LEGISLATIVE COUNCIL

Wednesday 2 June 1999

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

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. R.I. Lucas)—

Regulations under the following Acts—
- Fees Regulation Act 1927—Fees
- Financial Institutions Duty Act 1983—Non-dutiable receipts
- Gaming Machines Act 1992—Fees
- Land Tax Act 1936—Fees
- Petroleum Products Regulation Act 1995—Fees
- Tobacco Products Regulation Act 1997—Fees

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

Regulations under the following Acts—
- Associations Incorporation Act 1985—Fees
- Bills of Sale Act 1886—Fees
- Community Titles Act 1996—Fees
- Business Names Act 1996—Fees
- Co-operatives Act 1997—Fees
- Cremation Act 1891—Permit Fees
- Dangerous Substances Act 1979—Fees
- Explosives Act 1936—Fees
- Meat Hygiene Act 1994—Fees
- Mines and Works Inspection Act 1920—Fees
- Mining Act 1971—Fees
- Occupational Health, Safety and Welfare Act 1986—Fees
- Opal Mining Act 1995—Fees
- Petroleum Act 1940—Fees
- Real Property Act 1886—Fees
- Real Property Act 1886—Transfer Fee
- Registration of Deeds Act 1935—Fees
- Roads (Opening and Closing) Act 1991—Fees
- Seeds Act 1979—Fees
- Sexual Reassignment Act 1988—Fees
- State Records Act 1997—Fees
- Strata Titles Act 1988—Fees
- Supreme Court Act 1935—Fees
- Supreme Court Act 1935—Probate Fees
- Valuation of Land Act 1971—Fees
- Worker's Liens Act 1893—Fees
- Workers Rehabilitation and Compensation Act 1986—Medical Practitioner Scale of Charges

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

Regulations under the following Acts—
- Emergency Services Funding Act 1998—Unpaid Levy
- Firearms Act 1977—Fees

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

Regulations under the following Acts—
- Births, Deaths and Marriages Registration Act 1996—Fees
- Building Work Contractors Act 1995—Fees
- Conveyancers Act 1994—Fees
- Land Agents Act 1994—Fees
- Liquor Licensing Act 1997—Fees
- Plumbers, Gas Fitters and Electricians Act 1995—Fees
- Second-hand Vehicle Dealers Act 1995—Fees
- Security and Investigation Agents Act 1995—Fees
- Trade Measurement Administration Act 1993—Charges
- Travel Agents Act 1986—Fees

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

Regulations under the following Acts—
- Adoption Act 1988—Fees
- Botanic Gardens and State Herbarium Act 1978—Fees
- Controlled Substances Act 1984—Fees—General
- Controlled Substances Act 1984—Fees—Pesticide
- Controlled Substances Act 1984—Fees—Poisons
- Crown Lands Act 1929—Fees
- Development Act 1993—Fees
- Environment Protection Act 1993—Beverage Container
- Environment Protection Act 1993—Fees and Levies
- Harbors and Navigation Act 1993—Fees
- Housing Improvement Act 1940—Fees
- Local Government Act 1934—Fees
- Motor Vehicles Act 1959—Fees
- Motor Vehicles Act 1959—Trade Plate Fees
- National Parks and Wildlife Act 1972—Hunting Fees
- National Parks and Wildlife Act 1972—Permit Fees
- Passenger Transport Act 1994—General Fees
- Pastoral Land Management and Conservation Act 1989—Fees
- Public and Environmental Health Act 1987—Fees
- Racing Act 1976—Percentage Totalizator
- Radiation Protection and Control Act 1982—Fees
- Road Traffic Act 1961—Expiation Fees
- Road Traffic Act 1961—Inspections Fees
- South Australian Health Commission Act 1976—Private Hospitals—Fees
- South Australian Health Commission Act 1976—Recognised Hospital—Fees
- South Australian Health Commission Act 1976—Fees
- Water Resources Act 1997—Fees.

LEGISLATIVE REVIEW COMMITTEE

The Hon. A.J. REDFORD: I lay on the table the committee's fourteenth report 1998-99.

STATUTORY AUTHORITIES REVIEW COMMITTEE

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

That the report be printed.

Motion carried.

VICTIMS OF CRIME

The Hon. K.T. GRIFFIN (Attorney-General): I seek leave to make a ministerial statement on the Review of Victims of Crime—Release of Stage 1 Report.

Leave granted.

The Hon. K.T. GRIFFIN: The costs and consequences of crime can be quite devastating for its victims. The physical and financial effects of crime are usually evident, but the complex emotional and social effects of crime may not be as obvious. In recent years, our knowledge about criminal victimisation and the victimisation process as well as the needs of victims of crime has increased. In response, a variety of victim services have emerged.

In 1969, South Australia introduced a State funded Criminal Injuries Compensation Scheme. In the mid 1970s, a sexual assault service was established at the Queen Elizabeth Hospital. In 1979, the Victim Support Service (formerly the Victims of Crime Service), the first generic victim service in Australia, was founded. In 1981, the report of the Committee of Inquiry on Victims of Crime was released. It was the first report of its type in the Western world to probe the specific needs of crime victims. Since then a number of significant legislative and administrative

developments have ensured that the needs of victims of crime are addressed.

The Declaration of Rights for Victims, which was made by the Government of South Australia in 1985, predated the United Nations Declaration of Principles of Justice for Victims of Crime. It was an important initiative in setting the agenda for victims in this State and has served as a benchmark for other Australian jurisdictions. Whilst anecdotal evidence suggests that numerous improvements in Government and non-government responses to victims of crime can be attributed to the declaration, there has been little formal analysis of what has occurred.

Some 14 years ago, South Australia was the first jurisdiction in Australia to provide for victims to make a statement in court about the effect of the crime on them as individuals. An evaluation of victim impact statements in 1994 showed that there was widespread support for these statements. The evaluators, however, identified problems in the victim impact statement process.

Several revisions have since been made, not least being a shift to victim impact statements prepared by the victim and only last year extending the concept to permit victims to read a personal written victim impact statement to the sentencing court. I note that a couple of weeks ago the parent and step-parent of a homicide victim read their impact statements to the court—a first in this State under the legislation.

Despite these and other developments, from the victim's perspective the criminal justice system still has faults. The extent to which victims' services cater adequately to all victims' needs is likewise unclear. South Australia has often been at the forefront of victim oriented legislation, policy and practice. It is only proper that we periodically reassess our responses to victims of crime. Since the Committee of Inquiry on Victims of Crime reported in 1981, there have been occasional reports on aspects of law, policy and practice.

The evaluation of victim impact statements that I mentioned is one example; the review of the Victim Support Service is another example. There has not, however, been a comprehensive review of the operation of the initiatives taken by Government to support victims of crime. It is an imperative of this Government to ensure that what has been and continues to be done for victims of crime is working and to identify any changes required.

On 25 March 1998 at the opening of Victim Awareness Week I announced the terms of reference for a review of services to victims of crime. The review was to examine, among other things, the effectiveness of the Declaration of Rights for Victims of Crime and whether those rights should be enshrined in legislation, the operation of victim impact statements, and the strengths and weaknesses of the Criminal Injuries Compensation Scheme.

I initially hoped that the review would be completed in about six months but, regrettably, due to circumstances beyond my immediate control, this was not possible. Nonetheless, today I am able to table a review which examines the effectiveness of the Declaration of Rights for Victims of Crime and the operation of victim impact statements. The part of the review which relates to the Criminal Injuries Compensation Scheme will take somewhat longer. I will return to the matter of criminal injuries compensation.

The review that I table today traces the responses of various Governments since the 1960s to victims of crime. These responses, as I have already indicated, have been considerable. The review highlights the expansion of services for victims of crime but also identifies service gaps. It shows the manner in which the law, policy and practice on victim impact statements has evolved and raises several fundamental questions about the law that permits victims to read their victim impact statement to a sentencing court.

The review is based on an extensive literature review and written and oral submissions. Several hundred sources are cited. Written submissions were received from mainstream and specialist victim support services in the Government and non-government sectors. Oral submissions were actively solicited from the judiciary and people employed in victim support, especially those providing service to marginalised groups such as victims from a non-English speaking background.

The reviewers explored developments interstate and travelled to Victoria to examine the shift in focus there on victim assistance. One of the reviewers participated in the National Victim Assistance Academy course conducted in the United States.

The review showcases much that we can be proud of in South Australia. It is a thorough commentary on our accomplishments and maps out a number of issues and directions that may be taken. The review shows, for example, that South Australia has a mix of services for victims, but there is a widely held view that a closer working relationship between relevant agencies could be fostered. It also describes how agencies, principally the Police, Prosecutions, Courts and Corrections, have implemented the Declaration of Rights for Victims of Crime and discusses a number of ways in which improvement may occur.

The review assesses the merits of enshrining the declaration in legislation. It characterises some problems in implementing the declaration and examines ways to address these. It concludes that most rights are enshrined in legislation. Rather than legislative reform, the review recommends an administrative approach which builds on identified strengths, acts on identified weaknesses and seeks simultaneous improvement in quality and delivery of service for victims of crime.

For perhaps the first time in this State in a single document, the review combines commentary, evaluative data and case law on victim impact statements as the basis for several profound conclusions on victim impact statements. The review proposes revamping the victim impact statement process, repealing section 7A of the Criminal Law (Sentencing) Act (which deals with victim impact statements) and amending section 7 of that Act to clearly articulate an integrated right for victims to make an oral victim impact statement. The reviewers believe that this amendment would afford victims greater protection of their privacy.

In short, despite the increasing attention to victims of crime, the results of the review demonstrate that there is more that can be done. Indeed, the report I table makes more than 60 recommendations.

The Government has no fixed view on most of these recommendations. To maintain the integrity of the review, I have decided to release the report of the first stage of the review in the hope that it will serve to stimulate some meaningful debate. The review is highly useful but raises a number of contentious issues. Given the sensitivity surrounding victims, I want to ensure that people have an opportunity to respond to the recommendations that have been made to me. Feedback from various Government agencies and from Victim Support Service will be sought on the recommenda-

tions that affect them before decisions are made on the recommendations.

There are two recommendations on which I have decided to act immediately. The first is recommendation 12, which recommends that the support booklet presently made available to victims of crime by police should be evaluated by the new ministerial advisory committee on victims of crime. That reference to the committee has already been made. The other is recommendation 33, which proposes referring to that committee the task of overseeing the development of interagency agreements and protocols. On the basis that the committee was established to ensure cooperation and coordination, it will be given an appropriate opportunity to consider this recommendation.

The reviewers have relied heavily on descriptive data, including advice from the field. Some quantitative data is sighted but nothing new is offered in this realm. As a consequence, I have requested the Justice Strategy Unit to conduct a survey of victims of crime. This will allow victims themselves to have some direct input into matters which will later allow the Government to determine what and how services to victims of crime will be provided in future.

Already a significant amount of work on the preparation of the victim survey has been undertaken. Almost 1 400 files, which were handled by the criminal injuries compensation section within the Crown Solicitor's Office, have been examined. The Office of Crime Statistics has helped identify two sample groups and the South Australian Police are assisting with the third sample group. Those involved have gone to considerable lengths to maintain the privacy of the victims themselves but at the same time ensure the approach of the survey is methodologically sound. I emphasise that this survey will be conducted in scrupulous accordance with the Government's information privacy principles and that victims of crime have no reason to fear that their privacy will be eroded.

A survey instrument has been designed and negotiations are under way with a marketing and research firm to conduct a survey. The survey will seek information on the assistance victims receive and on their views on the Victims of Crime information booklet distributed by police; the nature and quality of information received during the progress of their case; the use of victim impact statements; and their experience with criminal injuries compensation and whether or not criminal injury compensation has met their needs. I would hope to release the survey results along with the second stage of the review. That will necessarily involve a review of the Criminal Injuries Compensation Act. It may also be opportune on that occasion to present an overview of commentary on the recommendations made in the first stage of the review.

Victims have various needs, including support and information at all stages of the criminal justice system. There are compelling reasons to determine whether these needs are being met or could be more effectively met. The review I release today highlights the significant improvements that have been accomplished, raises a considerable number of issues, recommends areas in which existing programs need improvement and indicates some new directions. I am sure the review will promote debate within the community. In advancing that debate we must all be mindful of the need to afford victims appropriate recognition and to maintain their dignity, something to which this Government and I are thoroughly committed. I seek leave to table the report of stage 1 of the review.

Leave granted.

The PRESIDENT: I warn the media in the gallery that the rules are that you are only to train a camera on a member standing on his or her feet. You have had a fair go now.

ADELAIDE AIRPORT

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I seek leave to table a ministerial statement issued today by the Hon. Iain Evans on the draft decision for the Adelaide Airport passenger facilitation charge, and seek leave to speak briefly to it.

Leave granted.

The Hon. DIANA LAIDLAW: Today the Competition Commission issued its draft decision on the new passenger charges at Adelaide Airport and agreed that the passenger facilitation charge should be set at $3.45. The commission is now seeking comment on this draft decision. This is a real break-through for South Australia, for both international and domestic tourism and also for our freight business. In terms of expanding our economy and supporting our tourism industry and export business, we need to have a far superior facility than we 'enjoy' at Adelaide Airport at the present time. I do not think most members would appreciate that the current domestic facility was developed as a temporary facility back in the 1950s. Additions have been made on about 10 occasions since that time, and it is now a motley collection of buildings.

An honourable member interjecting:

The Hon. DIANA LAIDLAW: Yes, a collection of buildings, carpets and facilities. The international air terminal, while a coup when we got it in the early 1980s, is totally inadequate with only one airbridge to cater for three international flights which often come in at the same time, causing great discomfort for passengers and extra costs for the airlines. In terms of discussion of this draft decision, I hope there will be united support from all members of Parliament in this place and the other place and from the community generally so that we can get on with building this much needed facility very soon.

QUESTION TIME

EMERGENCY SERVICES LEVY

The Hon. CAROLYN PICKLES: My question is directed to the Attorney-General, representing the Minister for Police. Can the Attorney-General confirm that up until April this year the Government had planned to apply the emergency services tax to vehicles in the same way that compulsory third party insurance is applied? If this is the case, can the Attorney-General outline the rationale behind the Government's change in strategy? Did the Government calculate a revenue stream and, if so, what was it?

The Hon. K.T. GRIFFIN: I will take the question on notice.

ELECTRICITY, PRIVATISATION

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Treasurer a question about the sale of electricity assets.

Leave granted.

The Hon. P. HOLLOWAY: Last Friday, the Premier claimed that the privatisation of ETSA would 'save something in the order of $500 million worth of interest'. When

asked on the same day how much the privatisation of ETSA would reduce the State's interest bill, the Treasurer said:

> It depends on the sale price obviously. . . the rough calculations that some of the commentators have done is that you may well save around $300 million on some of the estimates they have provided. You get $4 billion, $5 billion to $6 billion, say, for the sale of the asset. You work out what the interest rates are at the moment, 5 per cent or 6 per cent. You do that calculation. The commentators say, 'Well, around about $300 million'.

Using the Premier's claims of $500 million in interest savings and the Treasurer's calculations, it indicates a net sale price of between $8.3 billion and $10 billion for ETSA assets. My question to the Treasurer is: does he believe that the Premier's estimate of around $9 billion for the sale price of ETSA is realistic?

The Hon. R.I. LUCAS: I do not have a copy of the Premier's statement with me. I will need to check the context in which the statement was made. I assure the honourable member that the Premier has never indicated a potential sale price of any magnitude in respect of the electricity assets.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: The honourable member now says that that is the imputed price. The honourable member said that the Premier was talking about a sale price of $9 billion. The Government's position for the past 16 months has been steadfastly that we were not prepared to speculate about what we saw—and certainly I have said this a thousand times—as the potential sale value of our assets. Indeed, the Opposition has asked a number of questions in this place. What I have said on a number of occasions is that there have been a number of estimates from various commentators, most of which seem centred around a ballpark figure of $4 billion, $5 billion or $6 billion. I have seen some estimates which go above that figure, and I have seen some estimates from some commentators who have put the figure below $4 billion.

Ultimately, no-one can indicate what the value will be until it is put on the marketplace. What we can say is that the Government's view was that the most prospective time for a sale or a long-term lease was last year; and the Government believes that, if we had been successful in a sale or long-term lease last year, we would have maximised the value for our assets. We still believe that a significant number of people are interested in our assets and that we can get a very good price for those assets, whether it be for a sale or a long-term lease.

However, consistent with what I have said for the past 16 months, I do not intend to speculate, and I reject any notion or inference that the Premier has suggested that the sale price of the electricity assets is indeed $9 billion. I would be very happy to look at the context within which the Premier made the statements last week or the week before and, if there was anything useful that I could add to my already comprehensive response, I would provide a further response to the Council.

The Hon. P. HOLLOWAY: As a supplementary question, does the Treasurer believe that ETSA assets would have to be sold for at least $8.3 billion to save $500 million in interest payments?

The Hon. R.I. LUCAS: I will not speculate about the potential sale value of our assets.

COMMONWEALTH INDIGENOUS EMPLOYMENT POLICY

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Aboriginal Affairs, a question about the Commonwealth indigenous employment policy.

Leave granted.

The Hon. T.G. ROBERTS: I ask the question in relation to what the State's role and involvement in this matter will be. The Commonwealth has released a new policy headed 'Introducing the indigenous employment policy'—and it contains a very inviting photograph of Peter Reith without his glasses but with his contact lenses in. The second paragraph of the press release put out by Peter Reith states:

> The indigenous employment policy will support a new way for the Government and the private sector to work with each other, and with indigenous communities, towards a common goal—creating more jobs for indigenous Australians. While the focus of our policy is on the private sector, we will also work to expand opportunities in the public sector.

The explanations included in the attachment, under the heading 'Wage Assistance', state:

> A new incentive will help disadvantaged indigenous job seekers to find long-term jobs either through Job Network or their own efforts using an eligibility card. Their employers will get up to $4 000 for 26 weeks of full-time work. [Eligibility] cards will be issued from 1 July 1999 to job seekers registered with Centrelink and assessed as disadvantaged.

The document goes on to say that structured training and employment projects will be made available, as well as training for CEOs, CDEP placements and other initiatives.

When new schemes are employed by Commonwealth Governments to work together with States, overlays of bureaucratic responsibility tend to soak up a lot of the moneys that are directed to or targeted at particular groups within our community. The fear I have is that perhaps the Commonwealth-State overlays and the application of the policy might end up being soaked up in a lot of unnecessary bureaucratic employment that may not involve indigenous people. My questions are as follows:

1. Will the State Government work towards expanding the job opportunities that are being provided by the Commonwealth in its indigenous employment policy and expand the programs into the public sector?

2. Will the State Government work with the Commonwealth Government to ensure that South Australia maximises the funds available so that the targeted initiatives reach the groups of disadvantaged indigenous Australians and are not streamed into bureaucratic overlays of professional careerists?

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

HINDMARSH SOCCER STADIUM

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Recreation, Sport and Racing, a question about the Hindmarsh Soccer Stadium.

Leave granted.

The Hon. J.F. STEFANI: I refer to the funding deed to finance the expenditure incurred by the South Australian Soccer Federation at the Hindmarsh Stadium signed by the South Australian Government and the South Australian Soccer Federation. The contents of clause 3.1.6 and 3.1.7 are as follows:

> The Minister is satisfied that the federation has procured a legally binding and enforceable written contractual obligation from the

Adelaide Juventus Sports and Social Club Inc. and the Hellenic Athletic and Soccer Club of South Australia Inc. as at the date of the deed.

I confirm that the funding deed was dated and signed on 14 October 1996. Clause 46.1 provides:

The federation shall, in respect of each financial year, prepare, before 31 January immediately following the end of the relevant financial year, a report concerning the affairs of the federation which relates to the Hindmarsh Stadium profit centre during the financial year containing a discussion of at least the following matters:

1. a brief discussion of the federation's ability to continue to service the loan in the future;
2. a cash flow forecast and an expenditure budget for the next financial year;
3. a comparison and analysis of any variances between actual and expected cash flows for that financial year and the reasons for any such variances;
4. any material actual or contingent liabilities incurred or payable by the federation otherwise than in the ordinary course of its business;
5. a brief discussion of any issues of material significance or potential significance to the affairs of the federation;
6. a brief discussion of any issue of material significance or potential significance to soccer in South Australia arising in that financial year or which may foreseeably arise in the future;
7. such other matters as the federation considers relevant; or
8. such other matters as the Minister may require, from time to time, by written notice specifying the nature of those matters.

Clause 46.2 provides:

The federation shall provide each such report on or before the relevant 31 January.

My questions are:

1. Can the Minister advise the Council what written evidence he had received from the South Australian Soccer Federation at the date of signing the funding deed to satisfy him that clauses 3.1.6 and 3.1.7 had been complied with by the federation?

2. If the said conditions precedent and described under clause 3 of the funding deed had not been satisfied by the federation on or before 13 January 1997, will the Minister advise the Council whether the Government will give written notice to the federation to terminate the deed as provided by clause 3.5?

3. Will the Minister table the reports which the federation should have provided to him as required by clause 46.1 prior to 31 January in each of the following years: 1997, 1998 and 1999?

The Hon. DIANA LAIDLAW: I will refer all those questions to the Minister and bring back a reply.

SERVICES AND SUPPLIES

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Treasurer a question about services and supplies.

Leave granted.

The Hon. M.J. ELLIOTT: Yesterday I asked a question of the Treasurer on this matter, and in particular I brought to his attention the services and supplies line within the Estimates Statement which indicated an increase last year from the budget estimate to the final estimated result of some $328 million in expenses. In his reply to me the Treasurer said:

I am advised that almost two-thirds of this increase—$190 million—is a reclassification of expenditure and accounting treatment which is different from 1998-99.

I point out that it related to the accounting treatment of administering the sale of Cooper Basin gas and that it was there as both expenditure and revenue lines. When one examines the 1999-2000 budget portfolio statements under 'Administered items' for the Department of Primary Industries and Resources, the $190 million appears there, and I note that it also appears for 1998-99 both within the original budget estimates and the estimated results. If one goes back to the same documentation for the previous year, one sees that that $190 million appears again. Certainly it has not suddenly emerged as a new treatment within the portfolio statements. I ask the Treasurer: what is it about the treatment of the budget that has led to his claim that there has been a differential treatment and therefore the $190 million was not shown in the original budget estimates for 1998-99? I did telephone his department to get an explanation of this.

The Hon. R.I. LUCAS: I know that a member of your staff did. I am delighted that the honourable member is showing continuing interest in this. As I indicated yesterday, my officers and I are only too happy to assist staff working for the honourable member in their understanding of not only this provision of the budget papers but also any other provision on which we can reasonably assist. I will willingly take up the issue with senior Treasury officers and bring back a reply for the honourable member as soon as I can.

PLAYFORD COUNCIL

The Hon. G. WEATHERILL: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Local Government, a question about Playford Council.

Leave granted.

The Hon. G. WEATHERILL: In the Adelaide *Advertiser* this morning a story appeared about workers going on strike in the Playford Council. I rang up the union to find out what the strike was about, and I think members should be aware of what happened. The dispute is over job security. The Cities of Munno Para and Elizabeth amalgamated in 1997 to form the Playford Council. At the time, an enterprise agreement was reached with the workers which gave them job security. A promise was also made that an enterprise agreement which followed the amalgamation agreement would contain a commitment to job security.

Also, current negotiations are being held for an enterprise agreement in which management are refusing to provide a commitment to job security, which was promised in the amalgamation. The ASU has been negotiating the agreement for nine months, so I think these workers have been very patient. The workers are going on strike because it is apparent that the council is refusing to include the commitment to job security in the agreement. Most of the metropolitan councils have provided a commitment to job security, but the City of Playford is refusing to follow suit. The subsequent job losses would result in a reduction of services to the community.

These people have been more than tolerant waiting for the agreement that was reached in the first place to be honoured. The council is refusing to do this. The workers are now hoping that their elected members can intervene in this dispute. Will the Minister intervene in this and try to sort out this mess? There is a lot of unemployment in this area and people are looking for job security. I think the Minister should go down there and try to teach these people how to negotiate properly, because when we had these amalgamations of councils it was agreed that we would not reduce the work force or the commitment to communities.

The Hon. DIANA LAIDLAW: I do not quite recall the undertakings that were made regarding the work force at the

time of the amalgamations and whether they do or do not reflect what the honourable member has just stated. However, I will refer the honourable member's specific question to the Minister and bring back a reply.

STATE ECONOMY

The Hon. L.H. DAVIS: I seek leave to make an explanation before asking the Treasurer, as Leader of the Government in the Council, a question about the South Australian economy.

Leave granted.

The Hon. L.H. DAVIS: I read with interest an article in the *Age* last week under the headline 'State's economy falling behind'. This headline was directed against the Victorian economy. The article by Tim Colebatch, who is the well respected economics editor of the *Age*, analyses five years of statistics from the Australian Bureau of Statistics. So, one cannot get much more official than that.

These statistics analyse growth in the five year period from June 1993 to June 1998 in the six States and two Territories in terms of output per head and household income per head. By any standard, one of the best measures of economic progress is household income per head. This table reveals that Western Australia ranked first during that period; New South Wales ranked second; and South Australia came in third in terms of household income per head, with growth over that five year period of 21.1 per cent. Those States ranked ahead of Queensland, which was in fourth place; Victoria in fifth place on 18.1 per cent in terms of household income growth per head; and Tasmania, which was last with 17.3 per cent.

So, amongst the six States, South Australia ranked third in terms of household income per head. In terms of output per head, South Australia ranked second amongst the six States and two Territories. Western Australia ranked first in terms of output per head, with growth of 23.7 per cent; and South Australia ranked a comfortable second, with growth in that five year period (June 1993 to June 1998) of 16.3 per cent—ahead of all the other States and Territories. Output per head is generally considered to be a measure of improvement in productivity and efficiency. So, that data was also very encouraging.

The Hon. T.G. Roberts: Are mining and primary industries counted?

The Hon. L.H. DAVIS: As I understand it, this data relates to the whole output for the State, so that would include all sectors of the economy (primary, secondary and tertiary). That is my interpretation of the data. Is the Treasurer aware of this data, and does it confirm the information contained in recent Government releases that the South Australian economy is travelling more strongly than it has for some time?

The Hon. R.I. LUCAS: Certainly, the figures produced by the Melbourne *Age* in that report are encouraging for South Australians. As the honourable member indicates, the article refers to growth over a five year period and indicates from South Australia's viewpoint according to a number of measures more than favourable economic growth prospects for South Australia.

The Hon. L.H. Davis: After five years of a Liberal Government.

The Hon. R.I. LUCAS: Modesty would have prevented me from mentioning that, but as the honourable member has mentioned it I will wholeheartedly agree with him. I think it is of interest to add briefly to those comments from the Melbourne *Age* commentary on relative growth prospects of the States and Territories. Chapter 4 of the State budget statement outlines in broad terms State Treasury's assessment of recent growth figures in South Australia, indicating that for this financial year gross State product is estimated to grow by 3 per cent in real terms. Last year, 1997-98, growth was almost twice that—5.9 per cent. Commonwealth Treasury is predicting GDP growth of 4.25 per cent for 1998-99 and a little less than that for 1999-2000.

I was listening to a lunch time news broadcast where it was indicated that the most recent quarter's national growth figures, produced by the Bureau of Statistics, again, evidently, outperformed all market expectations. I think the figure was of the order of 1.2 per cent, or 4.8 per cent growth. A prominent economist, whose name escapes me at the moment, was interviewed, and he indicated that the growth figures (again for Australia) had outperformed market expectations and most economists' views of recent growth in the national economy. Certainly, our budget papers estimate growth next year at about 2.25 per cent. National growth is being estimated at about 3 per cent or a little higher. If national growth is higher than the budget estimates, it is likely that we will see higher growth than the growth estimates we have included in our State budget statements.

I welcome the honourable member's question and his and the *Age's* public acknowledgment of five years of productive work from the South Australian Government and the South Australian community in terms of State output. But, as all will concede, whilst great progress has been made on the employment front—reducing unemployment from the levels of 11 per cent and above left to us by the Labor Government in 1993 to 8.3 per cent on the most recent figures—it nevertheless remains too high and we need to do much more in terms of reducing our State's unemployment burden.

CIGARETTE SALES

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Attorney-General a question about a statement, made by the Minister for Human Services regarding World No Tobacco Day, involving the sale of cigarettes to under 18 year olds.

Leave granted.

The Hon. CARMEL ZOLLO: There should be no need to remind members of the dangers of smoking and passive smoking. We are all well aware of the serious health consequences, and I am sure we are all committed to reducing the number of people who take up smoking in the community, perhaps even leading by example and choosing to quit. We are also acutely conscious of the serious issue of underage, young people smoking and the need to campaign continually to limit the access that children have to cigarettes. However, I was surprised to read the media statement, made on 31 May 1999 by the Minister for Human Services, indicating that, as part of a so-called 'attack' on the sale of cigarettes to anyone under the age of 18, the State Government will be 'positively identifying retailers who break the law using trained minors under supervision'. This is part of the Minister's unique plan, I guess, to train children, to pay them to enter shops and to try to buy cigarettes, acting as undercover kindergarten cops aiding and abetting the Government in a program of entrapment for cigarette retailers.

Of course, whilst not opposing any awareness campaign reminding retailers of their obligations to comply with the

law, the use of children in such a covert activity at the very least I think is inappropriate. As my colleague the shadow spokesperson for health remarked, 'It is setting someone up to break the law.' This is hardly the type of activity in which we should be encouraging children to participate, let alone training and paying them to do so. My questions to the Attorney-General are:

1. Has he received advice on the legal consequences of this proposed activity, and does he accept that this kind of activity could be entrapment?

2. Will retailers trapped by these methods be subject to prosecution and fines?

3. Does this plan indicate that the Government is admitting to having failed to stem cigarette sales to young people?

4. What training will these children receive? How will they be selected, and how much will they be paid?

The Hon. K.T. GRIFFIN: All that I have seen about the issue is what is in the media. I have not had an opportunity to pursue with the Minister for Human Services exactly what he said and what is proposed. Now that the matter has been raised by the honourable member I will endeavour to obtain that information with a view to bringing back an appropriate reply. As a matter of principle there are generally some rules that apply in relation to entrapment. In some circumstances it is quite acceptable and in others maybe not. We dealt with that issue to some extent when we debated the undercover police operations legislation three or four years ago in this Parliament.

We have acknowledged that entrapment in some circumstances is acceptable: whether in the context of this it is or is not I am not yet in a position to make a judgment, but the issue has been raised. It is quite appropriate to raise this question. I will look at the matter and bring back a reply.

ADELAIDE AIRPORT

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief explanation before asking the Minister for Transport a question about international air services.

Leave granted.

The Hon. CAROLINE SCHAEFER: As convener of the Premier's Food for the Future Council, I am vitally interested in the improvement of freight services for exports, particularly perishable goods. Interstate press reports suggest that on Monday the Commonwealth Government approved the Productivity Commission Report entitled 'Regional Reform Package into International Air Services' and that the new policies will be favourable to Adelaide Airport as a secondary gateway. Will the Minister confirm the interstate press reports and, if so, how will they affect our air freight services from South Australia?

The Hon. DIANA LAIDLAW: I have read the media reports. I can confirm at this stage that no statement has been made by the Federal Government in relation to Cabinet considerations last Monday. I am aware that this major report from the Productivity Commission was considered by Cabinet on Monday, and I understand there are further details that Federal Cabinet wishes to consider before finally determining its views. What is important for South Australia is that the final report of the Productivity Commission adopted almost every one of the recommendations from South Australia's submission to the Productivity Commission on regional airports and international air services.

That is a huge breakthrough for South Australia because we so often have difficulty from a position west of Wagga Wagga getting our viewpoint heard when the interests of airports in Sydney, Melbourne and, to a lesser extent, Brisbane seem to dominate the agenda, as do the interests of Qantas. It is important for this Parliament to recognise the influence we have had in respect of this debate. In that regard, the issues the State argued for that have been included in the final report but were not in the draft report—and I will not go through them in detail—are as follows:

1. Removal of restrictions on city designation of secondary gateways, that is, all gateways except Brisbane, Sydney, Melbourne and Perth.

2. Unrestricted rights for foreign airlines to co-chair on Australian airlines to all points in Australia.

3. Unrestricted rights for foreign airlines to carry their own stop-over traffic. (That is a huge advance for South Australia in terms of both cargo and freight, as well as for passengers.)

4. Unrestricted rights for foreign airlines to offer freight services within Australia.

In terms of the Food for the Future Committee which the honourable member chairs, I think it will be a great bonus for exporters in this State if there could be unrestricted rights for foreign airliners to offer freight services within Australia. In recognising Federal Cabinet's consideration of this issue, I am not necessarily surprised that it has been wanting to seek further information because I suspect that there has been a big lobby from the Eastern States, and possibly from Qantas, in terms of breaking down some of the barriers of entry to Adelaide Airport and giving Adelaide Airport advantages that it has not enjoyed in the past in terms of attracting further business. I think members should take heart from this report to date and the Federal Cabinet's considerations.

PERFORMING ARTS COLLECTION

The Hon. DIANA LAIDLAW (Minister for the Arts): I seek leave to make a short statement on the subject of the performing arts collection.

Leave granted.

The Hon. DIANA LAIDLAW: Yesterday, the Hon. Carolyn Pickles asked a question on the performing arts collection, but she ran out of time before actually asking the two questions. I anticipated the questions, gave an answer and said in reply that I hoped my answer answered the questions and that I could not believe what else could be more important than the information that I had just provided. In fact, my answer did not answer the questions. The questions were as follows:

1. Is the Minister aware of the promise made by the then Arts Minister and Premier, John Bannon [in 1979], to change the name of the collection in honour of Mr Colin Ballantyne and his wife, Gwenneth?

2. Will the Minister ensure that the Ballantyne name will always be associated with the collection, no matter where it might eventually be?

It has never been suggested to me by the board that is responsible for the collection that there should be any change of name. Certainly, I have never considered a change, and I can advise the honourable member that while I am Minister certainly I can guarantee that there will be no change. I am keen to see the collection itself—

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: My understanding is that it was named formally, that it is known as the Colin and

Gwenneth Ballantyne Collection. In any event, I will seek further information but, certainly, it has been known to me as such. As Minister, I would have no intention of changing the name. It may be that I have to come back and give a further statement on this issue after further research.

CHRISTIES BEACH TREATMENT PLANT

In reply to **Hon. G. WEATHERILL** (24 November 1998).

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

1. Due to the dilution factor of the sea, the rough wave conditions experienced at the time of discharge and the relatively short duration of overflow, it is considered that there were minimal effects as a result of the discharge on the marine environment. Additionally, the figure of 10 000 is a dramatic over-estimation of the effluent that escaped.

2. At the time of the power failure the plant was unmanned, but a telemetry alarm system gave an immediate indication to United Water personnel that the failure had occurred. United Water personnel attended the site within fifteen minutes of the alarm being received, which allowed the situation to be managed. In the absence of electrical power the overflow could not be prevented, however the United Water personnel were able to put into effect the necessary procedures to minimise potential harm.

Discussions have commenced between the EPA and ETSA, to determine the reason for the power failure and what can be done to prevent the problem occurring again at the Christies Beach Plant and other plants reliant on ETSA power supplies.

The Minister for Government Enterprises has provided the following information:

1. The incident in question resulted in a spill of approximately 3.5 megalitres of untreated sewage and approximately 4 megalitres of partially treated sewage to the environment. Of the 3.5 megalitres untreated sewage which initially overflowed into the plant stormwater system, 3 megalitres passed to the plant outfall where it mixed with the 4 megalitres of partially treated and chlorinated sewage. The remaining 0.5 megalitres of untreated sewage flowed from the plant stormwater system via the Christies Creek, where it was diluted by natural creek flow, to Gulf St Vincent.

There was no breach of any licence condition as a result of this incident. Licence conditions require the development and EPA approval of contingency plans in the event of a spill.

A contingency plan had been developed for the type of event that occurred on 22 September 1998, and this plan had previously been approved by the EPA. United Water complied with this plan during the event on 22 September 1998.

2. The power failure occurred at approximately 7.15 p.m. when the plant was unattended and lasted approximately three hours. The on-call duty officer attended the site at approximately 7.30 p.m. following receipt of an alarm. The overflow occurred some time after the power had failed, at approximately 8.15 p.m. The EPA was advised of the incident by United Water in accordance with agreed notification procedures.

LATEX FREE PRODUCTS

The Hon. SANDRA KANCK: I seek leave to make a brief explanation before asking the Minister for Administrative Services a question about State Supply's needle and syringe contract.

Leave granted.

The Hon. SANDRA KANCK: In March, I brought to the Chamber's attention the problems with the syringe and needle contract managed by Supply SA, which is the Government's purchasing agency. On further investigation it appears that the specifications for the tender did not request the syringe and needle products to be latex free. There is ample documentation which highlights the health risks of latex allergies. In an excerpt from an article published in the Australian Anaesthesia publication in 1996, it states:

> There are numerous allergic reactions but some of the most common are swelling of lips. . . urticaria on handling rubber products, rhinitis and bronchospasm on exposure to airborne rubber particles, and a history of unexplained anaphylaxis (shock) during surgery. Latex allergy can be present as anything from rhinoconjunctivitis through to asthma. . . even resulting in death.

In lay terms it means skin rashes, swelling, shortness of breath and tightness of chest, irritated eyes, and death is pretty self-explanatory. In 1997, the Albury Base Hospital was ordered to pay more than $100 000 compensation to a nurse who developed a severe allergy to latex while working in the intensive care unit. At present, it is estimated that 9 per cent of health care workers develop latex allergies. The Northern Territory Government has recently introduced a policy of latex free specifications for the supply of medical products in the public health system. An excerpt from an article in *Diabetes Care* Vol. 18 No. 8 August 1995 states:

> . . . given the increasing frequency of latex allergies particularly among medical personnel. . . consideration should be given to removing all latex from packaged injectable medications and syringes.

There are clear occupational health issues surrounding the use of latex in our health services. Given the potential risks which could see South Australian health providers paying unspecified damages to health care workers and patients, it would seem prudent to use latex free products. Not to do so would be poor risk and occupational health management. My questions to the Minister are:

1. Is the Minister aware of the risks of latex products?

2. Given the ample documentation of latex allergies, why did not the tender specifications include latex free products?

3. If the Northern Territory Government has recognised the problem, why has not South Australia?

4. Will the Minister confirm whether the syringe and needle contract has been awarded and whether the company awarded the contract provides latex free syringes?

The Hon. R.D. LAWSON: The honourable member suggests certain scientific facts concerning latex allergy and the consequences of failing to address that issue. I am not aware of the answer and I will take on notice the honourable member's questions about the specifications for the syringe contract, in so far as it relates to the matter of latex. I should say that when the honourable member raised her series of questions and issues concerning the supply contracts for medical products the matter was, by resolution of this Chamber, referred to the Auditor-General for inquiry and investigation. Certainly I and the department are cooperating in the Auditor-General's investigations and we will continue to do so.

If the honourable member has serious evidence of impropriety or concerns in the way in which the procurement process for medical products is undertaken, I invite her to supply that information to the appropriate authorities and action will be taken. I think it is unnecessary to raise alarm in the community by suggesting that the South Australian medical authorities are embarking upon inappropriate procurement strategies, policies and specifications unless there is very real evidence of impropriety. As I say, I will take the honourable member's questions on notice and bring back a reply.

AGED CARE FACILITIES

The Hon. J.S.L. DAWKINS: I seek leave to make a brief explanation before asking the Minister for the Ageing a question about aged care facilities.

Leave granted.

The Hon. J.S.L. DAWKINS: In last week's State budget it was announced that $3.6 million would be allocated from

the capital works budget to redevelop country hospitals to provide aged care facilities. Many people in regional areas of the State are concerned that elderly family members requiring nursing home or hostel accommodation have to move to Adelaide or to some place away from their local region to obtain such accommodation. Can the Minister indicate where these new facilities will be established?

The Hon. R.D. LAWSON: I was delighted to see the budget allocation of an additional $3.9 million to enable some country hospitals to improve their facilities for aged care. The ageing of the South Australian population is very well understood by members of this place. Ageing is exacerbated in country areas where in some places there are lower birth rates and in many cases younger members of the community move elsewhere for employment, education or other reasons, and this means that there is a higher proportion of older people in our country areas.

Country hospitals in this State have a fine tradition of providing health care and acute care services. However, health care needs are changing. Increasing specialisation has meant that certain facilities are centralised in regional centres and that smaller country hospitals are diminishing in their role in relation to acute care. I am glad to report that in many cases country hospitals are converting to a greater concentration of nursing home beds which are accredited, licensed and funded through the Commonwealth system, funded through the State system or are for what are called nursing home type patients.

There is an increasing emphasis upon better facilities for those aged care beds, and it is good to see that additional funds will be provided in this current year to upgrade some of those hospital facilities. The honourable member mentioned the figure of $3.6 million, which is correct. Some of those funds will be spent on the completion of a project at Waikerie, where an additional eight beds are to be provided. I am aware of a project in Jamestown where, I think, six beds are to be provided. Other beds will be allocated across the Wakefield health region to hospitals in accordance with bids that will be made, needs assessments and other matters. Twenty beds will be allocated to the South-East region.

A new aged care facility, to be called Boandik Lodge and providing 24 beds, is to be built at Mount Gambier. This facility has been promoted by local government and supported by the community. There was insufficient funding from agencies to allow that project to proceed, so four weeks ago I was delighted to be able to allocate an additional $700 000 by way of an interest free loan to Boandik Lodge to ensure that the project would proceed. The Government is well aware of the needs of rural and regional elderly South Australians, and we are meeting those needs.

MENTAL HEALTH

The Hon. R.R. ROBERTS: I seek leave to make an explanation before asking the Minister for Transport, representing the Minister for Human Services, a question about mental health in country areas.

Leave granted.

The Hon. R.R. ROBERTS: Community organisations representing carers, parent groups, doctors and even the South Australian Farmers Federation have for some time been calling on the Government to help allay the decline in rural health services. Their efforts have, until today, been falling on somewhat deaf ears. Families and carers of people with intellectual disabilities are getting less support, and their organisations are doing all the work in supporting each other, disseminating information to the community and trying to lobby for increased funding for services as well.

Most members would be aware of the recent meeting in Adelaide where these carers showed that they are starting to organise themselves. I recently had correspondence from the Rural Doctors Association of South Australia Inc., which has advised me that:

> There is a critical need for increased mental health professionals in rural centres and that a major injection of resources is required just to sustain SA's rural mental health services, let alone improve the situation to a level where all those requiring assistance can access the help that they need.

The Minister for Human Services (and I note that we no longer have a Minister for Health in its own right) has convened an endless series of workshops, summits and reviews over the past few years, and people ask, 'To what ends?' Those people closest to the problem—the parents, the carers and the health professionals—know what is required, and that is services, not more consultations, meetings, summits and reviews. Yet, in response to my colleague in another place, the shadow spokesperson for health, the Minister has advised that yet again reference groups and implementation groups have been set up, as the Minister wants to ensure that they have broad representation in the views that are put forward.

I am advised that some money has been allocated for experimental services in some country hospitals. I have not made myself fully aware of that, but I congratulate the Government on that initiative. However, I think the issues are very clear in that we need more people and more services. To that extent, I ask the Minister:

1. When will the pressure on rural GPs be alleviated by providing appropriate services for psychiatric patients in rural centres, including better access to telepsychiatry and the rural and remote triage 24 hour emergency line, which I understand is now overloaded?

2. When will rural centres be provided with adequate staff, including a resident psychiatrist and appropriate safe wards for psychiatric patients?

3. Will the care organisations and professional associations get the support they need so that they can get on with their business of caring for those with intellectual disabilities, especially in country areas?

The Hon. DIANA LAIDLAW: I will refer the honourable member's questions to my colleague in another place and bring back a reply.

REGIONAL DEVELOPMENT

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Treasurer, representing the Premier, a question about the South Australian Regional Development Task Force.

Leave granted.

The Hon. T.G. ROBERTS: The Regional Development Task Force was put together to try to develop a structure and response to some of the problems that exist in regional areas. I will not go into a detailed explanation before asking my question, because I do not have much time. From reading the majority of the report, it seems to me that we do not appear to have the mechanisms or structures for Commonwealth and State delivery processes, that is, the mechanisms by which the Commonwealth can transfer funds into regional areas, particularly for major projects in disadvantaged areas. The

South-East seems to be travelling very well on private sector pump priming, but we need Commonwealth funding for State projects in those areas that have dismantled Commonwealth funded programs and where the private sector has not picked up the opportunity to pump prime. Those are the areas where we appear to have the major problems. What Commonwealth delivery mechanisms are available for major infrastructure projects in areas such as the Iron Triangle; and what pressure will the State Government put on the Commonwealth to make those delivery mechanisms available for worthy projects?

The Hon. R.I. LUCAS: I will take the questions on notice, refer them to my colleague in another place and bring back a reply.

THOMAS COOK LIMITED

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Tourism, a question about the opening hours of the foreign exchange branch office.

Leave granted.

The Hon. CARMEL ZOLLO: A friend of mine who recently entertained some overseas visitors drew to my attention the fact that the Thomas Cook Branch foreign exchange office at the start of Rundle Mall was closed on Sundays. I am not sure how long the branch has been there or even whether it was ever open on Sundays, but I assume that it is located where it is to provide a service to overseas visitors and presumably to those travelling overseas. I was indeed surprised to learn that the branch was closed on Sundays. In the case of my friend's overseas guests this did not matter, as they were visiting for an extended period and alternative arrangements could be made. My question is not in any way meant to reflect on what I am sure is the excellent service available at this office. I think that most world travellers would be familiar with these small, literally one-person shops that are often open 24 hours a day in some of the high tourist areas.

I need not remind members that this Government has in the past pushed for totally deregulated shopping hours and suggested that part of the demand for Sunday trading was from overseas tourists. We have Sunday trading in the city area and, whilst not all shops choose to trade on Sundays, it stands out that an important facility for overseas tourists at the head of Rundle Mall is closed on Sundays, when most other shops in the mall are open. I assume that there is a demand for the service, given that the foreign exchange office is open for the other six days.

We have now had Sunday trading in the city for some time and, if we are serious about promoting tourism, particularly from overseas, we need to ensure that all relevant facilities are available, especially those involving currency exchange. Of course, it is not only shops that may miss out on spending if these types of services for tourists are not easily available: it also includes entertainment venues, travel to other areas of the State, and so on. I appreciate that the opening hours of the foreign exchange office are a commercial decision, but I ask the Minister for Tourism whether she will use her good offices to encourage and provide every assistance to Thomas Cook, in consultation with the Adelaide City Council, to ensure that their foreign exchange office in Rundle Mall is open for at least the days and times that the major shops are open in the city.

The Hon. R.I. LUCAS: I will refer those questions to my colleague in another place and bring back a reply.

NUCLEAR WASTE

The Hon. T. CROTHERS: I seek leave to make a precied statement before asking the Treasurer and Leader of the Government in this Chamber a question on nuclear waste.

Leave granted.

The Hon. T. CROTHERS: According to an article featured in the *Advertiser* of Saturday 8 May of this year with the title, 'Nuclear waste dump cleared', construction of a national radioactive waste repository in northern South Australia is expected to begin next year. Industry, Science and Resources Minister in the Federal Parliament, Senator Minchin, has said that exploration for a suitable site in the Woomera-Coober Pedy region would begin within days and that a preferred site would be identified by the end of the year. My questions to the Treasurer are:

1. Does the State Government propose to permit the construction of a national radioactive waste repository in South Australia?

2. What assurances, other than the word of Senator Minchin, can this State Government give to the people of South Australia that this national repository would not be the first step towards an international high level nuclear waste dump, if it were to be constructed?

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

YEAR 2000 COMPLIANCE

The Hon. T. CROTHERS: I seek leave to ask the Treasurer, as Leader of the Government in the Council, a question about the millennium bug.

Leave granted.

The Hon. T. CROTHERS: Will the Treasurer be prepared at some time in the not too distant future—

The Hon. R.I. Lucas: Before the end of the year?

The Hon. T. CROTHERS: Before the end of the day will be fine, Mr Treasurer! Is the Treasurer prepared to give a progress report to this Council on the matter of the millennium bug and the manner in which it has been addressed by this Government, with a view to including in that report any shortcomings that it has so far found difficulty in dealing with? Secondly, how are those shortcomings shaping up compared with other instrumentalities in this nation such as those in other States and, indeed, including the Federal Government of the Hon. John Howard?

The PRESIDENT: Order! I will ask the 'Leader of the Millenium' to answer that question.

The Hon. R.I. LUCAS: I will be delighted to consult with my ministerial colleague and bring back a comprehensive reply. The best progress report that I could give would be early next year, but if the honourable member wants a report sooner than the end of the millennium I will give him as comprehensive a report as I possibly can.

The Hon. T. CROTHERS: By way of a supplementary question, in the light of my previous question on nuclear waste, will the Minister be consulting with his colleagues in the dark or in daylight, and will it be a glowing report?

The PRESIDENT: I do not know whether that is supplementary to the first or second question, but I will assume it is the second.

The Hon. R.I. LUCAS: At the moment, I will do whatever the honourable member wishes me to do.

RAIL TRANSPORT

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

Leave granted.

The Hon. M.J. ELLIOTT: Does the Minister acknowledge that the agreement reached between the Democrats and the Liberal Party nationally regarding the GST has guaranteed that rail between Adelaide and Melbourne will be far more viable than it would have been otherwise, and also that that agreement significantly enhances the likelihood of the Adelaide to Darwin line being competitive?

The Hon. DIANA LAIDLAW: My answer is an unqualified 'Yes.' My understanding is that the benefit of treating diesel for rail use will mean that rail will gain about $150 million a year through expenses that it will no longer incur in its operations. This means that rail will certainly be more competitive than it has been to date. That is an important consideration in winning business along the east-west corridor (Melbourne-Adelaide-Perth). Also, it will be important in terms of consideration of the viability of the Adelaide-Alice Springs-Darwin line. I have already made my views known to Senator Lees' office.

MATTERS OF INTEREST

OLYMPIC GAMES

The Hon. J.S.L. DAWKINS: Following the announcement in September 1993 that Sydney would host the 2000 Olympic Games, the South Australian Government investigated strategies as to how South Australia could benefit from this event. The Adelaide Australia Prepared to Win (PTW) program was established to attract teams and athletes to South Australia for training and acclimatisation leading up to the 2000 Olympic and Paralympic Games thus providing South Australia with sporting and economic opportunities. The key strategy to take advantage of this opportunity was the establishment of an alliance between the Office of Recreation and Sport and the Australian Olympic Committee through the appointment of Margaret Ralston, the Executive Director of the South Australian Olympic Council, as the international marketing consultant to the program. Early in 1998, I was nominated by the Hon. Iain Evans (Minister for Recreation, Sport and Racing) to sit on the SA Sport 2000 Task Force, which was established to provide advice in relation to the Prepared to Win campaign.

The initial stages of the program comprised a broad based distribution of information throughout the world to national olympic committees and national sporting federations. PTW developed local networks to assist the program, including the local sporting community, the various multicultural community groups, and service providers (including training venues and accommodation sites) as well as tourism and other Government links. In addition, SOCOG has recognised Adelaide as an accredited pre-games training venue for Olympic teams.

The second stage saw specific countries and sports being targeted for direct liaison by PTW with information packages and a video prepared for distribution. In 1998, six European countries were targeted to visit by Mr Simon Forrest, Executive Director, Office of Recreation and Sport, and Mr David Prince, President, South Australian Olympic Council, to make a Prepared to Win presentation. These countries were: Austria, France, Germany, the Czech Republic, Poland and Spain.

Throughout these stages of the program a large number of overseas guests have visited Adelaide to inspect facilities while a number of teams have already held training camps here. Inspections have been conducted by officials from the USA, Austria, Belgium, the Czech Republic, Germany, Spain, the Ukraine, Japan, Korea, Thailand and Switzerland. There have been successful training camps and visits. For example, the Swedish swimming and diving teams based themselves in Adelaide during their preparation for the 1998 World Championships in Perth and have committed themselves to Adelaide for pre-games training in 2000.

The South Australian Soccer Federation and Prepared to Win have worked together successfully to bring out a number of professional J-League teams from Japan for pre-season training camps. Adelaide was also selected as the base for the Japan World Cup soccer team and the Japanese youth team preparation. PTW has also established links with the Japanese Cycling Federation. This has resulted in the Japanese cycling team holding eight training camps in Adelaide prior to the 2000 Olympic Games, including their final preparation immediately before the games. The Austrian Olympic Committee has advised of its intention to send some of its Olympic teams to Adelaide for pre-games training. In addition, Prepared to Win and the Australian Olympic Committee have worked together to provide a pre-games training venue for 11 African nations as part of the AOC Olympic Training Centre program. As a result, over 300 athletes from Kenya, Mauritius, Nigeria, Swaziland, Zimbabwe, Uganda, Cameroon, Cote d'Ivoire, Togo and Congo will train in Adelaide for one month leading up to the 2000 Olympic Games.

Other presentations have been made to international teams and officials including the Canadian basketball and wheelchair basketball teams, the Indian men's and women's hockey teams, and the Canadian Commonwealth Games teams, as well as the Jamaican, Indian and Malaysian athletics teams. Later this year, the Chefs de Mission of the Olympic and paralympic teams, respectively, will assemble in Sydney. PTW will attend both seminars and use the opportunity to finalise commitments from overseas teams prior to the 2000 Olympic and Paralympic Games.

INTELLECTUALLY DISABLED

The Hon. CARMEL ZOLLO: Several weeks ago, together with several other colleagues, I attended a public forum which was called to discuss accommodation funding for people with an intellectual disability. A large number of people attended the forum at Way Hall, and in many cases there was standing room only. Lea Stevens, the shadow Minister for Health in the other place, spoke on behalf of the Labor Opposition. I think it would be fair to say that all the politicians present got a decent serve from many of the parents. Most people were not particularly enamoured of any political Party.

Jane Doyle ably hosted the forum. Obviously, the parents have found in Jane Doyle someone who is concerned and passionate about their cause and prepared to advocate on their behalf. The many parents who told their story had one theme in common: the need for peace of mind where their children are concerned and peace of mind regarding their housing needs, especially as their children get older. For those whose children are fortunate enough to have access to supervised housing, the future looks more promising, but parents of disabled children need to be ever vigilant. I stress 'supervised' housing, as it is a concern of many parents that a level of supervision needs to be there.

Depending on the level of assistance required, it is obvious that the consensus of parents was that as far as deinstitutionalisation was concerned it needed to be supervised. What also emerged from the many stories recounted by parents, no matter how brief, was the obvious love for their children and their difficulty in coping. I think everyone agreed in the end that what one did was just cope.

Everyone expressed regret that a crisis stage is often reached before any action occurs in relation to accommodation, with a certain percentage of people always at that crisis level. It certainly makes for poor quality of life for the parents of intellectually disabled children. At the moment, 140 families are assessed as being in critical need, with accommodation required urgently for 700 people. It is also estimated that a further 400 people will require accommodation within the next five years. Many elderly parents worry about what will happen to their children when they are no longer able to advocate, accommodate and care for them when they pass away. Parents with intellectually disabled children want a certain quality of life for their children, themselves and the rest of their families. A lack of support often manifests itself in other medical problems in our community, and it then becomes a vicious circle.

My colleague in the other place, Lea Stevens, the shadow Minister for Health and Disability Services, mentioned last week that, of the $300 million identified as unmet need across Australia for people with disabilities, South Australia's share is about $30 million. Given the funding ratio, South Australia needs to deliver around $21 million. I was pleased last week to hear the Minister for Disability Services make a ministerial statement in which he announced a new disability services framework review, and I look forward to its reporting. I have not had the opportunity to scrutinise the budget fully in relation to help for parents of intellectually disabled children, other than to note the maintenance of the Moving On program.

From information provided by the National Council on Intellectual Disability (South Australia), it is known that, of the 6 033 people with intellectual disability, more than 3 600 live at home, with their family providing their main support. For those in independent accommodation, there is always the risk of exploitation and abuse if it is unsupervised accommodation. What came out of the forum was that in many cases a crisis point had to be reached before help arrived, with many families living in very stressful situations. Parents obviously love their children but reach the stage after many years of coping where it becomes harder and harder to do so, and everybody's quality of life suffers to the point where desperation sets in.

A working party was set up on the day of the public meeting, and members of Parliament may find themselves being contacted by Parent Advocacy. There seemed to be consensus that small groups of parents adopt a particular politician along the lines of the 'oiling the squeaky wheel' theory. The more noise one makes, the greater the likelihood of being heard and action being taken. Having to fight for one's children in life might almost be normal in many cases, but with disabled children the fight takes on a new meaning as parents have to fight hard for things that most other parents take for granted.

COMMUNITY HAPPINESS

The Hon. IAN GILFILLAN: I am indebted to the Ombudsman, Eugene Biganovsky, for a preliminary version of a paper entitled, 'Happiness, Economy and Institutions', by Bruno S. Frey and Alois Stutzer of the University of Zurich. The paper has allowed me to look, at least in part, at what is a substantial piece of research relating to what is not normally looked at analytically by politicians and serious members of the community in these terms, namely, the phrase 'happiness of a community'. I wanted to draw some conclusions that are identified in this paper and relate them to two particular issues which are before us as a Parliament and as a community: first, unemployment; and, secondly, local government.

The significant question was framed, 'How satisfied are you with your life as a whole these days?' It was asked of 6 000 people in Switzerland. Although it is quite clear that you cannot interpolate Swiss circumstances directly to Australia, we do share a lot in common in being a relatively affluent community with high degrees of democracy. The summary states:

> . . . happiness (which, for simplicity's sake, is in the following interchangeably used with the more precise concept of 'reported subjective wellbeing') is 'high among those who are married, on high income, women, whites, the well-educated, the self-employed, the retired, and those looking after the home. Happiness is apparently U-shaped in age (minimising around the 30s). . .

Later in the document it points out that those over 60 are amongst the most cheerful in society, to which I can firmly attest. So, it does cover more than just the areas that I wanted to focus on. But it is interesting that, in the areas of micro and macro economic factors, it states:

> An early study of effective income on happiness. . . In most nations those individuals belonging to the highest income group report somewhat higher subjective wellbeing than persons with low income. This relationship is, however, of small size and not robust. The often dramatic increase in per capita incomes in recent decades has not raised happiness in general. . .
>
> The influence of the other two major macro-economic variables, unemployment and inflation, is clear-cut. Unemployment is correlated with substantial unhappiness. As income is kept constant, that influence is not due to a fall in revenue but to non-pecuniary stress. In terms of a trade-off, 'most regression results imply that an enormous amount of extra income would be required to compensate people for having no work.

The Whyalla scheme, which shares unemployment amongst young unemployed when there is only a limited number of jobs, is progressing well. I believe that this study emphasises over and over again how we cannot afford to avoid concentrating on mitigating unemployment by whatever means are available to us.

The second area of significance is the increase in happiness enjoyed by citizens close to democracy in what I consider to be local government, and in that regard it states:

> . . . the more active role of the citizens, (professional) politicians are better monitored and controlled. Government activity, i.e. public outlays as well as the many other decisions by the Government, are closer to the wishes of the citizenry. As a consequence, satisfaction

with Government output is reflected in a higher level of overall wellbeing.

It is reinforcing in a statistical measure that we need to strengthen the arm of local government, that we need to give local government more significance. As a result of that, we will increase the sense of wellbeing of our community at large, and we must again concentrate on that much too high proportion of our community still suffering from unemployment. In those two ways the statistics of this paper show that we can substantially increase the sense of wellbeing and the degree of happiness in the community at large.

SHARE OWNERSHIP

The Hon. L.H. DAVIS: Share ownership in Australia has become common in recent years, particularly as a result of the privatisation of commercial operations owned by Government. Indeed, 1.9 million people invested in Telstra when it listed on the stock exchange in November 1997. Nearly 600 000 of those 1.9 million people had never invested in shares before. The launch of Telstra onto the share market, together with Qantas, the Commonwealth bank and a number of other State-owned instrumentalities such as the Commonwealth Serum Laboratories, has seen skyrocketing interest in the share market as a means of saving and investment.

In fact, a 1998 survey showed that 40.4 per cent of the adult population owned shares at that time, and 36.2 per cent were women. That is a dramatic increase from a survey conducted in 1986 which indicated that only 7 per cent of the total population owned shares at that time. In 1986, share ownership in Australia quite clearly was the exception rather than the rule. Only 7 per cent of the population owned shares, whereas in America at that time around 20 per cent of the total population owned shares in public companies.

The majority of shares are held in the age group 35 to 54 years. Over 50 per cent, or more than one in two, of Australians in that age bracket have shares in a company listed on the Stock Exchange. The history of the Stock Exchange, as members would understand, is very interesting. The first real stock market boom was in the 1880s, but we should never forget that the early mines in South Australia at Kapunda and Burra were funded by private investment.

It was in the late 1880s, when we had massive mineral discoveries, that saw the Stock Exchange come into its own and there was a formal raising of capital to make possible the development of mining. The wonderful ore body discovered at Broken Hill and silver at Silverton was a trigger for a frenzied boom in the late 1880s. Broken Hill shares were issued at £17 and within two months had actually moved to as high as £200.

The Hon. T.G. Roberts: Jut before a major crash, wasn't it?

The Hon. L.H. DAVIS: Indeed. The 1890s saw bad times follow. During the past two or three decades there have been major trends in the Stock Exchange in Australia. There has been deregulation, the growth of superannuation (which has seen a large number of people invest directly or indirectly in the share market), privatisation and the use of the Internet as a means of purchasing shares not only in Australia but also overseas. There has also been a reduction in the significance of resource stocks, not that there is any lack of importance in resources in Australia, given that we are the world's greatest exporter of coal, the third largest producer of gold, the major producer of bauxite, the biggest producer of mineral sands, the biggest producer of uranium, and there are a number of other products, base metals included.

The BHPs and MIMs, which for many years were the biggest companies listed on the Stock Exchange, have been surpassed by manufacturing groups and service companies such as Telstra, National Bank and News Corporation. In the latest wave of developments on the Stock Exchange we have seen biotechnology and technology companies come into their own. Importantly, the Stock Exchange is a medium for the raising of capital to take advantage of many opportunities that otherwise would not exist in the Australian economy.

REPATRIATION HOSPITAL

The Hon. R.R. ROBERTS: I rise to make a contribution today about the Repatriation Hospital in Adelaide. For some years now a situation has been put into place that goes back to Ben Humphreys, the shadow Minister for Veteran Affairs many years ago, where veterans have had the opportunity to receive priority treatment at public hospitals for their ageing illnesses that are part of life. They still have the opportunity to attend the Repatriation Hospital at Daw Park. However, because of their age, sometimes it is difficult for them to travel and they have priority treatment. That move was introduced by a Federal Labor Government and I commend it.

In recent years ageing patients looking for elective surgery such as cataracts and things of that nature find that they are on long waiting lists, particularly those members of our aged community who live in country areas. We have all heard the recent calls by the Minister for Human Services (Hon. Dean Brown) in recent weeks telling repatriated soldiers that they have to use the facilities at the Repatriation Hospital at Daw Park; otherwise, it may be shut down or redefined as something similar to a nursing home.

Recently I received a telephone call from a very happy patient from Spalding in the Mid North—a Mrs Mary Press—who had to tell someone the good news. She suffers from cataracts and was having some discomfort. Having contacted her GP she was told that there was a six to eight month waiting list to have a cataract removed. Being from the country and often subjected to these sort of inconveniences, she decided that that was what she had to do. The discomfort continued and she made inquires of her own by ringing a number of hospitals, including the Flinders Medical Centre, and was told, 'Why don't you try the Repatriation Hospital? It doesn't have a waiting list.' Mrs Press was shocked and surprised to find, on contacting the Repatriation Hospital, that this was true. She was pre-oped within two weeks and scheduled to have the operation within four weeks.

My constituent was absolutely delighted and asked the question, 'How can this occur?'. That is the very question that I put to the Minister for Human Services. Why is it, when this hospital has facilities that are as good as any in Australia for patients in these regimes, that medical practitioners are not directing people with these complaints to the Repatriation Hospital, especially when we hear repeated announcements and warnings to our returned services people that they have to use the Repatriation Hospital, or it will be closed?

The agreement that gives priority to repatriated ex-servicemen in public hospitals was offset by the fact that the Repatriation Hospital at Daw Park would take in public patients. I will be putting questions to the Minister later about these matters. I want to know why doctors are not directing patients with these complaints to the Repatriation Hospital.

I suspect that it is because they have arrangements with specialists.

I will conclude by talking about a group called 'Carers Link' in the Mid North at Clare. I congratulate that service from country South Australia. Carers Link is a group of people who have got together, and people like Mary Press, who cannot drive because of her cataracts, are picked up by this carers group, delivered to their appointments in Adelaide and returned. This is yet one more example of the ability of country people to overcome adversity. This Council ought to note the good work of Carers Link in Clare and should provide it with some services and encourage people in other areas to emulate the deeds of the Carers Link group in Clare in South Australia.

WINE EQUALISATION TAX

The Hon. P. HOLLOWAY: I move:

That the Legislative Council—

I. Notes that—
   (a) the Howard Liberal Government intends, through its proposed 29 per cent Wine Equalisation Tax (WET) to—
      (i) increase the rate of taxation on wine from the existing 41 per cent Wholesale Sales Tax to the equivalent of a Wholesale Sales Tax of 46 per cent;
      (ii) raise an additional $147 million more in tax than the industry currently pays; and
      (iii) tax cellar door sales;
   (b) the increases in the price of wine that would be caused by the WET proposals of the Howard Government would break the Prime Minister's promise that prices would not rise by more than 1.9 per cent under the GST;
   (c) industry estimates that the proposed tax would cost 500 jobs nationwide; and
   (d) the tax would have disproportionate adverse effects in South Australia which accounts for 50 per cent of national wine output, as well as an adverse impact on small wineries.

II. Calls on the Howard Liberal Government to—
   (a) reduce its Wine Equalisation Tax proposal to the equivalent of revenue neutrality or 24.5 per cent; and
   (b) provide exemption from the Wine Equalisation Tax to the value of at least $100 000 per annum for cellar door sales, tastings and promotions.

This motion refers to the new arrangements that the Federal Government intends to put in place in relation to the taxation of wine. I am sure all members in this Council would be aware that in the past few days the Commonwealth Government has reached an agreement with the Australian Democrats in relation to the GST. It is now most likely that a GST will apply in this country.

One of the matters that was not part of that deal related to the taxation treatment of wine. However, we know from legislation that has been introduced in the Commonwealth Parliament just what those proposals are for the wine industry. We also know just how devastating those proposals could be for that industry.

It is appropriate for me to go through the history of taxation on the wine industry. In 1986 the wholesale sales tax on wine was 20 per cent. In 1993 it was increased to 31 per cent. It was reduced to 22 per cent in October 1993. It then crept up to 24 per cent in 1994 and then to 26 per cent in 1996.

In 1997, the High Court made its now famous—or, from the point of view of the States, infamous—decision on State franchise fees. As a result of that decision, the States' rights to tax or to apply franchise fees on alcohol were rejected by the High Court. As a consequence, that 15 per cent franchise fee was transferred over to the Commonwealth as an interim measure, so the rate of wholesale sales tax on wine was increased from 26 to 41 per cent, where it remains at the moment. However, as part of that arrangement, 15 per cent of that tax was rebated to State Governments and then to wineries for the cellar door component of their sales.

Australia has had that *ad valorem* tax since 1984, and it is now at 41 per cent. When the GST proposal was introduced by the Commonwealth Government, it was intended to impose a 10 per cent goods and services tax on the retail price of wine. However, the Commonwealth has also decided that it will introduce a 29 per cent tax on the wholesale value of wine which it calls a wine equalisation tax. The whole point of this motion is that a 29 per cent wine equalisation tax plus a 10 per cent GST has been estimated by Treasury to be equivalent to a 46 per cent wholesale sales tax rate.

What we are seeing through the new tax regime that will be introduced by the Commonwealth Government (if it goes ahead with these plans) is the imposition of a tax regime on the wine industry that would be equivalent to a 5 per cent increase on the current wholesale sales tax on wine.

The Hon. M.J. Elliott interjecting:

The Hon. P. HOLLOWAY: Well, if the Hon. Mr Elliott was listening he would know that I have given the times when the various increases were made. However, the point is that we are now facing a time in the history of our wine industry—

The Hon. M.J. Elliott interjecting:

The Hon. P. HOLLOWAY: It seems that the Australian Democrats will not support this motion, and I think that is very sad for South Australia—

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

The Hon. P. HOLLOWAY: I will be interested to hear what the Hon. Mr Elliott says about this. If he is approving a 5 per cent increase in the tax on wine, let him stand up and justify that later. He will have his opportunity. My concern is that a 5 per cent increase in wine at this particular time in the history of the wine industry will have a devastating effect on that industry.

The wine industry has estimated that, I think by the end of 2001, the effect of this increase in wine tax through the WET (wine equalisation tax) will raise an additional $147 million in tax than the industry currently pays. It is also proposed under the regime that the Commonwealth now has before the Parliament that cellar door sales of wine would be taxed. The impact of that has been estimated by the industry to cost anything up to 500 jobs nationwide. The other point we need to recognise is that any tax on wine is, of course, very important for this State because we do produce about half the wine produced in Australia. We are, by far, the most important wine producer in the country. We have the largest wineries and produce most of the table wine of this country.

Therefore, any tax that, as a result of the GST, is an unfair imposition on South Australia will of course have a bad effect on our economy. Is it any wonder that the industry is concerned about the impact that this new tax regime will have on our State? What is concerning is that we have heard so little from the State Government in relation to this tax measure by the Commonwealth. One would have thought that the State Government might have fought a little harder—

indeed a lot harder; one would have thought John Olsen would have fought a lot harder against the imposition of a tax which would effectively increase the rate of tax on wine by 5 per cent. One would have thought also that he might have fought a little harder to remove the tax on cellar door sales, tastings and promotions which, after all, is a tax on wine that is not even sold.

How the Commonwealth Government has justified this new tax regime is that the Prime Minister (John Howard) has promised that the average price increases under the GST—and this was before the removal of food—would not rise by more than 1.9 per cent. Of course, under this wine equalisation tax proposal, the price of a cask of wine (that is, low value wine) may not rise by more than 1.9 per cent but the price of bottled wine will rise by considerably more.

We need to understand that we have, effectively, four GSTs on wine. We have not just one GST of 10 per cent on wine. In many other industries, when the GST is applied and there was a previously a wholesales sales tax, that wholesale sales tax has been removed. This must surely be one of the few industries where we get not only a GST but also an overall increase in the rate of indirect taxation. The impact of all these measures is equivalent to four GSTs. When one goes out to buy any other goods, one may be paying 10 per cent but in relation to wine one will be paying the equivalent of four lots of that GST.

There has been considerable debate about the nature of the wine tax and I will refer briefly to it here. The main point of my motion is to draw attention to the overall tax grab in which the Commonwealth Government is involved with the new tax proposal for wine. As a Parliament we need to express our concern about this new regime and its impact on South Australia as a major wine growing State. Debate is occurring within some parts of the community as to the way in which that particular tax is imposed. The large wine makers have, of course, been arguing to retain an *ad valorem* tax. Of course, they are opposed to the additional increase in tax and the tax on cellar door sales, but they have been supporting an *ad valorem* tax. Many of the smaller wineries in this country have argued that we should have a volumetric tax.

On this occasion, I do not intend to go into that debate in any great detail other than to say that they are issues with which ultimately the industry will need to come to terms. The nature of our taxation scheme on wine will have a considerable impact on the industry. Clearly, while there may be some winners and losers, it should be in the interests of this State, as the major wine growing producer, that any impact on any sector of the wine growing industry is minimised. We need to look at the impact.

I am sure members of this House received some correspondence from a former member of this Council, the Hon. Bernice Pfitzner, when she was arguing the case for smaller wineries and the volumetric tax. I do not intend to canvass those issues at great length but, in relation to this motion, the real issue is the size of the tax take. The position of the Federal Labor Party is that we support an *ad valorem* tax. That is the decision we have taken. However, the position we will be putting in the Senate—and I hope that this State will support it—is that the overall tax take from the wine industry should be no greater under the new regime than it is under the current regime: in other words, a wine equalisation tax equal to 24.5 per cent. I understand that, according to the industry, these figures have been checked out by the Commonwealth Treasury and that they, indeed, support the contention that the impact of these new taxes proposed by the Commonwealth would increase the tax on wine to a wholesale sales tax equivalent of 46 per cent and that the tax rate would have to be reduced to 24.5 per cent to provide that revenue neutrality.

The impact of some of the Liberal members of Parliament in this State is interesting and, if we were to contrast them, say, with someone such as Senator Harradine of Tasmania, I would make the comment that Senator Harradine of Tasmania has probably done more as an individual for his State than the entire Liberal membership of this State. Everyone would know that this State returns a greater proportion of Federal Liberal members to the Commonwealth Parliament than any other. I think it is about time that the people of this State started to question what they get in return for having such a high representation of Liberal members in the Commonwealth Cabinet. It certainly does not appear to be very much.

What did Alexander Downer say about this wine tax in the *Courier* newspaper, the paper covering his electorate, when hills' winemakers said that they were concerned that the tax would lead to substantial rises in wine prices and about the tax on wine used in cellar door tastings? Mr Downer said that many were concerned about a non-existent problem, and he went on to say:

> The tax plan is about reducing income tax and people will have an increase of between $40 and $50 a week in disposable income.

The whole point of the GST, as I understand it, is that you trade off increased indirect tax for reduced income tax. As I have already pointed out, the problem in the wine industry is that it must be the only industry under the GST changes where the overall tax take will be greater than it was previously. People may well have more money in their pocket but, when the price of wine has gone up relative to the price of other goods, it will have an effect on the choices the consumer makes. I really do not believe that Mr Downer's argument is particularly valid. I agree with Mr Downer on one thing; that is, when he says:

> The biggest problem for the wine industry is the possibility of a fall in demand for grapes and a fall in international demand.

That really comes back to the whole point. Why are we imposing an overall tax increase on the wine industry at a time when there is the possibility of a fall in demand for our grapes?

The other day I read an interesting article from the Wine Grape Growers Council of Australia in which it warned that, if certain things were true—that is, if another grapevine is not planted in Australia, if exports could be sustained in a fiercely competitive world market at the current compounding rate of increase of 25 per cent (which is a huge annual increase in the export of wine) and if the trend that has seen imports rise to now fill 10 per cent of Australian casks—there would still be at least 9 000 hectares of surplus vineyards in Australia by the end of the 2002 vintage.

Given those statistics, we need to ask whether this a time for putting an additional tax burden on the industry, particularly an industry that is so important to this State. I again make the point that, given that we have a large number of Federal Liberal members from this State, one would have thought that they could have done as Senator Harradine did for Tasmania and fought a little harder for this State. As I said, I am sure that Senator Harradine has been far more successful in fighting for Tasmania than all our Federal Liberal members—including five Cabinet Ministers, a

parliamentary secretary and a Speaker—have been in fighting for this State.

In conclusion, I ask the Council to support this motion. It is important that we as a State should express our view in respect of this new tax impost. As I say, when you are introducing a tax regime which, overall, will reduce, so we are told, the tax take of this country by some billions of dollars—and that, we are told, is the overall impact of the GST—why are we permitting a tax increase on an industry vital to this State that will raise approximately $147 million more in tax? That does not seem to make much sense to me. I ask the Council to support this motion.

The Hon. M.J. ELLIOTT secured the adjournment of the debate.

ENVIRONMENT, RESOURCES AND DEVELOPMENT COMMITTEE: PILCHARD FISHERY

The Hon. J.S.L. DAWKINS: I move:

That the report of the committee on the pilchard fishery be noted.

The Environment, Resources and Development Committee became interested in the pilchard fishery during its inquiry into aquaculture in South Australia, on which occasion it learned about the importation of large numbers of frozen pilchards from places such as California, Japan and Peru. These pilchards are mainly imported to feed the caged southern bluefin tuna being fattened for export markets. This inquiry took place over some 12 months during which time 23 submissions were received and 11 witnesses appeared before the committee. The committee was prepared to report to the Parliament on the pilchard fishery at the end of last year, but the massive pilchard mortality event altered our viewpoint. Subsequently, the committee decided to gather evidence on the causes and consequences of this fish kill, the size of which, I understand, has never been previously recorded anywhere else in the world.

The committee was particularly concerned about the occurrence of a second pilchard mortality event starting in South Australian waters only three years after a similar episode. The committee was pleased to see a national approach to the second pilchard mortality event. The rapid formation of the joint pilchard scientific working group and its broad agenda addressing many aspects of the problem should achieve results. Adequate funding for this work must be ongoing to gain satisfactory outcomes. As a result of its investigation into the pilchard mortalities, the committee has concluded that the importation of pilchards should be phased out. This would have to coincide with the availability of an alternative food source for the caged tuna.

The committee is aware that manufactured diets for the southern bluefin tuna are under development and that that development has been relatively slow. However, the committee would like to see commercial trials of the use of these manufactured diets in the next tuna season, if possible, in partnership with industry. In the meantime, appropriate quarantine measures should be in place for the importation of pilchards to reduce the risk to South Australian fishery resources, and the Australian quarantine and inspection service's role in that cannot be overstated.

The South Australian pilchard fishery is managed by the pilchard fishery working group. However, the committee does not believe that this group has been able to manage the fishery to the satisfaction of all stakeholders. The lack of a management plan for the fishery has not assisted the management process, and the committee believes that this should be given high priority. The pilchard fishery has been formally managed for only a relatively short time, with an experimental fishery occurring for three years between 1994 and 1996. As little was known about the size of the pilchard stock, the annual quota was initially set at 3 500 tonnes. This quota was divided equally between the 14 participants in the fishery, giving them 250 tonnes each.

To gain a more accurate assessment of the size of the pilchard stock, the South Australian Research and Development Institute (SARDI) began pilchard egg surveys. This is a method used in other parts of the world to determine the quota for the following year. The egg survey results led to a decision to increase the annual quota, and decisions regarding the allocation of this additional quota aggravated the ongoing disputes within the industry. As a consequence of taking evidence on these disputes, the committee believes that the role of the pilchard fishery working group should be limited to providing advice on the general management of the fishery rather than on quotas. In addition, the committee believes that any decisions about the allocation of additional quotas should be made by the Minister for Primary Industries.

However, the committee believes that the original 14 pilchard fishers should be given priority in the allocation of any additional quota. The committee also believes that all pilchard fishers should hold a pilchard fisher's licence and should pay fees according to their quota allocation. Any new participant in the fishery should have to abide by the same conditions and criteria as the existing participants.

The committee endorses a conservative approach to setting the annual pilchard quota because so little is known about the role and importance of pilchards in the diet of other species such as penguins and dolphins. The committee recommends research into the biological aspects of the pilchard fishery and into the dependence of other species on pilchards for their dietary needs. It is concerned about the long-term future of the pilchard fishery and recommends the investigation of alternative markets. The committee also recommends that value adding opportunities should be sought by the Department of Industry and Trade.

The different areas of this inquiry stimulated considerable discussion within the committee and this led to 10 recommendations. The committee looks forward to a positive response to them. On behalf of the Chairman of the committee, the member for Schubert in another place, I would like to thank the other members of the committee and all those people who have contributed to the inquiry. I would also like to thank the staff (Bill Sotiropoulos and Heather Hill) for their work on this the thirty-third report of the Environment, Resources and Development Committee.

The Hon. M.J. ELLIOTT: I rise to support the motion. The Hon. Mr Dawkins has covered the spread of the report very well, so I will not reiterate what he has said because, after all, these recommendations were unanimous. I want to focus on one aspect in particular, that is, the question of importing pilchards.

Those people with a farming background or who are close to people with a farming background should consider this possibility: your neighbour is importing cow and sheep carcasses from overseas and is scattering them across their paddocks. That is directly analogous to what is happening right now with the pilchard fishery, where we are taking from a number of overseas fisheries thousands of tonnes of

pilchards which are not contiguous with ours (in other words, they are separate populations) and simply throwing them into the ocean. That is the most incredible gross stupidity that I have come across in all my life.

The Hon. T.G. Roberts interjecting:

The Hon. M.J. ELLIOTT: This Government has put in a few efforts, but this one probably gets top marks—or bottom marks, depending on how one looks at it. This stupidity is worth noting when one considers the incredibly rigorous restrictions that were placed on salmon that were being imported for the purpose of being put onto plates to be eaten. In fact, in that case the Canadian Government challenged what we were doing in Australia. Those restrictions were enforced because of the concern that the imported salmon could introduce disease which could affect our industry, even though it was only being put onto our plates, yet thousands of tonnes of pilchards are thrown directly into the sea.

The scientists who appeared before the committee and other scientists to whom I have spoken are honest enough to say that it cannot be proven that the pilchard mortality events were caused by the imported pilchards. However, it has to be noted that we were carrying out a practice which, in quarantine terms, was incredibly dubious. No other primary industry would tolerate quarantine standards affecting it in the way that this has been allowed to happen. One cannot import bud wood from New Zealand because of the threat of fire blight spreading to our apples. Members should think about the restrictions that Australia imposes with regard to importing produce. It simply would not be allowed, and yet it is happening.

Nowhere in the world has there been a single species mortality event of this type over a large area. Other large mortality events that have occurred have occurred in isolated areas—for instance, within a bay—and this would hint at biological causes of an environmental sort because it hits more than one species; and even outside of bays there have been multi species kills. Nothing comparable to this has been reported anywhere in the world. So, clearly something strange happened. It is interesting that it happened twice in two years and that we have been using pilchards in any significant numbers for only a very short period of time. So, two unusual events on a world scale have happened.

We now believe that it is likely to have been caused by a herpes virus. I think that has been proven in relation to the second case: that a herpes virus was affecting the gills of the pilchards that had died. However, it is impossible to prove whether or not that herpes virus was endemic because it is now in the present population. You may or may not find it in overseas populations, but that will not prove whether the virus came from their population to our population or whether it was here all along. It cannot be proven.

I do not think that scientists will ever be able to prove that imported pilchards were responsible. However, I do think that those people with adequate scientific knowledge can make an educated guess. The people to whom I have spoken have made an educated guess that this mortality event is almost certainly due to the importation of pilchards. I know that, as a member of Parliament, I have to talk across a wide range of subjects, but at least this is one area about which I should be reasonably qualified to talk in that my own qualifications are in the biological sciences.

The question could be asked, 'Why is the virus causing so many deaths in South Australia—in fact, right across the southern waters of Australia—yet has not done it overseas?' The direct analogy is with something like myxomatosis, which was introduced from a population of rabbits, my recollection is from South America. In that population it caused virtually no effects whatsoever, but introduced into the European rabbit, which was here in Australia and which was a related host species, they were able to infect it because the host was closely related. However, in this case the host species had not previously been exposed to the virus, and was not adapted to the virus and a consequence of that is that the myxomatosis virus then killed very large percentages of rabbits when it first arrived. It is worth noting that it occurred over many generations. In fact, the myxomatosis virus is killing very few rabbits. Indeed, biological work has been done to show that both the virus and the rabbit have adapted to each other and have changed genetically, and that has been proven.

It shows the point that a disease, which may be of very minor consequence in its native population, if introduced into a new population which is not used to it, can have dramatic effects. That is one of the reasons why we have quarantine: because there are known diseases in populations that we do not want to get into our populations, but also there are any number of unknown diseases that they are capable of spreading as well. We see that in the human population, where the AIDS virus appears to have crossed species and then moved quite rapidly through the human populations. Apparently it was resident initially in chimpanzees. That probably happened because the human population and the particular chimpanzee population which had the virus resident in it were not in close proximity to each other, although recently with rainforest clearing in Africa they have come in close contact and the virus has spread, with very dramatic impacts—indeed, far more dramatic impacts than it has upon the host species.

I have a very strong view, as do scientists I have spoken to, that the risks being taken with pilchards really are unacceptable. The fact that a very large number of people in Port Lincoln are now dependent upon the tuna industry for their economic well-being makes it difficult to say it will stop tomorrow, and I am not saying that we should, but I do note that in a recent edition, April 1999 (Volume VII, No. 2), of the Fisheries Research and Development Corporation magazine, known as *R&D News*, an article appears on page 2 titled 'Compare SBT diets, farmers advised' (SBT is southern bluefin tuna).

That article compares the economics of the feed conversion ratios for pilchards and artificial feeds. I note that the feed conversion rate for pilchards is 13:1 and that currently commercial pellets are capable of giving a feed conversion ratio of 8:1. At that rate of feed conversion, the current cost to farmers for 1 tonne of tuna when fed pilchards at $750 a tonne is $9 750. If pilchards cost $900 a tonne, then fattening up the tuna will cost $11 700. With the current feed conversion ratios for pellets, the cost of growing out a tonne of tuna is $12 000 a tonne.

It seems to me that, while no commercial feeding has been going on at this stage, the differential—which is not huge, when you consider the price that southern bluefin tuna are currently fetching—looks like being one of the major disincentives, although I would have thought that even the current price without improvement of the feed conversion ratio would be manageable. Inquiries have ascertained that at this stage there has not been a commercial trial, and the committee is making a recommendation that in the next season a full commercial trial should be undertaken. On that

basis, we should be able to make decisions, and I would hope to move in this regard very rapidly, in terms of using the commercial feed. If we do that, there could be another bonus for Port Lincoln, because we could then consider recommendation No. 10 of the committee, where the committee recommends that value adding opportunities for the pilchard fishery should be actively sought by the Department of Industry and Trade.

I am not calling for an immediate ban on the use of pilchards, because I do not want to put current jobs at risk, but I note that, if we can move rapidly to using alternative feeds, another opportunity will open for Port Lincoln. That is value adding the pilchards so that they are not used just for animal feed in the tuna feed lots but so that they may be prepared for human consumption. The committee was told that this is already occurring in Western Australia, and we should be looking for as many opportunities as possible with those.

I can only urge that a genuine attempt be made to move this on very quickly. There is no doubt that the influence of this tuna industry on the Government is huge. Some people are battling to understand how it manages to get away with some things it does, including the use of imported pilchards which, regardless of whether or not you can prove that they were responsible for particular outbreaks, on quarantine grounds alone should simply not be occurring. I note also that there is no guarantee that testing would detect disease. I have seen scientific papers indicating that we could test and still not detect the viruses that might cause such disease. We have seen what the industry has done in Louth Bay, where it has flouted the law, apparently with the concurrence of the Government and, rather than—

The Hon. Diana Laidlaw: We're planning to take them to court!

The Hon. M.J. ELLIOTT: Yes, but four years later.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: One would have thought it did not need to be brought to the attention of Planning; they were sitting there in the sea.

The Hon. Diana Laidlaw: What; we were all sitting there waiting around for every planning application?

The Hon. M.J. ELLIOTT: Then, of course, perhaps the real problem was that planning approval—

The Hon. Diana Laidlaw: Are you seriously suggesting that every planning application should have an officer sitting there, waiting for something to go wrong?

The Hon. M.J. ELLIOTT: Perhaps the real problem in that case was that planning powers were delegated to the Minister for Primary Industries. That was a major mistake, in retrospect. Perhaps it was done with the best of intentions, but it was a major mistake and I hope and expect that this very reasonable Minister for Urban Development—

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: You haven't told me that.

The Hon. Diana Laidlaw: We are in the final stages of negotiations suggesting that those officers come back and work with us in Planning.

The Hon. M.J. ELLIOTT: The Minister interjects that the Planning officers are coming back from the Department of Primary Industries and Resources to the Department of Transport, Urban Planning and the Arts; that is a very good and constructive move and long overdue.

The Hon. Diana Laidlaw interjecting:

The Hon. Ian Gilfillan: Who's making this speech?

The Hon. M.J. ELLIOTT: I think the Minister is giving very able assistance here; I suggest that she keep going. The final comment I would make is in relation to pilchard quotas. I express my personal surprise that, so far as there was an expansion of quotas in the past, they were not allocated to the professional pilchard fishers, as distinct from the significant quotas being given to the tuna boat owners' delegates, effectively. The committee has recommended that the original 14 pilchard fishers should be given priority in relation to additional quota.

There is some concern that the pilchard fishery working group should not be providing what is essentially biological advice. In other words, they certainly should not be saying to the Minister, 'We believe the fishery should be expanded.' It seems to me that biological questions must be answered about the size of the fishery. I note that one person who came on the job found a clerical mistake, where the size of the current stock had been overestimated twofold. They had got it wrong by a factor of two and, as a consequence of that, the quota that was allocated was twice as large as it should have been. So, rather than being a conservative quota, which had been adopted in the fishery, due to that clerical error the quota was twice as large and could no longer be considered appropriate.

There are other consequences. We are not only talking about the sustainability of the pilchard fishery itself, but we also need to recognise that there are impacts on other species which use pilchards as an important part of their diet. It must be noted that so far the amount of research in terms of off species impacts has been extremely poor. It is the old story: there are no dollars in it, so why bother? But it impacts upon penguins, dolphins and salmon. We know of a number of species that are affected, but insufficient work has been done at this stage to determine just how serious those effects are. In relation to sea lions and seals, I understand that the chances of a pup surviving are affected by the condition of the parent while feeding the young one. So, pup survival and therefore population size can be affected.

There is a natural variation in sea lion population from season to season, but a permanent depression of an important food source can have long lasting impacts on a species which is not only biologically important but which, as people would note as far as Kangaroo Island is concerned, is important for tourism as well. So, even here there are some dollar signs if one wants to go looking for them. I commend the report to members. I would hope and expect that people do not seek to misinterpret the findings of this report.

I hope no-one is inferring that this committee is suggesting that pilchard deaths are not related to the importation of pilchards. The report does not say conclusively that these deaths were caused by that, but I think a clear conclusion can be drawn, from the committee's recommendation that the importation of pilchards should be phased out as rapidly as possible, that pilchard imports are highly inadvisable from a sensible quarantine point of view.

We do not know when this might have an impact not only on pilchard species but possibly also on other species. We could also be setting ourselves up for challenges at an international level regarding inconsistency, and the appallingly low standard that we have allowed to exist with respect to the importation of pilchards could lead to the lowering of all quarantine standards.

The Hon. T.G. ROBERTS: I rise to contribute to the debate on the motion to note this report. I thank the

committee's secretary and research officer for helping us to deal with what has been a quite difficult brief. This is the thirty-third report of the committee. After we took on this brief, and whilst we were looking at issues related to allocations and the first pilchard kill, the second pilchard kill took place. The 1995 kill was bad enough. It shook the industry, especially conservationists and those South Australians who keep an eye on the environment and the inter-relationship between harvesting wild stocks and State resources. This event was seen as traumatic not only for the fish but also for the industry.

The tuna industry was beginning to rely heavily on feeding wild pilchards to the stock which it had rounded up and penned. The aquacultural programs involving tuna were changing, the evaluated price of tuna was accelerating, markets for caged tuna and pristine or unbruised tuna were rising daily, and there was commercial reliance on the industry, particularly on the West Coast. The process at Port Lincoln, which was the basis of the industry, had moved from poling tuna onto the deck of a boat and exporting either fresh or frozen tuna to market to rounding up wild tuna stocks in the Great Australian Bight and putting them into pens in protected waters off Eyre Peninsula.

A number of sites were chosen, most as a matter of convenience because they were close to Port Lincoln. At one time there were sites inside Port Lincoln harbor, but then a major kill of penned tuna took place. Following inquiries and investigations, the nature of keeping tuna pens was changed. The pens were moved further out into deeper waters and placed in tidal or current runs to clear the extra pilchards and sand away from the pens so that, if any residue built up inside the bottom of the pens, tidal or current movements would clear that away and prevent further tragic kills from taking place.

Many tuna farmers lost a great deal of money during that time, and the State lost a large amount of its resource unnecessarily. It was my opinion at that time—and, I think, the opinion of many others—that the industry was moving forward on an evolutionary program of capture, pen and export but that this was not based on scientific evidence. At that point, I think everyone realised that there was a cost involved in moving forward without scientific evidence to support best practice.

So, when the committee picked up this brief it did not look retrospectively at the specific problems that had dogged the tuna industry. Instead, the brief was used as a basis for the committee to ensure that when it made recommendations about many of the issues that were starting to impact on the industry, not only in relation to tuna but the feeding of tuna with imported or locally caught pilchards, its policies were based on best scientific evidence.

I—and I suspect other members of the committee who have yet to make their contribution—found it very difficult to make recommendations based on layman's logic. I do not have any tertiary qualifications in the biological streaming of the fish that we studied. I had to base my assessment of what was happening on very limited knowledge and understanding, because the information that we were given was of a questionable tone or note, and much of it was contradictory. Contributions from vested interests within the industry in many cases prevented the committee from using best scientific evidence to put together its recommendations.

I do not say that that was done in any conspiratorial way, but much of the scientific evidence that was presented, particularly regarding the first pilchard kill in 1995 and the kill of the penned tuna, was based on speculation at best. The committee found that the people who were trying to put together a picture of what was happening in the pilchard industry, particularly following the first kill, were doing so with limited resources.

SARDI was struggling. There appeared to be reluctance by people in the industry to impart information that would lead to any changes in the way in which allocations were made. There appeared to be a suppression of that information or at least a slowing down of the gathering of that information. So, the current regime that had been put together by the Minister was based not on departmental or ministerial input but, in the main, by the pilchard working party, which made its recommendations based on commercial interests as much as on best scientific evidence.

I think the industry has now grown through that period. I am optimistic enough to say that, to some extent, the committee has shaken the tree. Some of the vested interests in this industry are now starting to work with the department, and I think the Minister is beginning to look at the industry in a different way. I hope that we have been able to achieve a new negotiating and operating climate within the industry and that the advice and recommendations that the committee makes (and I know that they do clash with a lot of the advice that the Minister has had over the years) are looked at by the Minister and the department and that a fresh approach is taken as to how the State's resource, which has a finite price and management committee commitment to it, can be best used, allocated and protected. The committee's position was, and still is, that the tuna industry has to survive in order for commercial interests to maintain the jobs and commercial lives of the people in the area of Port Lincoln, but it must be done in a way that protects the stock and the environment in which they have to integrate and live together.

As other members have stated, the pilchard kills appear to be one-offs in terms of major ecological disasters. The second kill may have been prevented had the work on the first kill been sufficiently sound, and had the funds—not just at State but at a national level—been followed through we may not have had to put up with a second kill in 1998. We may have been able to prevent the first kill if the preliminary investigatory work had been done at the time the allocations were being made. If the risk assessments of importing pilchards from other countries had been studied perhaps a little more in depth, we may perhaps have been able to prevent the first kill.

There appears to be an evolutionary approach to the integration of planetary diseases, if you like, from wild species to captured species. Some evolutionists believe that all varieties of species need to be exposed to some of the viruses, such as the herpes virus, to allow the survivors of the disasters and the kills to breed so that there is a protective gene that will then operate to ensure that the species survive. That was not stated to us in any of the evidence that we received, but from researching it myself and watching some of the programs on SBS in relation to the farming of wildlife in captivity and in close proximity to other species where viruses can cross over, that appears to be a common theme. It is occurring all around the world, not just with pilchards but with other varieties of animal and fish.

Other members have highlighted in their contributions the committee's recommendations, so I will not go through them. Members can read our recommendations in the report. I just hope that the planning matters associated with the progress of aquaculture within South Australia can be overcome. I

hope, too, that the tuna industry considers making recommendations for a stronger regime in terms of quarantine inspection of imported pilchards. I hope that AQIS is adequately staffed, funded and financed to enable it to do its job properly. I hope also that adequate funding for research into the industry—being part industry funded, part Government funded—continues and that the commercial interests do not override the environmental interests of the State. I hope that an adequate return to the State via an adequate pricing method for pilchards and an adequate allocation program for them is put together in a new regime that allows the current, licensed pilchard fishers to survive and any increase in the allocations to be picked up by the tuna fishermen. If the fishery does recover to a point where that is a possibility, I hope that they play by the same rules as the pilchard fishermen who are licensed specifically to catch one species.

So, the tuna industry has probably learnt a lot of lessons at a very high price. We have all learnt some lessons from the first and second kills and from the tuna pen incidents. We are starting to learn about planning—certainly at the expense of the tuna boat owners in relation to the siting of their pens in Louth Bay. Putting it all together, some costly errors have been made as we progressed. However, let us hope that all the problems that have emanated from the evolutionary progression of tuna farming in this State can be put to good use and that we have an orderly progression of supply meeting demand within the industry in terms of the protection of the ecology and all those marine mammals and animals that rely for their requirements on the adequate supply of pilchards in the wild.

So, the report contains some very good, strong recommendations. Let us hope that they are all picked up by the Government and that the Minister makes a stronger representation on behalf of the departments in maintaining that balance. Let us hope, too, that the returns to the State are adequate to maintain best scientific evidence for the industry to progress and survive.

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

ELECTRICITY, PRIVATISATION

The Hon. NICK XENOPHON: I move:

I. That this Council directs the Treasurer, the Hon. R.I. Lucas, to provide to the Australian Competition and Consumer Commission (ACCC) and the State Crown Solicitor, all documents and information in the power, possession or control of the Treasurer that they may require relating to any contracts, arrangements or understandings between or involving—

(a) The State owned electricity entities, and in particular Optima Energy, Synergen, Flinders Power, ElectraNet SA, Terra Gas Trader, ETSA utilities of the one part and ETSA Power of the other part;

(b) Terra Gas Trader of the one part and Synergen of the other part;

(c) Terra Gas Trader of the one part and National Power PLC and/or National Power South Australia Investments Limited of the other part;

(d) Terra Gas Trader of the one part and Optima Power of the other part;

(e) National Power PLC and/or National Power South Australia Investments Limited of the one part and ETSA Power of the other part;

(f) The South Australian Government or any State owned entity of the one part and National Power and/or National Power South Australia Investments Limited of the other part;

(g) Any State owned electricity entities and any participant in the project involving the construction and operation of the proposed power station to be located at Pelican Point,

with a view to having any such contracts, arrangements or understandings examined by the ACCC and the State Crown Solicitor for potential contravention of the Trade Practices Act.

II. That this Council directs the Attorney-General, the Hon. K.T. Griffin, to require the State Crown Solicitor to seek a declaration of the Federal Court of Australia that none of such contracts, arrangements, understandings or conduct in relation to the Pelican Point project contravenes the Trade Practices Act, and that pending such declaration the parties to those contracts, arrangements or understandings take no further steps to give effect to the terms of those contracts, arrangements or understandings.

This motion is in two parts, the first of which relates to the Council directing the Treasurer, the Hon. Rob Lucas, to provide to the Australian Competition and Consumer Commission (ACCC) and the State Crown Solicitor all documents and information in the power, possession or control of the Treasurer that either the ACCC or the State Crown Solicitor may require relating to any contracts, arrangements or understandings between or involving a number of entities set out in the motion. In particular, the motion refers quite specifically to State-owned electricity entities, including generation entities of the one part and ETSA Power on the other part.

It also seeks to direct the Treasurer to provide documents with respect to arrangements that the Government entities have entered into between themselves, including Terra Gas Trader and the South Australian Government with National Power PLC and/or National Power South Australia Investments Ltd, which, of course, relates to the Pelican Point power station project. The object of this direction that the motion seeks is to have such contracts, arrangements or understandings examined by the Australian Competition and Consumer Commission and the State Crown Solicitor for any potential contravention of the Trade Practices Act.

The second part of the motion seeks to direct the Attorney-General, the Hon. Trevor Griffin, to require the State Crown Solicitor to seek a declaration in the Federal Court of Australia that none of such contracts, arrangements, understandings or conduct in relation to the Pelican Point project contravenes the Trade Practices Act and that, pending such a declaration, the parties to those contracts, arrangements or understandings take no further steps to give effect to the terms of those contracts, arrangements or understandings.

I note that, in the course of giving the notice of motion yesterday, a number of Government members were interjecting and apparently quite critical of this motion. I am disappointed that that appears to be the approach that has been taken, although I look forward to their contribution, because the issues at stake here are not only important in terms of the potential ramifications for consumers of electricity in this State from the whole gamut of users of electricity—from the domestic household user to the largest users such as WMC and major corporations such as Mitsubishi Motors and General Motors-Holden's—but they are also fundamental to the whole basis of the national electricity market and the competitive framework that ought to underpin the National Electricity Market.

I draw honourable members' attention to sections of the Trade Practices Act that are of relevance to this motion. Section 45 deals with 'contracts, arrangements or understandings that restrict dealings or affect competition'. Section 45A relates to 'contracts, arrangements or understandings in relation to prices'. Broadly these relate to price fixing arrangements. Section 47 of the Trade Practices Act relates

to exclusive dealing—commonly referred to as third line forcing—a situation where, a corporation that engages in the practice of supplying or offering to supply goods or services, or offering to supply goods or services at a particular price, or further gives or allows a discount, rebate or credit in relation to the supply or the proposed supply of goods or services on the condition that the person to whom the corporation supplies or offers or proposes to supply the goods or services will not acquire such goods or services from a competitor of the corporation making the initial offer, then that conduct is illegal.

Section 47 is obviously much broader than that, but in a nutshell aims to prevent such arrangements which can, in effect, substantially lessen competition and by extension increase prices. The Act also provides for authorisation from ACCC so that those sections do not apply with respect to any conduct engaged in by way of deals with another body corporate if those bodies corporate are related to each other (and reference is made to that in section 45(8), which also applies to sections 45A and 47(12)).

Members ought to note that the whole ethos of the Trade Practices Act is to maximise competition and efficient practices for the benefit of consumers. The mission statement of the ACCC is worth mentioning, namely:

To enhance the welfare of Australians by fostering competitive, efficient, fair and informed Australian markets.

The words of that mission statement ought to be heeded by all members when considering this motion, because at a national level our electricity industries are worth some $60 billion in terms of their asset value——the nation's second largest industry after the Telcos.

To put my concerns in relation to this motion in context, I propose to read into *Hansard* my correspondence with Professor Fels, the Chairman of the ACCC. As I would not want some members to think I am quoting selectively from that correspondence, I propose to set out in full the correspondence with the ACCC and its responses to me. On 21 March 1999 I wrote to Professor Fels in the following terms:

Re: Pelican Point Contract.

I am writing to the Commission to express my grave concerns in relation to some of the electricity market arrangements in South Australia (SA) and in particular the contractual arrangements for the construction of new private generation capacity at Pelican Point to be built by National Power, recently approved by the South Australian Government.

You will be aware that the South Australian Government has entered into long-term contractual arrangements to commission National Power to construct a new gas fired base load generation plant at Pelican Point in South Australia. The eventual capacity of this station will be 500MW. While the terms of this contract are not publicly available, I understand that these involve significant financial inducements to National Power and that Pelican Point will receive priority access to Cooper Basin gas supplies in preference to other generators.

I am seriously concerned about the competitive consequences of this contract and thus the effect this will have on electricity prices to SA consumers in the long term. The national electricity market was established to achieve greater competition, to maximise economic efficiency and to provide benefits to customers. Given the capital intensive nature of the power industry, the biggest source of efficiencies arise in the longer term from ensuring investment in the lower cost supply options. This will only occur if Governments do not intervene in investment beyond the provisions in the National Electricity Code.

Instead the SA Government has intervened in the established market process by, in effect, subsidising the entry of the new generator into a supposedly competitive market. At the very least this action is inconsistent with the philosophy of the national competition policy agreements and the spirit of the NEM. At worst it is also anti-competitive. In my view the SA Government subsidisation of a new entrant is anti-competitive for a number of reasons:

- The contract provides National Power with a level of financial security that other potential new generators do not receive in other parts of the market. This translates into a direct cost advantage—in terms of a reduced cost of capital—for National Power.
- The contract generates a stream of unknown income that will allow National Power to artificially sustain low bidding behaviour in the market. I note that on the basis of similar concerns the ACCC recommended that the price of NSW vesting contracts be reduced to prevent this form of cross subsidisation. The SA Government is subsidising Pelican Point in the same way. Indeed, it can be argued that the effect of the Pelican Point contract is an order of magnitude worse because this is a new investment that the market was explicitly designed to accommodate.
- The use of a contract to encourage market entry of an otherwise uneconomic plant will foreclose, for at least 10 years, on the construction of Riverlink, which is a project that followed all appropriate code and NEM processes, and a clear customer benefit was established. Riverlink is fundamental to ensuring a competitive electricity market in SA. Without it SA will have continued high prices and the credibility of national competition policy will slip even further.

I would highlight my belief that the arrangements with National Power represent a fundamental and serious departure from the spirit and objectives of the national electricity code, in particular, the national competition policy reforms in general. The code relies on incentives for private sector market participants to undertake capital investment in the NEM and outlines formal processes for ensuring that transmission investment that minimises cost to customers is commissioned. The South Australian Government has effectively ruled out these two investment options. Instead, it has opted for an investment option that could well raise the costs of supplying South Australian customers with electricity even higher than they are already. It could be argued that the decision of the Government appears to be based more on short sighted objectives to do with sale price maximisation rather than an establishment of competitive market arrangements in this State.

I would be grateful if you would consider the issues raised in this letter and contact me to discuss the best way forward.

Given the potential ramification to consumers in South Australia, and given that the construction of Pelican Point power station is due to commence in May 1999, I ask that you give this matter your most urgent attention.

By way of letter dated 31 March 1999 and received by my office on 9 April 1999, the Chairman of the ACCC replied as follows:

Thank you for your letter dated 21 March 1999 regarding the electricity market arrangements in South Australia, in particular the contractual arrangements for the construction of the power plant by National Power at Pelican Point.

You may be aware that the South Australian Government intends to submit a package of vesting contracts relating to the existing generators (Optima, Flinders Power and Synergen) and the retailer (ETSA) in tandem with its proposal to privatise the South Australian electricity assets. However, the Government has indicated that the Pelican Point contract is not part of the vesting contract package and will not be submitted for authorisation. Consequently the commission will not have the opportunity to examine this contract in terms of the established authorisation tests and the concerns you raise with regard to subsidy and the development of a competitive market in South Australia.

The commission is concerned that ongoing subsidies and Government intervention in any of the States will hinder the development of the competitive national electricity market and delay the benefits of lower prices and efficient service delivery to customers. The commission will give these issues close consideration when it has an opportunity to formally assess the South Australian vesting contracts.

However, the commission has no power under the Trade Practices Act to require anyone to submit their contracts or arrangements for authorisation. That is a matter for the parties to decide based on their own assessment of their liabilities under the Trade Practices Act. Obviously the risk here is that, if arrangements are in breach of the Act and not submitted for authorisation, the Act may be enforced against the parties either by the commission or by private

action. Any alleged breach of the Act would have to be proved in the courts.

However, there may be contracts or arrangements which are inconsistent with the spirit and objectives of national competition policy but which, for one reason or another, are not covered by the Act or in breach of it.

The National Competition Council has general responsibility for monitoring the implementation of national competition policy by the States. Part of its function is to report to the Commonwealth Government with recommendations as to the payment of competition reform compensation under the COAG agreements. Given that electricity reform is one of the central features of national competition policy, it may be that the issues that you raise also fall within the scope of the council's ongoing role to monitor the progress of competition reform.

With regard to the possibility of further interconnection between South Australia and other States, the commission has recently undertaken a review of the code requirements for interregional and intraregional network augmentation.

This review was requested by NEMMCO after it had examined the proposed SANI interconnector in the light of the existing customer benefits test. NEMMCO found that the existing criteria in the code were unreliable and ambiguous and likely to prevent the progress of future interconnections or augmentation proposals. The commission engaged Ernst and Young as consultants to review the existing criteria and propose new criteria. The Ernst and Young draft report has been in the public arena for some time and the commission intends to finalise its own views and recommendations for code change in the near future. I enclose a copy of the final Ernst and Young report and will ensure that you are sent a copy of the commission's response once it is completed.

It is signed by Professor Allan Fels, Chairman of the ACCC. As the Chairman indicated in his letter, he provided a copy of a review prepared by Ernst & Young and headed 'Review of the Assessment Criterion for New Interconnectors and Network Augmentation—Final Report to Australian Competition and Consumer Commission—March 1999.' On 14 May 1999, I wrote to Professor Fels in the following terms:

Re Pelican Point contract. Thank you for your letter of 31 March 1999 in response to my letter to you of 21 March regarding the Pelican Point Power Station project in South Australia.

In my letter to you I expressed some serious concerns that I have regarding the possible anti-competitive aspects of the Pelican Point project, including the potential that:

(a) the project will result in South Australian electricity consumers paying higher electricity prices; and

(b) other lower cost solutions to South Australia's electricity supply problems being excluded from participating in the South Australian electricity supply market.

Whilst I fully appreciate that the commission has no power to compel people to submit their contracts to the commission for authorisation, the commission does of course have other powers available to it. Specifically, I note that under section 155 of the Trade Practices Act the commission has the power (and in this case, may I suggest, the responsibility) to require the production of information, documents and evidence relating to a matter that constitutes, or may constitute, a contravention of the Trade Practices Act. Given the significance of the Pelican Point project and the potential impact on both the State of South Australia and its electricity consumers, and the broader implications of a competitive electricity market in southern and eastern Australia, I am concerned to see that the Pelican Point project is thoroughly examined, including from a competition law perspective. In that regard, although I am not privy to the contractual documentation, I genuinely believe that the concerns I have raised are real and warrant examination.

I also consider that I am not overstating the importance of the commission adequately scrutinising the contractual arrangements for Pelican Point in the context of a robust competitive framework for the entire national electricity market, given the very reasons why the national electricity market was brought into existence in the first place.

Finally, I would be grateful if I could meet with you in the near future to discuss and elaborate on the issues raised herein. I propose to contact your office shortly to arrange a mutually convenient time. I look forward to your urgent response.

On 20 May 1999, I met with the Chairman of the ACCC (Professor Fels) and one of his senior officers, Mr Michael Rostrom, with respect to the electricity utilities. I understand that the ACCC will be following up my concerns in correspondence with the State Government—if it has not already done so. My understanding, as a result of the meeting with the Chairman of the ACCC and Mr Rostrom, together with subsequent inquiries I have made, is that both the Queensland and New South Wales Governments and electricity entities have provided contractual arrangements to the ACCC for authorisation.

In the case of Queensland, documents were submitted in December 1997 with respect to all the generators and the three retailers at that time. I understand that Queensland now has only two retailers. The ACCC gave interim authorisation, and I understand that full authorisation is currently being processed. The information provided to the ACCC by the Queensland entities included vesting contracts, which, members are aware, are price fixing arrangements between, in the Queensland case, the Government owned generators and the retailers. It was a price fixing arrangement under section 45(A) that the Queensland entities sought authorisation from the ACCC.

It seems clear that the process adopted by Queensland, in a market framework which in many respects is similar to the South Australian framework (that is, a market where there has been almost identical supply-demand balance and also a need for new investment), indicates that the approach taken by the Queensland entities is that the public ought to have confidence in the arrangements as being appropriate, that the arrangements were not anti-competitive and to ensure that consumers benefit from the arrangements of the national market.

In New South Wales, from the information I have received from the ACCC, three series of vesting contracts have been forwarded to the ACCC for authorisation, the last round being submitted in June 1998 and the authorisation process commencing in 1996 prior to the New South Wales market commencing. I further understand that the New South Wales entities provided extensive information and that the New South Wales entities have at least received interim authorisation.

Contrast that with the approach of our Government, the South Australian Government, which despite initial approaches to the ACCC has not yet submitted vesting contracts for authorisation. This is even more extraordinary in that I understand that details of vesting contract arrangements were released to bidders of the Pelican Point tenders, although I do not know the precise extent of the information that has been given and the impact that information would have had on the marketplace, despite questions in this Council.

In any event, there is a process for the ACCC to treat these documents as confidential, to appreciate the significant commercial confidentiality of the documents involved so that the electricity entities in question are not in any way disadvantaged in the marketplace by the release of any information that would be inappropriate in a commercial in confidence sense. That cannot be said in relation to the details released to the Pelican Point tenderers. We simply do not know what information has been given to the tenderers in the Pelican Point project and the impact that could have potentially on the operation of the South Australian owned generators.

I further understand that the South Australian Government may have provided some initial drafts of vesting contracts, but the full documentation to make full sense of the entire

arrangements in order that the ACCC could meaningfully assess the contractual arrangements in South Australia in the context of the Trade Practices Act has not yet been provided to the ACCC by the South Australian Government. Again, contrast that with the approach of the Queensland and New South Wales Governments that are clearly taking the approach that the process should be transparent, that consumers ought to benefit and that the public ought to have confidence in the competitive framework of their electricity industries.

This raises a number of substantive questions as to why these arrangements have not been provided, and I look forward to the Treasurer's response in this regard. Given that the Queensland and New South Wales electricity entities have produced full documentation for the purpose of the ACCC's assessing the vesting contract arrangements, there seems to be no good reason why South Australian consumers should not have the benefit of the ACCC assessing vesting contract arrangements with respect to South Australian entities.

I further understand that the State of South Australia has not volunteered these documents and has, in part, relied on the fact that the Treasurer is a body corporate and that the provisions of the Trade Practices Act do not apply to the Treasurer. I am not certain of the full extent of that legal argument but, given the path that the Queensland and New South Wales entities have taken, I cannot fathom why South Australian consumers do not have the benefit of the scrutiny of the ACCC in relation to their electricity entities.

In relation to Pelican Point, it does not appear that the Government has approached the ACCC for authorisation of any of the contractual arrangements entered into with National Power. I do not know whether the shield of Crown argument is being put forward by the State Government or any other State entities in relation to these documents not being forwarded, but I call on the Treasurer to provide that information. However, there is nothing to stop this Government from submitting the contracts in relation to Pelican Point for authorisation should it volunteer to do so; and, given the experiences in Queensland and New South Wales, together with the potential impact Pelican Point could have on the competitive framework of the electricity industry and prices in South Australia, there is, I suggest, a compelling case for these contracts to be forwarded as well.

The second part of the motion relates to the Attorney-General taking pro-active steps to direct the Crown Solicitor to seek a declaration that none of the contracts, arrangements, understandings or conduct in relation to the Pelican Point project contravenes the Trade Practices Act. There are a number of unanswered questions in relation to that contract, and given its potential impact on consumers in this State, and on the entire competitive framework in South Australia, this motion seeks to ensure that the Attorney-General takes pro-active steps to ensure that the provisions of the Trade Practices Act have been complied with and, further, that pending such a declaration no further work be carried out.

The second part of this motion is, I concede, ambitious in its scope, but so it ought to be considering the potential implications of the impact of Pelican Point on the South Australian market and on consumers generally for years to come. I propose to deal with what I am sure will be significant scrutiny of this motion by both the Treasurer and the Attorney-General when I have an opportunity to conclude after members have made their contributions. I commend the motion to members.

The Hon. SANDRA KANCK: The Australian Democrats share the Hon. Nick Xenophon's interest in the operations of the South Australian Generation Corporation. Whilst, Mr Xenophon's motion indicates that he believes some of our electricity companies may be involved in anti- competitive behaviour, my concerns are different, although they are related.

Last year, I wrote to the ACCC requesting a copy of any advice provided by the ACCC (Australian Competition and Consumer Commission) to the South Australian Government or its instrumentalities regarding the electricity reform and sales unit devised split of what was then Optima Energy. Unfortunately, no response was received. As a consequence I have again sought that information from the ACCC, and I will be making a similar request to the Treasurer's office. That second request of the ACCC has not yet received a reply. In part, I wanted to know whether the three way split of Optima was necessary to qualify for competition payments.

I remind members that Optima, as a single unit, represented just 6 per cent of the generating capacity of the national electricity market. The restructuring of Optima into Flinders Power, Optima and Synergen has created three relatively small generating companies. In the financial year 1997-98, Optima recorded an operating profit of $73 million and returned some $40 million to Treasury. Budget projections for 1999-2000 make no provision for dividends from our three generating companies and budgets for just $3.5 million in income tax equivalent payments.

These are intriguing figures, considering that the price of electricity has remained relatively high in South Australia, despite the start of the national electricity market. I suspect that the contracts which have been entered into have perhaps involved some creative accounting by this Government. We are very interested in this motion and what information can be brought to the fore as a consequence of it, and the Democrats will be supporting it.

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

ELECTRICITY MARKET

The Hon. NICK XENOPHON: I move:

1. (a) That in the opinion of this Council a joint committee be appointed to inquire into and report upon the South Australian electricity market arrangements and the impact these arrangements have had and are likely to have on electricity prices and security of supply for South Australian consumers, and in particular, to inquire into—
   (i) local generation options;
   (ii) regulated interconnectors; and
   (iii) unregulated interconnectors.
   (b) And that this committee assess these arrangements as to their ability to achieve the most economically efficient outcome for South Australia.
2. That in the event of a committee being appointed, the Legislative Council be represented thereon by three members, of whom two shall form a quorum of Council members necessary to be present at all sittings of the committee.
3. That joint Standing Order No. 6 be so far suspended as to entitle the Chairperson to vote on every question, but when the votes are equal, the Chairperson shall have also a casting vote.
4. That the joint committee be authorised to disclose or publish, as it thinks fit, any evidence and documents presented to the joint committee prior to such evidence and documents being reported to the Parliament.
5. That a message be sent to the House of Assembly requesting its concurrence thereto.

For the last 15 months we have seen a debate both in this Chamber and in the other place in relation to South Australia's electricity industries, a debate that many would say has generated more heat than light. Notwithstanding that, it is a debate that has significant implications involving one of the biggest and most valuable industries in this State, an industry that directly affects every South Australian and every South Australian business of whatever size.

This motion calls for a joint committee to be appointed to inquire into and report on the South Australian electricity market arrangements and the impact that these arrangements have had and are likely to have on electricity prices and security of supply for South Australian consumers, and in particular to inquire into, first, local generation options; secondly, regulated interconnectors; and, thirdly, unregulated interconnectors. The motion also seeks that the committee assess these arrangements as to their ability to achieve the most economically efficient outcome for South Australia.

I do not propose unnecessarily to restate what I have just said in relation to Notice of Motion: Private Business No. 3 which I have moved and on which I have spoken. However, it is important for members to be given an outline of the national electricity market, of which South Australia is now a part. Discussions for a national market began in 1992, when the National Competition Council agreed to set up the National Grid Management Council to establish the national electricity market arrangements. Victoria commenced in 1994, New South Wales in 1996, Queensland in 1997 and, as we know, South Australia in 1998.

The national electricity market was established because of gross inefficiencies in the market, particularly in relation to generation. Members are well aware of the significant over capacity in the New South Wales market, with some 1 600 megawatts of over capacity because of a number of investment decisions made by the New South Wales Government during the 1980s and 1990s. The purpose of the national electricity market was to create an environment where Governments did not need to be involved to the extent they were previously in making decisions on generation, where mistakes were made time and again either by over building or under building, with significant problems of either over supply, in the case of New South Wales, or having a constrained market with relative under supply, or a fine balance between supply and demand, as has been the case in Queensland and South Australian markets.

The national electricity market rules exist to facilitate an orderly basis by which the market can operate with respect to making decisions on generation options, whether by public or private investment. As I stated previously, Queensland is a publicly owned market which has similarities to South Australian market, where the supply/demand balance mirrors, in many respects, the South Australian market. There is a situation now in Queensland where a number of private power stations have been built, or decisions made to build them, without the need for any degree of public intervention. Contrast that with the Pelican Point project. There is the case of the Boral Roma plant, a 70 megawatt plant, which was built in a matter of months in Queensland without any degree of public involvement and which the Government did not intervene to any extent whatsoever.

Yesterday, I understand that Intergen announced the Millmerran plant, an 840 megawatt plant, in Queensland where there is no Government contract, so effectively no taxpayer funds are involved.

This House is aware of my concern that consumers in South Australia may be missing out on the best possible deal from a robust, competitive framework by going down a path of the Pelican Point project with the degree of Government involvement that there is, including a 20 month contract. That is why I moved the motion that I did for the ACCC to assess the contractual arrangements for any breaches of the Trade Practices Act. That is why there ought to be a joint committee which can look at the overall framework of the electricity market in the State and the way in which it intermeshes with other States' electricity markets and, indeed, the entire national electricity market.

The issue of Riverlink, a regulated interconnector, and the potential benefits that it could bring to the South Australian market and to consumers as distinct from the claims made by Pelican Point and its proponents regarding the potential benefits it can bring to South Australia are matters that ought to be scrutinised thoroughly in the context of a select committee. Even if the Government asserts that Pelican Point is a done deal, that it is simply too late to look at these arrangements, there is a compelling argument that the future needs of electricity consumers and the future structure of the electricity market framework in this State is deserving of close scrutiny—scrutiny that can lead to better public policy outcomes and outcomes that can maximise benefits to consumers.

The fact that there has been a significant difference in pool prices between New South Wales and South Australia must be a relevant factor in considering whether the framework for the electricity industry, which the Government has an integral role in setting, ought to favour local generation options, regulated interconnectors, or, for that matter, unregulated interconnectors.

It is also worth mentioning the NEMMCO decision with respect to the SANI (Riverlink) review decision at section 1.18, which refers to regulated and unregulated interconnections and what was said in the context of the decision that was made by NEMMCO, which is as follows:

> NEMMCO considers that an unregulated interconnection could be an option to the proposed project. In the review, NEMMCO has to determine that the proposed project maximises customer benefits when compared to other options.
>
> NEMMCO is unaware of firm proposals to build an unregulated interconnector. The internal rate of return required by an entrepreneurial investor is expected to be higher than that of a regulated interconnector because of high risks. For this project and a customer benefit criterion, it is unlikely that an unregulated interconnector will deliver greater benefits than a regulated interconnect.

Clearly, there is a great deal of controversy and debate about what option would deliver the best outcome for South Australian consumers and what option would deliver the most economically efficient outcome for South Australia.

It is also worth referring to the conclusions made by NEMMCO in its Riverlink decision, a decision which NEMMCO on legal advice was bound to make on the customer benefit criterion, a criterion which has been under attack as being, at the very least unhelpful and, in many respects, counterproductive to the whole principles behind the national electricity market. That is why the ACCC is currently reviewing a test so that the national market can work as it was intended, that is, in a robust and efficient manner.

The NEMMCO conclusions were that, given the very narrow and, some would say, artificial customer benefit test, if the Riverlink interconnector was built prior to the summer of 1999-2000, it was not justified because it did not maximise

the benefits to customers under that narrow and, some would say, artificial test. However, if it was built a year later, it would maximise benefits.

NEMMCO also went on to say that SANI (Riverlink) 'delivers higher benefits to customers than any other option examined under SRMC bidding'. Clearly the Government has a different view in relation to this but, given that regulated interconnectors were a very key part of the whole basis of that national market and also given that the Premier, when he was the Minister for Infrastructure some three years ago, signed a memorandum of understanding with the New South Wales Government for Riverlink to proceed as a regulated interconnector, that is something at which this committee ought to look.

If this motion is carried, the committee will also need to look at the relative benefits of unregulated interconnectors—the so-called entrepreneurial interconnectors briefly referred to in the Riverlink review by NEMMCO. It is something that ought to be scrutinised, because my clear understanding is that an unregulated interconnector will not deliver the same benefits to consumers of electricity in this State as would a regulated interconnector.

An unregulated interconnector, by virtue of its very nature, will not deliver the same extent of signals to the marketplace to give the constant downward competitive pressure on prices in South Australia that a regulated interconnector ought to. Clearly, that is something that the committee, if established, could investigate.

I propose to deal with any matters raised by members contributing to this debate at the time of the conclusion of the debate.

The PRESIDENT: Order! There is a bit too much audible conversation in the Chamber with members wandering about. The honourable member has the call and is desperately trying to speak over the top of other members.

The Hon. NICK XENOPHON: Thank you, Sir. However, I urge all members to support this motion, whatever the ownership structure of our electricity industry is, if they want to play a part in maximising benefits to South Australian consumers and to maximise the benefits that a competitive national electricity market can bring. Otherwise, my fear is that the calls I have been getting from businesses concerning the current uncompetitive nature of the South Australian market will continue.

They are as follows: that the concerns expressed by the business community publicly (and I note that Hills Industries expressed concern about the competitive market several weeks ago) will increase; and, if the reality is that we cannot compete because of structural inefficiencies in our market, South Australian economic growth will be retarded; that business, in particular the manufacturing industry in this State, will suffer; and that future major projects in this State, where the cost of electricity is a significant input, will not materialise. I commend this motion to honourable members.

The Hon. P. HOLLOWAY: I support the motion. The Hon. Nick Xenophon is proposing that a joint committee of the Council and the House of Assembly be established to look into the operation of the electricity market and in particular to inquire into local generation options and interconnectors. I think it is long overdue that the South Australian Parliament had a good look at the electricity industry.

During debates on other national competition policy issues I have commented that, with such a major review, it is astonishing that the introduction of reforms in this country has occurred with almost no debate in any Parliament, and in particular the State Parliaments. The major reforms that have been introduced have affected electricity, transport, water and many other areas and have had quite profound impacts on the country and the existence of the States, yet we have never really debated them except in the most peripheral way.

When discussing those issues I have said that the States should have parliamentary oversight with regard to the operation of national competition policy generally. That is why I am pleased to support the motion, which will bring parliamentary oversight to one of the most important of areas, that is, the electricity industry.

The Australian electricity industry comprises some $60 billion worth of assets. This Parliament has committees which look at all sorts of issues. At present one is looking into the situation involving wild dogs and another is dealing with road safety. I do not wish in any way to denigrate those committees—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: We did support them, and they should be looked at. Surely if we are to look into issues such as that we should also look into the oversight of one of the most important industries in our State that currently is undergoing massive change. The other point I wish to reinforce was that made by the Hon. Nick Xenophon—that the need for this oversight exists. Regardless of the ultimate ownership of the electricity industry—whether it is private, Government owned or a hybrid (as we effectively have at present with National Power coming into it)—it is necessary that there should be some parliamentary oversight of that industry and some input into its development.

The Hon. A.J. Redford: You can do one on McDonald's on that basis as well.

The Hon. P. HOLLOWAY: Not at all. I hope that that interjection gets on the record because what the Hon. Angus Redford is saying is that the electricity industry is comparable to the fast food industry, in particular McDonald's. To give an example, we have appointed—

The Hon. L.H. Davis: Or the Gas Company.

The Hon. P. HOLLOWAY: In relation to the Gas Company, we do have some State oversight of that industry. We have technical regulators and an Act of Parliament that governs that industry. Indeed, we have legislation for the electricity industry. We need State oversight of this industry. What I am really talking about—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: The Hon. Angus Redford should not dabble too much in an area he clearly knows nothing about. If he looks at the Notice Paper he will see that debate on an industry regulator is listed with the electricity sale. I think he should keep quiet. The point is that the electricity industry is undergoing massive change because of political decisions that were made by the Prime Minister and the Premiers of this country some years ago.

The first report came from Hilmer in 1993; and in 1994 and later in 1995 the national competition principles and the parts of that policy that related to electricity assets were signed off by the Prime Minister and the State Premiers. As I say, we have never really had a look at it but what we have seen in the years since then is that the operation of the electricity market has been somewhat different from what we had expected. There must be a great deal of doubt about whether the benefits of competition in the industry will be delivered. The Hon. Nick Xenophon referred to some of those.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Victoria has an oversupply. This State is in a different position. Again, the Hon. Angus Redford assists me with his interjection because he reminds us all that in Victoria, which has an oversupply of electricity power, the market situation is quite different. I would bet that that State's Parliament and parliamentary committees have had a closer look at the electricity industry than we have in this State.

When I came into the Legislative Council one of my greatest disappointments was the operation of the committees in this Chamber. If one compared them with those in other Upper Houses in Australia and the Senate in particular, one would have to say that the committees of this Parliament work nowhere near as well as they work in those places, neither in the breadth of the subjects they cover nor in their conduct. They clearly lack resources and, unfortunately, they do not make the contribution that I believe they should. However, I welcome the Hon. Angus Redford's contribution on this matter at some stage.

Here is a case where the Council can investigate an issue of major importance to the State and look into these issues involved in the electricity supply industry. I make the point that it is not the job of the Parliament to govern these industries. I do not see a committee such as the one proposed being an alternative to the Government in this respect, but there is a need for oversight, particularly with this Government which has a history of great secrecy. I doubt whether another Government in this country would be as secret in its dealings on issues such as this. Even the Kennett Government in Victoria is far more open through its freedom of information laws and other means in providing information to the Parliament and the public.

This State has special issues in relation to our electricity industry. I have pointed out in previous debates, when issues have arisen concerning our future electricity supply options, that the traditional way they have been resolved in this State, going back to the days of Playford, has been to set up bodies, whether royal commissions or advisory bodies, to examine the options. They have been a feature of this State down the years when major issues of electricity supply have arisen. This Government has not adopted that course which I think is to the State's cost.

It is high time the Parliament of this State got involved in one of the major issues facing this State. Instead of dealing with bread and butter issues, is it not about time that we looked at one of the most essential—

The Hon. Diana Laidlaw: Road safety is bread and butter?

The Hon. P. HOLLOWAY: Road safety is certainly something we should be looking at. The point I was making was that if we are to look at issues like that should we not also look at issues like the future direction of our electricity industry? I did not say that we should not be dealing with those issues—of course we should be dealing with them—but we should particularly be dealing with this one. Indeed, what the Hon. Nick Xenophon is suggesting is a joint committee of both Houses of Parliament. I think that is a very commendable way to proceed.

There is much more we could say about this matter. It is worth reiterating that the future of our electricity industry is one that exists regardless of the ownership of the industry. The question of privatisation is just one part to the many issues involved in the future of our electricity industry. It would be to the better governance of this State if this Parliament investigated and reported on this most important subject.

I congratulate the Hon. Nick Xenophon on moving this motion. He raised in his speech the question of Riverlink, and I think that that issue, as much as any, provides the justification required for a committee such as this. The Hon. Nick Xenophon referred to the report on Riverlink and the various tests which were conducted, in particular the customer interest and public interest tests, which were provided in that report. I referred to these in a debate in this Parliament last year. Anyone who reads the report and the interpretation of those tests on that Riverlink facility would be well aware that there are great deficiencies in the operation of the national electricity market at this moment. I would defy anyone to suggest that the national electricity market is operating as well as it should. Unfortunately, it appears to be—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: It has not just started. Certainly, South Australia's participation in it has, but much of the structure of the national electricity market has been under way for five years or more. The process began in 1995, and you can read many commentators in the literature, such as the *Electricity Supply Association Journal* and other journals, who express concern about some of the technical deficiencies in the structure of the national electricity market. It is about time that we looked at them.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Well, it is the structure of the industry, and who is responsible for it; there are a number of authorities. To answer the Hon. Angus Redford's interjection, a number of authorities are responsible for various parts of this code, and just where some of these responsibilities lie is not as clearly spelt out as it should be. Also, part of the reason for setting up the national electricity market in the first place was to reduce over capitalisation in electricity assets, because we had an oversupply in the national market. But, what we are seeing in this State with the building of new power stations is that, instead of preventing new capitalisation of the market, in fact we are almost seeing the reverse: new power stations are being built at the same time as other power stations are mothballed.

Whatever one thinks about that, there are some aspects of the operation of the national electricity market which are at the very least deserving of investigation and report by the Parliament. I support the motion.

The Hon. NICK XENOPHON secured the adjournment of the debate.

LISTENING DEVICES (MISCELLANEOUS) AMENDMENT BILL

The House of Assembly agreed to grant a conference on the Bill, as requested by the Legislative Council. The House of Assembly named the hour of 10 a.m. on Thursday 3 June 1999 to receive the managers on behalf of the Legislative Council, at the Plaza Room.

STATUTORY AUTHORITIES REVIEW COMMITTEE: REVIEW OF THE ENFIELD GENERAL CEMETERY TRUST, THIRD REPORT

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

That the third report of the committee on the Management of the West Terrace Cemetery by the Enfield General Cemetery Trust be noted.

At the outset I again commend the committee on its diligence in researching the subject of the management of the West Terrace Cemetery by the Enfield General Cemetery Trust. In particular I commend the work of the research officer, Ms Hele, and Ms Kristina Willis-Arnold, who is the secretary of the committee, and their professionalism in the preparation of this report. One of the more satisfactory aspects of parliamentary life is that, notwithstanding the recent comments of the Hon. Paul Holloway, parliamentary committee work can achieve some very worthwhile results. Quite often members on both sides concur in outcomes and recommendations made by committees such as the Statutory Authorities Review Committee.

The Statutory Authorities Review Committee commenced its investigation of the management of the West Terrace Cemetery 14 months ago. It certainly was not our intention still to be looking at this subject 14 months later, but the fact is that, because so many matters have been raised in our investigations, we have continued through our interim report on to a second report, and now we are tabling a third report. As with the first two reports, the recommendations of the committee are unanimous.

Perhaps, to set the scene briefly, it is worth recapitulating the background to the transfer of the management of West Terrace Cemetery to the Enfield General Cemetery Trust as a result of legislation passed through the Parliament in August 1997. This was the first time that the management of West Terrace had transferred out of the hands of Government in its 160 year history. It had a seedy and undistinguished history. The management of West Terrace had been bedevilled by bureaucracy, mismanagement and, indeed in some cases, corruption.

When the Parliament unanimously agreed, the Enfield General Cemetery Trust, which was the operator of a modern lawn cemetery at Enfield and which had a decade before taken over the operation of the Cheltenham Cemetery, was given the task of refurbishing the West Terrace Cemetery. It is worth noting that it was the only operating cemetery in any capital city in Australia. It is rich in the history of the State since European settlement in 1836, and it provides a tapestry of the economic and social history of Adelaide and South Australia generally since 1836.

The parliamentary debate of August 1997 made quite clear that there was an expectation that the Enfield General Cemetery Trust would recognise the importance of the heritage of West Terrace Cemetery, and would give priority to restoration, conservation, marketing and tourism aspects of the cemetery. In particular, there was an expectation from the Government and all sides of politics that, certainly in the early years, Enfield would use the considerable surpluses generated from its management of the Cheltenham and Enfield Cemeteries to cross-subsidise the restoration of West Terrace Cemetery.

The committee commenced taking evidence in April 1998. This inquiry was instigated at the initiative of one of the committee members, the Hon. Julian Stefani. It is not uncommon for parliamentary committees to have a general discussion about the subject matter of their inquiry and, in the five years of the operation of the Statutory Authorities Review Committee, statutory authorities that have been the subject of investigation have been suggested by both Government and opposition members. As a result, we began our inquiry and it became obvious that the management plan which was required to be drafted by the Enfield General Cemetery Trust for the management of West Terrace Cemetery was a major undertaking.

The legislation which gave the Enfield General Cemetery Trust the management of West Terrace Cemetery required Enfield to prepare the first management plan no later than August 1998. It also required Enfield to give public notice of a meeting which would give interested parties an opportunity to discuss the plan.

In evidence taken from the Enfield General Cemetery Trust, the committee pressed both the General Manager, Mr Crowden, and the Chairman, Mr Noblet, on whether or not they would take evidence from experts and interested parties on the preparation of its management plan. The evidence, which is on the public record and which was tabled with the committee's interim report, showed that they were coy about this matter, but the committee made it clear that, given the level of public interest in the subject, it was expected that there would be discussion with stakeholders to ensure that the management plan was adequate and reflected the views of the various stakeholders, such as religious groups, heritage architects, the National Trust, monumental masons and others who would have an obvious interest in the cemetery.

The Statutory Authorities Review Committee issued its first report on 12 August 1998. It is noted in the foreword of that report:

> The trust management plan for West Terrace Cemetery which is due for release shortly should allow for proper public consultation. This plan should include policies for conservation and preparation of the cemetery and also address marketing and tourism.

As I have mentioned, the committee was unanimous in its recommendations but, lo and behold, on 16 September it discovered by accident that two weeks before it had tabled its interim report in the Parliament the Enfield Cemetery Trust had published its first management plan. The committee was not aware of this fact.

As required by legislation, Enfield had also issued a public notice inviting interested parties to attend a public meeting, which was held on Wednesday 5 August 1998 at 2 p.m.—a very convenient time, one would have thought (and I say that with a hint of sarcasm), for interested stakeholders. The size of the public notice (and I am being generous in this observation) was that of a postage stamp.

The Hon. Carmel Zollo: Depending on which country.

The Hon. L.H. DAVIS: Depending on which country, as my colleague and fellow committee member, the Hon. Carlo Zollo, observes. So, it came as no surprise to note that only two people attended that public meeting to discuss the first management plan for the West Terrace Cemetery which set out the *modus operandi* for the next five years. The two people who attended that meeting were the Chairman of the trust, Mr Noblet, and the General Manager, Mr Crowden. The minutes of the meeting, which are fulsome in their praise of the plan (they describe it as a very good plan) invited members of the meeting to ask questions of the Chairman. Of course, because no people attended the meeting it was difficult for that suggestion to be taken up.

So, quite by chance the committee discovered the existence of the plan six weeks later on 16 September 1998. Ms Kristina Willis-Arnold, the Secretary of the committee, and Mrs Hele, the research officer, made inquiries of various stakeholders and discovered that they, like the committee, were quite unaware of the existence of the plan. None of them knew that the plan had been released. This was hardly a good

start, one would have thought, in respect of such an important matter.

The committee then resolved to circulate interested parties with details of the plan and invite them to respond to the plan in order to confirm whether or not they knew of its existence. The committee received responses from 31 stakeholders, 17 of which were written and 14 verbal. The criticisms were varied but concentrated. There were not too many accolades for the first management plan for West Terrace Cemetery prepared by the Enfield General Cemetery Trust. I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

[Sitting suspended from 6.2 to 8.15 p.m.]

FINANCIAL SECTOR REFORM (SOUTH AUSTRALIA) BILL

Adjourned debate on second reading.

(Continued from 1 June. Page 1251.)

The Hon. M.J. ELLIOTT: I rise to support the second reading and to note that on 19 May, less than two weeks ago, I received correspondence from the Attorney-General seeking Democrat support for the passage of these two cognate Bills. A draft Bill was not even available at that time. Regardless of the merits of the Bill, I am gravely concerned about the increasing number of occasions where this Government has sought the passage of legislation through the Parliament with undue haste, with no real attempt to give members of the Parliament adequate time for scrutiny. Not only do we have the two financial sector Bills before us but we have a mutual recognition Bill, which in fact entered the Lower House yesterday and which the Government wants passed by tomorrow. That is becoming increasingly typical of the contempt with which this Government holds the whole parliamentary process.

The Hon. R.R. Roberts: And the people of South Australia.

The Hon. M.J. ELLIOTT: Yes. It is becoming far too typical; in fact, during the previous session there were some similar occurrences as well. The Democrats have always aimed to progress Bills speedily in circumstances of proven urgency, as evidenced by the passage of the Year 2000 Information Disclosure Act 1999 during the previous sitting. In that matter there was a genuine realisation that it required urgent action to which we were prepared to respond. In this case we have legislation that the Government has clearly been working on for a long time elsewhere, but it simply did not inform us of its progress and at no stage showed us any drafts or any indication of what was happening. That simply is not good enough, and it is about time the Government lifted its game because, frankly, it deserves to have a few measures thrown out.

In the limited time available I have been able to consult with several stakeholders in relation to this package of Bills. I spoke, first, with my colleagues at the Federal level who have dealt only in the past few days with complementary legislation in the Senate. The Democrats agree with the broad intention of the legislation aimed at extending the power of the Australian Prudential Regulatory Authority to effect transfers of business between authorised deposit-taking institutions to credit unions, building societies and friendly societies. This move has the strong support of those institutions as they anticipate that it will improve their perception in the retail market. They do not anticipate that it will cause them problems in the transfer from existing State regimes to a national regime.

One concern raised by my Federal colleagues in relation to remuneration and working conditions of former Commonwealth employees was addressed by the Federal Government in an amendment passed on 26 May. At a South Australian level, the Finance Sector Union, which I understand was not informed about this planned legislation by the Government, believes that the deposit-taking process should not be affected by the winding up of the existing regulatory bodies. Several South Australian banking institutions contacted my office and welcomed the legislation, which they believe will strengthen Australia's financial system by requiring all types of deposit-taking institutions to be subject to uniform prudential regulations. They believe that this will ultimately be of benefit to the customers of these institutions. The Credit Union Services Corporation, representing the South Australian credit unions, has also urged us to support the passage of these Bills.

In summary, no concern has been expressed about the legislation in itself, but I do think there are important matters of principle here. Just occasionally, legislation has accidental errors. Occasionally, there are unintended consequences. It is supreme arrogance that members of this place were not kept better informed, rather than receiving draft legislation several days before the session resumed—and I stress 'draft legislation'—and being told that it had to be passed within two weeks; that simply is not good enough. But I indicate that the Democrats will support the second reading.

The Hon. K.T. GRIFFIN (Attorney-General): I accept the Hon. Mr Elliott's criticism.

The Hon. M.J. Elliott: If you were in Opposition you would have gone berserk.

The Hon. K.T. GRIFFIN: Why don't you let me talk first and I can tell you why, instead of being so bumptious? I accept the Hon. Mr Elliott's criticism. I would not have wanted these Bills to pass so quickly, either; but I will tell you the background. We received the State Bill in late April, that is, the model Bill from Queensland or Victoria (I cannot remember which), and that was the first time we had seen the State model Bill. We then had to do a significant amount of drafting to accommodate changes to South Australian legislation. At the Standing Committee of Attorneys-General in March, I had indicated to the Commonwealth and other Attorneys-General that I did not expect that our Parliament would be able to pass this legislation to have it in operation by 1 July. Other Attorneys-General indicated much the same.

I took the view that it was not appropriate to require the State Parliament to give consideration to such an important piece of legislation in such a short period of time. Subsequent to that, a considerable amount of pressure was put on the State Government from a variety of sources, including the Commonwealth, to endeavour to pass the legislation. Then, only a matter of a week or two ago we were told that all Premiers and Chief Ministers around Australia, except in the Northern Territory and South Australia, had indicated that this legislation would be passed in time for the new regulatory framework to come into operation on 1 July. I thought it was a bit rich that the Federal Government should seek to push the States and Territories into passing the legislation at relatively short notice when, in fact, it took something like two or three months for the Commonwealth legislation to be considered first in the House of Representatives and then in

the Senate. As the honourable member indicates, it is only in the last few days that the Senate has been considering this legislation.

So, my choice would have been to give the Parliament of South Australia a much longer opportunity to consider these important Bills. But, ultimately, I was of the view that South Australia should not be the odd jurisdiction out and cop the blame from financial institutions and Governments right around Australia that we were the ones who were holding up a significant piece of legislation, and that would have been probably until about 1 October, the normal time for this measure to come into operation. But the banking industry, credit unions, friendly societies, building societies and a whole range of others that have an interest in this Bill are all extraordinarily anxious to have it enacted so they can operate under a more flexible regime. I apologise to the honourable member as well as to the rest of the Council for the haste in which this piece of legislation has had to be dealt with. That is why I accept the criticism of the Hon. Mr Elliott, but I regret that there is not much that I can do about it.

It is important to respond to several of the issues raised by other members. The Hon. Paul Holloway raised several concerns associated with the closure of the South Australian Office of Financial Supervision (SAOFS) and the transfer of its regulatory responsibilities to the Adelaide office of the Australian Prudential Regulation Authority (APRA). First, the honourable member requested that I give an undertaking on how long the APRA office in South Australia is guaranteed.

In replying to this request I make clear that APRA is a Commonwealth body established under Commonwealth law. It is managed by an independent board and is ultimately answerable to the Commonwealth Government. As such the South Australian Government has no power to direct it in its activities. As a Minister in this Government I am therefore not in a position to give the undertaking requested by the honourable member. This Government has pursued the issue of a continued APRA presence in South Australia with the Commonwealth. While the Commonwealth was not prepared to guarantee an on-going permanent office in Adelaide, the transfer agreement signed by the Prime Minister on behalf of the Commonwealth, which will be signed by all Premiers and Chief Ministers, provides that APRA will retain a regional office in all State capital cities, retaining in each office staff previously engaged by the State supervisors for a transitional period up to 30 June 2000.

Subsequent to the completion of this transitional period, the transfer agreement provides that APRA will maintain a permanent regional office in the major capital cities, provided that this can be done in a manner that is cost effective and responsive to industry developments and trends and is consistent with the provision of effective but flexible prudential regulation. The Commonwealth has confirmed that the term 'major capital cities' includes Adelaide. The transfer agreement also obliges APRA to explore on an on-going basis possibilities for decentralisation and, to the fullest extent possible, implement them. It is understood that the Commonwealth Government will obtain written undertakings from APRA, committing it to the administrative process I have outlined, and will ensure that these undertakings are implemented.

Secondly, the honourable member requested that I provide details of negotiations that have occurred on the transfer of staff and assets from the Australian Financial Institutions Commission (AFIC) and SAOFS to ASIC (Australian Securities and Investment Commission) and APRA. The transfer agreement and Commonwealth financial sector reform legislation make provision for the transfer of staff, assets and liabilities from all State supervisors to APRA, the details of which are to be contained in one or more subsidiary transfer agreement to be entered into between the relevant Commonwealth and State and/or Territory Ministers or delegates. While all SAOFS staff will transfer to APRA, no decision has yet been made on what assets and/or liabilities will be transferred.

Negotiations between APRA and SAOFS are being conducted with a view to finalising the terms of the subsidiary transfer agreement between the Commonwealth and South Australia by the end of June. From information supplied by SAOFS, it is understood that all SAOFS staff were invited to attend a video conference with senior APRA management in March, at which time the future structure of APRA was explained to SAOFS employees. The transfer of staff and assets from AFIC to ASIC and APRA will also be subject to a transfer agreement to be signed by the Queensland Minister, AFIC being a body established under Queensland legislation.

It is understood that the principles applying to SAOFS in relation to the transfer of staff and assets are intended to apply also in relation to the transfer of AFIC staff and assets. However, the negotiations relating to the transfer of staff and assets have been conducted by AFIC and the Commonwealth bodies. I am therefore not in a position to comment specifically on these negotiations.

Thirdly, the honourable member asked whether I was prepared to give an assurance that the conditions of those employees transferring from AFIC and SAOFS to ASIC and APRA will be fully protected. By 'conditions' I assume that the honourable member is referring to the terms and conditions of employment. As previously advised, I am unable to comment specifically on the conditions on which employees of AFIC will transfer to the Commonwealth entities.

Likewise, as this Government will have no control over the management of APRA, I am not in a position to provide an assurance as to the future terms and conditions of transferring SAOFS employees. I can, however, advise the honourable member that the Commonwealth's financial sector reform legislation contains provisions requiring that the terms and conditions of employment of transferring employees must be no less favourable than those applying to the employees' employment immediately before the transfer. This is also confirmed in the transfer agreement.

The honourable member's fourth request is that I provide an undertaking that all SAOFS staff will continue in employment in the Adelaide office of APRA. I repeat my comments on the management of APRA and must again point out to the honourable member that, as a Minister of this Government, I am not in a position to provide undertakings in relation to the future management of APRA. Likewise, I am not prepared to speculate on the intentions of the individual SAOFS employees, some of whom may decide, for reasons which are of concern only to themselves, that they do not wish to continue in employment with APRA in the organisation's Adelaide office after the transfer date. However, information provided by APRA confirms that nine positions have been advertised in APRA's Adelaide office. Interviews for these positions have either been conducted or are scheduled to be held within the next few weeks. All SAOFS staff have been given the opportunity to apply for these positions. Irrespective of whether they are successful in

obtaining one of the nine advertised positions, all SAOFS staff will be given the opportunity to transfer to the Adelaide office of APRA on or soon after the transfer date. I trust that that satisfies the honourable member's concerns.

The Hon. Robert Lawson raised two issues, the first of which related to clause 23 of the Bill, which provides that civil legal proceedings involving SAOFS, which were commenced prior to the transfer date, would be preserved. The honourable member asked whether there are any outstanding civil legal proceedings involving SAOFS. I advise the honourable member that there are not.

The honourable member's second question relates to clause 24 of the Bill, which empowers ASIC or, where appropriate, APRA to continue legal proceedings commenced by SAOFS prior to the transfer date for breaches of the financial institutions or friendly societies codes. The honourable member asked whether there are any such proceedings and, if so, what is their nature. Again I can advise the honourable member that there are no such proceedings, and I hope that that satisfies the honourable member's concerns.

I come back to the statements I made at the commencement of my reply. I thank honourable members for being able to give consideration to this Bill at such short notice. I regret the shortness of the notice, but I endeavoured to give as much notice as was practically possible in all the circumstances, particularly because of the late delivery of the model Bill upon which the South Australian legislation then had to be based and upon which a considerable amount of additional work had to be undertaken.

I, like other members, do not enjoy being pushed into a corner with this or any other important piece of legislation, and I do not take too kindly to bodies such as the Commonwealth believing that they can ride roughshod over States' Legislatures, which are entitled to a reasonable period within which to consider this legislation. That having been said, I do appreciate, as I have already indicated, the diligence with which members have given consideration to these Bills. I believe that they are important and that South Australia will demonstrate that it is not the odd Legislature out in the way in which it has been able to deal so quickly with these issues.

Bill read a second time.

In Committee.

Clause 1.

The Hon. P. HOLLOWAY: I return to the issue of letting Parliaments know in advance of consideration of these issues. I do not wish to try to score points in any way. I think we all understand that this legislation must be dealt with in the next few days and that there is little we can do about it. I do not think there is any point in trying to apportion blame. However, it seems to be happening more often as we get more of this template or model legislation, whatever one likes to call it.

I wonder whether the Attorney-General, and perhaps his colleagues in other States, have paid attention to any way in which we can improve the processes so that, first, there might be better parliamentary oversight of these sorts of issues and, secondly, whether the processes cannot be improved so that there can be more consideration by the States and the Parliaments of these Bills before we have to pass them. Otherwise, we will have this situation recurring over and again.

The Hon. K.T. GRIFFIN: I have expressed concern on many occasions about the move towards this sort of legislation. I expressed my concern when in Opposition in relation to the Corporations Law when we were pressured as a Parliament to pass legislation which effectively handed the regulation of corporations across to the Commonwealth. I do not disagree that there is a need in relation to corporations for uniformity, but the former national companies and securities scheme worked perfectly adequately.

The only problem was that the Commonwealth did not have the sort of control it now has, and I think that was the major reason why the then Commonwealth Government was pressing to move to the Corporations Law. In fact, the then Federal Government refused to contribute substantially its share of the funding for the former National Companies and Securities Commission. That was uniform law which was passed by the States and which was generally under the control of the States. In my view, that would have worked effectively if the NCSC had been properly resourced.

In relation to financial regulation, there are more compelling reasons for a uniform approach, but, again, that relates to prudential regulation and to some of the other regulatory controls. The former Australian Financial Institutions Commission, in my view, was a more than adequate means by which we could regulate the non-bank financial institutions. It was only the stimulus of the Wallis report which prompted some jurisdictions to say, 'We will give this to the Commonwealth or we will bring it all under the umbrella of, in effect, the banking system.' That got up such a momentum that it was impossible to resist. I can remember, in the days of the Corporations Law being proposed, how companies in South Australia were saying, 'We must go this way.' I said, 'Do you realise that the control will essentially be based in Canberra and that the States will largely lose their influence?' They did not agree and said that they would have access to Ministers, and so on. They have found to their cost that they cannot get access to Federal Ministers and that they cannot get the sort of entrée that they previously had.

In relation to the financial institutions, I think the pressure has come largely not just from the banks but more particularly the credit unions, as well as friendly societies and building societies, to join the big pond. That is where the pressure has come from. They want to be competing with banks and they have got their wish. It remains to be seen whether they will be gobbled up in the pond by the big fish or whether they will survive. There will always be a place for niche operators, and credit unions can provide something which banks cannot. But, as they will all be deposit taking institutions, and as they will all be regulated under the same prudential regulation, it seems to me that there are a few things still to come out of the woodwork which might demonstrate, perhaps, that there should have been a greater level of caution about rushing into this.

As far as the Standing Committee of Attorneys is concerned, to some extent it depends upon the philosophy of the Government of a particular jurisdiction. Some Labor and some Liberal jurisdictions have a much greater affection for Canberra than we do in States such as South Australia, Tasmania and Western Australia. We get on with the Commonwealth Government but, in terms of the constitutional framework, we always express concerns. However, others in the larger jurisdictions as well express concern about the way in which the Commonwealth operates in what is meant to be a Federal system.

As a State Government, we have promulgated guidelines to relation to uniform legislation. As I recollect, they are in the Cabinet handbook, which is a publicly available document. The focus is on endeavouring to avoid getting into the template legislation, the reference of power and a range of

other mechanisms to give more power to Canberra. Only in the most extreme and necessary case do we move towards the template legislation.

Members may recall that with the electricity legislation South Australia was the lead jurisdiction, and it was the lead jurisdiction because we had taken the view that whatever framework there was either the South Australian Parliament had an opportunity to scrutinise the legislation or we would go down the path of consistent legislation. The real difficulty is that interstate Treasury officials and other officials do not seem to want to appreciate (even if they do understand) the need for some measure of constitutional independence for the States and Territories and that we are not just a rubber stamp. Whether it is with agricultural chemicals, transport legislation or corporations law, we will endeavour, wherever possible, to ensure that this Parliament legislates.

The Legislative Review Committee, I think last year or the year before, put out a report in relation to uniform or template legislation. All I can say is that we are as diligent as we possibly can be to ensure that we do not give away power to the Commonwealth; that we do have legislation coming before the State Parliament for scrutiny, even though there are limitations on the amendments which can be made, if there has already been agreement at an Executive level between various jurisdictions which are to participate. That is all I can really say. We are as conscientious as we can be in relation to this issue.

Clause passed.

Clauses 2 to 20 passed.

The CHAIRMAN: I point out that clause 21, being a money clause, is in erased type. Standing Order 298 provides that no question shall be put in Committee upon any such clause. The message transmitting the Bill to the House of Assembly is required to indicate that this clause is deemed necessary to the Bill.

Clauses 22 to 37 passed.

The CHAIRMAN: I point out that clause 38, being a money clause, is in erased type. Standing Order 298 provides that no question shall be put in Committee upon any such clause. The message transmitting the Bill to the House of Assembly is required to indicate that this clause is deemed necessary to the Bill.

Remaining clauses (39 and 40), schedule and title passed.

Bill read a third time and passed.

FINANCIAL SECTOR (TRANSFER OF BUSINESS) BILL

Adjourned debate on second reading.

(Continued from 27 May. Page 1225.)

The Hon. K.T. GRIFFIN (Attorney-General): I thank the Hon. Paul Holloway for his indications of support for the Bill. The honourable member touched on an issue which was also of concern in the Federal arena; that is, under the Commonwealth legislation which sets up the transfer of business scheme to which this Bill relates, a merger between two of the big four banks could occur without the prior approval of the Federal Treasurer. If this were the case, the so-called four pillars policy of the Federal Government which prevents mergers between the big four banks would be undermined. As the honourable member correctly stated, this issue is a matter for the Senate to address. Nonetheless, it is appropriate for me to comment on these concerns given the relationship between this Bill and the Commonwealth legislation.

I can inform the honourable member that the Senate has now agreed to amendments to the Commonwealth's Financial Sector Reform and Transfer of Business Bills which ensure that the consent of the Treasurer is required before any transfer of business between deposit-taking institutions, including any of the big four banks, can occur. The amendments also provide that all transfers of business will be subject to the requirements of the Trade Practices Act, in particular section 50, which prohibits a corporation from acquiring the assets of another corporation where the acquisition would have or be likely to have the effect of substantially lessening competition in a market. APRA will now be required to consult with both ASIC and the Australian Competition and Consumer Commission in relation to each transfer of business unless the particular agency indicates it does not wish to be consulted.

These amendments, which are supported by both the Federal Government and Opposition, ensure that the transfer of business legislation, once enacted, will not undermine the four pillars policy. I trust that this satisfies the honourable member's concern.

Bill read a second time.

In Committee.

Clauses 1 to 7 passed.

The CHAIRMAN: I point out that clause 8, being a money clause, is in erased type. Standing Order 298 provides that no question shall be put in Committee upon any such clause. The message transmitting the Bill to the House of Assembly is required to indicate that this clause is deemed necessary to the Bill.

Remaining clauses (9 and 10) and title passed.

Bill read a third time and passed.

STATUTORY AUTHORITIES REVIEW COMMITTEE: REVIEW OF THE ENFIELD GENERAL CEMETERY TRUST, THIRD REPORT

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

(Continued from page 1280.)

The Hon. L.H. DAVIS: When I was concluding my remarks I said that the committee, in its second report published on 22 December 1998, had noted that many experts had been very critical of the first plan of management for the West Terrace Cemetery prepared by the Enfield General Cemetery Trust. The committee at all times did try to reflect properly the views of those stakeholders. As I indicated, we received responses from 31 stakeholders, and in its second report the committee noted:

> [It was] seriously concerned at the trust's inflexibility, failure to consult, lack of direction, apparent inability to acknowledge the historic significance of the West Terrace Cemetery and refusal to commit to cross-subsidisation and a program of conservation and restoration. The committee believes the trust does not accept that it may not have the necessary expertise required to manage the historic West Terrace Cemetery.

The committee received advice from the responsible Minister, the Hon. Diana Laidlaw, that she had requested the trust to draw up a second plan of management. It was significant also that the Minister concurred with most of the committee's recommendations in its interim report, which was published in August 1998.

When the committee set off to investigate the management of the West Terrace Cemetery in April 1998 it had not intended it to be a long-running inquiry, but after the alarming nature of the evidence presented by a range of experts during 1998 it resolved this year to take further evidence from interested parties, including the Adelaide City Council and religious groups, and further evidence from the Enfield General Cemetery Trust itself.

The trust attempted to put a gloss on the first management plan. It attempted to suggest that it was merely a draft, an interim plan. The committee did not agree with this suggestion. Certainly the legislation required the trust to prepare a management plan for the first five years of the trust's management of West Terrace; and, as I have mentioned, that was required to be presented within 12 months of the trust taking over the management of the cemetery. In fact, the Chairman, Mr Noblet, had originally been quoted at the public meeting held on 5 August as saying that the trust had been very pleased with the heritage management plan.

The trust, having been advised by the Minister that it had to draw up a second management plan because the first had been unsatisfactory in so many respects, in February 1999 invited three consultants to tender for the second plan of management. The committee learnt about this through its sources and was somewhat startled that it was such a limited invitation. Given the public interest and the controversy associated with the first management plan, we had presumed that it would require, at the minimum, a public tender.

The committee made contact with the Minister's office and shortly after that the trust, following advice from the Minister, subsequently withdrew its invitation to these three consultants. Finally, a little more than two weeks ago, on 15 May 1999, the trust placed a notice in the *Advertiser* calling for expressions of interest for the preparation of the second plan of management. The obvious point that should be made is that far too long a time has passed between the trust taking over the management of the West Terrace Cemetery and the preparation of the management plan.

The trust had been slow to learn from the Minister's direction and the comments made by the committee in its first two reports during 1998, and for the first four months of the year there was apparently little consultation between the trust and interested parties. The committee was somewhat disturbed to find that the Adelaide City Council, which has enormous expertise in a whole range of fields relevant to the West Terrace Cemetery, such as heritage, conservation, marketing and tourism, had received one phone call from the trust in the first four months of 1999.

The trust itself admitted that there had been no consultation whatsoever with the Catholic Church. The Religious Society of Friends, the Quakers, had expressed concern about the poor communication that it had experienced with the trust. The Adelaide Hebrew Congregation said that there had been no contact from the trust in terms of the records that it had with respect to burials. In fact, there was an extraordinary discrepancy between the records that the trust claimed it had and those of the Adelaide Hebrew Congregation in respect of its available burial plots. The trust claimed that 83 plots remained, while the Adelaide Hebrew Congregation, in evidence to the committee through Mr Ninio, noted that there were only 32 burial plots.

In April 1999 the Hon. Diana Laidlaw directed that before the second plan of management proceeded all religious groups should be consulted. In fact, the Minister wrote to the committee in May and advised that she had asked the trust to provide her with a schedule of all meetings with religious groups. She also said that there should be 'an understanding of any exclusivity rights and lease matters in regard to the West Terrace Cemetery'. The Minister went on to advise the committee that in her view 'it is important that the issue be resolved prior to the groups being involved in the consultations on the second and more detailed plan of management'.

Again that raises another obvious point: why were these issues not resolved at an earlier stage? Quite clearly, before a detailed plan of management can be drawn up, basic information is required. The fact that religious groups were not consulted in a period of 21 months beggars belief. The fact that the Adelaide City Council received only one phone call in the first four months of 1999 is breathtaking. Quite clearly a lot of work remains to be done to develop an accurate record of available plots, whether vacant or subject to an expired lease.

Although the Chairman of the trust, Mr Don Noblet, back in April 1998, when he first gave evidence to the committee, claimed that the records of the cemetery were good, quite clearly they are not. That is not the fault of the Enfield General Cemetery Trust itself but a problem of neglect over many years. Clearly it was a priority issue for it when it took over the management of the cemetery back in August 1997.

The committee has taken evidence from religious groups, as I mentioned, and also from the Master Monumental Masons. The committee was encouraged to find that the trust has significantly enhanced the visual appearance of the cemetery. The Hon. Trevor Crothers, who is a member of the committee, during cross-examination of a witness on this matter said that he had been to the cemetery himself and had noticed a significant improvement in its visual appearance. This matter of visual appearance, whilst an important starting point and building block to the making of a better cemetery, is just one small facet of improving West Terrace Cemetery; so many issues must be addressed. As I have said, 21 months have elapsed and so much basic work has not been done.

The committee has been grateful that the Minister (Hon. Diana Laidlaw) has taken a close interest in the management of the cemetery. She has adopted most of the recommendations from the interim report of the committee and accepted all the recommendations of the second report, which included, for example, the establishment of an advisory committee and restructuring of the trust board to ensure that it had appropriate representation so that it could adequately deal with the management of this historic West Terrace Cemetery.

In this third report, the committee has recommended that the Minister should appoint an appropriate person to assist the trust in the selection of the successful tenderer for the second plan of management. We have also recommended that as a matter of high priority the trust should appoint an appropriate person or persons to establish a comprehensive register of all grave sites at West Terrace Cemetery. The trust received a comment from Mr Barry Rowney, who is well respected for his interest in and knowledge of the West Terrace Cemetery. He advised the committee that it would take a year to properly develop a comprehensive register of all grave sites in West Terrace Cemetery.

The third recommendation was that the Minister should review the criteria for membership of the Enfield General Cemetery Trust to ensure that persons with appropriate skills and interests were appointed to administer and maintain West Terrace Cemetery. Certainly that representation should include a person nominated by the Adelaide City Council.

The committee was also concerned about the rights of religious groups.

Finally, the committee recommended that the Enfield General Cemetery Trust should maintain regular contact with stakeholders to ensure they were aware of progress and developments at West Terrace Cemetery.

It was certainly pleasing to see that the trust has received a donation of $500 000, pledged over a 10 year period by the South Australian company Austrust, for the establishment of the West Terrace cemetery monument restoration trust program. Five groups have registered an interest and will be available to give the trust advice on assessing monuments, prioritising, restoration and conservation.

One can see the potential that exists in West Terrace Cemetery from the point of view of attracting tourists and people with an interest in the history of the State and an interest in their families. As West Terrace Cemetery is restored and is improved, it is not too much to hope that there will be further corporate sponsorships and individual donations to maintain and enhance the visual appearance and prestige of that cemetery.

In evidence the trust seemed to think that anyone who had not been directly and intimately associated with the cemetery could not give proper advice to the trust. Dr Nicol, who is a trust member and who is also State Historian, claimed in evidence to the committee that many of the people who had been interested parties and who had made comments to the committee which had been highlighted in the second report, while they may have professional expertise, do not necessarily have any expertise in relation to that particular site.

With respect to Dr Nicol, that is a misunderstanding of the role of an expert in these matters. It is not uncommon for a heritage architect or an expert in restoration to take on a project on a site which he has not previously seen before. In fact, the committee was well aware that some of the heritage architects who provided evidence to the committee have had considerable success in tendering for heritage projects overseas, particularly in South-East Asia, even though quite clearly they do not have an intimate knowledge of the site.

The committee was particularly impressed with the very persuasive evidence of the religious groups. We took direct evidence from the Catholic Church, from the Religious Society of Friends and also from the Adelaide Hebrew Congregation. All of those were pleased that they had had the opportunity to put a point of view to the committee. Indeed, we received a letter of thanks from at least one of those religious groups, and they have been pleased that they were given an opportunity to air their views.

It was significant that all of them expressed concern about the Enfield General Cemetery Trust's lack of appreciation of the sensitivity associated with the use of sites for reburial. There had been no mention at all of this in the first management plan. We received evidence, for instance, from the Adelaide Hebrew Congregation in relation to the re-use of graves. Rabbi Engel explained the very strong view which had been traditional in the Jewish community that graves simply should not be disturbed. Mr Matthew Goode also gave evidence at the same time, as follows:

> . . . the Jewish community is at one regarding the 50 year or limited term licence as being halachically unacceptable. . . .there was an instance of a non-Jewish person being buried in the Jewish section of the Centennial Park Cemetery. This was a very distressing episode.

In the first plan of management there was no reference at all—

The Hon. Diana Laidlaw: What has Centennial Park got to do with Enfield cemetery?

The Hon. L.H. DAVIS: They were just making a point. The committee also received evidence with regard to character areas within the cemetery, and the religious groups were concerned that the first plan of management had not recognised the significance of that. Again, Mr Rowney believed that it was important to identify and define character areas with the cemetery. On behalf of the Adelaide Hebrew Congregation, Mr Goode expressed great concern about that. He said:

> As with many things, of course, the practical implementation on a day to day basis of subjective guidelines is in large part dependent on the good faith and practical single instance accountability of the administrating authority, and nothing that I have seen so far gives me confidence that this exists.

Clearly, very strong feelings emanated from the religious groups. For example, the Catholic Church mentioned that the Smyth Memorial Chapel, which is just one of two buildings located within the cemetery, had received no recognition at all in the first plan of management.

Finally, the committee was somewhat disappointed with the attitude of the trust and its reaction to its second report. We received letters from two respected heritage architects—Mr David Gilbert and Mr Bruce Harry, both of whom are regarded as pre-eminent within their profession—who expressed concern about the trust's attitude towards them as a result of their giving evidence to the committee. That evidence was referred to in the committee's second report published in December. In response to the trust's written record of the meeting which he had with the trust, Mr Harry said:

> I was very disappointed with the hostile tenor of the meeting, and to discover that all you noted from our detailed discussions of visitor management, conservation and interpretation issues, lasting over an hour, related to my comment that if the business plan was a draft, as claimed, it should have been marked accordingly; and that I was doubting of the trust's attitude to heritage issues.

This is a letter which the trust received just weeks ago following a meeting which took place between Mr Harry and the trust earlier this year.

In conclusion, the committee has again reported unanimously with five recommendations which I know will be of interest to the responsible Minister, the Hon. Diana Laidlaw. We are pleased that progress has been made in this area. The Minister has ensured that a second plan of management is required and that there should be full and proper consultation. A public tender process is under way. Experts will be given an opportunity to participate in that process. I think this can truly be said to be an example of where the work of a parliamentary committee ultimately will bring about a positive result.

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

JETTIES, COMMERCIAL

The Hon. P. HOLLOWAY: I move:

> That the Legislative Council calls on the Minister for Government Enterprises to guarantee continued safe public access to commercial jetties for recreational purposes, including fishing.

The commercial fishers of this State and other recreational users of our commercial jetties are in grave risk of being dudded by this Government. The Minister for Government Enterprises announced the sale of our Ports Corporation on

7 April this year. In his press release at that time the Minister said that the Ports Corporation would be sold through a trade sale with competitive bids sought locally, nationally and internationally. It was reported in the press that the Ports Corporation owns and operates 11 ports and that it would be sold as a complete entity.

Those 11 ports include: Port Adelaide (both Inner and Outer Harbors), Port Lincoln, Port Giles, Klein Point, Thevenard, Wallaroo, Port Pirie, Kingscote, Penneshaw and Cape Jervis. Many of those ports contain jetties and wharves which are used for many purposes. Obviously, their principal purpose is for shipping, but over the many years these wharves have been in use they have also been an important part of the social fabric of the community. They are particularly important for use by anglers, but they have also been used by many people just to take the dog for a walk or to have a look at the area.

Of those 11 jetties that I have mentioned, perhaps three of the most important in tourism terms would be Wallaroo, Port Giles and Port Pirie. One would only have to go to any of those commercial jetties on any weekend to see many people fishing from or walking along them. I suggest that this is a community service obligation that has been provided by the Ports Corporation and its predecessors for many years, and it is something which the Opposition believes should continue.

In my motion I have not addressed the question of whether or not our ports should be sold—that is a matter for another day. The only comment I make on that issue is by referring to some comments of my colleague the Deputy Leader of the Opposition, Annette Hurley, who said:

> The sale of this public enterprise appears to be based on ideology and the need to fix up the Government budget rather than on good economic rationale.

We will look at that issue on another day, but the principal concern here is that, whatever may be the fate of our commercial jetties, we should protect this important community service that has been part of our society for many years. Wallaroo is a good example of a community which has become very attached to its wharf. It is an important part of the tourism infrastructure of the Copper Coast. Wallaroo is just one example of the jetties that have been put up for sale where I believe it is important that recreational access should be maintained.

The Opposition fears that this Government will in the process of trying to sell the Ports Corporation restrict access to those jetties prior to the sale. We have it on good authority that the Government is trying to do just that. The reason for that would be pretty obvious to guess. We could ask the question: will private companies which might buy these commercial ports pay the public liability insurance premiums that would be necessary to continue to allow recreational access to jetties by anglers or will they simply close them?

Clearly, any buyer of the Ports Corporation would be interested in these ports as a commercial operation. Why would they want to allow access to the jetties and face the payment of additional costs? Another alternative could be that any new commercial owner of the Ports Corporation might say, 'We will allow access to our wharves and jetties under certain conditions, but we will charge a fee for doing so.'

I point out to the Council that there are about 400 000 recreational anglers in this State many of whom do not have access to boats or other means of fishing. The wharves and jetties of this State, including the commercial jetties, are important to these people to enable them to practise their recreation. Each year, hundreds, if not thousands, of South Australians go fishing on jetties and wharves such as those at Wallaroo, Port Pirie and Port Adelaide. The Opposition calls on this Government either to place conditions on the sale of the Ports Corporation so that the new owners will continue to provide access to our jetties on the terms that apply now or to take some other measures to guarantee that access for recreational fishers will continue.

The motion refers to safe access to the jetties. It is my understanding that access is restricted at present to many of these commercial jetties when ships are in port and at other times. For example, at Port Giles I have noticed that there is a restriction from 9 a.m. to 5 p.m. and, of course, when ships are in port and loading; I think that is quite understandable. However, for many years there has been access for recreational use to those wharves and jetties at other times, and we believe that should continue. I have no objection to any restriction to the loading areas of those wharves on safety grounds, but for many years now the use of those jetties for commercial purposes has co-existed with recreational use. The Opposition sees no reason why that should not continue into the future. I hope that the Council will support this resolution and that, should the Minister for Government Enterprises sell the Ports Corporation, he will at least ensure that recreational access for anglers and others who wish to use our commercial wharves and jetties continues.

Finally, in relation to this question of liability, which is really at the heart of this matter, I note that the Minister for Transport seemed to be able to come up with an arrangement for liability in relation to the transfer of recreational jetties in this State. Why is it that we cannot do the same thing with our commercial jetties? I again seek the support of the Council for this motion. The recreational fishers of this State should be permitted to continue to conduct their pastime on our commercial jetties.

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

RURAL ASSISTANCE

The Hon. P. HOLLOWAY: I move:

That—

I. The Legislative Council notes the considerable hardship suffered by farmers in the north-east of this State due to exceptional circumstances, including drought and insect plague, and the refusal by the Federal Government to grant assistance to these farmers while it has assisted farmers suffering similar hardship in the adjoining area of New South Wales.

II. This Legislative Council therefore calls on the State Government to more actively lobby its Federal colleagues to support the application by farmers in the north-east of our State for financial assistance.

The motion is fairly simple in that it recognises that farmers in the north-east of our State have experienced severe hardship due to drought and insect plagues. It also notes the recent decision by the Federal Government to reject an application by farmers in that area for assistance. The main thrust of the motion, however, calls on the State Liberal Government to work on behalf of our farmers to lobby the Federal Government to approve a revised application for assistance. This motion in all its simplicity is very necessary because members of the Government appear to have been sitting on their collective hands on this issue. There has been no word on the Federal Government's refusal to grant assistance, and I certainly have not heard anything from this

Government by way of an expression of disappointment, vocal support and so on for South Australian farmers in this area.

It is important that we recognise that people living in this area do need Government support at this time. In some of the worst areas a grasshopper plague has caused severe damage to pastures, and local farmers have no confidence that they can withstand this onslaught. In fact, PIRSA said that this plague was so bad that no feed would be available in infested areas. Current funding to the area will not cover the devastating consequences of the plague of last year. At the same time, drought continues to cause severe suffering in the north-east of the State. Banks are withdrawing support, and producers are struggling to secure loans to begin planting this year's crops. Against this backdrop of severe hardship the Federal Government has chosen to reject applications for assistance on the grounds that under its 'exceptional circumstances' policy—

The Hon. Diana Laidlaw: Applications lodged by whom?

The Hon. P. HOLLOWAY: By the farmers in the area.

The Hon. Diana Laidlaw: The State Government.

The Hon. P. HOLLOWAY: Yes, in relation to 'exceptional circumstances'.

The Hon. Diana Laidlaw: We have tried.

The Hon. P. HOLLOWAY: We will come to that in a moment. That 'exceptional circumstances' policy assistance is available only for discrete, rare events which have a severe impact on income and production and which occur only once every 20 to 25 years. In their opinion therefore—

The Hon. J.F. Stefani interjecting:

The Hon. P. HOLLOWAY: The Hon. Julian Stefani raises the question of assistance from the Keating Government. The Keating Government's record on this matter is far better than the current Government, and if you spoke to those farmers on Eyre Peninsula when they had difficult circumstances five years ago they would have said that the then Minister, Senator Bob Collins, was very generous indeed. I have no embarrassment at all in respect of that issue. That Government was particularly generous in respect of these sorts of issues, and its record stands up very well against that of the current Government.

The Federal Government has decided that the hardship now being suffered by those farmers in the north-east of the State is not really hardship because it is not a once in 25 years event. This policy, formed with the assistance of outside consultants, takes a very limited line on the issue of exceptional circumstances, because it refuses to allow for continued severe hardship caused by an adverse environmental event. Local farmers state that this decision shows that the Federal Government obviously has no understanding of the crisis they face.

The South Australian Farmers Federation's response to this decision was to accuse the Federal Government of demonstrating that farmers were regarded as second-class citizens. In fact, the Farmers Federation Chief Executive, Sandy Cameron, in the *Advertiser* of 2 April, stated:

> . . . it could be argued that Queensland and New South Wales farmers had received help recently because marginal seats were involved.

An area in New South Wales adjacent to the area suffering most in the north-east of our State received Federal assistance shortly before last year's Federal election was announced. In the light of this chain of events, which has led to South Australian farmers being refused vital assistance, what has our State Government done, apart from lodging the forms, to help them? Other Governments immediately expressed their disappointment at this decision and their total support for their constituents. In fact, the Tasmanian Minister for Primary Industries, David Llewellyn, when his State was knocked back at the same time under 'exceptional circumstances', issued a press release where he invited the Federal Minister to visit Tasmania to discuss the issue of further funding and stated that a State drought task force would continue to work with farmers.

It is imperative that this State Government begin pressuring its Federal counterparts to revisit this issue. This is not about a need which has just arisen or funding that can be accessed through other sources: this is a severe natural disaster, and its magnitude needs to be recognised. It is vital that the Council passes this resolution to put pressure on the Federal Government to provide financial aid so that the people in the north-east of our State can survive this current crisis.

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

EVIDENCE (PROTECTION OF CHILDREN GIVING EVIDENCE) AMENDMENT BILL

The Hon. IAN GILFILLAN obtained leave and introduced a Bill for an Act to amend the Evidence Act 1929. Read a first time.

The Hon. IAN GILFILLAN: I move:

That this Bill be now read a second time.

This Bill contains exactly the same provisions as an amendment that I attempted to move earlier this year when we were considering a Government amendment to the Evidence Act. Put simply, the Bill would create a presumption that, when a child is giving evidence, closed circuit-television will be used for that purpose, unless that is contrary to the wishes of the child, would prejudice any party or would be inappropriate because of urgency. Neither would the presumption apply to children who are defendants in the Youth Court.

The Attorney-General is on record as saying that being a child witness can be a trauma. The Director of Public Prosecutions says that the criminal justice system often appears insensitive of or unresponsive to children's needs. My amendments to the Evidence Act, proposing a new section 13A, were designed to address just this issue. They were moved on 18 February and defeated on 9 March because I did not get the support of either the Liberal or Labor Parties. The next day, 10 March, I issued a news release on the topic. In that release I explained that both major Parties had voted in Parliament to perpetuate what the Australian Institute of Criminology had described as 'child abuse' in courtrooms. Both major Parties voted against the recommendations of the Australian Law Reform Commission, which is to give child witnesses the right to avail themselves of the use of closed-circuit television when giving evidence.

I am bringing back this issue because I cannot believe that, given more time to reflect on this issue, both major Parties really are committed to the position they took in this Chamber on 9 March. Now that my amendments have been separated from the Attorney's Bill and brought to the Parliament's attention once again as a separate Bill, I am hoping that calmer dissection of these issues will allow common sense to prevail for the benefit of child witnesses.

The reasons for this Bill were outlined in my speech on 11 February, and I refer honourable members to *Hansard*, pages 647 to 650, or the Democrats' website. The Attorney-General on 18 February responded to my speech by making some points of his own, and I intend to reply to them here.

First, as I pointed out on 11 February, the use of closed-circuit television and protective shields is currently an option for courts, but there is no data on how often, if at all, they are used. The Attorney-General replied that the primary objective of the Government is not to collect data but to protect witnesses. That, with respect, is a puerile response. If the present measures are designed to protect children, and no-one is bothering to check whether they are being used, it must be the case that either the Government does not believe that these measures do protect children or that no-one has responsibility for checking whether children have been protected. Which is it to be?

Secondly, the Attorney says that one of the primary aims of the Government is to remove age discrimination in relation to child witnesses. He says that children should not be treated differently from adults on the basis of age alone but that each child's ability and competence should be considered individually in the context of the case. That bears some thinking about.

We are putting children into a totally unfamiliar and hostile environment where rival lawyers have reputations staked on destroying the evidence and saying that the protection of the child in those circumstances is not paramount. Age discrimination is unlawful when it comes to adults—and rightly so—but age discrimination for children is merely a matter of common sense. That is why we have an age of consent, why there are laws against child labour, and why Family and Youth Services and social workers are sometimes obliged to remove a child from an abusive domestic situation. These are child protection measures. They are, by definition, based on age discrimination. Why retain a Youth Court? If the Attorney's line is that we should remove discrimination on age, why bother to have a separate court specifically for youth?

The Hon. T.G. Roberts interjecting:

The Hon. IAN GILFILLAN: There are some pretty small adults, too, physically. In any case, that is a form of discrimination and I will not be distracted by that interjection. If one were to accept the Attorney's argument that we should not discriminate in a courtroom on the basis of age alone, why limit that principle to the courtroom? Why not consider whether individual children are capable of giving informed consent to sex or to abuse in the home? It is the same principle. Yet the Attorney does not argue that way. In fact, it is a nonsense to say that age discrimination must occur in a bedroom, loungeroom or workplace but cannot occur in a courtroom. Of course it can and should for very similar reasons.

Thirdly, the Attorney-General raised the issue of costs and complexity in administering the scheme. I will not respond to that but will leave it to the Attorney-General to explain to parents and children why closed-circuit TV can be afforded in the courtrooms of other States but not in South Australia. He indicates that they are available for those who ask for it, so what increased cost could possibly be of significance in this issue.

Fourthly, the Attorney on 18 February raised the issue of other vulnerable witnesses and asked, 'Why not treat them all the same way?' My response is that the discretion still exists for the court to extend protection to vulnerable witnesses under the current section 13 of the Evidence Act. My Bill merely makes this a presumption for children.

Fifthly, the Attorney quite outrageously misrepresented to Parliament on two occasions the effect of my amendments, and I hope he will not make the same mistake in respect of this Bill. On 18 February he stated that the proposed new section 13A 'would have the effect of compelling the use of closed-circuit television in every case in which a child is a witness'. He repeated the same misinformation on 9 March. Clearly that is not the case.

This Bill merely creates a presumption which can be displaced in circumstances that are clearly defined by subsection (2). It is stated clearly in the Bill that the court must not make an order for the use of closed-circuit TV if it is satisfied that the child desires and is able to give evidence in the courtroom. This is not compelling a court to use closed-circuit TV; rather, it is giving the child a choice which at present it does not have.

Sixthly, on 9 March the Attorney-General contrasted the provisions of my earlier amendments, identical to this Bill, with the provisions in other jurisdictions. He noted that in New South Wales and Western Australia the presumption of using closed-circuit television applies only to proceedings for alleged sexual or violent offences. I, too, noted this when I was giving instructions to Parliamentary Counsel in relation to this Bill in the earlier proposed amendments. However, I noted that the recommendation of the Australian Law Reform Commission was to make the use of closed-circuit television a presumption in all proceedings involving children—not merely in the proceedings for violent or sexual offences.

Faced with a choice between the explicit recommendation of the Australian Law Reform Commission and the current New South Wales and Western Australian provisions, which the Australian Law Reform Commission endorsed, I opted to pursue the Australian Law Reform Commission's recommendations because I am proposing a presumption, not a compulsion. It seems clear to me that the presumption will be more easily set aside in cases that do not involve sexual or violent offences. However, children in other proceedings who may be vulnerable or who may be intimidated, such as witnesses to a fraud or robbery, can still take advantage of this presumption.

Seventhly, in response to a question from me on 26 May, the Attorney said that he had not had any complaints about the way in which defence lawyers in this State approached child witnesses. I do not assume that all the trauma and difficulty associated with children giving evidence arises solely from the questions of defence lawyers. I am told that prosecutors, too, sometimes see it as being in the best interests of their case to get the child to break down and cry in order to create sympathy for the alleged victim.

It is for this reason, I am told by the President of the Law Society—I repeat that: I am told by the President of the Law Society—that some prosecutors will not make an application to a judge for the use of screens or closed circuit TV. My Bill is neutral in terms of the battle between defence and prosecution. Neither do I believe that we should wait until complaints about cross-examination in this State are as gross as they are reported to be in other States. I refer to the quotes attributed to three defence lawyers which I put on record in this Chamber on 11 February and again on 26 March. But it was the Attorney-General himself who said, in relation to another Bill earlier this year dealing with jurors (and I quote from *Hansard*):

I believe it would be a great pity if Parliament was only willing or able to consider legislation aimed at fixing a problem that has already occurred. I acknowledge that there does not seem to have been a major problem in South Australia with regard to disclosure of jury deliberations. However, I would like to think that we can be pro-active and guard against such activity becoming a problem in this State.

I hope that the Attorney-General can take his own advice in respect of the problems that have been identified interstate as besetting child witnesses before they become so acute in this State. So, I am saying to the Attorney-General: let us be pro-active if he does not believe there is a great instance of this abuse currently in South Australia. However, the evidence that has been produced to me from people in the legal profession—and no less a person than the President of the Law Society—is that it currently does exist and it is currently being perpetuated constantly in the courts.

My final point is taken from a news release, headed 'More Help for Child Witnesses', from the Attorney-General himself. It reveals that the Witness Assistance Service assists about 300 children each year, most of whom are victims of child sexual abuse. One may argue about whether the protections of my Bill are required for other cases, but the reality, according to the Attorney-General's own news release, is that most children who go to court are going as both victims of and witnesses to child sex abuse. The final paragraph of the news release states:

It is the policy of the Witness Assistance Service that in cases involving child witnesses or victims applications are made to the trial judge to use screens or closed circuit television for all children or their parents who ask for them.

This quote must have sneaked through before the Attorney-General had a chance to read it carefully because, when I pointed it out to him, he was somewhat interested to read it. This may be the policy of the Witness Assistance Service, but it is apparently not the policy of the Government—not if the Attorney-General's comments on this issue are to be believed. The fact is that not all children are informed that they have the right to ask or that screens or closed circuit TV are available for their protection; of those who do ask, not all requests get through from the prosecution to be communicated to the judge; of those that are communicated, not all requests are granted. Therefore, there are three ways in which a child can fail to get this protection. My Bill will address this and offer greater protection to children and their families when they need it during their day in court.

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

SOCIAL DEVELOPMENT COMMITTEE: GAMBLING

Adjourned debate on motion of Hon. N. Xenophon:

That the report of the committee on Gambling, tabled on 26 August 1998, be further noted.

(Continued from 10 March. Page 878.)

The Hon. SANDRA KANCK: As the first noting of this report occurred in a very contracted time frame towards the end of last August, I was not able to avail myself of the opportunity to speak to it, so I am pleased to take up that opportunity. I used to be one of the original wowsers. My grandfather was a Methodist Minister and my parents brought me up in the Methodist Church. I attended Sunday school and church every Sunday, the primary schoolgirls group known as Rays once a fortnight and graduated to the Methodist Youth Fellowship when I became a teenager. I taught Sunday school. I was a member of the church choir and I went on to become the church secretary.

The Hon. R.R. Roberts interjecting:

The Hon. SANDRA KANCK: For those of you who do not know anything about Methodism, it did not have the seven deadly sins of Catholicism but, if it had an equivalent, it would have been what I call the four unforgivable faults of drinking, smoking, swearing and gambling.

The majority of poker machines in this State are to be found in hotels. I was brought up to believe that hotels were dens of iniquity; that men who drank alcohol beat up their wives; and that women who drank alcohol were the lowest of the low. Even though I did not enter a hotel until I was more than 20 years old, as a child I could tell they were bad places. Particularly after the doors of the hotels closed at 6 o'clock, it was not uncommon to see a man stagger—not walk but stagger—out, and one always heard lots of shouting coming from the front bar. I certainly did not like the smell of stale beer, and occasionally outside the hotel I would see a drunk lying down or throwing up or perhaps a combination of both.

As Methodists we considered ourselves to be a cut above the Catholics because, not only did they tolerate drinking, they used real alcohol in their communion while we Methodists, knowing the evils of drink, used grape juice. Equally bad, the Catholics held bingo nights in their church hall to raise money for the church's activities. The logic of the anti-gambling stance of the Methodist Church was that the person who won the raffle was effectively stealing from all the other people who had purchased tickets, and it was a view that I accepted unquestioningly for many years—no matter that everyone who had bought a raffle ticket had done so willingly, knowing that the greater odds were against their winning.

This Methodist aversion to gambling extended to my parents' not allowing me to learn to play cards because playing cards could lead one to gambling. I learnt to ignore the Melbourne Cup with studied disdain, wondering what all the fuss was about. I still can remember in my early 20s buying a raffle ticket, I think from the St John Ambulance Association, and feeling a twinge of guilt, but I justified it in my mind on the basis that there was little chance I would win the raffle and, therefore, it was effectively a donation.

The Hon. P. Holloway interjecting:

The Hon. SANDRA KANCK: I probably would have because I would have felt so guilty. By the time I was 25, when for the first time I did win a raffle (which was a basket of groceries), I was pretty excited about it. It took many years to unravel the wowserism that had been stitched into my soul by my parents and the church. So, with that background, it will not surprise members to know that, had I been a member of Parliament at the time the decision was made to allow poker machines, I would have voted against it. From my own observations, poker machines do not provide anywhere near the social interactions that used to occur in bingo halls or at the races, and that is of some concern to me in a country where the concept of community is diminishing. Nevertheless, internet gambling is far more scary from the point of view of reducing social interaction.

The introduction of poker machines has brought gains to some people such as hoteliers, but I see that as being more a transfer of money and activity from one sector of the economy to another rather than the creation of real wealth.

The decision was made that South Australia should have pokies, and there is no doubt that the Government of the day had good fiscal reasons to support that. In the political context, we all recognise that since the mid 1980s successive Federal Governments have been cutting financial assistance to the States. If we combine that with the problems associated with the State Bank debt, members can see that in the early 1990s the introduction of poker machines and the likely revenue to be gained for Treasury coffers would have been irresistible to the State Government. Parliament made the decision to allow the introduction of poker machines and, in the wash up, it is the Government that has become the bigger addict of poker machines in this State.

For my part, I am somewhat grateful that this revenue stream has become available, otherwise there would have been even more pressure to sell off State assets. It is worthwhile comparing the current campaigns against poker machines in South Australia and the alcohol prohibition campaigns which began in the late nineteenth century in the United States. At that time, the liquor industry was undoubtedly behaving irresponsibly. Hotels or saloons (as they were more commonly known) were very much the dens of iniquity that my parents wanted me to believe they were in the 1950s and 1960s. The saloon owners, in concert with the manufacturers of alcohol, were not averse to taking every last cent from their customers with resulting public drunkenness and the potential for violence and poverty for families. Prostitution was a common feature of many such establishments. So, it was not altogether surprising that public reaction emerged.

By contrast, in South Australia in the 1990s, at least in relation to poker machines, the industry has been pre-emptive and pro-active. The industry has never pretended that there was not the potential for a downside. Anticipating adverse public reactions and some possible negative side effects of pokies, the Australian Hotels Association developed socially responsible policies and practices such as Smart Play that now lead the world. The hotel industry was responsible for setting up the Independent Gaming Corporation which works exceedingly well, funded by the hotels and not the taxpayer. Government could not have done it any better and might have done it worse. Last year, the AHA released an advertising code of practice for poker machines, yet another example of how the industry has set the example of how to deal with gambling.

The industry has been taking the initiative, and it is the Government that has been dragging its heels in not ensuring that other gambling codes contribute their fair share. So, unlike the liquor industry in the United States last century, the owners and managers of hotels in South Australia have worked together to alleviate the potential downside which might result from the introduction of poker machines.

Gambling is etched deeply into the Australian psyche. Even with my anti-gambling family, when my brother and I were having an argument over a matter of fact, he would always use as the killer punch line, 'How much do you want to bet?' to prove how sure he was of his viewpoint. We are a country that stops for a horse race, yet despite this I detect levels of paternalism and snobbery in the debate over poker machines.

If I spend $70 in one night to see a blockbuster show, no-one has a problem with that, but those in a position to do so look disdainfully on someone who spends $70 on a poker machine in the same time period. It seems that those who have the money can quite happily go to the races, spending hundreds of dollars on new outfits to impress the glitterati and to sip their champagne, but they, in turn, look down on those who spend their discretionary earnings on poker machines. I detect just a hint of class consciousness here.

As I mentioned, it is very useful to examine the alcohol prohibition campaign which operated in the United States late last century through to the early 1930s as a comparative political phenomenon. The Anti-Saloon League and the Women's Christian Temperance Union led very strong campaigns against the demon drink. Strangely, the Women's Christian Temperance Union, which some members might be aware is now a very straitlaced and conservative organisation, had a progressive social reform agenda at that time, including campaigning for women to have the right to vote. The Anti-Saloon League became extremely influential, convincing MPs from both the Republican and Democratic Parties to support a total prohibition on the manufacture, import or sale of alcohol. Ultimately, this lobby group became so powerful that it became virtually impossible for any politician to stand out against its views, and what had been a State by State enactment of laws became a blanket prohibition across the whole country.

Although I cannot see the circumstances where gambling would be banned in South Australia, it is becoming increasingly difficult to deal with this issue rationally. Opponents of poker machines have had persuasion value far beyond the merits of their arguments, and this phenomenon is probably best illustrated by the legislation this Parliament dealt with late in 1997 in respect of poker machines in shopping centres. In a rush of blood to the head, and surprise, surprise, less than two months out from the State election, the Premier announced that the Government intended that no more licences would be issued for poker machines in suburban shopping centres and that the legislation would be retrospective to 17 August, the date of the Premier's media release.

The reality was that he was responding to pressure from within one Liberal marginal seat where a tavern was proposed in a shopping centre. The Premier's move was poorly thought out, to say the least, singling out the suburbs and thus advantaging city locations. There was no sense of policy here, just reaction, and the retrospective nature of the legislation netted the then proposed Discovery Complex at the Marion Shopping Centre. The developers of this proposed eatery come function centre had always envisaged a gaming lounge as an essential part of the complex. It was nothing new and nothing had been hidden. They had been working on the project for three years and had gone through all the appropriate planning approval processes.

The Government has continually argued that developers in this State need to have certainty yet, despite its own protestations, five days after the application for a gaming licence had been lodged by the developers of the Discovery Complex the Government changed the rules by press release. Without going into great detail, because members were present at the time, fortunately enough MPs were willing to recognise the stupidity of the retrospective nature of this legislation, and they were willing to amend that part so the Discovery Complex was able to go ahead. John Olsen was wanting to show leadership when an examination of the circumstances reveals that he was dancing to the tune of the No Pokies campaign. So, as I said, there are certainly some comparisons with what happened with prohibition, and hopefully we can learn from it.

One of the more useful parts of that exercise is to look at the underlying agendas. It might come as a surprise to members to know that racism was one of the less stated

reasons for the United States prohibition campaigns, given that the newly arrived migrants came from cultures where the drinking of alcohol was part of the way of life they brought with them. Another aspect of the campaign was the support from the industrialists who needed a reliable and sober work force. The public story was one of a campaign for morality, but for some of the prohibitionists there was a very different agenda.

During the period of prohibition another interesting vested interest campaign took place in the United States in relation to hemp. Hemp had long been a routine mainstay agricultural crop in the United States and it was particularly important in the manufacture of rope, but in the 1920s a strong campaign developed to associate its use with drug addiction. If members ever get an opportunity to see the old black and white movie *Reefer Madness*, they should take it up. The distorted view of the effects of the recreational use of hemp as a drug is just plain funny, with bulging eyeballs and Jekyll-and-Hyde personality transformations and raging sex orgies—quite the opposite to what we now know are the suppressive effects of marijuana. Nevertheless, one has to look at where the pressures were coming from to make the growing of hemp illegal.

The Hon. Diana Laidlaw interjecting:

The Hon. SANDRA KANCK: If the Minister has not worked out the connection, she has not been listening to what I have been saying. One of the most active campaigners was Pierre Du Pont of the Du Pont chemical company. At that time his company had only recently patented nylon, which the company directors perceived had great potential for the making of ropes. It is easy, using retrospective vision, to see that a campaign against the use of marijuana as a recreational drug could very well have the potential to be manipulated so that the growing of hemp in any form could be made illegal, and the greatest beneficiary of that result would have had to be the Du Pont chemical company.

Bringing us to the present so that the Minister understands, the Adelaide *Advertiser* has run many anti-pokies articles, particularly while Rupert Murdoch owned Sky Channel. Could it be that a vested interest was involved here? Mr Murdoch has now divested himself of Sky Channel, but last year I recall reading an article about the Murdoch empire and how Rupert was trying to take over Netscape. I do not know whether he finally managed that takeover, but given the amount of money that his company would likely make through internet gambling the editors of the *Advertiser* would have to ask themselves whether their continued stories that target poker machines could be construed as acting out of vested interest.

In Australia we did not have the same prohibition laws as the United States but we certainly experienced some of the accompanying 'holier than thou' mentality. Resulting from that and only a step or two removed from prohibition, Australia had 6 o'clock closing and the resultant and aptly named 6 o'clock swill. It is interesting to recall those days so that we can reflect on the many positive changes that have occurred. Precisely because of those wowserish views which had permeated across the Pacific—

The Hon. Diana Laidlaw: Methodist views?

The Hon. SANDRA KANCK: It wasn't just Methodist, as I explained earlier. There were a lot of vested interests in pushing that. The Minister might like to look back to what I said earlier. Hotels were not allowed to trade after 6 p.m., and implicit in that rule was a belief that both the hotel staff and their customers would act irresponsibly given half a chance. That implicit distrust created some of the excesses. When workers had only half an hour or an hour to relax after work and enjoy their drinks, it was inevitable that this would lead to the drinking of a lot of alcohol in a short time with resulting drunkenness.

Front bars were often extremely raucous and boisterous venues and were definitely not a place one could take the family. Compare that to what we have now. I do not think I would be going too far to say that the alcohol industry has come of age and is exhibiting a great deal of sophistication in the process. Now we can buy cappuccino in a hotel, and in some you can purchase remarkably fine food. We have come a long way from the days when pubs were the source of immoral activities. Indeed, the marketing of wine in South Australia is strongly associated with the tourism industry. The wine industry and the hotels industry now demonstrate that they are in control and aware of the possible downsides of an industry based on the retailing of alcohol.

It took 100 years to get it sorted out, but it was done and the lessons have been learnt. I see no reason why we cannot reach the same levels of maturity and sophistication with regard to gambling. Those working in the hotel industry, despite the fact that they have spent money upgrading their hotels and creating jobs as a consequence, are forced to justify the fact that they own, manage or work in places where poker machines are installed. These are ordinary business people who are conducting legal activities and who have found themselves portrayed almost as vampires.

Last year I addressed the Women in Hotels Conference and made observations to those women similar to what I have made here tonight. I did not realise the impact that I had had, but I found out that evening when I attended the conference dinner that those simple observations and comparisons became the hot topic of conversation at the lunch that followed after I had left. Those women were very moved by the fact that someone understood them and that not every politician regarded them as pariahs. A number of them thanked me profusely that evening and at least one of them had tears in her eyes.

The Social Development Committee visited one hotel where the installation of poker machines had been the thing that had stopped it from going broke, and we were told that that hotel was not the only one. I get the impression that some people would have preferred these businesses to go bankrupt.

If we cast our minds back a couple of years we might remember the case of the Adelaide woman who held up a succession of delicatessens with a toy pistol in order to fund her gambling addiction, and she was sent to prison for her crime. The committee visited the prison to hear her story. Most people I speak to about her see her story as proof of the negative effects of poker machines. Yet very few people are aware that her addiction was not to pokies but to Keno, courtesy of your friendly local newsagent.

Much of the evidence to the Social Development Committee was of the doom and gloom variety, and one of the things I noticed while the committee was taking its evidence was how often witnesses spoke only of poker machines when the reference we were investigating was gambling in all its forms. When we are prepared to accept the simple view of poker machines themselves being to blame, we fail to recognise the needs and drives of the problem gamblers playing them.

As a society, we need to deal with the issues that fuel problem gambling, but we also must get this into perspective. Relationships Australia told the committee that all the people it counselled for gambling problems had an issue of unre-

solved grief. Surely we should be concentrating on providing support for people who suffer grief rather than making a scapegoat out of poker machines.

For a problem gambler, it is all too easy to sidestep personal responsibilities when there is a scapegoat. It is so much easier to claim 'the devil made me do it', so much easier to blame the manufacturer of the machine for having flashing lights or the hotel for not having a clock on the wall above the machine, than for these people to accept their responsibilities.

It is a fact that less than 2 per cent, perhaps it is even closer to 1 per cent, of people who gamble have a gambling problem. The rather obvious other side of the coin, but one that is rarely stated, is that more than 98 per cent of people who gamble do not have a problem. If one were to believe some of the hype of the anti-pokies campaigners, one would think that the figures were the other way around. If you rely on the media to inform you about gambling you could be forgiven for believing that our society is falling apart at the seams because of the introduction of poker machines.

There are some genuine reasons to put pressure on the Government to make more money available for counselling of people who have a gambling problem and to ensure that the other gambling codes are contributing to those funds. However, some of the campaigns to prevent hotels from getting gaming machine licences are little more than hysteria.

Scapegoating gambling in general and poker machines in particular has consequences that are not necessarily for the best. When we scapegoat we ignore the impact of gambling problems that may be associated with the Lotteries Commission and other codes of gambling such as horseracing and the dogs. It allows us to ignore other economic factors that impact on society. It is so much easier to carp against poker machines and blame them for businesses collapsing, unemployment and families breaking up than it is to look at the systemic problems of our economy and the impact of globalisation.

The No. 2 Legislative Council candidate for the No Pokies team at the last State election, Bob Moran, claimed that his car sales business went bust because people were spending all their money on the pokies and had stopped buying cars. However, evidence about spending habits given to the committee did not support his claims, and I understand that the reason Bob Moran went broke was a gambling problem—his own—and that it was as a result not of the pokies but of the horses.

Using poker machines as a scapegoat allows those who are developing a gambling problem to become and remain victims and not own up to the part they have played in their own downfall. When the Social Development Committee began its inquiry into gambling, I was one member of the committee who began with a somewhat jaundiced view of what was happening, but as I heard the evidence I had to be prepared to change my mind.

One thing about which I am now convinced is that poker machines, although they might be boring, are not the source of all evil unless boredom has been declared a sin and no-one has told me about it. I find poker machines mind-numbingly boring. I would much rather spend my money on a good book and my time in reading it. But if others find it exciting, then it is a case of horses for courses. For the most part my gambling stops at the Parliament House internal footy tipping competition from which I have so far won the meagre amount of only $10 this year.

The Hon. J.F. Stefani interjecting:

The Hon. SANDRA KANCK: Some people have all the luck! Occasionally I buy a raffle ticket to support a charity, and I think most members in this place do the same. I found very valuable the process of listening to and reading the evidence given to the Social Development Committee. I became aware for the first time of the financial contribution that the Lotteries Commission makes to our State's hospitals. I also became aware of the tourism and, therefore, economic benefits of the annual Easter horseracing carnival at Oakbank and the jobs that exist in the thoroughbred racing and breeding industry in this State.

I spoke earlier about what I termed the four unforgivable faults of drinking, smoking, swearing and gambling. The only one of those four that I have not now tried is smoking. I was able to overcome a wowserish background when I saw the illogicality of some of the arguments presented to me as a child to convince me that these activities were morally bad. Similarly, at the outset of the Social Development Committee's inquiry I expected that I would be supporting a range of recommendations that would bring this industry to its knees, but when I heard and read the evidence I found that I had to shift ground. So much of the evidence which was critical of poker machines was anecdotal. This is not to downgrade the significance of gambling problems; I sympathise with the suffering of those who have developed a gambling problem and recognise that this suffering can extend to their family, just as in my comparative example of alcohol the families of alcoholics suffer. But, in the end, the evidence failed to convince me that poker machines were the source of all evil in society.

The Social Development Committee by definition gets the controversial topics, and this is just one of them. Prior to that we had a reference on HIV/AIDS, and right now we are dealing with a reference on voluntary euthanasia. Over a period of 13 months we heard evidence from 85 people and considered numerous written submissions. The Hon. Mr Nick Xenophon has said that he is disappointed in the committee's recommendations but, given the controversial and high profile nature of the issue, we were fortunate that we were able to produce a unanimous report. That is not to say we were totally agreed on everything, but there was nothing that made any of us feel that we should have dissenting reports or statements. There are some recommendations with which I strongly agree, such as the desirability of removing responsibility for the portfolio from the Treasurer, and the need for a code of advertising practice. There are others, such as the programming of a time lapse between a major pay-out and resumption of play on a poker machine which I am prepared to entertain but which I am not at all sure will make much difference.

It really is up to the Government now to take appropriate action, such as the development of a code of advertising practice, which I regard as very important, given some very irresponsible advertising by the Lotteries Commission, but overall I believe that the Social Development Committee has presented a very balanced report. I support the motion.

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

NATIVE VEGETATION ACT

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

That the regulations under the Native Vegetation Act 1991 concerning exemptions, made on 21 August 1998 and laid on the table of this Council on 25 August 1998, be disallowed.

(Continued from 26 May. Page 1180.)

The Hon. T.G. ROBERTS: The Opposition supports this motion. I understand the Government's position in moving the regulations as it has, given that many of the problems that it is attempting to address are occurring in the geographical area of the State with which I am most familiar, that is, the South-East, although some problems are starting to occur in other areas. I understand there are some problems on the West Coast and in the Adelaide Hills, Clare Valley and, I suspect, in the Barossa Valley as well.

Where the wine industry grape growing and other agricultural and horticultural developments are running into areas in the State that are lucky enough to have native vegetation left, a case may be made for applications for the clearance of single trees. I was given a tour of sections of the wine industry in the Coonawarra and areas south-west of the Coonawarra, where single trees and small groups of trees were being used as illustrations of the issue. More flexibility could be shown in granting to developers wishing to use some of that land the right to clear these trees. They could then use mechanised harvesters and planters and (in the case of the potato industry) mechanised watering methods such as mobile sprays and centre pivots. I am aware that the Government is looking at making some changes to the way in which the Act is administered, and I understand there is a review in process.

However, I also understand that no consensus has yet been reached between conservation groups, local residents and developers as to which way to proceed. The problems of many horticultural and agricultural developers can be overcome by changing the area which they intend to use, and particularly by moving away from 200 or 300 year old gum trees. There have been some instances in the Adelaide Hills where negotiations with native vegetation clearance officers—in some cases with the intervention of members of the committee—have brought about alternatives that have satisfied some developers.

I think more of that needs to be done. There needs to be a little flexibility regarding single trees, but applications for wholesale clearance in areas that would create an ecological disaster should not be granted, and those areas should be protected. If we do not do this, we will end up with little or no vegetation left in this State. At this point, I think that about 7 per cent of the State is still covered with vegetation.

Much of the argument that was put in the South-East was that, if the Native Vegetation Act was not administered more flexibly, developers would move over the border and South Australia would lose those investments. I suggest that, if those developers did move into Victoria, they would meet with legislation that is similar to that which exists in South Australia. There may be areas in Victoria where there is a little more flexibility but, if the investments that we are talking about were carried into the western districts of Victoria, that would have probably taken place anyway.

Much interest has been shown by Western Australian and other interstate companies in turning over large scrub areas and grazing land to blue gums for the pulp and paper industry and to fast growing hardwood trees for the hardwood industry. If we are not careful we will have no areas of native vegetation or native scrub left. At the moment, a huge debate is taking place. There are areas that can be turned over to vegetation that is grown in the manner in which the forestry industry requires, but this needs to be done sensitively and in an organised way, and land and water management programs need to be discussed and debated at the same time.

When the water catchment management boards were being set up, the Opposition indicated during the debate that land and water management and development applications should be connected. During the meeting of the Environment, Resources and Development Committee this morning, I suggested that a recommendation be made to the development committee at local government level that development applications for clearance and/or land use should not be made until ground water or surface water applications can be scientifically defined. It would save potential developers a lot of money if before they put in their application they were aware of the quality and quantity of water (whether underground or on the surface) that they would potentially be able to use and the access that they would have to it. That sort of information would certainly save a lot of trouble and argument.

The Opposition supports the disallowance of these regulations. We hope that the Government conducts an effective review of what exists at the moment and talks to all the stakeholders, including conservation bodies and local communities, the dairy industry and the horticultural and agricultural industries, to enable it to come up with an ecologically sustainable set of regulations with guidelines built in so that people understand how the regulations will operate.

Another recommendation that I make to the Government regarding these regulations is to have the officers who make assessments at a local level more accessible to communities. I support—as I suspect do other members of this Council—having assessment officers based in regional areas so that they can get to know the requirements of development applications and the environment in which they are operating and working in order to make assessments regarding single trees and remnant vegetation, where plantations would best be served, where soil types can be used without impinging on other agricultural and horticultural industries, where water can best be used, and where the best returns from the land can be made by industry to the investors and the State in terms of taxation and jobs whilst at the same time protecting the environment.

The Opposition supports the disallowance of these regulations and hopes the Government will conduct a full review including notification and discussion with all stakeholders.

The Hon. CAROLINE SCHAEFER: The Government does not support the disallowance of these regulations. However, I am heartened to hear the Hon. Mr Roberts' suggestion that the Labor Party would support the appointment of local assessment officers, because I think that is a reasonable step towards settling what is a perennial problem. It is certainly a reasonable step which is not being espoused by the Hon. Mr. Elliott.

This argument seems to come up for discussion at least annually and probably once every six months. The reality of the situation is that we no longer live in a pristine environment—that has not been the case since European settlement. If we wanted to remain in a pristine environment with no development at all, we would not be able to feed ourselves let alone be a major export country. The ecology and the environment are part of an evolutionary process.

I suppose that it is due to our interception in that process—our speeding up of some things, which may be either good or bad—that some of our native vegetation has become as much of a pest as some introduced species. For that reason, I believe it is necessary for the Minister to make what I believe is a reasoned and well thought out set of regulations.

The Hon. Mr Elliott moved that the regulations under the Native Vegetation Act concerning exemptions made on 21 August and laid on the table of this Council on 25 August be disallowed. These regulations were introduced to provide land-holders with greater flexibility to deal with native vegetation clearance associated with fire prevention, the control of pests, plants and animals and native plants, which themselves are creating land management problems by growing back onto previously cleared land and which were affecting the health of other native vegetation. At the same time, the regulations were specifically designed to retain strict environmental safeguards. The regulations were introduced with the full support of the South Australian Farmers Federation and the partial support of the Conservation Council.

The Hon. Mr Elliott's main concerns seem to have been regulations 3(1)(s) and 3(1)(t). Regulation 3(1)(s) provides an exemption for the clearance of native vegetation if that vegetation is causing management problems by detrimentally affecting other native vegetation or by growing on land previously cleared of native vegetation. The exemption applies only if the clearance complies with a management plan which has been approved by the Native Vegetation Council, or if no such plan has been approved by the Native Vegetation Council or if no such plan has been prepared and approved.

It seems to me, therefore, that we are talking about plants such as mistletoe in native vegetation, mistletoe in gum trees, box thorn and prickly acacia—plants which have in themselves become predators on other native vegetation. This applies only under very strict guidelines and only if it complies with guidelines issued by the council and prepared in consultation with the Soil Conservation Council of South Australia, the Local Government Association, the Conservation Council and the South Australian Farmers Federation.

So, there has been and continues to be considerable consultation on this measure. To give an example, certain species of mistletoe, as I have mentioned (and mistletoe is a native) are contributing to significant tree dieback in some areas of the State. As a recent immigrant to the Clare Valley, I have noted with extreme concern what mistletoe is doing to the very attractive gum trees in that region. A report prepared for the department indicated that cutting mistletoe out of stressed trees could help to prolong the lives of those trees.

Prior to the introduction of regulation 3(1)(s), which is one of the regulations that concerns Mr Elliott, pruning of mistletoe required a clearance application under the Native Vegetation Act and all that such an application entails, including a $50 fee, a departmental assessment and report and consultation with the relevant soil board and local council. The process took up a great deal of time and resources and bluffed a number of local councils out of continuing to apply.

With this regulation 3(1)(s) in place, the land-holder can put a simple management plan to the Native Vegetation Council, or, if guidelines on mistletoe are developed, can undertake such work immediately as long as it complies with the guidelines. As such a land-holder, I would much prefer to be able to cut mistletoe out of the few gums I have on the property than sit there and watch them die while I go through a lengthy and exacting process.

Regulation 3(1)(t), the other regulation that seems most to concern Mr Elliott, provides an exemption for the clearance of native vegetation where this is necessary to control plant or animal pests in accordance with the Animal and Plant Control (Agricultural Protection and Other Purposes) Act and where the clearance complies with guidelines prepared by the Native Vegetation Council, again in consultation with the Animal and Plant Control Commission and all the authorities listed previously in relation to regulation 3(1)(s).

For example, in some situations it is impossible to control rabbits without pruning branches off native trees or bushes to gain access to the problem area. Again, anyone who has some experience of this would know that, in particular, the prickly acacia bush provides an absolutely wonderful habitat for rabbits. Unless cleared, it is impossible to deep rip rabbit burrows. So, under one Act the land-holder is obliged to try to reduce their rabbit population and under another Act is prevented from doing so because they cannot get at the rabbit burrows because of a native plant which has become a pest.

Prior to the introduction of this regulation, a land-holder who needed to prune branches technically needed to apply to the Native Vegetation Council, set in train the whole assessment process, to which I have previously referred, and again wait until the rabbits were completely out of control before they could do anything. This regulation enables a much more practical approach to be adopted.

The Hon. Mr Elliott has raised concerns about the use of guidelines in these exemptions and suggested that any guideline should be embedded in the regulations to give Parliament some authority over them. Guidelines relating to such matters as pest control and mistletoe management are constantly being upgraded as new information and technology becomes available. Only a few years ago it was considered that you could not save gum trees by cutting out the mistletoe, although most of the old land-holders whom I know say that you could always control mistletoe if you cut it out before it took over the whole tree. But that was not considered to be the case until more recent technology and understanding became available.

The guidelines therefore need to be responsive. To require the guidelines to be within the regulations would be cumbersome, unresponsive and unworkable. As indicated, the regulations require that the guidelines can be issued and changed only after broad consultation with a range of peak bodies, including the Conservation Council of South Australia. This process is considered to be extremely thorough and is providing safeguards against the type of scenarios that Mr Elliott foreshadows.

The honourable member suggests that an effect of these regulations will be to delegate powers to a local level and to people not equipped to handle the delegation in an environmentally sensitive way. There will be no formal delegation as such. Instead, the guidelines, which the Native Vegetation Council is contemplating, will incorporate a process of environmental assessment before on-ground works proceed. The assessment will usually involve native vegetation staff of the department, although in some cases natural resources staff of local councils may be involved. The Native Vegetation Council will retain a strong audit role regarding any guidelines which are introduced.

Terms used by the Hon. Mr Elliott such as 'poor land managers being simply allowed to come in with bulldozers to tackle a problem' are misleading and inaccurate and, in my

view, insulting of the land-holders. As already indicated, rigorous safeguards are incorporated into the process. The Hon. Mr Elliott referred to the broad review of the regulations announced by the Minister that are currently under way. The honourable member suggests that this, too, is justification for disallowing the regulations. In our view, this is not the case. The regulations working party will review these regulations, along with all the others, and will have every opportunity to suggest any further changes in the context of that review.

Mr Elliott also suggests that there are difficulties in the area of enforcement in response to illegal clearance. The honourable member implies that the regulations of August 1998 will make enforcement all the more difficult. This is not the case. On the contrary, it is suspected that the failure of the original regulations to deal with some of these issues in a practical way may well have prompted illegal clearance of mistletoe and indeed prickly acacia and box thorn. It is relevant to note that a report on enforcement aspects is currently being prepared by the department.

The new regulations, according to Mr Elliott, will allow several exemptions under the native vegetation regulations to be used together, resulting in increased clearance of native vegetation. Again, this is not the case. The new regulations have no particular bearing on the scope for different exemptions to be used cumulatively. Mr Elliott's comments regarding roadside vegetation clearance on Kangaroo Island need to be corrected. The Kingscote Council was not operating under a delegation in clearing native vegetation: it was working under an exemption under the Native Vegetation Act. It did not lose the case which was taken to court by the local eco-action group: the case was in fact settled out of court.

The Government believes that the regulations gazetted in August 1998 represented an important improvement in South Australia's legislation in dealing with native vegetation conservation. They allow for more effective, sensible and practical handling of land management issues, while still incorporating strict environmental safeguards. It will be clear that I have used notes from the Minister, but I can only say that my personal experience indeed bears out that view. In fact, all conservation will be most readily taken up by landholders if they can see a practical method of conforming with the regulations as they apply. To suggest that landholders may not clear what has become a pest plant, simply because it is a native and not an introduced species, and may not clear it in order to get rid of true pests such as rabbits or in order to save their aged gum trees from the encroaches of mistletoe, in my view really makes a mockery of practical legislation.

As I said at the beginning of this speech, I am heartened to hear that the Labor Party will support some local assessment officers, and I take it that it is willing to talk again with the Minister to hopefully introduce some practical application of these regulations. I am disappointed to hear that the Labor Party supports the Hon. Mr Elliott at this stage and hope that further negotiation will change its mind. The Government does not support this motion.

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

TUNA FEEDLOTS

Adjourned debate on motion of the Hon. I. Gilfillan:

That the Environment, Resources and Development Committee be required to—

I. Establish the legal status of tuna feedlots in use at Louth Bay since on or about December 1996.

II. Determine—

(a) what knowledge of the tuna feedlots was obtained by the Fisheries Section of PIRSA, and when was that knowledge obtained; and

(b) what action was taken, or should have been taken by Fisheries Officers in response to that information.

III. Investigate and report on any illegality that may have occurred in connection with the Department's response to the Louth Bay tuna feedlots.

IV. Determine whether Fisheries Officers were hindered in proper execution of their duties through lack of resources.

V. Determine whether any legal proceedings were considered or commenced in connection with the Louth Bay tuna feedlots and the reasons for such action or lack thereof.

VI. Investigate and report on the extent to which aquaculture enforcement has been, or is, deficient elsewhere in South Australian waters.

VII. Indicate what, if any, alteration in procedures or resources would be required for adequate enforcement of aquaculture.

(Continued from 26 May. Page 1191.)

The Hon. CAROLINE SCHAEFER: The Government does not support the Hon. Mr Gilfillan's motion and, in order to oppose it, it is necessary to go back through the history of what happened with the illegal tuna farms outside Louth Bay. Prior to a Development Assessment Commission hearing of 11 March the fisheries and aquaculture group received a report that a number of tuna cages were located in the Louth Bay region without valid development approval. A fisheries compliance officer was sent to the area to determine the location and status of the farms and to interview managers whose farms were located on sites without development approval.

A number of cages had recently arrived in the Louth Bay region and were illegally located. This was not a recent practice. In past years a number of similar illegal developments have occurred and in every instance farms have relocated to approved sites following warnings from fisheries compliance officers. Allegations have been made of illegal tuna farms being located in the Louth Bay area since 1996, which members will recall was the year when a number of deaths occurred in tuna farms within the Boston Bay area. It became necessary at that time to remove a number of cages and shift them to cleaner waters with a greater tidal flow. This being the case, it became somewhat of a practice to locate tuna cages within or just outside the Louth Bay area.

Earlier reports are related to cages relocated during 1996 and at that time, after the tuna mortalities, they used the emergency provisions under the Fisheries Act and Development Act. The DAC, which is responsible for prosecuting offences under the Development Act, was duly notified of the illegal cages by fisheries compliance. They subsequently requested an undertaking from operators of illegal cages to relocate cages to approved sites by 6 April. In the event of failure to comply, the DAC resolved to refer the matter to the Environment, Resources and Development Court to seek an order for removal of the cages and for punitive damages.

Following discussions with the operators, the DAC resolved to extend the deadline for relocation of cages until 29 April 1999. Having listened to regional ABC reports on this matter, I believe that this was because the illegal tuna farmers would have lost their catches and indeed their market and had to release back into the wild fish that would not have lived in the wild at that stage if those people had been forced to move them by 6 April. On 30 April cages were inspected by officers of fisheries compliance and the DAC to determine

compliance with the orders of the DAC. It was determined that, while operators had moved cages further away from Louth Bay, they were still not located on sites with valid development approval. The DAC was advised accordingly. Meetings were then arranged between the DAC and officers of the fisheries and aquaculture group and it was resolved to refer the matter to the court, seeking removal of the cages and punitive damages, and this action is currently proceeding.

Illegal development is a matter handled under the Development Act, and the issue is being pursued by Planning SA, the DAC and the Environment, Resources and Development Court. In order not to pre-empt the decision of the court, ministerial exemptions to prosecution under the Fisheries Act have been issued to operators of illegally located farms. This exemption in no way authorises the activity under the Development Act. Pre-empting the order of the court by prosecuting operators under the Fisheries Act would place the Government in a position of significant risk.

Aquaculture compliance in South Australia is not considered to be under-resourced at this stage. However, as the industry develops, additional resources will be required and, hopefully, they will be budgeted for at the time. The Tuna Boat Owners Association has lodged applications for development approval for six tuna farms to be located in the Rabbit Island area, which is adjacent to and just outside Louth Bay. In accordance with the Development Act, the applications are being processed, and at this stage they have been assessed as category three applications.

On 25 March the DAC gave provisional development approval for these applications. The DAC decision was subsequently appealed in the Environment, Resources and Development Court. This appeal is currently before the court, and development approval will not become operational until the court determines the appeal. Therefore, we contend that we should not refer this matter to the Environment, Resources and Development Committee before a decision is reached by the court.

The Hon. IAN GILFILLAN: My brief summing up is essentially to again urge support for the motion. It is true that there have been some developments since the initial events, principally the retraction of aquaculture regulations and a general awareness that the tuna feed lots were not being properly managed. I think there is little dispute that they are being operated illegally in the Louth Bay area. Many questions remain to be answered as to what transpired and who is responsible, so in our view there is every reason for the ERD Committee to be asked to look at the matters outlined in my motion. It will not just be a question of a witch-hunt into the past: in my view it is an essential step so that we can move forward in aquaculture, particularly in respect of tuna feedlots, to ensure these events do not occur in the future. I urge members to support the motion.

Motion carried.

CONSTITUTION (CITIZENSHIP) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 26 May. Page 1195.)

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): Very briefly, I rise to support the Bill. It is a Private Member's Bill from the House of Assembly and it relates to the matter of citizenship, and specifically citizenship that applies to the 47 House of Assembly members and the 22 members of this place. It does not have wider application unless one wishes to be a candidate for election to either the House of Assembly or the Legislative Council.

I have taken a great interest in this matter. I was born in Oxford, England. I have travelled extensively, particularly when I was younger, and on my British passport I enjoyed ease of access through customs into the UK. When I stood as a candidate, I still had my British passport. A couple of years after being elected as a member of Parliament and attending functions such as citizenship ceremonies, I realised that it was wrong to be a member of this place and to have a British passport and to travel on that passport. I felt that it indicated an allegiance to another Government and country whose circumstances may be very different from those of the Parliament of which I am a member and the country in which I love to live.

It has been very interesting for me when travelling in recent times to see that the UK itself has also moved on. It is interesting that its focus now is not on the old Commonwealth—certainly the Commonwealth has its place—but, rather, its focus is certainly Europe and the Common Market. When I enter Britain these days, it is the people from Germany, France and other countries with which the English were at war in the 1940s that speed into Britain through customs and I, born in England but now on an Australian passport although still a member of a Commonwealth country, line up to enter that country.

I think this nation has moved on and the world has moved on, and I think this nation, as we go into the next century, a new millennium, should demand that members of Parliament at State and Commonwealth level have an allegiance only to the country that they claim to represent and to the electors they claim to represent—and they are Australians.

I feel strongly about this matter. I think it is interesting when one does go to citizenship ceremonies to see the number and age of people from the range of countries who have come to this country and decided to make Australia home. They make an enormous decision in terms of taking up Australian citizenship. I believe that members of Parliament who represent this place at those citizenship ceremonies and who represent the electors generally in this place not only should have Australian citizenship as their sole focus but also should renounce allegiance to any other country.

I also feel strongly that, if a country in which a member was born still requires some form of overriding allegiance, notwithstanding their Australian citizenship, we should respect that, but that is not an excuse not to take full citizenship in this country and to seek to renounce, to the best of our endeavours, allegiance to any other Government or country. The Australian Parliament demands no less, and I think the same standard at the very least should apply to this place.

The Hon. R.D. LAWSON: I, too, support the second reading of this Bill. I am not sure that I necessarily agree with all the reasons advanced by the proponents of the Bill for its passage, nor am I sure that I agree with the proposition that this is a Bill which will only ever affect the 69 members of this Parliament. I think this Bill does have wider implications than merely the status of the people who from time to time—

The Hon. P. Holloway interjecting:

The Hon. R.D. LAWSON: —are occupants of the Chambers. The Hon. Paul Holloway interjects by saying, 'Does that not that make it unconstitutional?' Certainly not.

Mr President, I congratulate you on your perspicacity on the very appropriate ruling that you gave on the point of order taken by the Leader of the Opposition. Your reasons were a model of reasoning, Mr President, and in particular your reference to the judgment of Mr Justice Wilson in the case of *WA v Wilsmore* 1982 was a recent high authority precisely on point. I think it was extraordinary that in another place the person who contends one day to be Attorney-General of this State would make a considered submission relating to this important matter and choose not to refer to the most recent highest and direct authority on the very point speaks certainly volumes for your wisdom, Mr President, but volumes also for the integrity of a member in another place who took the point but failed to disclose to the Speaker or the House the true position in law.

This Bill will restore to the Constitution Act of this State provisions which were removed in 1994 and whose removal at that time, I must say, I did support. However, upon reflection, it seems to me that there really ought be no difference in the constitutional eligibility requirements for both the Federal and State Parliaments.

The position which we now have federally and which we had in this State until 1994 was one that had operated to the satisfaction of the community. This is not an attack on multiculturalism. It is not an attack on the values and aspirations of Australian citizens. It is simply a statement that those who wish to take the step of representing citizens of this country in this Parliament ought renounce allegiance to any foreign power.

The proposed words to be inserted are of significance. They provide that a person who is the subject or citizen of a foreign power or State or who is under an acknowledgment of allegiance to a foreign power or State is incapable of being chosen for or of sitting as a member of either House of this Parliament.

An extremely important protection is that that prohibition does not apply to a person who has taken reasonable steps to renounce foreign citizenship or any allegiance to a foreign State or power. It does not require someone to deny their birthright, their heritage, their traditions, their family or anything else. It simply requires renunciation of foreign citizenship or allegiance to a foreign power. That is not a high price to ask of any citizen of our country who wishes to take the step of seeking to represent members of the community in the Legislature. I support the second reading.

The Hon. CAROLINE SCHAEFER: I support this Bill. A great deal of angst seems to have been created by this Bill, and indeed a fairly vicious scare campaign has been run in the public arena. I must admit that, whilst this Bill appears to be of great importance to my friend and colleague the member for Hartley, I do not see it as making a lot of difference to me as a citizen of South Australia or indeed to most of the citizens of this State, if any at all. I therefore cannot see why it generates such emotion in those who oppose it.

The Bill, as I understand it, does not apply to any citizens of this State other than members of Parliament. We are, I readily acknowledge, a multicultural and multinational society in this State. This Bill does not ask anyone to renounce their citizenship, including candidates for an election, as opposed to that which is being bandied around by those opposing it. It merely asks that those who are elected to what is supposed to be one of the most important offices to be held in this State renounce other citizenship after their election. In other words, it asks that a person elected to the Parliament of this State give their allegiance to this State and to this nation. I cannot see that that is such an onerous thing to ask of someone who is elected to represent the people of South Australia.

The legislation mirrors Federal legislation that has been in place for a number of years under both Liberal and Labor Governments, and it does not appear to me to have created a great deal of trouble within the bounds of the Federal Parliament. I cannot see why it should do so here. I think it is only fair that people who are elected to represent the Parliament and the institution of the Parliament in this place be asked also to give their allegiance to this nation above other nations.

As I have said, the Bill does not require that someone who has already been elected renounce their citizenship, so there is no retrospectivity to it. It does not require that any other citizen, or even a candidate, reject their citizenship to another nation, only that they swear their total allegiance to this State and this nation if they are elected to the Parliament. As such, I support the Bill.

The Hon. J.S.L. DAWKINS: I support this Bill, which has been canvassed quite widely this evening. I do not intend to keep the Council very long. However, it is important to emphasise that the passage of this legislation would bring South Australia into line with the Federal legislation.

Some notice has been given this evening about a scare campaign that has been conducted against this Bill, and some of that campaign has alleged that the Bill is an attack on multiculturalism. This Bill is not an attack on multiculturalism. It is interesting to look at what we see as the aim of multiculturalism, and I see that aim as being to accept people regardless of background, to share with each other and to promote one community.

I believe that being a member of Parliament and holding dual citizenship is a different matter altogether. I do not have a problem with the average citizen who does not hold public office and who does not represent the public interest of this State having dual citizenship or an extra passport, but I do have a problem with a member of this Parliament doing so.

If we are representing this State or country overseas I think it is important to consider the messages that we as members of Parliament send not only to our community but also to the people of other nations. Some years ago I was fortunate enough to represent my country on a political exchange delegation to China.

The Hon. T.G. Roberts interjecting:

The Hon. J.S.L. DAWKINS: Not enough. One of the members of that delegation who was born in Wales but had lived in this country for some time—and who I must say was an avowed republican—was travelling on a British passport. I cannot emphasise how much confusion that caused our Chinese hosts on every occasion that we had to go through customs. That does not completely relate to this question but it is a good example of the fact that the messages we send must be clear, and it must be clear whom we represent as members of Parliament. As Australians and members of Parliament our commitment to Australian citizenship and to the best interests of this State should be beyond question.

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

MUTUAL RECOGNITION (SOUTH AUSTRALIA) (CONTINUATION) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 1 June. Page 1252.)

The Hon. P. HOLLOWAY: The Mutual Recognition Act, which passed this Parliament in 1993, was important legislation that was introduced in all State Parliaments and the Commonwealth. Its purpose was to ensure that goods produced throughout Australia conformed to common standards and that the standards of employment in one State were consistent with those in other States. So, it was an important reform.

I have spoken about this matter on a number of occasions. I remember speaking at some length back in 1993 when the legislation was first introduced. It has been accepted throughout this nation that the Mutual Recognition Act has been very effective in terms of making this nation one economy rather than six or seven separate economies.

Last year there was amending legislation to extend by 12 months the sunset clause in the original Act to enable a review of that Act. I understand that the review has taken place and that it has found that the legislation should continue into the future. All this Bill does is remove entirely the sunset provisions so that the Mutual Recognition Act will continue indefinitely into the future unless the Parliament at some stage decides to terminate the arrangement. In my view, that is an entirely sensible and proper measure. As I say, the Act has served the country well and the Opposition sees no reason why it should be subject to a sunset clause.

It is my understanding that there will be a review, which I think is due by the year 2003. Although it is appropriate that we continue to review the operation of the Act, I hope that we will be reviewing the Act from the point of view of extending and enhancing its operation rather than limiting it in any way.

The Opposition supports the Bill. I suppose it would have been better if we could have had a little more time, given that its only purpose is to remove a sunset clause. One would have thought that it could be introduced a little earlier to give us some warning. Nevertheless, we agree with the principle of the Bill because it is necessary for mutual recognition to continue; and because it is necessary that we remove the sunset clause by 30 June we are happy to expedite the measure.

The Hon. CAROLINE SCHAEFER secured the adjournment of the debate.

ADJOURNMENT

At 11.23 p.m. the Council adjourned until Thursday 3 June 11 a.m.