income Maintenance	$566 950
Medical/other expenses	$629 174
Levy	$66 039
Lump Sum payments	$1 126 357

3. Payments made to the Independent Medical Examination Centre in the 1997-98 financial year for medical examinations, reports and associated costs was $1 319. The total cost of independent medical examinations, reports and associated costs made to all providers was $10 357.

4. The total amount paid in relation to legal services for the 1997-98 financial year was $99 543. Within this cost an amount of $79 534 was paid for representation for Julia Farr Services, the balance being costs Julia Farr Services paid for workers' representation.

EDUCATION CUTS

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Education, Children's Services and Training, a question about further cuts to education.

Leave granted.

The Hon. T.G. CAMERON: A number of articles have appeared in the media this week which raise serious concerns about this State's public education system. The Minister for Education, Children's Services and Training (Hon. M.R. Buckby) stated that the Government's offer to teachers maintained the $28 million flexible staffing initiatives for a further four years. However, the offer is contingent upon teachers accepting even further cuts to education over the next three years.

Since this Government has been in office, the State public education system has slowly been dismantled. Well over $500 million has been stripped from education since 1994. Retention rates have fallen from 92 per cent in 1993 to below 60 per cent in 1998, the lowest in the nation. Many families in the community have lost faith in quality public education for their children. Families who can afford it are reluctantly withdrawing their kids from the public system at an alarming rate. As a consequence, families are increasingly bearing the burden and struggling to pay private school fees due to the devolution of responsibility by this Government.

I understand that the Government is in the process of negotiating a new pay deal for teachers. I commend the Government for its foresight in recognising the important role that teachers play in the reproduction of our society. Teachers are playing an extremely important role in developing the future of our society—our children. However, to tie their wages and conditions to budget cuts for the next three years is outrageous and will undermine any positive outcomes that may be achieved for our students.

I could understand if the Government was seeking productivity increases to trade off against pay increases, but

it seems to me that we are asking teachers to agree to budget cuts, that is, a downgrading of the quality of education, as a trade-off for a wage rise. This is a contemptible and invidious situation in which to place teachers. A teacher's primary concern should be the welfare of our children and the pursuit of excellence in our education system.

As a father with children at school who can afford to place his children in a private school, I still remain committed to the public school system but with growing misgivings. I am dismayed by the Education Minister's approach to this matter. My questions are:

1. Will the Minister guarantee that the $28 million allocated for flexible staffing initiatives will be maintained regardless of the outcome of the teachers' wage and conditions negotiations; and, if not, why not?

2. What incentives is the Minister offering to guarantee that country schools attract and retain teachers?

3. Considering that the Premier has called for South Australia to be the information technology State or the education State, how will the continuing onslaught of cuts to education funding support his vision for South Australia?

4. Finally, given the impending precedent of linking teachers' pay increases to funding cuts, will the Minister in future ensure that members of Parliament's salary increases are similarly linked to reducing this State's debt or unemployment levels in South Australia?

The Hon. R.I. LUCAS: In response to the latter question, that would be very interesting. We might get the vote through on ETSA and Optima, because there might be an incentive for members in this Chamber if they want a pay rise to do something about the reduction of the State's debt. The honourable member has raised an interesting notion. I will see whether we can explore it further.

I will refer the honourable member's remaining questions to the Minister and bring back a reply. I suspect that as part of the reply the Minister may indicate that this offer represents a significant boost to education spending in South Australia which the Minister has been able to put to South Australian schools, students and teachers.

Again, I am working on memory, but I believe that it is a boost of some $150 million or so, and this follows a very significant boost—some might say a massive boost—to education spending in the past two years prior to the last election. Again, I am working from memory, but I believe that the full year cost of that last pay and conditions deal offer from the Government eventually would have cost in the order of about $150 million or so.

I assure members that these $150 million or so do not come easily, and it is the taxpayers of South Australia, either through increased taxation revenue or by absorbing reduced expenditure in areas of lower priority in total Government spending, who ultimately end up paying for the boost to spending that the Minister has been able to offer to teachers and to schools.

The third alternative, of course, is the sale of ETSA and Optima and, by that, being able to free up significant additional annual recurrent spending that the Government will be able to spend on schools, hospitals and police services. So, as I said, I would be surprised if the Minister's response does not include words to that effect—together with, I am sure, many others. But I will be happy to refer the honourable member's question to the Minister and to have him bring back a reply.

AQUACULTURE COMMITTEE

The Hon. P. HOLLOWAY: My question is directed to the Minister for Transport and Urban Planning. Will she confirm that the Aquaculture Committee of the Development Assessment Commission has been disbanded and, if so, will she say why the committee has been scrapped, how aquaculture proposals are currently being assessed and whether there have been any delays in the development approval process as a consequence of that decision?

The Hon. DIANA LAIDLAW: I can confirm that the committee has been disbanded. It made that decision because of some membership issues. I will obtain more details in terms of the new arrangements which have certainly been discussed by DAC—the Development Assessment Commission—and it will be that commission that will be assessing the development applications in the future and seeking specialist knowledge as and when required. I will provide further information for the honourable member as soon as possible.

DAWESLEY CREEK

In reply to **Hon. M.J. ELLIOTT** (13 August).

The Hon. DIANA LAIDLAW: The Minister for Environment and Heritage has provided the following information.

Mining commenced at Brukunga in 1952, and the mine was closed in 1972, with maintenance continuing for another one to two years. The Government assumed responsibility for the mine in 1976, under the authority of the then Minister for Mines and Energy, Hon. D.J. Hopgood. At the time, the Government was paid $75 000 by the companies concerned in full and final settlement and in so doing, discharged any future obligations.

The approximate cost to Government as a result of the pollution problems at the mine is approximately $600 000 per annum.

Recent analysis undertaken as part of a water quality monitoring program, at the Old Mount Barker mine site showed that heavy metal concentrations, in particular cadmium, were above national guidelines.

Based on this information the EPA requested PIRSA, the department now responsible for the site, to place signs along Dawesley creek as well as send notices to land owners informing them that the water in the creek is polluted and unsuitable for drinking, recreation, stock watering and irrigation.

It is known that long-term exposure (through ingestion) to high cadmium levels in humans can cause kidney dysfunction. Other effects, such as osteomalacia (softening of the bones), can occur but at much higher cadmium exposure levels. There is no evidence that cadmium causes cancer when ingested.

Food and water can contribute to overall cadmium intake, with food being the major contributor. It is important to reduce the overall intake of cadmium from all sources, particularly food.

There is no evidence that people living in the vicinity of Dawesley creek are suffering from cadmium related illnesses and therefore at this time there is no reason to investigate whether or not cadmium levels have been elevated in people living in the near vicinity of Dawesley Creek. It is also worth pointing out that residents near the creek are unlikely to be drinking from it, and they certainly would not since signage was erected.

PIRSA has established a task force to address the immediate issues relating to pollution in the creek and the possible long term rehabilitation of the site. The task force will comprise of representatives from the Environment Protection Agency, Health Commission, and PIRSA. Additionally, PIRSA will continue to liaise with land care and Local Government on this issue.

YEAR 2000 COMPLIANCE

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Year 2000 Compliance, a question about year 2000 compliance preparations.

Leave granted.

The Hon. CARMEL ZOLLO: In his report the Auditor-General refers to 39 portfolios or agencies—Government business enterprises—being monitored for year 2000 compliance, of which 14 are assessed as being behind schedule to complete the correction of critical items by December 1998. The report goes on to state that, in relation to the testing of critical items, seven agencies indicated that they will not be able to complete testing by June 1999. Critically, the Auditor-General indicates the Department of Administrative Services and the South Australian Health Commission to be at a high risk level due in part to lagging behind Cabinet endorsed time frames. The report also indicates that it is apparent that, without the substantial input of additional resources, not all Government agencies will be ready in time, as well as confirming my previous concerns that the cost to address this issue would well exceed the $80 million indicated in budget papers and in fact could have the potential to exceed $111 million. My questions to the Minister are:

1. Will the Minister name the seven agencies that will not meet the Cabinet time line referred to in the audit?

2. Will the Minister provide an accurate indication of the risk that is carried by these agencies failing to reach compliance, and what action has been undertaken to ensure that this risk is reduced?

3. Why have some Government agencies failed to make a strong commitment towards achieving the Cabinet endorsed year 2000 compliance plan?

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

NATIONAL ELECTRICITY (SOUTH AUSTRALIA) (MISCELLANEOUS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 28 October. Page 55.)

The Hon. P. HOLLOWAY: The Bill before us seeks to alter arrangements for the National Electricity Market prior to its scheduled introduction on 15 November next. In particular, the Bill seeks to provide immunity for 12 months to NEMMCO and network service providers and their officers and employees in relation to any act or omission in the exercise of a NEMMCO function or power under the national electricity law or code. The immunity will extend to all such acts or omissions except those made in bad faith. In other words, the legal hurdle is very high—probably more equivalent to a pole vault than a hurdle.

Under the arrangements for the operation of the National Electricity Market, South Australia is the lead legislator. So that legislation passed in this State also automatically takes effect in New South Wales, Victoria, Queensland and the Australian Capital Territory under the complementary legislation that has previously been passed in those States. In other words, the Bill that we are now debating is an example of the growing national schemes of legislation.

The parliamentary oversight of such legislation is a matter which has been of some concern to many parliamentarians in all Australian Parliaments for some years, and I know that the various legislative review committees and scrutiny of Bills committees throughout this country have devoted much time to this subject, without ever really resolving the issue.

The issues that arise under national competition policies provide a classic case of the problems involved. These electricity reforms arose out of a meeting of COAG—the grouping of the Premiers and the Prime Minister, the heads of Australian Government—and, of course, that led to the Hilmer reforms that were proposed in a report released in 1993. The details of the Hilmer reforms were agreed to subsequently in February 1994 and again in 1995, and that was when the National Electricity Market reforms were introduced.

I think it is regrettable that there is no parliamentary oversight of the entire process of national competition policy. It is a policy which has had a profound effect upon this country. It is certainly having a profound effect upon the rights of State Governments. But there really has been very little debate within Australian Parliaments—particularly State Parliaments—on this matter. Arguably, there was totally inadequate debate at the start of this process when the Hilmer report was first released, and certainly there is very little opportunity to debate the outcomes of that policy now. I would like to express a personal view that I believe that consideration perhaps should be given through these various parliamentary legislative review committees, and so on, as to whether or not some form of standing parliamentary oversight in relation to national competition policy could not be established. But that is another issue.

In relation to this Bill, which is the product of lengthy negotiation between State and Commonwealth agencies—and this Bill has been agreed to by the relevant Ministers in the other participating States—what are the options that face this Parliament? Inevitably, rejection would torpedo the start of a national electricity market and force a renegotiation with or among the States, which, of course, would jeopardise the existence of the national electricity market itself. Any amendment of this Bill, even in a minor way, would have a similar effect.

The bottom line is that if the Opposition supports the national electricity market in principle, as we do and as we have consistently done, we have no real option but to support this Bill in its totality, even if we have reservations about the measures in the Bill. Essentially, that sums up the Opposition's position on this Bill. The national electricity market has consistently been supported by the Opposition because of the potential for savings offered under electricity reform. The Hilmer report pointed out how many billions of dollars could be saved by a reduction in overcapitalisation in electricity assets, which has been a feature of the electricity industry within this country for decades.

We must not lose sight of the fact that electricity reforms were motivated, at least originally, by the prospect of cheaper electricity for consumers through the efficiency gains that could arise from the national electricity market. I have spoken on a number of occasions in the past about the national electricity market, and on those occasions I have given my support to the market. However, I have also expressed reservations about aspects of the market, and I will say a little bit more about that in a moment.

While the Opposition fully supports the thrust of electricity reforms which seek to provide cheaper power, we do have reservations about some directions that the national electricity market has taken in recent times. Privatisation is an obvious case of that.

I have also expressed my reservations about some aspects of electricity reforms in other areas. For example, I have referred in previous speeches to the slow pace of reform within the gas industry, which must proceed at the same pace as national electricity reforms if we are to have an efficient allocation of resources between the energy sectors. Unfortunately, that has not happened. I have also referred to the bureaucratisation, as I see it, of much of the national electricity market that has been set up, and I think there are some concerns about that.

The Auditor-General's Report is very timely in relation to many of these issues that relate to the national electricity market. In particular, I refer to Audit Overview Part A.4 of the Auditor-General's Report, because he makes some comments worth putting on the record in this debate. At page 35 the Auditor points out that, when the concept of the National Electricity Market was established, a competitive National Electricity Market was expected to commence in July 1995. Of course, we have seen many delays to that, and the date has been put back on a number of occasions. Now we are told that the market will start on 15 November this year, which, of course, is why this Bill must pass the Parliament within the next week or so. The Auditor-General points out:

> Whilst a number of critical issues affecting the delay are not attributable to, nor are they the direct responsibility of South Australia, there remains a number of key steps to be undertaken before the market can commence in South Australia.

The Auditor-General documents those, and goes on to point out that Audit was advised, in a letter from the Acting Under Treasurer on 25 August, that:

> A range of outstanding matters must be addressed at both a State and market level before the market can successfully commence, in accordance with these established processes.

The Auditor-General then goes on to talk about the conflicting roles of government and states:

> Audit notes that the introduction of competition into highly regulated monopoly industries (particularly those with a history of government ownership) has required government intervention to restructure those industries and to introduce competition in a phased manner.

He continues:

> In adopting this approach, it is possible for the introduction of competition to devalue the Government's investment in those utility businesses.
>
> Alternatively, the maximisation of a sale price can also be to the detriment of consumers as any purchaser will be looking to obtain a suitable return on investment through prices charged for the product.

The Auditor-General then quotes the Deputy Chairman of the ACCC, Mr Allan Asher, who has recently commented on the possible tensions between the implementation of national competition policy and State-based privatisation programs in an article published in the *APPEA Journal*. He states, in part:

> The selling strategies for a number of public enterprises (in as far as they involve the relaxation of, or holidays from, access codes or from competition legislation or stated policy reform) created inherent conflicts with the explicit views of the Hilmer Committee that regulation should not restrict competition and should be reviewed if it did.

The Auditor-General has much to say about the question of electricity reform. This is not the place to deal with all of it, but there is just one other part to which I wish to refer, because I think it is relevant to the debate on this Bill. At page 46 of Audit Overview Part A.4 the Auditor-General states:

> In introducing competition to the South Australian electricity industry the South Australian Government and consumers will be relying, to a large extent, on market forces to address the issue of expansion of capacity.

He then goes on to point out the recent announcements of the Government in relation to a new 500 megawatt, gas-fired power station by the year 2002 and the decision by the Government to establish its own regional transmission and capacity planning function to monitor the need for system upgrades to ensure security of supply throughout the State. The Auditor-General states:

> Such initiatives demonstrate that, at least in the short term, the Government recognises the need for active involvement in an area which the NEM Code expects to be driven by market forces. Such involvement will require the Government to carefully balance its responsibilities to ensure the secure supply of an essential service without compromising the operation of market forces.

I guess that really brings us to the heart of this Bill, because, as I have pointed out on previous occasions, in many respects the new national electricity market is experimental in nature. It is hardly a vote of confidence in the national electricity market that at the eleventh hour we have to rush through immunity for NEMMCO. Much has been said by this Government about the increasing risks under the national electricity market. There will certainly be no risk for NEMMCO when this Bill is passed, because that risk will be eliminated by legislation.

It is true that the explanation of the Bill does refer to the possibility of an insurance system being developed, and that would obviate the need for legislative immunity. The report points out that it is expected that options for insurance may be developed over the next 12 months when NEMMCO and the network service providers will have the opportunity to review the operation of the system and the code to agree on more satisfactory arrangements. Certainly, one hopes that that is the case.

The question that we have to ask in relation to this Bill is: 'What will happen if the NEMMCO system crashes?' We are talking about a computerised system for operating the national electricity market. What would happen if that system crashed and the power were cut to South Australian consumers? Obviously, there is the possibility that that could be disastrous for a large industrial consumer, which could possibly lose millions of dollars in production. My knowledge of the system is not sufficient enough for me to know whether these NEMMCO systems will override the local ETSA power management systems, which I think in cases of loss of power shed loads to lower priority customers first while maintaining the power for large industry and for essential services such as hospitals and so on. I invite the Minister to comment on that.

Nevertheless, I think it is undesirable that the potential exists for the loss of power due to system failure, but, when this Bill is passed, there would be no right for compensation to those consumers who might be adversely affected. I make the comment that, given the Hilmer principles, I would have thought that the Commonwealth Government, which stands, after all, to reap most of the benefits under the Hilmer reforms and national competition policy, should play some role in providing an indemnity for the system until the marketplace can work through insurance schemes.

For these reasons, the Opposition is unhappy with measures in the Bill, but for reasons given earlier it will not place the national electricity market start-up in jeopardy. It should be observed that at least we in this Parliament have the

opportunity to record our reservations about these changes. If we were in the other participating Parliaments, such as New South Wales, Victoria, the ACT or Queensland, we would have no opportunity even to raise these issues, let alone vote on them.

Other matters are raised in the Bill apart from the indemnity. I think they are less controversial than the question of indemnity about which the Opposition has genuine concerns. The Bill will seek to amend the national electricity law so as to enable the national electricity tribunal to exercise functions and powers conferred on it under Tasmania's Electricity Supply Industry Act. This proposal anticipates the possible joining of the national electricity market by Tasmania in the future should a cable under Bass Strait enable that State to join the national electricity market. Certainly, we have no problem with that: that is a matter for Tasmania.

A number of other changes to the legislation are of an administrative nature. For example, it is proposed that in each participating jurisdiction there need only be either a registrar or deputy registrar of the tribunal; there is no need for both, as was the situation previously. This is a sensible measure which reduces costs. Also, there are some amendments to this Bill in relation to the issue of search warrants that reduce the somewhat draconian powers which previously existed under the national electricity code, and I believe that they are not contentious matters.

The real issue, and I think the concern we have expressed, is, given the emphasis that has been placed on market forces, why NEMMCO should be exempt or be given immunity from any liability claims under the market. But, for the reasons I have outlined, we will support the Bill, and I am sure that my colleague in another place, Kevin Foley, the shadow Minister responsible for this measure, will no doubt have much more to say in the other House about this matter.

I conclude by saying that we all would hope that the national electricity market will begin successfully on 15 November and continue without hitch so that these measures for immunity will not be necessary. That would obviously be the most desirable outcome. But, more importantly, we hope that the national electricity market will deliver cheaper prices which underpin the electricity reforms.

Of course, it is not until the year 2002 that franchise customers will be contestable. I suggest that the community at large, and indeed this Opposition's continuing support for such measures, will depend very much on the delivery of those benefits, namely, the cheaper prices which have been promised under this system. While we certainly have some reservations about the liability removal measures for NEMMCO under this Bill, we have no practical alternative but to support them because we do support the national electricity market.

The Hon. NICK XENOPHON: I will confine my remarks to a particular clause of the Bill which has been alluded to by the Hon. Paul Holloway in relation to the removal of liability. New section 77A, in relation to the immunity of NEMMCO and network service providers, caused me considerable concern and I propose to oppose it, and for a number of reasons. First, the basis of the reasoning for the immunity is set out in the report prepared by the Government. The reports states:

> The reason for granting some degree of immunity to NEMMCO is that NEMMCO is a non-profit organisation without a substantial capital base which will be exposed to substantial risk in relation to the operation of the electricity system.

I find that a curious remark, given that NEMMCO is, in fact, a creation of various State Governments, and I find it hard to believe that the Government is trying to categorise NEMMCO as an organisation that is on par with the Salvation Army, for instance. It is a curious reflection in the report to the amendment Bill, and my concern is that there may well be exceptional circumstances where the consumers and businesses of this State will face potential losses if there is a negligent act or omission on the part of NEMMCO which will affect its supply of electricity. I concede that that will be an exceptional situation; probably the risks involved would be very low. However, the fact that NEMMCO does not appear to have been able to receive indemnity or receive insurance coverage does concern me.

I understand that one of the concerns of NEMMCO is that there is a distinction between various risks. Different risks are involved between NEMMCO and generators and NEMMCO's liability to consumers of electricity. I would have thought that in those circumstances those different layers of risk could be reflected in an appropriate insurance policy being obtained.

I find it extraordinary that we are plunging headlong into NEMMCO without an adequate insurance policy. The fact that the amendment foreshadows that NEMMCO will need to obtain insurance within a period of 12 months or such longer period as may be prescribed indicates that the various parties to this agreement do not find the situation satisfactory.

If the Bill foreshadows ultimate insurance, why do we not have insurance from day one? We could have a cataclysmic event in the next 12 months that would expose ETSA, for instance, or consumers and businesses in this State to potential significant liability. It is for that reason that I oppose this particular clause. I do consider that there is significant benefit with the national electricity market. It is inevitable, but I do not consider that it is inevitable that we should proceed with it in the absence of adequate liability and insurance provisions with respect to NEMMCO.

The Hon. T.G. CAMERON: I oppose this Bill, principally new section 77A, and I do so for a number of reasons. First, let me state that, as a member of this Council who crossed the floor to vote for the sale of ETSA in view of the fact that we were moving towards a national market, the debacle I see here with this insurance liability does not leave me with a great deal of confidence in relation to where we are going with the whole set of arrangements. I find it amazing that the Treasurer said:

> The reason for granting some degree of immunity to NEMMCO is that NEMMCO is a non-profit organisation without a substantial capital base.

I would take issue with him and his choice of words when he says 'granting some degree of immunity'. A fairly wide level of immunity is being granted to NEMMCO, and to proffer as a reason that this immunity should be given on the basis that NEMMCO does not have a substantial capital base, I think, is playing around with the English language. NEMMCO, after all, is a creation of national and State Governments, and I can see no reason why the immunity could not have been granted and backed by the State Government. I know the Treasurer will argue that that means that the taxpayers will have to accept the risk, but whom do we think accepts the risk when we have an insurance policy and the insurance premiums are coming out of the returns that flow back to NEMMCO through the electricity bills that consumers are required to pay? We should look at what the Treasurer and

Government have to say about this. I do not lay the fault at the feet of the Government here; as I understand it, South Australia is the leading legislative State, and these agreements would have been arrived at following meetings with all States and the Federal Government.

On the one hand we are giving NEMMCO immunity. I do not support that; I cannot understand why NEMMCO must be given immunity. As I said previously, it does not leave me with a great deal of confidence about where we are going with this whole matter.

However, if one looks at the speech that has been made, one can see in the following paragraphs that there is an admission that there should be liability. If we examine what was stated we can see that the States—and one can assume that that includes this State Government—agree that there should be full liability, because it says so. It would appear that NEMMCO and the State Governments have been attempting to make satisfactory arrangements relating to the liability. So, first we hear that there will be no liability for 12 months and in the next breath an admission that liability is needed, and the only reason that we have not been able to get it would appear to be that NEMMCO has no dough and we have not yet been able to find an insurance company that is prepared to take on the liability. Where does that leave the ordinary taxpayers of South Australia or the retailers and generators of electricity?

We have only to turn our eyes interstate to see what kinds of problems will occur when there is a breakdown in supply. I was in Victoria at the time that occurred. Mind you, I was staying in a five star hotel and had cold showers for three days. We got no rebate back on the bill but they sent up a bottle of champagne and a basket of fruit to us. I understand that the Treasurer is also an avid football fan, and no doubt he would have been in Victoria at the same time. So, he would have had the opportunity to see with his own eyes and perhaps experience some of the difficulties that can occur when there is a complete breakdown.

It would appear that when this legislation goes through there will be no liability here, except for bad faith. I am not a lawyer but they tell me that that is an extremely limited liability. So, we will have a period of 12 months—and it could be longer. Who knows where we will all be if in 12 months time no insurance company is prepared to take on this liability? I know what will happen: you will be back in this Chamber asking for an extension. One can only hope that the Australian Labor Party and the Democrats will come to their senses if in 12 months time we find ourselves considering an application for this immunity to be extended. I understand that in 12 months they will look at establishing a cap to apply to the liability for negligence. That is all well and good, but it does not avoid the fact that for 12 months there will be no liability here in South Australia.

I do not know how many years we have all known that a national market is coming. I do not know for how many years we have all known that NEMMCO would be taking over these functions, yet at the last moment when the Bill is brought to the Council we are advised that the taxpayers of this State will get no liability. I believe that this matter has been ill thought out and that the people responsible for leaving the taxpayers in South Australia in this position have something to answer for.

I understand that the Australian Labor Party and the Australian Democrats will also support the Government on this. All I can say is that I would have loved to be a fly on the wall when the Labor Caucus discussed this. If I was still there I would have argued against this proposition. If I know some of my old comrades as well as I think I do, I imagine I would have had plenty of supporters. Once again, I can only assume that the all powerful machine within the Labor Party machine which has the majority of the Caucus has rolled all the dissenters on this one, and they now have to sit here and cop it sweet. Well, so be it, but I can assure my former colleagues that I would not have supported this.

I appreciate the inevitability of all this and the position that, if the national market is going ahead, we really have no other choice but to vote with the Government. Following some of the criticisms I have received about the Government and a member of this Chamber having got to me to persuade me to support the ETSA Bill, I can assure you, Sir, that I would not have rolled over and had my tummy tickled as the Australian Labor Party has done on this one. But, I am not a member of the Caucus and I was not there when the debate took place. I can only hope that some of my former colleagues mounted a spirited opposition to this measure within the Labor Caucus.

I intend to oppose this piece of legislation—not that it will do much good. I can count—I have always been able to count—and seven and nine make 16. I am not quite sure what the Democrats will do; I can only hope they will have a change of heart on this matter and decide to stand on the principle. I have taken this decision because this appears to be a bit of a mess to me, and I believe that the Hon. Nick Xenophon has taken this decision because, even though the numbers exist for this Bill to go through, this will at least put a spotlight on the fact and highlight to the electricity consumers and resellers here in South Australia that they will be in no person's land for the next 12 months. So, keep your fingers crossed, say a quiet prayer and hope that nothing goes wrong. Let us hope NEMMCO does get it right and does not stuff it up because, if it does, the taxpayers and voters of South Australia will be on their Pat Malone.

The Hon. SANDRA KANCK: I received a briefing on this legislation yesterday at about the same time as it would have been introduced to this Chamber. It is another of those Bills that we occasionally get on which we have had no opportunity for input at all; it has all been pre-decided by the various State Ministers and their representatives in discussion. In other words, it is a *fait accompli*. I noted that the Hon. Paul Holloway, who was not exactly a robust supporter of the legislation, indicated that the ALP would be supporting it but said that he saw what he was doing as being an opportunity of recording its reservations. I think that the fact that we are having to deal with this legislation at the moment shows the weaknesses of the national electricity market as a concept and how experimental it is. When I say 'we', I mean this Parliament; the Democrats opposed the original National Electricity Bill in 1996.

An Act has been in place now for two years to get this State and others ready for the national electricity market, yet only two or three months ago someone became aware of the possibility that a generating company might sue NEMMCO for a decision that it takes. This is an example of the stupidity of competition policy. Back when we had the Electricity Trust of South Australia operating as a complete unit undertaking generation transmission, distribution and retail all in one, we would have the systems controller of ETSA giving an instruction, for instance, to the Port Augusta power station saying, 'We want you to shut down your generators.' When that instruction was given, no-one at Port Augusta

power station took up arms about it. They accepted that this was the most sensible way to run the system because the system was run to produce power and produce it reliably for all consumers in South Australia and to produce it at the cheapest cost. There was not a question of the Port Augusta power station's manager saying that he did not like the decision and that he might take action against ETSA.

ETSA was employing people at Torrens Island and Port Augusta at the same time. They had a common employer and were not in competition with each other and it made sense for them to accept such a ruling. But now, in the brave new world of competition policy, when NEMMCO gives an instruction to a generating company to stop feeding power into the grid, there is a risk that, as a consequence of the commercial aspects of that decision, a generating company could sue NEMMCO and it could do this because it might, for instance, be eating into the company's profit margins.

Much of what we are doing at the moment in what we call electricity reform is being done to advantage a few big buyers or users of electricity in this country and the rest of us are being swept along in an apparent euphoria that goes with it. We have already seen some very bad judgements about that. The New South Wales Government was one that was pushing strongly for NEM 1 to start up, because they thought that, with their excess power, they would be able to take advantage of the national electricity market. In fact, what has happened has been quite the reverse. Victoria has been exporting power into New South Wales and New South Wales is now having to shut down some of its generators. There are examples starting to emerge that show that the national electricity market is not all it is cracked up to be.

I am not a supporter of it and see no particular reason to be rushing this Bill through. Nevertheless, I know that it is going to be rushed through. I do keep wondering how long it is going to take the Government and to some extent the Opposition, which got this whole thing started for us, to recognise what I have been saying for so long, that is, that the emperor has no clothes. The amendments with which we are dealing in the Bill, particularly 77A, which all three speakers so far have spoken about, show again the stupidity of what we are doing. We are replacing the workable system that we had for so long, a system that had high reliability, with a system that is fragmented, profit driven and potentially unreliable.

Certainly, I do not want to see taxpayers meeting the costs that might arise from there being a litigious generating company but, on the other hand, given the time frame we are working with on this legislation, I do not know what the implications are for an individual consumer when it comes to this question of giving immunity to NEMMCO. Only last weekend we saw a power surge in the Parkside area and ETSA has undertaken to compensate any of the residents who had damage to their equipment as a result of that power surge. For instance, I do not know what would happen in this Bill with which we are dealing today if, as a result of an instruction from NEMMCO, a generating company begins to feed its power into the grid and we get a surge. Would an individual consumer like people at Parkside last weekend have any opportunity to seek recompense at all?

The Hon. T.G. Cameron: Not if it was caused by NEMMCO.

The Hon. SANDRA KANCK: Well, it is arguable who would be at fault in those circumstances. Therein lies the problem. We have been given the Bill to deal with in an extraordinarily short time frame. I have not had the time to talk to consumer groups, for instance, to find out what their view is on this and, given that the whole thing is *fait accompli*, I indicate that the Democrats neither support nor oppose the Bill. We will simply use the opportunity to express our concern about the processes that have been involved.

The Hon. R.R. ROBERTS: I support this Bill simply because I am a loyal member of the Labor Caucus and the collective decision or wisdom of our Caucus is that the Bill ought to be supported. However, it ought to be pointed out that the Bill has several failings. The most obvious one was referred to by my colleague the Hon. Nick Xenophon concerning liability, which was also touched on by other speakers. This is an outrageous situation. Why are we dealing with this Bill in such a hurry when this organisation was due to come into force 12 months ago? Now we are told that, if we do not pass this template legislation, everyone else cops it. I wonder whether, if this was being contemplated in Victoria, the Victorian Parliament would be so free and easy about giving control to NEMMCO, which will have almost complete control of the switching of all electricity in the major mainland States? Would the Victorian Parliament be so keen to do that given the experience the Victorians have had with gas and say, 'Let's do it'? The project has to start on 14 November and we could well be the State that stops NEMMCO getting into place.

What would be the consequences of NEMMCO not starting? The situation would be exactly the same as it is today. We have many operations working under the existing system. It is a matter of providing cheaper electricity and the consumers of that cheaper electricity will not be the mums and dads, the ordinary consumers out there in suburbia. The consumers of the cheap electricity will be the mainline companies. What can we envisage as the matter goes forward? We can understand that they will all be vying for the cheapest electricity they can get.

We are now moving into the hot period and last year through the hot period we used record amounts of electricity. What will be the consequences for mums and dads if there is no liability and no insurance? The obvious outcome is that the taxpayers will pick up any liability generated by mismanagement or miscalculation by NEMMCO. What will be the actual effect on consumers? I have had some experience in the electricity industry and I can imagine that major users like BHP, Holden's and the like are already involved in systems like load shedding. This means that if we get into problems with power generation, we shed some people. Normally, those unessential areas of major consumers are cut off but such businesses are guaranteed the major source of their production power needs.

If there is a major problem in this area with switching arrangements, I can imagine with everyone trying to get the cheapest electricity possible that there will be a whole range of configurations constructed to supply cheaper electricity, but what will happen to suburban consumers? Electricity will be maintained at the high price. They will get the electricity at the high price unless it is a major stuff up. Then there will be an attempt to keep what we call the essential parts of the major manufacturing industries in place and they will be given the power.

We must then ask the question: if we give NEMMCO a contract, will it pay the same price as the ordinary consumer who has his power cut off or will it pay the cheaper contracted price? For all that impost, at the end of the day we are, today, deciding collectively to allow this proposal to go

ahead. If the small consumer finds himself in this position, there will be only one thing left for him to do: to pay for the whole debacle, because if there is no insurance it will come back to the taxpayer. So the small consumers, the mums and dads, lose out every time.

This Bill is being rushed through. It is not essential that it go through. I remember when it was first floated that we were going to sell ETSA. When Mike Rann and his team went to the Treasurer, the first question they asked was: if you sell ETSA and there is an incident like there was in Auckland with a major power failure, who will be responsible?

This is still the question that we ask when we talk about the sale of ETSA because, next time, if there is a stuff-up with NEMMCO, it will not be like Ash Wednesday a few years ago when you could sue the person who caused the problem and get some compensation; this time that will not happen. The question was relevant in respect of ETSA—who will be responsible—and it is relevant today in respect of NEMMCO. We know the answer. The answer is that the small consumers in every State of Australia will have to pick up the burden for this.

We would not pass any legislation that would deny a major producer in this State liability for any actions for which they were responsible which caused damage to property or personal injury. I find it amazing that we are doing this today. I have been wrong before, and the collective wisdom of the Labor Caucus is that we ought to support this legislation. As I said in my opening remarks, it is on that basis and that basis alone that I support this legislation.

The Hon. T.G. ROBERTS: I rise to support the legislation. As other members have said, there are concerns with the time frames that have been given for the template legislation to be moved and there are a number of issues concerned not just with the Bill but with the process. I anticipate that if this is reported widely in the media a number of people will be quite surprised about how far the process has proceeded without considered debate in the community about the role and function of State Parliaments in relation to national economic objectives.

Although it has been stated widely in the Hilmer report and from time to time Alan Fels makes statements on television, I think that in the main the community are in the dark about the actual repercussions in relation to national competition policies and how they apply to their daily life. This issue may be the one that puts this on the agenda for people in the community to take a little more notice about the implications of national competition policies and what they mean.

This concept of an electricity national competition policy and the aggregation of States' electricity streams to be utilised nationally has been around for some time. Like the Hon. Mr Redford who yesterday went back to his maiden speech, I had cause to read a 1992 Address in Reply speech in which I indicated that I was looking forward to some of the challenges that the States and the Commonwealth would face in putting together the national grid and a number of other transport initiatives that might take place where the infrastructure of the States would be combined and a national policy developed that would cut costs and increase the efficiencies and effectiveness of this nation's infrastructure, bringing Australia to the point where it could compete not as separate States but as a nation and set itself to advance particularly into Asia and now into Europe and America and make us a more effective economic unit.

What has not happened in that time frame is what some members on this side have indicated. This concept has been around for a long time, yet we have been asked to consider this legislation five minutes before its implementation. As I have said, it is the Government's role to negotiate the lead template in this issue. We have moved other template legislation in this Parliament which I am sure has not attracted the attention of the citizens of this State, but I am sure this one will. It is up to us as legislators, members of individual Parties and Independent members, to work out how we react to the community's view on how the national competition policy will work.

When I envisaged a national competition policy, I thought the States would control the generation and distribution of that power. I did not envisage that it would be broken up into what in my view is totally anarchistic structures having a centralised generation and distribution centre for a product that does not vary at all. There is no difference in quality in respect of the generation of electricity. It is changed in form through technology into various components—we have three phase, single phase and two phase power units—but, in the main, the quality of the product does not vary.

Instead of having that type of structure we now have a multitude of management structures set up to manage a disaggregated system—and I think that will be difficult. The competition policy says that this is the way it must be: it must be broken down into competitive units to get down the efficiencies of costs to the levels that the national competition policy demands.

So, I still have those concerns. Those concerns were in my mind when it was put to me in our Caucus that we would have to support this template legislation given the time frames and the difficulties that other speakers have examined. I put this question to the Treasurer for his reply. It is my understanding that we will not have a situation where consumers will be exposed to a 12 month time frame. I understand that, in respect of the exposure time for NEMMCO to be given a brief respite from responsibility for the financial cost of any difficulties in the start-up period, negotiations are in place with insurance companies and that the time frame could be as short as three months.

If that is not the case I would like the Treasurer to tell me exactly what time frames we are looking at. It appears to me that the difficulties that insurance companies have are the same difficulties that we as legislators have in making assessments on how to proceed with this legislation. If the insurance companies are having difficulty in assessing the potential costs that they may incur through potential damages because of a new system being put into place, it appears to me that the technology that is being put into place to integrate the administration with the distribution networks must not be able to be assessed properly by engineers or accountants.

If engineers were working with accountants, I am sure that, as a result of the risk management advice that they would get, they would be able to accurately assess what premiums would be paid for an insurance policy to be written for the time frames that may be available. We have not been given any advice as to whether that risk management assessment is able to be adequately put together.

However, people working in the industry have informed me that people are making assessments not only with respect to the valuation of assets to be sold in these coming days of privatisation, but also, in relation to the integration of those

risk management strategies, there are people working in that area who have little or no experience in the industry so as to enable them to make those assessments. So, we are making our assessments based on acts of good faith, in some cases. I am sure that those people in New Zealand had as difficult a time as we did—and I certainly hope that we do not have the same problems as they had. And, as another honourable member has said, the Victorian situation exaggerated a difficult circumstance for the legislators there.

So, I place my concerns before the Council. As to the Government's position, I trust that the advice given to me in Caucus by the shadow Minister, whose responsibility it is to convince people that we ought to take a certain position in relation to how we vote, is accurate. I know that the legislation cannot be amended without serious repercussions and, if there is no insurance cover put together by February or March next year, I doubt very much whether we can reintroduce the legislation back into this House to move an amendment. I would like to think that we are able to do that. The advice, by interjection, is that we can; the advice that I am operating on, on the understanding of how template legislation works, is that once it goes through the only way it could come back to us for reconsideration would be if the negotiating heads of the agreements through the States make a recommendation that it comes back to this Council. So, I support the Bill and I look forward to the Treasurer's reply.

The Hon. R.I. LUCAS (Treasurer): I thank members for their contribution to the second reading of the legislation. I was delighted to hear that the Hon. Mr Terry Cameron was enjoying a five star hotel on the Melbourne Cup weekend and received, as a recompense for a cold shower, champagne and a bowl of fruit, or something. Can I put to him the other side of travel to Victoria for the football. He could have been as I was in the Melbourne bus terminal. We slept on the bus on the way over and on the way back and we did not have to worry about cold showers: we just did not shower at all. Nevertheless, I can assure him that it was a very enjoyable experience, and I am sure he enjoyed it as well.

I wish to respond to a number of issues that have been raised by members. To be fair to the Hon. Ron Roberts, if he is interested in having a briefing on the operations of the National Electricity Market, I would be pleased to organise one for him, because I believe, from a number of the comments that he made, that he did not fully appreciate—

The Hon. Sandra Kanck: He was the one who carried it through for the Opposition in 1996—

The Hon. R.I. LUCAS: He might have understood it in 1996, but his contribution—

An honourable member interjecting:

The Hon. R.I. LUCAS: It wasn't him?

An honourable member interjecting:

The Hon. R.I. LUCAS: It was him. I am indebted to the Hon. Sandra Kanck, who said that the Hon. Ron Roberts led the debate for the Labor Party in support for the legislation in 1996. Obviously, in the space of two years, he has tried to move himself away from having led the debate for his colleagues in this Chamber as a member of the leadership group of the Labor Party. I am indebted to the Hon. Sandra Kanck. I cannot always say that that is the case, but her memory on this matter was certainly very useful.

As I said, I believe that the Hon. Ron Roberts has not clearly understood some of the issues in relation to this matter, if I can put it kindly. It is important to indicate that, if this legislation were to pass, and if ETSA Transmission (or ElectraNet, as it is now called) were negligent over this coming 12 month period and if there were a bushfire, as in the case of Ash Wednesday, and ElectraNet was shown to be negligent, the consumers of South Australia, whether they be individuals or businesses, would have a right of action for negligence against ElectraNet.

Similarly, if ETSA Distribution, in its normal core functions (again the same thing as with ElectraNet) was negligent in terms of its maintenance or operations and caused financial damage to consumers through negligence, whether they be individuals or businesses, small or large, we, the taxpayers, the current owners of ETSA utilities—which is ETSA Distribution—would be liable for legal action for—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: I will move to that. I am just clarifying this issue first. In relation to these sorts of issues, action would still be able to be taken by consumers or businesses if the owners and operators could be shown to be negligent, and at the moment that is we the taxpayers. We would have to pick up the cost for that if the people operating on our behalf were negligent. That is one of the reasons, of course, why the Government has the view that private sector owners and operators ought to be owning and operating those businesses, and if they are negligent they would be liable. That is where the Hon. Ron Roberts—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: No, you did not know that, because you gave the example of the questions that Mike Rann asked in relation to Auckland, and you tried to highlight the problems in relation to what might be seen to be negligence eventually caused if it is proved in a court over there in terms of the operation of a distribution system.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: No, the Hon. Ron Roberts cannot now rewrite the *Hansard* record. He raised the issue of Auckland and the questions—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: Exactly. And the questions that Mike Rann put to me were about bushfires in relation to Ash Wednesday and Auckland. They were the two questions that were put to me at that time. The answer that was subsequently given to the Hon. Mike Rann and the Labor Party is that, if our electricity businesses are sold and if those businesses are proved in a court to be negligent, they are liable, not the Government. It is a simple answer, one that even the Hon. Ron Roberts might be able to understand.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: I am just trying to correct some of the misunderstandings and misapprehensions that the Hon. Ron Roberts has about the legislation. Similarly, as to the three generators that we have in South Australia now, if in their normal core functions they were in some way proved to be negligent and their actions had caused damage to consumers, whether they be individuals or businesses, again my advice is that people could sue or take action and, again, as Government owned enterprises at the moment the taxpayers would have to foot the bill. So, it is important to make those distinctions that, in the range of circumstances that the Hon. Ron Roberts and others might seek to portray, action can still be taken. The immunity that this Bill talks about for a specific, limited period of up to 12 months does not relate to these particular examples.

As I have indicated in a number of briefings to members, this is a very difficult position for all members of Parliament to undertake. As the Hon. Mr Holloway has indicated, at least

in one respect we are lucky that we are the lead legislators, because we have an opportunity to debate, discuss and participate in the discussion. On other occasions people have asked, 'Why on earth would we want to be the lead legislator?' The answer I have given to the representatives—

Members interjecting:

The Hon. R.I. LUCAS: No, we do have the head office of NECA in South Australia.

The Hon. Sandra Kanck: How many people are in it?

The Hon. R.I. LUCAS: I have not counted recently, but the head office is here, and that was the deal. We are delighted that the head office of NECA is here in South Australia. As Minister, I pay a tribute in particular to Mr Tim Spencer of the Department of Treasury and Finance, who has carried on his shoulders considerable responsibility. As the Minister, I want to place on the public record my acknowledgment of the hard work that Tim personally and a number of other officers have put in. I know that he would be the first to pay tribute to other officers and advisers.

I know from my discussions with NEMMCO directors, NECA directors and others that a number of these people have paid tribute to the work that Tim and the South Australian officers have played in terms of trying to bring a resolution to some of these difficult issues. I am the first to concede that this is not an ideal set of circumstances.

I do want to take up the issue that the Hon. Terry Cameron has raised. As a Minister who has come to the electricity industry only in recent months, this is not an issue that has been around for some years. In the draft legislation and the discussions there had always been the expectation that a different definition of 'immunity' would be there for the operations of NEMMCO. It has been in recent times only that the NEMMCO directors and NEMMCO itself have raised in very strong terms—to the extent that a number of them have indicated their unwillingness to continue to operate as NEMMCO operators—this issue of liability. It is a very important issue to NEMMCO and to the directors.

It was only when that issue was raised with all the jurisdictions, in particular with South Australia as the lead legislator in relation to this, that we have as quickly as we can sought to try to bring a resolution with all the due restrictions. It is fair to say that the propositions before the Parliament at the moment and before all the other jurisdictions do not represent my preferred position as Treasurer or, indeed, that of the South Australian Government. There are aspects that we would have preferred to be different in terms of the scheme of arrangement. However, in the end, there has to be an agreement among all the jurisdictions. We have been prepared to comprise in some areas and other jurisdictions have compromised in other areas.

There has been a view from some at the other end of the spectrum that this 12 month limited immunity should in fact continue forever for NEMMCO and its operations. That is not a position to which the South Australian Government was prepared to agree. That is a view that has been put, and what you see before the Parliament is the result of a lot of hard work by officers of South Australia working with the other jurisdictions to try to seek some sort of compromise, some sort of agreement.

It is not correct to say, as the Hon. Ron Roberts has said, that at the end of 12 months we will see a continuation of the first 12 month arrangement. There is an automatic provision which states that the immunity is there for 12 months, that is, they are protected for those circumstances as outlined in the Bill. But, at the end of the 12 month period after the market has started, if an alternative option has not been worked out, that particular level of immunity will disappear automatically and NEMMCO will be liable for negligent actions in relation to the NEMMCO system operations. So, it is an automatic provision which will have to apply.

It therefore places enormous pressure in the next 12 months on NEMMCO and the other jurisdictions to sort out some sort of insurance arrangement, probably with some sort of cap on liability, in terms of how NEMMCO will operate. Anything is possible: it could occur in three months, one month or one week. But to be fair and frank—and I do not want to mislead members—this is an extraordinarily difficult task, and I suspect that it will take all of the six to 12 months to resolve the issue.

NEMMCO did speak to its insurers, but it was unable to organise insurance under the original arrangements. Part of the reason for that is that this is a new ball game. Insurance companies do not know how the market will operate. It is not as though there have been five years, or indeed one year, of experience to look at how it will operate so that they can measure what might be the risks and then quote premium costs for an appropriate level of insurance. At least six months down the track after the market starts we will have an opportunity to look at the operations of the national market. Similarly, insurers will be able to look at the operations of the market to see what can be organised.

When we first became aware of it—and we were told that NEMMCO could not organise insurance under the old arrangement—we in South Australia had urgent discussions with our insurers through SAICORP to see whether we could do something. It was my wish that surely we might be able to organise something, even on an interim basis, through our insurers overseas, etc. to cover a period of six to 12 months. Again, the answer came back that, no, their professional judgment was that that was not going to be possible. It was a complicated process, and it was going to take some time.

There was also the view that we needed to look at the sort of insurance arrangement we were seeking to undertake for NEMMCO, that is, we should try to ensure that the sorts of things we sought to insure with NEMMCO were not already covered by the insurance that the transmission and distribution companies already had. This is where there was some confusion in terms of what you are insuring NEMMCO for and what you are insuring the transmission, distribution and generation companies for. Clearly, you do not want to insure twice unless you have to. For example, if there is an ability to sue the transmission or distribution company—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: But you want to make sure there is no crossover or overlap. That is the only point the insurers were making to us. Because it is a new market and because we have not seen how it will operate, the insurers were saying, 'These are pretty difficult questions when you are talking about a theoretical market. Sure, you can tell us how you think it will operate, but if we are going to insure we want to see the market operating so that we can make some decisions.' As a result of all that, we tried to organise through our own insurers some sort of proposed scheme, but their advice to us was that it was going to be too difficult.

In the circumstances that have been highlighted by NEMMCO directors and others to the jurisdictions, in the main, if there are 30 generation companies throughout Australia as part of the market, at one particular time NEMMCO might choose to allow 28 of them to be generating and to be making money as part of the market. NEMMCO

might say that two of them, for whatever reason, will not be despatched, therefore will not be generating, will not be making any money and therefore might be making losses if they have locked in contracts.

The directors of NEMMCO were arguing that some of these companies have very big pockets (as we have talked about before) and, if they are not allowed to earn money for a period, they could lose significant millions of dollars in a short time. If there is a cause of action by the generators or one of these electricity businesses against NEMMCO or the individual NEMMCO directors, then there is considerable—and understandable—concern from some directors who are keen to hold onto their houses and other assets which they currently own, given that some of them would see their operation and participation in NEMMCO as a service not only to their State or Territory but also to the nation in terms of getting the fledgling national electricity market up.

They are concerned and, as I said, I can understand that. They do not want to find themselves personally liable or NEMMCO liable for a decision taken by NEMMCO to say to one generator, 'No, you can't dispatch.' We are not talking about bushfires, calamities or consumers not getting electricity: we are talking about the electrons still flowing, people still getting electricity, business still being done, but 28 companies being allowed to generate and two not being allowed to generate; and those two are grumpy because they believe NEMMCO, through negligence, made a decision or an error in its software program, or something like that, which did not dispatch them at the time they should have been dispatched and, as a result, they lost some millions of dollars in a short time, particularly during a peak period.

This is an extraordinarily complicated market, and there are people who, having looked at the detail of it, are saying exactly that: it is the most complicated market or process they have ever seen, particularly when you are trying to get it up from start, from a base, and get it going in a relatively short space of time. That is why we have arrived at the situation in which we now find ourselves. I can assure members and the Hon. Mr Cameron that it has not been an issue about which we have known for three years and about which we have done nothing. It has been raised in relatively recent times and we have had to work our way assiduously through it.

We had to get agreement from all jurisdictions and all Ministers, both Labor and Liberal, in those jurisdictions. Ministers of one political persuasion are not operating in the national market, and we now have an agreement. As I said, it is not the preferred, original position of the South Australian Government: it is probably not the preferred position of a number of the other jurisdictions as well but, nevertheless, it was a compromise agreement which was arrived at to allow, from the jurisdictions' viewpoint, the market to get up and going as soon as possible.

I want to place on the record that the responsibility for the NEMMCO market start is with NEMMCO. There has been recent discussion about whether or not the national market will be able to start on 15 November. I think it is fair to indicate that we are likely to hear in the next week or so a decision from NEMMCO as to whether or not it believes it will be able to meet the 15 November start up date or whether there might have to be a slippage of a couple of weeks or so.

Whatever happens, we must have our legislation through the Parliament, if not by the end of next week then by the week that we return. I know the shadow Minister has indicated his support for the legislation in the House of Assembly and, with the Legislative Council's having considered it this week, there might be the possibility for one further week of debate should that set of circumstances eventuate with a NEMMCO announcement in the next few days or up to a week.

There were some other questions which members flagged. I have endeavoured to answer the matters of greater moment in my response to the second reading. I, together with my advisers, who are much better equipped to argue legal technicalities on matters of immunity and liability, will be delighted to respond to any questions in relation to—

The Hon. T.G. Cameron: As longwinded as you?

The Hon. R.I. LUCAS: Much longer: they get paid by the hour! We will certainly be available to respond to questions in the Committee stage.

Bill read a second time.

In Committee.

Clauses 1 to 11 passed.

Clause 12.

The Hon. SANDRA KANCK: I noted when the Treasurer was summing up that he gave an example of Ash Wednesday and how consumers had some legal recourse. He went on to say that if generating companies were negligent there would also be legal recourse. The problem in this clause is not about the generating companies being negligent but if NEMMCO is negligent in some way. Whom would the consumer be able to take to court at that point, because it would be not be the generating companies that would be at fault?

The Hon. R.I. LUCAS: I was making the point that if NEMMCO was negligent (for example, if there was a problem with its software system, and a generator or electricity business had been placed in a situation where it made a loss, that is, it should have been dispatched but it was not; it did not make the money, it incurred a loss and, therefore, wanted a right of action against NEMMCO), the generating company during this period would not be able to take action against NEMMCO.

We had this discussion prior to Question Time. At the moment I cannot think of a set of circumstances where a consumer may want to take action against NEMMCO. I am not saying that there might not be a highly unusual set of circumstances where it could be possible for that to occur. But, if there was, then during this period they would be in the same position as the generators, that is, for the 12 month period they could not take action against NEMMCO. I am trying to make the point that most of the operations of NEMMCO relate to the dispatching of generators, transmission lines and those sorts of things.

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: The most likely set of circumstances and the ones which NEMMCO has raised with us have been related to this dispatching issue—which businesses comes on line, who makes money and who does not. They are the ones with the big pockets and who may well be offended if a mistake is made and they lose as a result of any decision that NEMMCO might have taken. If you can think of a set of circumstances (I cannot, at the moment), a consumer may have lost out from some decision of NEMMCO, as opposed to these other decisions that I am talking about (and that is why it is important to distinguish them), where, if ETSA or ElectraNet was negligent in relation to the operations of its transmission lines, there was a bushfire, people lost their electricity and people wanted to sue for negligence, they would still be able to sue even during this period. It does not impact on those sorts of things: we are talking about the

system control operations of NEMMCO and how they operate. If you can think of circumstances (and I cannot rule them out), the consumer will be in the same position as the generator or the electricity business during this period; that is, they would not be able to take action against NEMMCO.

The Hon. SANDRA KANCK: I gave an example when I spoke during the second reading that, if NEMMCO gives an instruction for a generating company to dispatch its power, and as a consequence of that some sort of surge goes through the power system, the consumer could be the one who is at the losing end.

The Hon. R.I. LUCAS: My advice is that we cannot contemplate a set of circumstances where a decision to dispatch would actually cause a surge. On my advice, that is an operational type of matter. I am not an engineer or an expert in these areas, but if the power is surging it is a decision or function of the operation of that electricity business. It is not a decision caused by NEMMCO's saying, 'You shall be dispatched as part of the national market now, and you now have the authority to generate electricity and sell it into the grid.'

The Hon. A.J. Redford interjecting:

The CHAIRMAN: Order! The honourable member should stand to make those comments.

The Hon. J.F. STEFANI: It has occurred to me that, if NEMMCO is not in a position to provide some sort of cover through an insurance liability policy, there might be an opportunity for the operators who are connecting into the grid which NEMMCO controls to provide some form of guarantee underlying a period of operation individually so that there might be a fall-back position. I wondered whether this process or suggestion is being considered. Simply put, an example of that would be that New South Wales, which will be contributing a major proportion of the power for sale through the NEMMCO operation or through the NEMMCO network, may be in a position to provide a guarantee for a period of, say, 12 months, to a limit of $5 million. South Australia, which is supplying or selling power through the NEMMCO network at a lesser rate—that is, ETSA or Optima Energy—might be able to provide guarantee of $2 million, so you have a proportionate, collective base of guarantees that are the basis for the protection of liability for the operation of NEMMCO for six or 12 months. My suggestion would be that there could be a negotiated position on those bases where underlying guarantees were provided by the operators feeding into the network of NEMMCO control or administration. Those guarantees will have a limit; they will be limited to an assessed position, and they will also have a limited life.

The Hon. R.I. LUCAS: I thank the honourable member for his suggestion. Certainly, that suggestion and a whole range of others will be the subject of quite intensive work over the next period of up to 12 months for which we have made allowance. The question in relation to that would be to try to get agreement from all jurisdictions to participate in such a scheme. Without wishing to place on the public record the views of individual jurisdictions or people involved in this, I indicated earlier that some within this total debate have a view at the other end of the extreme, namely, that this sort of transitional arrangement of no liability for negligent acts ought to continue forever. That is not a view that South Australia shared. People with those views may well not be attracted to the sort of scheme that the honourable member has suggested, but that option, together with a range of others, could possibly be explored over the coming period as we try to resolve what is a very difficult issue.

The Hon. T. CROTHERS: I understand that what is before us is for a moratorium on liability for a period of up to 12 months; it may be less. I understand that one of the suggestions floating around is that some sort of sunset provision ought to be in the legislation. I speak now as one who served for a very long period of time on the select committee examining the Ash Wednesday bushfires, where this question of liability raised its head.

If we have some form of sunset provision, insurance companies, which are not known for their munificence, are liable to see that as a point of leverage or a fulcrum whereby they can put the screws on the State in respect of ensuring that no-one would give is us insurance except and unless it was on the most favourable terms to them.

I may be wrong, but when I consider that, along with my colleagues I will be supporting the Government's position on this, that is one of the elements which exercises my mind considerably: if we have some mechanism in the current Bill that might be in a sense *pour encourager les autres* insurance companies in respect of screwing us for all they can. I would like the Treasurer to share with the Council his views on that matter.

The Hon. R.I. LUCAS: There will be some pressure points in the scheme proposed in this Bill, and the sort of pressures which the honourable member has talked about and which insurance companies might be able to bring to bear will need to be considered. However, on the other hand, I think jurisdictions, and the Government in particular took the view, that unless we actually had a defined period there might be an incentive for those who want to see this degree of immunity continue forever just to forestall decision making.

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: I understand, and I am not taking the honourable member's comments in a negative way at all: I am just saying that it is a difficult issue. I understand those pressures that he is highlighting. I am just highlighting to him that on the other hand there are these other pressures. If we do not stipulate a specific period and say 'That's it,' at the end of that period NEMMCO will be liable for negligent acts and that immunity will be removed, you do not give the people within the system—the insurers, the jurisdictions and others—the incentive to work out a scheme, perhaps with a cap on liability that is acceptable to a world wide insurance group of companies which provides a level of insurance for the operations of NEMMCO. So, as with all these things there is a bit of a balancing act, and we will have to try to resolve those issues as best we can over the next 12 months.

The Hon. P. HOLLOWAY: The Treasurer indicated earlier that the directors of NEMMCO were, not unsurprisingly, reluctant to accept liability for any damage claims that might be made against them. What is the capital base of NEMMCO and who are the owners of NEMMCO who might ultimately be responsible, apart from the directors, should there be a claim against NEMMCO?

The Hon. R.I. LUCAS: Ultimately, NEMMCO, as I think the Hon. Terry Cameron and others have resolved, is a creature of the jurisdiction. Ultimately, in terms of legal action, if it is allowable, it is the various and respective State and Territory Governments. Ultimately, that does not mean the Governments but the taxpayers. The mums and dads are the ones who will be held responsible. In terms of the initial capital base of NEMMCO, I would have to check for you. Originally it started off with a base of around $10 million, but I expect it is a little higher than that now.

The Hon. P. Holloway: Are we equal partners with the other States?

The Hon. R.I. LUCAS: There is no liability or sharing of responsibilities. There is not a problem. After that it is in proportion to our shareholding, which is outlined in the articles of association of NEMMCO. We do not have a copy of the NEMMCO articles of association here with us at the moment. Although we have a fair idea of what it might be, I am reluctant to put that on the record until we are in a position to check it. I am happy to check it for the honourable member and convey that information to him and his colleague in the Lower House before it is next debated.

The Hon. T.G. ROBERTS: Was it ever a considered position for the States and the Commonwealth, with the exclusion of Tasmania, to consider self insurance? States do it within their own State, for example, with the forest areas, where they take responsibility for the first six months? If not, does it not show a lack of confidence in the systems being set up?

The Hon. R.I. LUCAS: Yes, it was contemplated, which is why this has been constructed. Self insurance means that the mums and dads of South Australia ultimately have to pay for it. The State of South Australia is showing a good degree of sensible prudence in relation to how we operate as part of the national electricity market. Certainly, from the Government's viewpoint, what we have sought to do in not only the decisions regarding the national market but also regarding the sale of ETSA and Optima is to try to reduce the extent of exposure to the taxpayers of South Australia. The answer to the honourable member's question is 'Yes'. It was contemplated but, in the end, the reasons it was not proceeded with are the reasons I have outlined.

The Hon. R.R. ROBERTS: I wish to make a short contribution because I was asked to do so by the Hon Sandra Kanck. I do not want to take up too much time but the Treasurer made a comment that he could not contemplate a set of circumstances where a major consumer might want to sue NEMMCO. BHAS is a major user of electricity in the electrolysis production of zinc and lead. If there was a circumstance where ETSA through a switching arrangement was to supply 66 kv on to a 33 kv line and ruin the rectifiers in the zinc plant and shut down the zinc furnace and the whole smelter because it supplied the wrong electricity, obviously BHAS would be looking for compensation from ETSA because it was ETSA's fault.

If there was a major mishap on the Federal grid and electricity was not supplied to BHAS because of such decisions and ETSA did not dispatch electricity because NEMMCO made the decision not to do it, we would have the same situation where the major producer goes down and 700 people are unemployed. BHAS Pasminco then sues ETSA which says, 'This is not my fault.' It has been my experience with insurance that no-one wants to take responsibility—they all want to pass it on to the next one. ETSA would say, 'No, it is not our fault, it was NEMMCO's decision.' They may then be able to prove that that was the decision and the ultimate result of the legislation that we are about to pass is that, even if the case is then proved, there is no compensation for Pasminco BHAS. By way of quick example, that is the circumstance that would lead to a major producer suing NEMMCO.

I do not want to go over the argument of whether it is right or wrong, but in my view that is an accurate assessment of where a major producer could sue NEMMCO. However, under this legislation that producer would not be entitled to rightful compensation.

The Hon. R.I. LUCAS: I have considered advice from my left but my advisers are not technical experts. If the circumstances that the honourable member outlined are correct—I do not know and I would need to seek technical advice—then I thank him for his support of this provision in the legislation which will cater for that.

The Hon. SANDRA KANCK: We have now spent some time on this one clause. This is indicative of the level of concern we have about a piece of legislation that is being rushed through the Parliament. We have not had the opportunity to consult on it. I would have liked to have time to consult with the end users of electricity, particularly some of the larger ones, to find out what their view is on the sort of example that the Hon. Ron Roberts has given. We are being denied that opportunity. We are being denied that opportunity. All I can say is that I hope that with reference to future pieces of legislation the Government is taking notice of the level of concern, because democracy is not well served when legislation is dealt with in this way.

The Committee divided on the clause:

AYES (13)

Crothers, T.	Davis, L. H.
Holloway, P.	Laidlaw, D. V.
Lawson, R. D.	Lucas, R. I. (teller)
Redford, A. J.	Roberts, R. R.
Roberts, T. G.	Schaefer, C. V.
Stefani, J. F.	Weatherill, G.
Zollo, C.	

NOES (5)

Cameron, T. G.	Elliott, M. J.
Gilfillan, I.	Kanck, S. M.
Xenophon, N. (teller)	

PAIR(S)

Majority of 8 for the Ayes.

Clause thus passed.

Remaining clauses (13 and 14) and title passed.

Bill read a third time and passed.

ADDRESS IN REPLY

Adjourned debate on motion for adoption.

(Continued from 28 October. Page 60.)

The Hon. J.F. STEFANI: It is with pleasure that I second the motion for the adoption of the Address in Reply. In so doing I would like to thank His Excellency the Governor of South Australia, Sir Eric Neal, for his speech opening the second session of the Forty-Ninth Parliament. I take this opportunity to pay tribute to His Excellency and Lady Neal for the way in which they discharge their vice-regal duties and attend the many community functions, giving freely of their time in the service of the people of our State.

Today, I wish to speak about some of the Government's initiatives in dealing with the State debt and the initiatives that are being taken to address the unemployment problems faced by many South Australians, particularly our young people. South Australia is a State in transition. Like any other organisation, it is going through rapid changes which create a mix of exciting prospects and projects, but at the same time the community will also bear some restructuring pain.

For too long this State has operated with a huge debt burden which has had a great impact on our capacity to invest in our future. Our current interest payments, which are

running at about $2 million a day, absorb much of our finances that are normally applied to stimulate the economy, create job opportunities and invest in essential health and education infrastructure and services.

Since coming into office the Liberal Government has been endeavouring to rectify this position by selling some of our State assets in an effort to achieve a greater debt reduction and therefore reduce our commitment to interest payments. In addition, the Government has been active in outsourcing some of its functions in an effort to reduce ongoing operating costs and to increase efficiency.

During the past four years, the Government has strongly supported strategies to attract a range of new businesses and back office telecentres, including Bankers Trust and the Westpac National Mortgage Processing Centre which currently employs almost 1 500 people. The current program of the Government is to achieve further substantial debt reduction through the sale of ETSA and Optima Energy, reducing the risk of ownership and the substantial capital costs associated with the replacement of our ageing power generation facilities.

The Government's objectives are substantially driven by the need to provide additional funds which would be saved through much lower interest payments on our reduced debt. The net gains to be achieved through the sale of ETSA and Optima Energy have been identified in the Auditor-General's Report, which was tabled in this place last Tuesday. South Australia has the potential to expand its fast growing export sectors such as manufacturing, agriculture, mining, services and information technology, education, aquaculture and tourism.

As a State we need to attract greater business investment and we need to support major companies in achieving their goals. The South Australian car industry has emerged from the last round of investment more efficient, with two new export orientated car assembly plants producing exceptionally competitive vehicles in design, quality and price. The $1.1 billion expenditure by GMH and Mitsubishi over the past two years has greatly improved the industry's medium term prospects in South Australia. The investment and new models have also improved job prospects—although it should be said that, in these days of constantly improving productivity, job prospects are as much about maintaining employee numbers as taking on new staff.

GMH has expended much of its $600 million Commodore budget on refurbishing its Elizabeth facilities, which are already considered to be amongst the best small volume production plants in the world operated by General Motors. On the other hand, Mitsubishi Motors Australia has devoted much of its recent spending to its engine plant, which now produces the most advanced engine in Australia. The decision taken by the Commonwealth Government to defer tariff reductions for the time being should further assist our industry in securing important export markets and achieve production efficiencies. Mitsubishi has already achieved some impressive results with its Magna range. However, the company will be required to capture a greater share of the market to recoup some of its $550 million invested in its engine plant at Lonsdale. The collection of awards gained by the Magna vehicles in Australia—which has the most open market of any country with a mature car manufacturing base—would suggest that off-shore acceptance of the car will justify the investment made by Mitsubishi.

GMH is endeavouring to achieve success in the export market by improvements in economies of scale and productivity in order to keep pace with the expected future tariff reduction. Almost half of its $275 million invested in the Elizabeth plant went into the installation of 130 new robots in the body shop, to more than double the production of body constructions achieved through automation. A major focus of attention at the Elizabeth plant was the press shop, which is required to produce more than 240 different body panels, and which has been upgraded and rationalised.

South Australia is one of the most important wine-growing regions in Australia. The wine industry is worth $2 billion to the Australian economy, with around $700 million generated in export earnings, more than two-thirds of which are exported wines from South Australia. As a State, we also produce a major proportion of the national wine production. South Australia can firmly lay claim to a position on the international wine map and on the bottle shop shelves of the world with wines from the Coonawarra, Barossa Valley, Clare Valley, Adelaide Hills, Langhorne Creek, Padthaway and McLaren Vale all achieving international recognition as areas well known for premium wine production.

But the Riverland district along the Murray River, between the tiny towns of Kingston and Renmark, is considered to be the backbone of South Australia's and Australia's burgeoning wine industry, providing the nation with almost a quarter of its wine needs. Long regarded as little more than the cheap volume player of the Australian wine industry, the Riverland contains some old sleeping giants now emerging as significant and dynamic players in the export wine market. Industry data indicates that production from the Riverland will jump by 32 per cent in five years, from 218 605 tonnes of grapes in 1996, to 290 000 tonnes (almost 23 million cases) for the vintage in the year 2001.

Extensive capital investment in new vineyards has seen 4 300 hectares of new vineyards planted or replanted since 1993, lifting the total area under vine in the Riverland to almost 13 400 hectares, which represents 17 per cent of the national vineyard plantings. Australia has 914 vineyards, 78 000 hectares under vine, and an annual production of 885 000 tonnes of grapes, producing 606 million litres of wine, of which more than half is sourced from South Australia, with the Riverland being the largest supplier.

South Australia's resource sector has both enjoyed and endured a year of successes and disappointments. South Australia has firmly established itself on the international resource map with a number of gold finds—most notably the Challenger and Tunkillia deposits. Santos Ltd has discovered numerous new oil fields in the Cooper Basin, and Western Mining Corporation Ltd is nearing completion of its $1.4 billion expansion project at Olympic Dam. The year ahead should be equally interesting, with plans to reopen two deposits and the likely development of a new gold mine, including further intensive exploration.

The vast desert sands and blue saltbush terrain of Outback South Australia has begun to reveal its secrets, with exciting gold and base metal finds in the Gawler-Craton area. Just 12 months ago very few investors would have heard of the Gawler-Craton or some of the 130 companies which are now operating and have a stake in South Australia predominantly in this area. Meanwhile, the South Australian mineral sector should see the opening of a new gold mine in its high grade Challenger deposit north of Tarcoola in the heart of the Gawler-Craton. New technologies and approaches to exploration have been employed to achieve further discoveries.

Tourism is Australia's biggest export industry. The prospect for its continued growth will place this industry amongst the best economic opportunities for South Australia. Recognising South Australia's great tourism potential, the Government recently launched a new tourism plan based on this State's best kept secrets. The corporate plan aims to support the key economic, environmental and social outcomes of our tourism industry and the Government's objectives through increasing export to South Australia by attracting interstate and international visitors, increasing the wealth of South Australia by attracting investment and developing strategic assets, increasing job opportunities across a range of skills and across all regions, and retaining people and money by attracting intrastate visitors.

An analysis of our current position indicates that many of our ingredients for success are in place. There is significant consumer recognition of our wine industry. Adelaide is recognised as a city which offers great quality of life, unspoilt natural surroundings and a striking colonial heritage. As a State we offer a good range of experiences, and visitors express great satisfaction following their stay in South Australia. South Australia can build a profitable and sustainable tourism industry by taking advantage of the current trends in tourism.

The State is targeting an overall increase in the value of tourism from $1.8 billion to $2.4 billion in real terms by the year 2000. By achieving this goal we have the opportunity to create around 10 000 additional direct jobs within the South Australian economy. The Government has expressed confidence in the role that tourism can play in revitalising our State's economy, and we will continue to support the efforts by the tourism industry to achieve positive long-term outcomes.

The major investment in infrastructure at the Adelaide Airport to extend the runway is an excellent example of the Liberal Government support to accomplish major benefits for the export and tourism industries in South Australia. The completion of the $48 million runway extension will dramatically improve export and tourism options for our State, reduce time and costs and open direct access to new markets in Asia and other regions. The State Government is working to treble the value of South Australia's primary products exported to other countries, and by the year 2010 aims to achieve an export value of $15 billion. The export of South Australian manufactured food and beverages has been growing steadily at the rate of 11 per cent per annum, and companies operating in this sector employ approximately 17 000 people. For example, rock lobster exports earn our State more than $70 million per annum, and the unique tuna farming industry at Port Lincoln generates increasing export income from the Japanese sashimi market.

Over the past four years the Liberal Government has worked hard to achieve growth in overall employment by attracting new major employers to South Australia and by supporting existing businesses to create new job opportunities through programs such as KickStart, Regional Labour Exchanges, IT Skill Advantage and other special employment initiatives, including the Small Business Employee Incentive Scheme and the State Government Entry Level Training Scheme and youth training schemes. The Government acknowledges that much more needs to be achieved to reduce the high level of unemployment in our State.

As a member of Parliament who at the age of six experienced family hardships through the 42 month internment of my late father during the war, I share great empathy with and understanding for the families and young people experiencing the hardships of unemployment. In dealing with the unemployment problem it is imperative for the Government to give the highest priority to creating long-term job opportunities by working in partnership with the private sector and the community as a whole to achieve considerable improvement in employment prospects for our young people.

Finally, in this context I believe that it is crucial for the Parliament to consider carefully the critical debt reduction measures in the Government's current legislative program as outlined in the speech delivered by His Excellency the Governor at the opening of Parliament. It is true to say that the collective decision of the Parliament will affect the future of our State and its people. I second the motion for the adoption of the Address in Reply.

The Hon. CARMEL ZOLLO: I rise to speak to the adoption of the Address in Reply and to join others in congratulating His Excellency on opening this Second Session of the Forty-Ninth Parliament of South Australia. I again express my condolences at the passing of former Deputy Premier and Labor Party stalwart Jack Wright to his wife Norma, son Michael Wright and family.

I was pleased to hear the Government's recent announcement, now confirmed in the Governor's speech, that we will not have totally deregulated shopping hours but that a compromise suitable to most parties is likely to be arrived at in South Australia. I look forward to seeing the detail in legislation. I believe that total deregulation is supported only by the big retailers and would be to the detriment of the majority of small businesses and the workers in the industry. There would be little benefit in the long run for the majority of shoppers.

Contrary to popular beliefs, most major cities around the world impose some sort of regulations on shopping hours. However, I was amused to read in the *Advertiser* that the Premier believed that the compromise on shopping hours was necessary because anything else would not have been approved by this Chamber. I know of at least two of his own members in the other place who would have been ready to cross the floor on this issue.

I was also pleased to read in the media that members opposite are likely to have a say in the election of their parliamentary leaders in the other place and therefore a say in who becomes Premier and Deputy Premier of the State. Of course, we on this side of the House have been doing that for a long time, after all Parliament consists of two Houses, as Liberal Democrats have always espoused. So, it does make sense that all members of Parliament should elect their respective leaders. Welcome to the twentieth century if it goes ahead. I say 'if' because, as some of the longer serving members opposite are well aware, issues such as these go back to the Liberal Movement days of a whole generation ago.

Despite the continuing loss of jobs and with unemployment levels still around the 10 per cent mark, what did we get in this week's *Advertiser*? Further stories about the Liberal Party leadership—and this was only a few days after the so-called 'Port Pirie love-in'. No doubt members opposite will claim that this is another media beat-up but, regrettably, we all know how real and deep the Liberal Party divisions are. We clearly saw those divisions manifest themselves over the recent contamination of our water supply reservoirs. During the parliamentary recess we also saw a reshuffle of

the Government's ministry following the belated departure of Minister Ingerson.

We all accept that year 2000 compliance is a very important problem that needs to be addressed. Following the number of questions I raised in the last session Minister Matthew, before the reshuffle, offered me a briefing on the year 2000 date problem, which I was pleased to take up. I will continue to monitor this very important issue, which could have some enormous economic and social repercussions for both the Government and the private sector. The Governor's speech indicated that the Government introduced Australia's first dedicated State Minister for Disabilities, and now the first dedicated Minister with responsibility for year 2000 compliance. I am glad to see that Minister Lawson has been given more about which to be proactive than just the important single issue of disability services. We are all, of course, respectful of the Governor, but it was hard not to smile when it was also announced that there would be a dedicated ministry with a use-by date of just over 12 months from now.

If the Minister were doing his job properly, his role would start to wind down well before that date, anyway. Whilst I accept that this is important, it is no more onerous than many other tasks overseen by Ministers. If EDS and the Government as a whole had devoted more time and resources to the issue, they would by now have been well on the way to identifying and resolving the problem areas. I continue to remain concerned at the lack of substantive legislation addressing the issue of protection of privacy in the information technology area. I am keeping an eye on the model that Victoria hopes to implement—a move which the Victorian Parliament is contemplating due to the lack of substantive Federal Government initiatives in this area.

Towards the end of the last session the Government announced a ministerial group to look into prostitution in this State. In the past we have had a litany of private members' Bills rather than treating it as the serious business of the Government of the day. I personally do not believe in legalising an industry which demeans women. My research has revealed problems in the policing of existing laws, lack of serious control in the advertising of services and inequalities in the handling of both the client and the provider. Whatever the outcome, I commend this Government for having at least taken the initiative to address the social issue by Parliament as a whole.

I also commend the Government for its continuation of the program to promote and encourage cervical and breast cancer screening programs. Yesterday I attended a breast screening awareness forum in the Italian community and, like everyone in our society, I recognise the importance of such initiatives. The forum was sponsored by Women's Health Statewide, BreastScreen and the Anti-Cancer Foundation of South Australia.

I am concerned, however, to hear that we are to have a fifth attempt to abolish voluntary voting—this time by default, again—by not fining people who do not vote. A good analogy would be that speed limits will remain in force but people will not be fined. Whilst it would be true that most responsible people would obey the limits for safety, there would be a minority that would need the fine deterrent to comply with the law. In the past two weeks I have had the pleasure of meeting a very charming couple visiting from Sacramento in the United States. Both are retired teachers, still active in their community and very politically aware. I and many of my colleagues, including the Hon. Nick Xenophon, have made comparisons with the voluntary system of voting in the United States and how important it is for us not to end up with a similar system.

The visitors confirmed many of the assertions I had previously made, in particular that you do not make anyone's database or get lobbied unless you register with a Party to start with. Voluntary voting simply serves to disenfranchise millions of people in the United States. The visitors thought it was ludicrous that we wanted to move to a voluntary voting system given their own experiences. It would be remiss of me not to mention in some detail the biggest political event during our break: the Federal election.

The Liberal Party won with a much reduced majority, even though the majority of the people of Australia voted for the Labor Party on a two-Party preferred basis. However, I doubt whether the Liberal Party will have the same pangs of guilt that the Bannon Labor Government did in South Australia in 1989 and install a boundaries commission which would review all electoral boundaries after every election, so as to try to ensure that the Party receiving the majority of votes also won a majority of seats. Most political analysts agree that the Labor heartland came back to us, but we did not win the crucial marginal seats.

The Labor Party ran a good, clean campaign and had excellent candidates who worked hard, and it was very disappointing when we narrowly failed to win Makin, Adelaide and Hindmarsh. I was personally involved in a small way in the Kingston campaign and naturally am pleased that David Cox won his seat. David is an articulate, competent and compassionate man who will serve the electorate of Kingston well and I congratulate him on his victory.

The other candidate with whom I had some contact was Geoff Buckland, who stood for the electorate of Grey. With the economic downturn in northern regional centres and the uneven swings, it was a hard struggle. Geoff worked very hard and travelled the huge electorate extensively. He is a local and is well-known and respected. He has been actively involved in bettering the lives of many workers through his union, the AWU. I wish Geoff Buckland well in his future endeavours.

Nonetheless, some good bipartisan news came out of the Federal election—the demise of One Nation. We still need to address the issues which led some 10 per cent or so of people to vote for this Party, but excluding sections of our community is not the way forward. The existence of a large number of people in this country who wish to acknowledge and celebrate their diverse cultural backgrounds is something we should celebrate, not hide.

I had reason to travel to Melbourne last week with my parliamentary committee and took the opportunity to observe how the Italian community of Victoria celebrates its Italian heritage. Lygon Street in Melbourne was alive with music, food and people enjoying the atmosphere and entertainment on offer.

One thing that disappoints me, and is usually highlighted at election time, is that parliamentarians are portrayed as one of the least respected groups in society. It would be nice to be able occasionally to read more balanced reporting on the role of politicians in our democratic system of government and our conditions of service. Why are politicians' conditions of employment always described as 'perks', for example, but a 'salary package' elsewhere in society? One is often made to feel a sense of shame for being elected to Parliament, rather than experiencing the honour and privilege of representing the interests of our fellow South Australians.

I am not suggesting that we are not reasonably paid compared with many in our society. We are, and we are highly scrutinised—and so we should be. We are servants of the public and are also expected to provide leadership, but I find it interesting that no comparisons are ever made with the corporate sector and the very generous packages offered to executives. In some cases, the corporate sector seems to offer packages which could only be described as immoral compared to the rest of the community. In some cases, we are talking of packages of more than $2 million or $3 million a year. It seems that these packages are paid on the basis of achieving maximum profits, minimising tax and employing the least number of people.

The generosity of executive packages, including those for senior State, Federal and local government public servants (now usually on short-term contracts, like many politicians), affects the services that the public receives and the prices paid for goods and services by consumers. It can be something as simple and annoying as having to queue up for 20 minutes to be assisted by a teller at a bank across the road. When I recently complained, I was told that the matter could only be taken up in writing with senior management. Needless to say, I and the long queue behind me were not very impressed. This is not an uncommon occurrence, and the same story could be repeated in many large institutions in Australia, including the closure of many regional offices and branches.

Another example of the lack of personal service is the length of time one needs to wait at the end of a telephone line whilst various instructions are relayed by a computer-generated voice and, right at the very end, the one you want is finally offered. Such initiatives enable fewer ground staff to be employed and bigger packages at the top end. I believe that a whole section of our community is totally unable to access telephone or computer services for this reason, especially those from non-English speaking backgrounds.

We have before this House legislation in relation to ETSA to which I have already spoken. The Government has continued on its economic path of privatisation at all costs, but I note from the Governor's speech that this now could be achieved by way of trade sale, long-term lease or public float. The need to closely scrutinise the benefits of keeping public utilities and the social costs of privatisation have been totally abandoned. The fact that many publicly owned businesses are run very efficiently and make large profits which benefit the whole community and also pay dividends to Government is ignored for obvious political expediency.

The Premier's comments earlier this month that he wants this State debt free at the end of this parliamentary term is economic irresponsibility in terms of the social costs involved. Just what does he plan to sell off next beside the list we already know of?

The concerns of some Coalition Federal members of Parliament over the sale of the remaining balance of Telstra proved an interesting issue to watch during the Federal campaign. Given the tighter numbers in the new Federal Parliament, I doubt very much whether the sale of the remaining part of Telstra will proceed at this stage and, of course, the people of Tasmania also sent a very clear message to their State Government concerning the privatisation of their hydro-electric utility. It seems that this Government just does not want to know that core services belong to the whole community and are not for Governments to dispose of in any way and at any price. The recent gas crisis in Victoria demonstrated that, at the end of the day (even if it was a private utility running the gas supply), it was the Federal Government which announced a $100 million rescue campaign to help relieve the suffering and hardship in the community. With the return of the Howard Coalition Government, it appears that we will get the GST that the majority of people voted against.

Despite the usual rhetoric that the Labor Party ran a scare campaign on the GST, more and more impartial observers are now indicating that the modelling used by Treasury, no doubt at the behest of their political masters, underestimated by a very large margin the impact of a GST on people with fixed or low incomes, yet the greatest tax cuts, if they are ever delivered, will go to the high income earners.

There are some very important issues facing the State, not the least addressing our chronically high unemployment rate. As a member of the Opposition in this Chamber, I do not believe the right way is to continue to sell the State's assets. I look forward to a productive year and what appears to be a very busy and long session, which I hope will be of benefit to the South Australian community. I also thank His Excellency the Governor for his contribution.

The Hon. R.R. ROBERTS secured the adjournment of the debate.

MEMBER'S REMARKS

The Hon. A.J. REDFORD: I seek leave to make a personal explanation on the subject of comments made this afternoon by the member for Ross Smith in another place.

Leave granted.

The Hon. A.J. REDFORD: In another place today, the member for Ross Smith, Mr Ralph Clarke, said:

> I understand that only three weeks ago, at an award presentation for winners of the South-East tourism awards, the Hon. Angus Redford and the new Federal member for Barker (Mr Secker) were at a table of prominent Mount Gambier businessmen, but what were they doing?

Further, he said:

> They were bagging the member for Gordon and the member for MacKillop and saying how terrible those two persons were in acting as Independents in this place; how they were an absolute pain in the butt with respect to the Liberal Government; and that they were useless. That was the sum total of their contribution.

First, the award presentations, in fact, did not occur three weeks ago: they occurred last Sunday. Present at the table at which I was seated was the newly elected member for Barker (Mr Patrick Secker); Mr Graham Gilbertson (the Executive Director of Channel 8) and his wife; Mr Eric Roughana (who is on the board of Channel 8); Mrs Rosemary McCourt (who is a judge of the Tourism SE awards); Mr David Hood (Mayor of Naracoorte and Chair of SELGA—and incidentally my cousin); and Mrs Annette Balnaves (Chair of Tourism South-East).

I acknowledge that I did make some comments about the member for Gordon that were critical in the context of some critical comments that he had made about this Government in comparing it with a Government of the 1930s. I also referred to the fact that much of his criticism in the past 12 months had been ill-informed and often gratuitous, and was less than helpful for the people of the South-East.

However, I made no criticism of the member for MacKillop, for whom, I have the highest regard. He was elected as an Independent Liberal with probably three issues separate from that which the Government headed. I have always acknowledged his right and entitlement to pursue those issues, as the Hon. Terry Roberts would acknowledge.

Although I would not usually respond to anything that Mr Hanna says, I must go on the record to respond to his remark that I call myself a thinking conservative. I have never called myself that and I do not know where he got that from.

ADJOURNMENT

At 5.56 p.m. the Council adjourned until Tuesday 3 November at 2.15 p.m.