

LEGISLATIVE COUNCIL

Thursday 3 June 1999

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

LISTENING DEVICES (MISCELLANEOUS)
AMENDMENT BILL

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

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

Motion carried.

ELECTRICITY CORPORATIONS
(RESTRUCTURING AND DISPOSAL) BILL

In Committee.

(Continued from 2 June. Page 1250.)

Clause 2.

The Hon. SANDRA KANCK: I move:

Page 1, lines 17 and 18—Leave out this clause and insert:

Commencement

2. (1) Section 1 and this section come into operation on the day on which this Act is assented to by the Governor.

(2) The remainder of this Act will come into operation on a day to be fixed by proclamation.

(3) A proclamation cannot be made to bring a provision of this Act into operation unless a majority of electors for the House of Assembly voting at a referendum approves the following proposition:

That the Government of South Australia be at liberty to dispose of public electricity infrastructure, whether by sale, the granting of leases or otherwise.

(4) The Governor may, by proclamation, appoint a day for the holding of such a referendum.

(5) The Electoral Commissioner will be responsible for the conduct of such a referendum.

(6) The *Electoral Act* 1985 will apply to such a referendum with adaptations, exclusions and modifications prescribed by regulations under this section as if the referendum were a general election of members of the House of Assembly.

(7) The Electoral Commissioner must, not later than 14 days before the day appointed for the holding of such a referendum, post to each elector eligible to vote at the referendum a pamphlet containing—

(a) the argument in favour of the proposition, consisting of not more than 2 000 words, prepared by the Premier; and

(b) the argument against the proposition, consisting of not more than 2 000 words, prepared by the Leader of the Opposition in the House of Assembly after consultation with the Leader of the Australian Democrats in the Legislative Council.

(8) The Electoral Commissioner may reject a written argument prepared for or against the proposition if, in the Commissioner's opinion, the argument contains scandalous or defamatory material.

(9) The Electoral Commissioner may, as the Electoral Commissioner considers appropriate, prepare, print and distribute information contained in the pamphlets posted to electors in their languages or in a form suitable for the visually impaired.

(10) The State must not expend money in respect of the presentation of the argument in favour of, or the argument against, the proposition except for the purposes of the performance of the functions of the Electoral Commissioner under this section.

(11) When the result of such a referendum is known, the Electoral Commissioner must declare the result by notice in the *Gazette*.

(12) The Governor may make regulations for the purposes of this section.

This amendment provides for the holding of a referendum. If, as it appears, the Hon. Trevor Crothers intends to support legislation to allow for a lease of ETSA, the effect of my amendment would be that South Australians would have an opportunity to vote on this matter in a referendum before the Act could come into force.

An honourable member: Is he listening to you now?

The Hon. SANDRA KANCK: Unfortunately, the Hon. Trevor Crothers is not present in the Chamber. He did say that he would listen to the debate, so I hope that he is in his office listening on his loud speaker.

Members interjecting:

The Hon. SANDRA KANCK: Given that the honourable member said that he would listen to the debate, I sincerely hope that he is doing so. The Hon. Trevor Crothers is on record saying in this place that, had this matter gone to the South Australian people, had the Liberals been honest enough at the last election to go to the people of South Australia and say, 'We want to sell ETSA,' the South Australian people could have voted on it, but that opportunity has been denied them.

The Hon. Trevor Crothers himself said that, if the Liberals had gone to the election saying that they wanted to sell ETSA, he would be hard pressed not to support the legislation. Nothing has changed: the South Australian people still have not had the opportunity to say what they want to say about the disposal of this prime asset. I ask members to support me in having this referendum clause inserted.

I am very disturbed by the con that this Government has managed to perpetrate on the South Australian people—and, obviously, on some members of Parliament. I was interested to read the arguments put by the Hon. Trevor Crothers in this morning's *Advertiser*. It appears that he has fallen for these arguments. Even he is using the lie that South Australia must pay \$2 million a day in interest when the figure is so much closer to \$1.5 million.

One wonders about a Government that cannot tell the difference between \$1.5 million and \$2 million. It would make a big difference to the number of hospital beds in some cases if the Government in its calculations could tell the difference between \$1.5 million and \$2 million. That is a difference of \$500 000 a day which this Government is apparently not taking into its calculations. So, again I was disappointed to read those arguments and to see that the Hon. Trevor Crothers has apparently swallowed that lie.

I am also disappointed that the honourable member is even contemplating a lease, because it is known that a lease brings in a return of somewhere between 10 and 30 per cent less than the sale price. So, in many ways, the option that is now being followed is going to—

The Hon. R.D. Lawson interjecting:

The Hon. SANDRA KANCK: That is the advice that was given to the Tasmanian Government by an international expert. This Government appears to like international experts, and this one was Credit Suisse First Boston. It gave that advice to the Tasmanian Government. So, if it applies to the leasing of Tasmanian electricity assets, it also applies here.

I ask the Hon. Trevor Crothers to take that into account when he makes his decision: that we would actually be further down the gurgler. With interest rates as they currently are and with the stream of income that we would lose, South Australia would effectively be in the red from day one. I am

sad that so many people have been conned by this Government and are not even looking at information such as this.

It is worthwhile to reflect on the comment made by Ronald Reagan when he was Governor of California. He said, 'Politics is supposed to be the second oldest profession; I have come to realise that it bears a very close resemblance to the first.' Should this Parliament pass this Bill, the world's two oldest professions will be fused in the imagination of the South Australian public. Each member of this Chamber should reflect once again on the pledges of the three major Parties at the last State election. In unison we all chanted, 'We shall not sell ETSA.'

The Hon. M.J. Elliott: One of them was lying.

The Hon. SANDRA KANCK: One of them was lying, and I wonder who it was. There is no doubt that the vast majority of South Australians were relieved to hear that commitment from all three political Parties, but now it appears that a majority of the members of this Chamber are prepared to break their word. Make no mistake about it: our parliamentary system will be the poorer should we break this pledge. Our standing in the community, which is already low, will tumble to new lows if we dishonour our word. There are times when it might be legitimate for Government or Opposition Party to change tack, to reverse policy, but this is certainly not one of them.

This is a touchstone of the validity of our electoral system. Sell ETSA and, at the same time, we trade this institution's legitimacy. The people of South Australia have been denied an opportunity to cast their vote on the sale of the family silverware. Indeed, they have been denied a thorough examination of the opposing arguments. A referendum will provide an opportunity to finally put all the arguments on the table in a cool and dispassionate manner. Until this occurs, this Chamber does not have the right to circumvent the electorate's approval. I urge all members of the Legislative Council to fulfil their democratic obligations and support my amendment for a referendum. And a word of warning for those who do not: the public will neither forgive nor forget those who have taken them for granted.

The Hon. R.R. ROBERTS: First, I observe that this is the last desperate throw of the dice by a Government that has been rocked by its own dishonesty since it came back after the election. I will later touch on what this means for the people of South Australia. What we see now is the last desperate attempt to take away the people's assets. These assets are not the right of this Government, this Opposition, the Hon. Trevor Crothers or anyone else. They are the legacy that was given to the people of South Australia by perhaps the only decent politician ever produced on that side of the Chamber, Tom Playford. On being returned to Government after the election, they came up with this outrageous proposition to break their promise by claiming a mandate.

Let us clear up that one for a start. Three mandates were given by the electorate: one to the Democrats, one to the Liberal Party and one to the Labor Party. That is, 'We do not want you to sell ETSA.' That was the only mandate; never a mandate for the sale. Immediately on being returned to Government, despite their denials—and we could go through all the *Hansard* reports and press releases once again—they were going to have the sale and discount all debt. Clearly the people of South Australia were not convinced. People were outraged and polls were showing that 75 to 80 per cent of the people were opposed. One suspects that the other 20 per cent were the friends and the big consumers of electricity who will

be the only people in South Australia to benefit from a lease/sale.

The Hon. Trevor Crothers in his contribution on 24 November had it right when he said:

I simply reiterate that, from my point of view, an awful lot of what this is really all about seems to be hidden from view. It is either that or there really are fairies at the bottom of everybody's garden.

Purchase by lease, which is what this really is all about—leasing our electricity generating industry—is really hidden from view. The Hon. Trevor Crothers hit the nail right on the head. This is a sale by any other name.

The Government now comes before us making a number of claims that it is different. If it is different, why did the Leader of the Government say, 'Based on commercial advice that the Government has received, it will mean that it [the lease] will capture virtually all the value of our electricity assets'? It is very clear what this is all about. This is our greatest asset—the greatest boon to so many people as well as small businesses wanting to establish in South Australia. With this proposition the Government is saying, 'We will put this on lay-by until after the next election. We will write some legislation and we will write some contracts. You trust us and, after the next election, if it doesn't work, we'll give part of the money back.' That is basically what we are talking about doing with a \$9 billion asset.

I want to turn to the demands of the Hon. Trevor Crothers. He has laid out his demands, which are as follows. First, the Premier (Mr Olsen) and the Treasurer (Mr Lucas) should guarantee that existing employees of ETSA will be offered a suitably early retirement redundancy package if they want it. On the surface, that sounds a laudable thing. Secondly, those employees who stay with ETSA, but are later made redundant, are to be offered employment within the State Government with the same pay and conditions. Thirdly, all moneys received—and this is the important one—from the leasing of ETSA are to be put immediately into the reduction of the State's \$7.5 billion debt. That is one of the key issues. Fourthly, if Mr Olsen and Mr Lucas agree to the conditions, they must both sign them. Fifthly, the answers to the questions are to be in clear, simple and precise terms.

They sound laudable things. However, I have a copy of a letter that was sent to the Hon. Trevor Crothers from the unions representing employees in the power industry, because I asked for information. I have been a member of the ETU for some 35 years, and I make no apology for the fact that it was on my motion that the ETSA clause provides that it must pass by way of a motion of both Houses of Parliament before it can be sold. The ETU (or the CEPU as it is now) makes it very clear in the letter that they do not want this deal and that they do not want any agreement from the Premier and Rob Lucas about redundancy packages, because why would not the Government agree to that, when it is inferior to the promises it has given to the CEPU and the single bargaining unit of the Trades and Labor Council in writing—promises which it has already started to rat on? The letter states:

Our concerns arise from the following:

The privatisation of the industry (whether by sale or lease) is not in the best interests of the community or our members.

Leasing of the industry is in no way different to a sale.

The fact has been acknowledged to the unions by the Government.

An honourable member interjecting:

The Hon. R.R. ROBERTS: We will come to you in a minute. The letter continues:

We fail to understand your possible support—

referring to Trevor Crothers—

for a lease (whilst dismissing a sale) when the reality is that the assets will never return to public ownership once any lease has been concluded.

Your support for a lease or sale will plummet 2 000 trade unionists back into the deep despair over issues of job security/treatment of superannuation moneys—

And I add WorkCover concerns. They also make the point that on 19 February 1998 the Premier, John Olsen, corresponded with Bob Donnelly, President of the ETU, stating:

If private operators eventually decided they do require a slightly smaller staff, then that will only be allowed to be achieved through natural attrition or voluntary packages.

So, the effect of Trevor Crothers' actions is—

The Hon. L.H. Davis: Tell us about the Port Augusta power station, Ron.

The Hon. R.R. ROBERTS: That was an actuarial lease, which gave the operators no power over the day-to-day running of ETSA. Your lease is an actual lease, which will give away to spivs and lairs and your mates and multinational power stations overseas the assets of the people of South Australia. Have you got that? Do you want it any clearer?

The Hon. L.H. Davis: Tell us about the gas company; that went to spivs and lairs, too.

The Hon. R.R. ROBERTS: We sold the shares; so what?

Members interjecting:

The Hon. R.R. ROBERTS: I love this! The next point they make is:

The unions had comprehensive meetings with the Government throughout March to December 1998, over the extensive list of industrial issues that would apply in the event of any sale or leasing occurring. Premier Olsen and Minister Armitage have broken promises made to the unions and our members. For example, in regard to an assurance of no forced redundancies the Government, in a letter to the unions on 5 March 1998, stated: 'It is not possible for such a commitment to continue forever and therefore the precise terms of the commitment will be an important part of the negotiating process.'

So, there it is; that is what they have agreed to in writing. The letter continues:

Since then the Government has only offered two years of no forced redundancy, which alarms us, because once again the Government is breaking a promise that they made to the unions and the workers.

This is the record that the Hon. Trevor Crothers needs to consider when he takes on board all these offers and assurances. He has to remember that this is the same cabal of anti-union people that he has fought against for 40 years. They are the same people who have harped and carped about industrial relations in this State and who, even as we speak, have legislation before this Council to ruin the working lives and every day lives of workers. That is what the Hon. Trevor Crothers has to remember when he takes on board the promises of these people.

In respect of the proposition that redundant ET workers will be given Public Service jobs, the letter states:

We know—

and the Premier also knows—

that there is no place in the public sector for redeployees from this industry (a fact already confirmed by the Government to the unions).

That is what the Government has confirmed to the unions; it is now going around trying to con the Hon. Trevor Crothers, saying it is prepared to give it to him in writing. I invite the Hon. Rob Lucas, representing the Premier, to lay on the table right now this pact that he has made with the Hon. Trevor Crothers for the consideration of the Committee, and we can

all look at it to see whether it has any foundation. He will not do it. The letter continues:

The other downsized/leased/contracted out departments of Government have their ex-workers waiting for redeployment—

Those who have already been privatised are all waiting for redeployment, but guess what? According to the letter:

There are no spare jobs in the Government.

So, this Government is now saying to the Hon. Trevor Crothers that it will put somewhere on a piece of paper that it will insist that they be re-employed. There are no jobs for redeployment. The letter continues:

Where will the Government redeploy linespersons or high voltage electrical tradespersons to? Which department needs linespersons?

When you analyse this offer you see that it is ludicrous. The letter continues:

There were major issues of dispute between the Government and the unions which resulted in stop work meetings being held throughout the State in October 1998. Those meetings unanimously condemned the Government's abandonment of concern for its 2 000 employees in the industry and unanimously supported a full scale industrial campaign regarding job security/superannuation etc.

The letter to the Hon. Trevor Crothers states:

The unions, our members and their families implore you to remain opposed to the privatisation (whether by sale or lease) of the electricity industry in this State. Our members like their jobs and they are good at their jobs. Our members want their jobs and the security of their jobs. If they wanted to leave [that is, take a redundancy package] they could have taken a package a long time ago.

Just look at the history of the work force in ETSA. The Hon. Trevor Crothers commented in his contribution a couple of days ago about the reduction of the work force in that industry, and he pointed out to the Council that they had gone from 5 219 employees to about 2 447; almost half of the work force has already gone. What the Hon. Trevor Crothers is asking for is an inferior package. Why would the unions not disagree with him? They have a better deal, and we all know why Rob Lucas and the Premier are prepared to agree to it: because it is better for them. It is not better for the employees, and it is certainly not better for the people of South Australia. I implore the Hon. Trevor Crothers to think about that.

The Hon. Trevor Crothers wanted this in writing, and he tells me that he has had discussions with the press. I pointed out to him that any promise from the Government verbally or in writing—a letter from Rob Lucas and John Olsen—is not worth the paper it is written on. His comment to me was that he would read it into *Hansard* and it would be enforceable. Unfortunately, the courts are littered with cases where people thought that that was true. Everybody knows that what is in *Hansard* means absolutely nothing when it comes to interpreting an Act. When it goes to the courts, a letter or the *Hansard* can only indicate the intent. When a matter goes before the courts, the law requires that the Act in question be compared with the Acts Interpretations Act. That was the first con.

I understand that the Hon. Trevor Crothers has said to the Government that he wants something in legislation. I am also advised that it is the intention of the Government to draft some amendments. Let me add another word of caution to the Hon. Trevor Crothers. Any decent, longstanding or experienced trade unionist would never fall for that. You want to see the deal up front before you sign it. You do not say, 'Oh, yes; we'll agree, and you draw it up afterwards.' Why would you do it with people of the ilk of the Premier and Rob Lucas,

who in *Hansard* on numerous occasions have proved themselves to be untruthful to the Parliament.

They promised the Hon. Trevor Crothers that they would draft some legislation by way of amendment to implement his inferior package of conditions for workers. We only have to go back to 22 December 1995, when we talked about the water contract. In answer to a question from the member for Hart about the ownership and arrangements for the water contract, John Olsen said:

The parameters and the principles are non-negotiable. Those parameters and principles are these: 60 per cent Australian equity in United Water International—non-negotiable; and six out of the 10 directors resident in Australia—non-negotiable, in my view, and it will come out in the contract. . .

We have not even seen the contract. So, again this Government, which has been anti-worker and anti-union all its life, is asking Trevor Crothers to trust that it will draft a contract that will reflect his concerns. The Premier continued:

. . . it will come out in the contract when we come to the final contract negotiation phase. In addition, there will be a 20 per cent saving to consumers in South Australia in the delivery of water and wastewater services—non-negotiable; there will be the creation of 1 100 permanent new jobs in the State for South Australians—non-negotiable; and there will be \$628 million worth of export markets over the next 10 years (\$38 million in the first year)—

and I want to see this in the Estimates when they come up—non-negotiable. Those principles will be incorporated in the contract.

Anybody would know that not one of those aims has been achieved. It was a deliberate misrepresentation, designed to dupe people into supporting something which has now clearly been shown to be false.

We also have a number of quotes from such notables as John Olsen and Mr Ingerson, giving assurances that they would never sell ETSA. I will make a couple of final points with respect to this matter. First, the Government said that we must sell ETSA just to retire debt. The people of South Australia, who did not give the Government a mandate at the last election to sell ETSA, were not fooled. They said, 'That is not good enough.' Then the Government tried to bribe the people by saying that it would provide a \$1 billion social reconstruction package from the sale, thinking that would suck in the punters. The people of South Australia said, 'No, we do not want that.' Then the Government went for the whip and imposed its ETSA tax, but still the polls show quite clearly that the people of South Australia have more bottle. They were not to be bribed or browbeaten—

The Hon. A.J. Redford interjecting:

The Hon. R.R. ROBERTS: The Hon. Angus Redford will have an opportunity to find out what they think when he votes on the Hon. Sandra Kanck's motion for a referendum on this matter, because I am confident that, even though an attempt has been made to bribe and browbeat them, South Australians still value their ETSA assets—and they certainly value them above the promises of this Government whose record is in tatters when it comes to telling the truth.

I do not know what discussions have taken place with the Hon. Trevor Crothers about the future and what he wants. I suggest to the honourable member that he take up the invitation of the bargaining unit of the UTLC and the CEPU to hear the side of the workers. The Hon. Trevor Crothers has had a long history of working with workers, and I suggest that, rather than take the view of this cabal of disgraced people, he listen to the views of those workers. I do not think the honourable member ought to be pushed. I do not know what they have said to him, but prior to the last break in

sitting an emissary, reportedly with the endorsement of the Premier, asked me to leave this Chamber and go to another room. He said, 'I have been asked to speak to you. John wants to know what you want. You can save the State.' I told that person, 'You insult me. I do not want to talk to you. You forget that I am a member of the ETU. I promised the people of South Australia that I would not do it; and I am with the person who inserted those clauses and who said you could not do it. So, you can go back and tell him that I am not interested.'

That member asked me not to name him. It is not usually my *modus operandi* to talk about conversations that take place in the corridors, but when it comes to a situation where it has been promised that the assets of the people of South Australia will be preserved, and a member puts a proposition which insults me, I can only say that I am too old to scab; I always have been. I was too old to scab the day I was born. I felt insulted, but I did give that member an assurance that I would not name him. I will not lie; I will tell the truth to protect the people of South Australia and their assets.

I ask the Hon. Trevor Crothers and all other members not to forget their commitments and to forget about this latest fiasco—it is another pea and thimble trick. This Government has had the opportunity to get its mandate. When we first discussed this matter I reminded members opposite of their own history and what Tom Playford did when he saw the benefits of South Australia's having a Government-controlled ETSA. Tom Playford had problems with his own Upper House, but he had enough statesmanship to establish an independent royal commission. It came back with a proposition to give to all South Australians equality of opportunity in terms of electricity supply and in terms of establishing business throughout South Australia. The Government said that it did not want to do that, and that it did not have the time to do so. It has now been seven or eight months, and in that time the Government could have had two Royal Commissions.

The Government has another opportunity, in relation to the propositions advanced by the Hon. Nick Xenophon, to look at Pelican Point and at the contracts. The contracts for Pelican Point are worth considering. Everyone has heard the scuttlebutt about that. We have heard around the corridors that these contracts have been tampered with. We know that there has not been equal opportunity for tendering. We can sort this out very quickly if we support the motions of the Hon. Nick Xenophon for an inquiry into Pelican Point. Let us see how the contracts were written. Let us get the ACCC to look at the contracts that the Government wants to put up for 99 years. The 99 year lease is a good old aristocracy—you give it to them when you are not giving it to them. Let us look at those contracts and see where we go from there.

This Government is absolutely disgraced. The Hon. Mr Crothers would be getting no inducements. I say that from the outset. As past history in the trade union movement would have taught the Hon. Mr Crothers, once the vote is taken, that is the decision. The Hon. Trevor Crothers knows what being a scab means. I ask the Hon. Trevor Crothers not to put on the line his credible past history, the principles of the Labor Party and the principles of the trade union movement, on the worthwhile nature of which he has lectured us on many occasions in the Caucus and in other places.

The Government is asking the honourable member to do a Judas Iscariot act. Judas Iscariot got 13 pieces of silver and the life of Jesus. If Mr Crothers falls for this proposition, he will not get 13 pieces of silver but he will jeopardise the lives

and wellbeing of the people of South Australia. The Hon. Trevor Crothers has the power today to say, 'I am not going to be rushed into this and I am not going to come back next week and have this thing rammed down my throat.' The Hon. Trevor Crothers has the ability to talk to other people. The honourable member and I have been in this Parliament for some years. In fact, I am on record in my second Address in Reply contribution in thanking the Hon. Trevor Crothers for showing me the procedures of the Parliament. When we members first begin in this place we do not get too much of an introduction. The honourable member taught me some of the principles of parliamentary life and of the trade union movement; he has certainly told me about them on a number of occasions.

I ask the Hon. Trevor Crothers not to throw it all aside. It is no use one's putting one's career on the line, because whether or not we sell ETSA will not make a hell of a difference to the coming budget. I am not an economic expert, but Professor Blandy and the person whom the Government pays \$60 000 a year for advice (and that is part-time, one day a week), Cliff Walsh, is critical of the budget.

The Treasurer is saying to the Hon. Trevor Crothers and to me that the Government is going to retire all the debt. If we read the Treasurer's contribution we see that he then says that the Government will take this money and leave it until after the next election when it will decide whether to have either 25 year or 97 year leases and, if not, it will have to be put back. Also, the Treasurer is not saying what he will do with the \$1 billion that was to be committed to social reconstruction. The Treasurer cannot achieve that goal and those demanded by the Hon. Trevor Crothers in these terms.

When this matter was raised the other day I had a private conversation with the Hon. Trevor Crothers about what would happen to the ETSA tax. That is to be removed, too: the Government fixed that up after the Hon. Trevor Crothers nailed them on that one, and that has been announced. But what is in it for the people of South Australia? Who will benefit if we flog off this asset? I will tell the Council who will not benefit: it will not be the Mums and Dads, because the legislation clearly says that. They will not be able to check into this system of buying cheap power from this industry that is on its knees. The Government is trying to convince every South Australian that this is a good deal, but it will be a good deal only for those big consumers of electricity for the next few years.

Some months ago I made a point about the competitive nature of the industry. The Government's friends jumped behind it very early in the piece and said, 'We'll be going out of the State.' Well, where are the announcements about Western Mining, BHP or BHAS going out of the State? I will tell you why we have not heard them—because the Government's friends are already on concessional power rates and have been on it for years. There is no question of product loyalty because they have indicated publicly that they have no product loyalty: it is all about price. One has to wonder why they are not using the present competitive rates—because the contractual arrangements they have with ETSA, which have been established over years, are better.

Selling ETSA will reduce our debt but it will also throw away our income stream. Professor Blandy has said that there may be no net benefit whatsoever, because when you reduce the debt and the burden you need a differential between the two before you get in front. What will that mean for the people of South Australia? It will not be too long before the ETSA tax returns. What is happening is that the people's

assets are being sold yet they get no benefit from it—none whatsoever.

Ask yourself the question: has the nature of business changed since Tom Playford privatised it? When it is taken over by private enterprise do you think that the people in Port Pirie, Spalding, Kimba and Clare will be immune from the cost of transmission and the other costs? This Government not only wants to sell the generators: it also wants to sell the sacred milch cow—the lines and transformers. The Government also wants to flog the one thing that you can guarantee an income from, and it wants to do it under the guise of a lease.

This is one of the worst things that have ever been perpetrated in this State, yet it can be fixed. However, the one thing that this Government will not do is test its promise to the people of South Australia. It told them that it would not sell ETSA; it has told them a number of times what it will not do. The Government has been invited to go back to the people ever since but it will not do so. The Hon. Angus Redford interjected earlier and said, 'When did the people say they didn't want you to lease it?' Well, they told you very clearly before the last election: 'No sale, we want to keep it.' You agreed, and ever since then we have been inviting you to go back to the people.

The Hon. Nick Xenophon proposed an amendment for a referendum. You people opposite have filibustered for seven months. You have been hiding around corners, coming to people and offering deals. I was amazed last week to read in the *Sunday Mail* that the Government was going to reintroduce the legislation: the legislation has been on the table for seven or eight months, but you just would not get on with the show. I believe that the Hon. Nick Xenophon is the only politician in this State who maintains credibility.

Members interjecting:

The Hon. R.R. ROBERTS: He is the only one who did not have to agree not to sell ETSA. He said, 'I'm prepared to go back to the people of South Australia.' There is a cynical attitude towards politics, with the average man and woman saying, 'Politicians don't keep their promises.' That may be true, because this Government is setting exactly that example. The people may not expect the Liberal Government to keep its promises, but they want it to. The Government is sending a message to the young people of South Australia in particular that you do not have to keep your promises. This Parliament has the opportunity to do one of two things: first, throw out this legislation, and I invite the Government to do that; and, secondly, if the Government does not want to do that the answer is easy: let us have the referendum and ask the people who elected us and who own the assets of South Australia.

The other matter discussed was a float. That will mean that the assets now owned by every person in South Australia—man, woman and child—will become the province of the rich. That is who will buy the shares if you go down that path. Therefore, we ought to discount that idea completely. South Australia's electricity assets are owned by the people. The Labor Party in this State is committed to keeping those assets owned by the people, for the people and for the benefit of South Australia—not just the big consumers, but all consumers.

Tom Playford got it right: the best thing for South Australia is that we own the assets. People do not believe the Liberals and they do not necessarily believe us or the Democrats, so, if there was a strong economic argument, why could there not be a Royal Commission or an independent overview that would report on a course of action that would

be in the best interests of the people of South Australia? I remind members of the course of action taken by Tom Playford in 1946. But nobody has shown us what is the best course. All the experts are saying that we may be worse off.

These people—Rob Lucas and John Olsen—given their past history, which is appalling, are saying, ‘Trust us, we’ll do it.’ Well, the people do not trust you. You have tried to bribe them and bash them and still they resist. You ought to wake up. The people of South Australia do not want you to strip them of their birthright. They do not want it taken away. You have an easy answer: you claim a mandate—well, go back and get a mandate. I do not think you have the guts to do it. What you are trying to do is sneak around through back doors and do deals.

I call on all members to examine their conscience. If this proposition is no better for the workers of South Australia—and they tell me that it is not; they tell me that they have better deals from the Government in writing, which the Government is already breaking now—let us not do it. Let us not go down this path. I ask the Hon. Trevor Crothers in particular to consider that, and to consider the people of South Australia who elect him and elect all of us in this place. They gave us clear instructions at the last election that they did not want their assets sold. If there is to be any change to that position they have a right to be consulted. It is the basic principles of organisation of labour: you must consult your members. They have given us the mandate; they have elected us, but they have a right to know what the deal is.

In conclusion, on the contracts and with respect to the legislation, I say to the Hon. Trevor Crothers: if, at the end of the day, you feel that you may still support this position put by the Government, do not do it until you have seen the legislation precisely and do not do it until you have seen the contracts. When I was a union organiser, and I am sure when the Hon. Trevor Crothers was a union organiser, he would never have signed the deal on a verbal undertaking: he would want to see it. You do not buy a pig in a poke. I prevail on the Hon. Trevor Crothers not to be rushed into this decision today but to consider it and to hear more views. The Hon. Trevor Crothers understandably has been under extreme pressure in the last couple of days. I was sitting alongside him when he said three times that he has not made up his mind; he wants to listen to all the points of view.

That is what I believe he will do. In the past couple of days he has deliberately said ‘No’ to people whom he suspects may be adversaries of one group or another and who want to change his view or to proselytise him in one direction or another. Unfortunately, the newspaper states that he has had long conversations with the Treasurer, so he has heard the Government’s view. I am simply asking him to take into account the views of those people who traditionally support the background from which he comes—the trade union movement and the Australian Labor Party.

I ask Mr Crothers to remember that these are the same people who have always been there. Government members are the same people who have never supported the trade union movement, never supported the rights of workers and done nothing but try to rip them down, and now they want to extend their influence and take it away from the ordinary citizens of South Australia. This is a question of social democracy, a matter of Governments intervening to ensure that every South Australian has the benefit of electricity. This is one of the core things the Government ought to do, that people expect Governments ought to do: police, education, water and electricity—the basics of life. The Government

wants to throw it away for a few pieces of silver. However, the people of South Australia will not get the silver. It is to appease the Government’s own ideology.

In contributions he has made in this place the Hon. Trevor Crothers has made those same observations. I put to him that nothing has changed. I ask him not to throw away a distinguished career in the trade union movement and in the Australian Labor Party. He should remember the principles that he has lectured most of us on. He should also remember that it was he who said that no one in the Labor Party hates scabs more than him, but that is what this Government is effectively trying to dupe him into becoming. It will be a sad day for me because the Hon. Trevor Crothers and I have been through a few battles together, and I have always been proud to support him and to have his support.

It is by no means by way of threat—and he knows this to be true—because my principles are still the trade union principles and to seek fairness for all South Australians, and I will not shirk from my duty. I ask the Hon. Trevor Crothers to remember his duty to the people of South Australia and all those Labor supporters and trade union supporters who have given him the honour to represent them in this Parliament. That is what I ask the Hon. Trevor Crothers to do; and, at the end of the day, I hope that he will remember his roots and remember the people who put him here and appreciate the high honour that he has been given by being a member of this place. He represents a particular group of people in this place but, also, he represents all the people of South Australia, the people who are screaming to us all, ‘Do not sell our assets.’

I ask the Hon. Trevor Crothers once more to resist the temptation to succumb to these people who are offering false promises and trying to give assurances. I ask Mr Crothers not to be duped but to take the opportunity to talk to his colleagues in the trade union movement and to some of the people in the Australian Labor Party. He should tell these people what I told them when they came offering me inducements—that they insult you—and then send them scurrying. I am opposed to this, and I will be making more contributions in Committee.

The Hon. T.G. ROBERTS: I also rise to oppose the clause. It appears that clause 2 has almost got us to the second stage of *Ground Hog Day*. The same arguments and conditions apply. I was wondering exactly who was going to play the role of Bill Murray, and I now know—the Hon. Mr Crothers. I hope that when *Ground Hog Day* finally ends there is a happy ending, because there was in the film. The Labor Party stands as a different Party with a different position in relation to the ownership and administration of public assets. Historically the difference that separates the conservative Parties from the Labor Party is that we have a different policy in relation to the mix of ownership of public and private capital and the interrelationship between public and private capital.

At this point the State Government, with the sale of ETSA, will not have any public assets of any significance for Governments to administer. I am sure that, if we are returned to Government, we will have a very difficult job in grabbing any levers at all to supply any of the integration that a Government needs to even out the differences in society by using public assets and public administration without the levers of taxation—significantly the levers of taxation—to supply the balances required in administering social services for disadvantaged people.

Water has been taken out of the hands of the Government to be able to supply direct subsidies to people on lower incomes and for attracting industry into particular economic regions. As we move into new federalism and as States break up into economic regions, the assets that State Governments have to use as levers to attract business and to invite private capital to share the infrastructure of State administrative bodies—and this is another lever with the sale of ETSA that we will not have—will not be available to us to use for those purposes.

One wonders about the future of South Australia. Those who live in the State know that the eastern States have been attracting their share of capital over the past decade, and South Australia has been unable to attract industry into this State without the Government handing out huge incentives and cash grants. We are supposed to be the clever State, the State that will go forward using high-tech information services and banking services: the media and the residents of South Australia have heard it all before. If we lose the ability to use electricity as a service provision for infrastructure, it is another lever we will lose to attract any of those promises that have been made to residents in this State over the past decade.

It is another lever that will be taken up by the private sector and administered by the eastern States grid, but it will not be to the advantage of a small State like South Australia that needs protection and service provisions with recognition from Commonwealth Governments from time to time to provide that pump priming in respect of infrastructure. It will go into a pool and then, without any administrative support from this State and region, it will go into the eastern States pool and we will not be able to use it.

Water was a promise made by the private sector when the proposition was being put forward by the Government to convince South Australians that it would be in their best interests if the assets were leased and managed by the private sector. I refer to all the promises made in the select committees set up to examine this issue. The Hon. Mr Cameron was a member of the Labor Party at that time, and I do not think I have sat next to a more aggressive inquisitor on a committee than the Hon. Mr Cameron; and the Hon. Mr Davis would bear that out.

The Hon. Mr Cameron and I asked a number of questions about the water supply and the benefits to this State in relation to returns on investment, what jobs would be returned to this State and the price structures that would apply at the end of the day for consumers.

All the answers we got from those answering the questions asked by the inquisitors were that South Australia would benefit not only in cheaper water, better service delivery and quality but also in jobs, not just in SA Water but we were going to be the springboard into Asia; that jobs would flow as soon as the taps were open and the pumps were running under the management of the private sector.

What have we found? We have found the direct opposite: 1 100 jobs have gone and the promise of Australian ownership and local participation of local capital in that program has vanished. It is now completely internationally owned. I have nothing against international capital as long as the benefits are returned regionally or into the State. Unfortunately, history shows that most of the profit and excess capital of international capital bodies, whether involved in management services or production and distribution, if it does not go back into recapitalising the program it is operating, will be

repatriated back to the country of origin in which those companies are registered.

Australia has lost the battle in terms of ownership of international capital in major infrastructure projects, so you can bet your bottom dollar (and I hope the Hon. Mr Crothers is listening, because I certainly do not know the answer to the question) that the only companies that will be financially structured, adequately equipped and capable of taking over the electricity assets in this State will be internationally owned, that they will have eastern seaboard connections and that there will be little or no connection into this State in relation to their head offices and their financial administrative services in which you get some spin-off from jobs.

We only have to look around the Adelaide CBD to see what support and infrastructure have been provided by the asset sales that have gone on in this State over the past six years. Those who are watching and observing closely would note that most of the head offices have moved to either Melbourne or Sydney. What can we expect out of a sale? Western Australia has not moved into wholesale privatisation of its electricity assets because the mining and manufacturing sectors believe that you are better able to build up an expectation of your capacity to use and pay for electricity in a relationship with a Government service provider. You have to knock on only one door and convince one set of bureaucrats that the needs of your particular company, your particular pressure group, whether it involve household consumers or large consumers in mining, need to be addressed.

As a result of discussions I have had with people in Western Australia, I am convinced that because of similarities in our economies it would be madness for us to break up our assets and have a number of service providers as is contemplated by this legislation. The large private users of electricity in Western Australia were quite happy to deal with Government because they believed that they would get a better deal and be able to plan for longer term servicing of their needs and requirements.

We have the mining sector here in South Australia making noises about what its future will be in relation to service provision and, rather than get into the knock-out tendering process that is envisaged (where they have to compete for power within the national grid), it is quite possible that many larger users of electricity, including some of the manufacturing sector, will set up their own service provisions.

So, the market for electricity out of the common pool will probably shrink. That possibly would not be the case—and I can only say 'possibly' because I am not close enough to the negotiations to speak with authority. But, if it was kept in State ownership where there would be a relationship between the service provider (that is, ETSA), the Government and the large users you could sit down and negotiate those contracts to get certainty into growth and some idea of future price movements. Certainly, those companies can negotiate and set their projected investment strategies over at least half a decade, if not a decade, forward—which is what the large investors require.

The other problem that the select committee on water found was that the contracts that were to be signed and the way in which they were negotiated, the tendering process, did not allow any scrutiny at all in relation to parliamentary representatives who were elected and put in a position to oversee the provisioning of a process for the sale of those assets. Unfortunately, as a member of Parliament, I felt totally out of any of those negotiations because it was

impossible to know whether or not we had a good deal because the contracts were not made publicly available to Parliament; they were not made publicly available to individual members of Parliament; and they were not made publicly available to committee members; and, as the Hon. Mr Crothers is doing, you had to take the marketplace at its word that the Government negotiators were doing the best they could in a difficult climate for and on behalf of their constituents.

It is not something that I as a single member of Parliament would prefer to have—and I am sure many other members would like an opportunity to be able to say to their constituents, ‘I have seen the contract. The contract is available, and the media have access to it and can disseminate and explain it to South Australians’. Unfortunately, that is not the case. Commercial confidentiality protects all figures and explanations and, as a result, prevents members from doing comparisons that they would like to do on behalf of their fellow South Australians.

We have made numerous attempts to sight the contracts for all the privatisation deals that have been done by this Government over the past six years. The Select Committee on Outsourcing of State Government Services was appointed on 11 December 1997. That committee includes the Hon. Mr Davis (who I expect is chairing it), the Hon. Mike Elliott, the Hon. Paul Holloway, the Hon. Rob Lawson and the Hon. Ron Roberts—and I have to ask my colleague how many times it has met.

The Hon. M.J. Elliott: Four times.

The Hon. T.G. ROBERTS: It has met four times since 11 December 1997.

The Hon. M.J. Elliott: We are working on a draft report.

The Hon. T.G. ROBERTS: Working on a draft report! The point I am making is that we have tried for four years to sight the contracts that were set up in the first period of this Liberal Government. We are now two years into its next term, yet we will still have not seen the contacts.

The Hon. M.J. Elliott: They only finalised the price last year and they still haven’t told us what it is.

The Hon. T.G. ROBERTS: Do you mean the water contract?

The Hon. M.J. Elliott: No, the EDS contract.

The Hon. T.G. ROBERTS: Well, there are so many. But, in relation to the EDS contract, we still do not know the price or the financial arrangements that were included in those negotiations. We do not know what are the trade-offs or the benefits of provisioning, and we do not know what are the forward promises, although we read about them in the media from time to time when they are brokered. The point I make regarding the Bill before us is that we are buying on blind faith. Members are voting for a principle, and, in the light of the past record in respect of all other privatisation arrangements and deals, the people of South Australia and their parliamentary representatives are still no clearer about the setting up of these arrangements than they were at the time of their announcement. The opposition from the Labor Party—

The Hon. T. Crothers interjecting:

The Hon. T.G. ROBERTS: I agree with the honourable member’s interjection, and I hope that we will not vote on this Bill until we see the leasing arrangements or the sale contract or whatever documents pass through this Chamber.

The Hon. Carmel Zollo interjecting:

The Hon. T.G. ROBERTS: We are only debating clause 2; we have not come to the sale or lease. I hope that

we do not progress this Bill past those clauses until we see the details of the negotiated position in which the Government finds itself. I understand that that will be almost impossible, because I suspect that the leasing arrangements will be tendered for in the same way as were the water arrangements, and, as the Treasurer has indicated in his own words, it will probably take at least nine months before those arrangements are finalised.

I suspect that a shortcut will be taken if this Bill passes in any form. I also suspect that another select committee will be set up—or perhaps this matter will be added to the terms of reference of the Select Committee on Outsourcing of State Government Services—to investigate, retrospectively, the circumstances surrounding the privatisation of ETSA.

The Hon. M.J. Elliott: You’ll get the same level of obstruction that the other committees have had, too.

The Hon. T.G. ROBERTS: I will allow the Hon. Mr Elliott to elaborate on the obstruction that has occurred in the setting up and running of the committee of which he is a member.

Regarding the matter of job protection if this asset is sold or leased, I understand that the union has secured some commitments in that respect, and I hope that the Government sticks to those arrangements. I understand that the Hon. Mr Crothers has also negotiated some arrangements regarding job security and benefits. I hope that he or the Treasurer will report on the details of those when they make their contribution.

Another area in which the State or the economy loses badly when we privatise is research and development. In most cases where Government assets are privatised—and in many cases where the private sector aggregates its accumulated assets—research and development is the first casualty. Asset stripping tends to be the first priority of the private sector and then wholesale cutting of the labour force. Generally, the rule of thumb is that you cut your labour force by between 20 and 30 per cent. You then contract out the services that were provided by permanent employees, and the rates of pay of those employees are cut by about the same percentage.

So, if we are to go through more exercises in asset accumulation in fewer and fewer company boardrooms with more and more cuts to labour and research and development, we can expect South Australia to get further behind the eight ball. I assume that we will be given the same promises by the prospective buyer or lessor that they will use the ETSA asset as a springboard into Asia, with the introduction of electricity generating schemes into Indonesia, Malaysia and Thailand, etc.—we have heard those arguments before.

The difficulty that I have with my honourable colleague’s position is that nothing has changed. As I have said, this is a bit like *Groundhog Day*: nothing has changed in the position put forward by the Government. I congratulate the Treasurer for his dogged determination to leave this Bill on the Notice Paper for so long and for working so hard. I must confess that no-one has approached me to see whether I will change my vote. I am not sure about other members, but I thought I had better put that on the record.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. ROBERTS: Perhaps my credibility did go down somewhat in the eyes of the Treasurer, but I have not been approached to see whether I would change my position. I am on record advocating protection of the assets of the State and keeping at least our water and electricity undertakings in public ownership. So is the Hon. Mr Crothers. I refer to the many contributions in *Hansard* by

the Hon. Mr Crothers when he used almost the same arguments as mine and those of other members to defend the ownership of our assets. In respect of ETSA, the Hon. Mr Crothers said on Tuesday 11 August 1998:

But the fact is that, when the economic wheel turns full circle and this economy gets back on track, that debt relative to the State's economy will be paid off. . . . But, once we sell ETSA we have sold it forever, and we could only get it back if we were prepared to pay the price that would then be prevalent.

I take it from those comments that the honourable member was not considering a lease; he was opposing an outright sale. However, I put to him if he is prepared to listen that, in respect of the argument for a 99 year lease, I would hate to get back my second-hand Magna after someone had driven it around for 99 years. If I sold it, loaned it or leased it for that period of time, it would be as good as waving it goodbye.

The fact is that a 99 year lease is as good as a sale, from which, in fact, the Government would probably get a better return for its taxpayers and constituents: it would probably get a better arrangement or deal with a sale than a lease. I do not support either but, if we compare the two, I would not opt for a 99 year lease because of the complicated way in which the leasing arrangements would have to be drawn up, the complicated way in which the Bill is structured regarding the return of capital to the Treasury after the next election, and the changes that can occur in any company cycle during the period of a lease.

The Commonwealth plays a large part in determining infrastructure and support for the way in which States are able to project themselves financially into the future. Historically, State Governments are looked at as economic units, but that is changing: as far as the Commonwealth is concerned, South Australia is almost no longer a State in terms of an economic region.

There are ways in which pump priming can be done by State assets. If the vote goes as we suspect, we are about to lose another lever to enable us to pump prime without the other added problem of direct financial grants. Already we find that this Government has involved itself in making deals or arrangements with companies beyond the scrutiny of Parliament that have turned around and bitten it. I will not describe them at this stage because there are others who can probably do that better than I. The point is that we will not have the benefits of adequate infrastructure and returns and the cash benefits that return to the State, particularly in relation to water. For example, if you do not pay your water bill or your electricity bill, it gets cut off and immediately that cash goes back into the State economy. That is a way in which local cash is returned to the local economy.

We will not have guarantees of that money being returned to the local economy, so I guess there will be a lot of leakage. There will be a lot of movement of larger amounts of capital rather than smaller amounts of capital within the State, and somehow we have to make provision for that. I will make further contributions as we progress through the Committee stage, and I look forward to witnessing the way in which my colleague votes.

The Hon. CAROLYN PICKLES: This is a very sad day for South Australia. Here we have a Government that may finally get its way. By hook or by crook, this Government has schemed and connived until it may get what it wants, and it has done so at extraordinary cost to South Australia. Today as we debate the lease test clause, I think we should all be honest about this. Let us face it, this Government has been

less than honest about this, but I will get to that detail in a minute.

First, the lease is no different from the sale of ETSA. Why would the Government be so keen on pursuing this course of action if it was significantly different from the alleged benefits of a sale? How members are able to justify such a change in position on the basis that a sale and a lease are different is mind-boggling. The 97 year lease of ETSA and Optima makes the State and South Australians just as vulnerable as they were with the sale option. The lease makes South Australians just as vulnerable to foreign investors as a sale. Let us not pretend that foreign investors will have the future of South Australia at heart. That is not their motivation; in fact it is the very opposite.

What is important to the future lessors of ETSA and Optima is unlikely to match what I consider to be the mark of a civil society where the Government has a role in positively assisting those who have been forgotten for one reason or another. This is the very crux of the problem for the Government. The Government has been unable to convince people that the sale or lease of ETSA is any different or in the best interests of the State. The Government's lies have been so transparent, so deceitful, that South Australians have found a new low in this Government. The people of this State have a very bad taste in their mouth from the Government's privatisation agenda.

South Australians have already borne the brunt of the Government's failed agenda in respect of SA Water, and they are extremely reticent about this sale. What has that delivered to South Australia but job losses and massive increases in water bills? The South Australian water experience makes a mockery of any promises or assurances given by the Government regarding a leased ETSA. If we trace the Government's incredible mismanagement of this issue, I am reminded of the Keystone Cops.

When the Premier realised he could not get away with his broken promise, like a naughty child he threatened to increase taxes and charges. This he hoped would force people to make a decision between the hip pocket nerve and the interests of the State. However, the Premier underestimated the will of the people and their ability to see through the Premier's sham strategy. For example, the use of proceeds of the sale or lease of ETSA and Optima for purposes other than debt reduction, as currently proposed by Mr Olsen—and hopefully not by Mr Crothers—is not only a monumental backflip but also the height of financial irresponsibility.

The only acceptable financial case for asset sales is if the reduction in public debt interest that can be achieved through the sale exceeds the amount earned by the public enterprise for the Government. Even then, the financial case for privatisation and the lease option must be examined on a case by case basis. For example, in the current power debate, sale prices as low as \$4 billion and as high as \$9 billion have been cited as sufficient to be of benefit to the State's finances (that is, to reduce public debt interest by as much or more than the value of dividends and retained earnings that are lost to the Government after the sale of the asset). Very often the right answer to the question, 'What would you do about debt?' is 'Keep an income earning asset in public hands.' That is an important way to keep a lid on debt and taxes and provide more services. This is Labor's position on ETSA.

The Auditor-General tried to find evidence that the sale of ETSA would be financially advantageous but could not find such evidence. He found on the basis of Treasury estimates alone—estimates that he was unable to independ-

ently verify—that the potential benefit was between \$35 million and \$60 million a year. The conservative economist Professor Richard Blandy has estimated that the financial effect of the sale is about zero. There is no positive and no negative financial effect. This is more so since the cost of servicing our debt is coming down due to interest rate reductions. The Auditor-General has produced estimates of current interest rates and the average duration of SAFA's stock of debt. Generally the shorter the average duration of loans, the lower the interest rate.

The interest cost on new debt is about 6 per cent. It is the longer term loans at higher interest rates taken out at the time of the State Bank collapse that will be, or have already been, replaced by shorter term loans at lower interest. Professor Blandy has also estimated that 70 per cent of the State's loans will be rolled over to the newer and lower interest rate over the next two years. The Treasurer has said \$5 billion of loans will mature in the next few years. Selling or leasing an income earning asset to reduce debt at the same time as historically low rates of interest is questionable. As Professor Blandy says:

The less the interest on the mortgage, the less attractive such a course of action becomes.

The axiom of the argument for selling is that all proceeds go to reducing debt, not on current items of expenditure, or even capital works, where these do not generate income for the State. Once you reduce your asset base, you cannot run up extra liabilities. This is exactly what this Government will do.

Over the past four years, power utilities have returned \$1.3 billion to the Government in dividends and tax equivalent payments (including a \$450 million debt restructure in 1997-98). In addition, there are earnings of ETSA and Optima that they retain and do not give back to the Government. This also needs to be factored in. They are substantial and therefore add to the value of ETSA. As the former Treasurer (Stephen Baker) said in the 1997-98 budget speech:

Improvements in the performance of Government owned businesses, particularly ETSA Corporation, have also exceeded expectations.

The Olsen Government promised before the last election that the budget was in good shape—that taxes would not rise overall and that ETSA would not be sold.

Now that the Government has got its way, the Premier and the Treasurer cannot even get their lines right. The Premier has been claiming that the budget is in trouble because he cannot get his way with ETSA. However, his outlays are up by nearly \$450 million. When quizzed about this problem the Premier responded that the sale (and we can read 'lease') would save \$500 million worth of interest. The Treasurer said it would save \$300 million. This State does have a debt problem. However, Stephen Baker, the former Treasurer, assured South Australians before the last State election that the Government had broken the back of debt. He assured us that everything was in control and that debt was coming down. The Government lied to the people of this State about its intention with the future of ETSA. There is no question about the fact. What is more frightening is that the Government has no moral qualms about having done so.

When quizzed about the Government's disgraceful broken promise on radio this morning, all the Treasurer could do was chuckle and suggest that this issue had been debated long enough. The contempt he has for democracy, open government and accountability is shameful, but indicative of the moral code of this Government. ETSA is the jewel in the

State's Crown. The Government will never be forgiven for selling the State and its people short.

There are very few things left in this life that I am passionate about. I am passionate about my country, my State and the Party of which I have been a member for 35 years. Over that 35 year period there have been many issues on which I have not agreed with my Party. I have debated and fought out those issues in the forums of the Party. When we have failed to succeed—and we in the Left have failed many times—we have got up, dusted ourselves off and fought the good fight yet again. Some people might call me a masochist, but we go on.

The Hon. Mr Crothers has been a long time member of the trade union movement and the Australian Labor Party. In his time the Hon. Mr Crothers has been passionate about the trade union movement and about the Party he has served for many years. Today we have heard a very passionate speech from the Hon. Mr Ron Roberts. He, too, has had a very long history in the trade union movement, as have the Hons Terry Roberts and George Weatherill.

All of us on this side have come to the Labor Party from different directions, but we have shared the same goal until this day, and hopefully that will continue. The goal has been that we will stick together through adversity and we will serve the people of South Australia with the best will that we can. If this Bill goes through I believe it will be to the detriment of the people of this State. I urge the honourable members of this place to vote out this shameful and dishonest Bill.

The Hon. CARMEL ZOLLO: I also rise to oppose this amendment. My contribution will be brief; I have spoken on this Bill on other occasions and I think that all we are doing is repeating ourselves. My colleague the Hon. Paul Holloway, the Deputy Opposition Leader in this Council, the day before yesterday competently outlined the Opposition's commitment to the South Australian people at the time of the last election that we would not sell ETSA. I join him in placing on record that a long-term lease is viewed no differently by the Opposition. The reasons are obvious: depleted assets at the end of the term and the inability to take advantage of dividends during its lease. As far as I am aware, the lease option was filed in this Chamber last November.

We view the reduction of debt by reducing our income earning asset base as not the same as an improvement in our long-term financial position. Someone within the industry last night suggested to me that a 25 year lease is a smarter business deal for the industry than a sale. The only reason anybody wants to buy or lease ETSA in South Australia is that it is very profitable. I am certain that no-one will disagree with the point of view that private industry is about profit for a few shareholders. Even in the private sector in South Australia, we seem to have a history of our smart entities being guzzled up—I suspect because they are very profitable.

Currently the people of South Australia are all shareholders and the owners of the asset. The three quarters of a million customers in South Australia have every right to ask why their utility cannot continue to compete as one of the utilities in the national electricity market in South Australia and interstate. They perhaps have a right to know why this Government has not focused more on competition and maintenance rather than the sale or lease option.

It may now be 12 months old, but I noticed that the last annual report of ETSA Corporation stated in part:

The performance of ETSA's interstate market teams in Sydney and Melbourne demonstrated that a South Australian based company

can compete well in the national arena. The results of our interstate trading were within our budget parameters and provided ETSA with valuable operating knowledge of the activities of our competitors in advance of the opening up of the SA market. ETSA's competitive market operations have continued to adopt a conservative approach. Our marketing strategies have sacrificed market share for margin and our trading operations have minimised unhedged exposures. Nevertheless, our interstate activities won 167 customers and generated revenue of \$7 million. ETSA has now acquired retail licences in all participating NEM jurisdictions.

I think that is quite a nice bit of groundwork if our utility is leased or sold. I think it is insulting that the Treasurer should tell this Council that the tax leasing arrangements entered into by the previous Labor Government and now his own Government for the reduction of tax liabilities by both Parties are the same as the proposed long-term lease. I suggest that, if he thinks this lease before us is the same, he does not need to bring it before Parliament.

The Opposition disagrees strongly that the sale or lease will be to the long-term advantage of the people of South Australia. This view that the dividends received from ETSA Corporation are greater than the interest we would save if we were to pay off the debt is shared by several prominent economists of our South Australian universities. Disaggregating ETSA Corporation into its various entities may look unpalatable in its formation stages, especially when entities become hybrids of the holding company rather than being looked at as a whole.

Governments should be in the business of looking at things as a whole. Are we trying to say that we will never need to borrow again in South Australia? Why are we not trying to renegotiate our loans while interest rates are low? I think the Hon. Sandra Kanck made a similar comment this morning.

Some members recently mentioned the New South Wales Government and the manner in which it has been dealing with its utilities. This Government may do well to remember that the people of New South Wales, like the majority of people in South Australia, did not want to see their utilities privatised and voted accordingly. Even a huge fistful of dollars from the Liberal Party could not entice them. It might also do well to think about what has happened to our water quality and prices since its outsourcing or privatisation. Both my colleagues the Hons Terry Roberts and Ron Roberts have also spoken at length about that. It has seen loss of jobs, huge price increases and full overseas ownership. The only people to benefit are the board members and executives of SA Water and United Water.

Should ETSA be sold or leased, exactly the same things will happen. Again, the people of South Australia will be the big losers. I personally will honour the Australian Labor Party pledge made to the people of South Australia and my personal pledge to the Party by continuing to oppose the sale or lease of ETSA, and I urge all other members to do the same.

The Hon. M.J. ELLIOTT: When the Democrats went to the last election we had a slogan, 'Don't sell SA short,' and I must say that I am bitterly disappointed to see that indeed this State is to be sold short and is to get a bad deal—although I suppose we should say more accurately that we are about to be 'leased short' due to the agreement that apparently has been struck between the Government and the Hon. Trevor Crothers. I have tried to speak to the Hon. Trevor Crothers outside this place, because when he had last spoken in this place he had said that he was clearly

opposed to the sale and gave a very impassioned speech on 11 August.

The Hon. T. Crothers: I still am.

The Hon. M.J. ELLIOTT: Well, I will get to that in a moment. The honourable member made a very impassioned speech on 11 August, and there was no reason for anybody in this place to believe that there had been any change—although perhaps the Treasurer has known for a little longer than the rest of us that there had been a change of mind. So, our only opportunity to discuss it with the Hon. Trevor Crothers is via this debate, although he now appears to have made another commitment in any case, but, nevertheless, it is worth a try. When the Hon. Trevor Crothers spoke on 11 August his first sentence read:

In rising to make a contribution to this debate let me first congratulate the Hon. Nick Xenophon for his ethical stand in respect of the Government's policy positions taken prior to the last election.

The very last sentence of that speech read:

I oppose the sale of ETSA at the second reading stage of this Bill and I urge all decent thinking, ethically minded members to do the same.

I agree with him absolutely. There is a major issue before us about ethics and morality in politics. It is something of a standing joke in the community: 'How can you tell a politician is lying? His lips are moving.' But it has gone well beyond a joke. At the last election, the Government clearly promised not to sell ETSA. At least one senior member of the Government, when sitting with me privately, admitted 'we lied', and it was made quite plain to me that it was a deliberate and intentional lie. What this Parliament is in effect doing with this legislation is an endorsement of a lie—a big lie.

It is fair to say that when people vote they do not vote on a single issue: they vote for a Party which they think best represents a wide range of matters they consider important and accept that on some matters they might disagree. But there is no question that at the last election the biggest single thing on people's minds was privatisation. So, the Government deliberately lied. People voted for the Government in the belief that ETSA would not be privatised. When they voted for the Democrats or for Labor they had a similar impression. Of course, there was not an SA First to vote for at that stage, but I suppose they assumed that the Hon. Terry Cameron as a member of the Labor Party would have been opposed to privatisation as well.

So, there has been an enormous lie and a deliberate lie, and now this Parliament is being asked to endorse it. Not only was there a deliberate lie at the last election but since that time there has been a deliberate pattern of deception and misleading by the Government in terms of the use of information and data. As the Government has sought to construct a case for sale, it has deliberately blurred risks associated with some parts of the electricity businesses and made this appear to apply to all. For instance, when the Government talks about market risk, I point out that there is no market risk in the major asset, which is the poles and wires. There is no real market risk there at all. It is a monopoly; it is a regulated asset; it is capable of giving a regulated return. In fact, it is exactly why some generating companies interstate are moving their emphasis to the poles and wires. The poles and wires simply had no risk whatsoever and had a guaranteed return. When this return goes into private hands, it will be extracted and will be much greater than that which the State Government currently gets from ETSA. So, when full deregulation strikes—and this will take about two years as the market is deregulated—we will pay the maximum that

the regulator will allow, and the regulator will allow a lot more than the Government is currently taking from ETSA. The price of electricity in relation to the poles and wires part of the business will increase, and that money will leave the South Australian economy. There is no question about that, yet the Government tried to talk about risk as though it applied to what is the most valuable part of the asset, some arguing that as much as 85 per cent of the total electricity assets is the poles and wires. There is no risk; there is guaranteed return; and the guaranteed return will go to private operators who will take out a much bigger return than we currently get. Instead of paying through tax, we will pay much more—and forever—in our electricity bills.

When Government members talk about debt, it is a deliberate deception. We hear constantly how both the size and impact of the debt in South Australia have been overblown. When we hear about the amount of interest we pay on an annualised basis, we are not told that not only do we have debts upon which we are paying interest but that some of that money in fact is being re-loaned. There are parts of the commercial sector which do not count as part of Government debt and which are borrowing from the Government at a higher interest rate than the Government itself is paying. In other words, part of the debt and part of the interest payments are offset by the interest being paid by the commercial sector. The commercial sector has been meeting its own debts and has no problems with them, but the Government has quite happily collected together all the debt and interest payments because it makes a bigger number. It has been a deliberate deception in terms of the impact of interest on our economy and the budget bottom line.

I do not intend to go on at great length about this dishonesty and deception: it is something which in fact my colleague and the spokesperson on this issue, the Hon. Sandra Kanck, has covered on many occasions. But it has to be noted that there was not just the big lie: the whole process of trying to persuade the public on the matter and trying to persuade some members of the Labor Party to move has been based on deliberate misrepresentation of the true situation. One only needs to consider the views of some independent commentators such as Professor Richard Blandy to see what is the true economic impact on the State. Professor Blandy makes it quite plain that the benefits the Government claims for the sale are simply not there. They are not my claims about the numbers: this is Professor Blandy and others who have been through the numbers with a fine toothcomb and who tell us that the State's bottom line will be worse off.

More importantly, what really worries me is that when this legislation is finally passed not only will we not get the economic benefits that are claimed but there will be a number of costs. There are a whole lot of issues which have not been addressed, issues which are capable of being addressed by way of the committee for which the Hon. Nick Xenophon has moved.

Let us try a couple of these issues. When Flinders Power is privatised I expect that Western Mining Corporation will then seek to sign a long-term contract. Western Mining Corporation does not need to buy via the pool. All small and medium businesses will; all domestic consumers will buy from the pool; but Western Mining can buy direct. Clearly, WMC will try to strike a deal with Flinders Power, which happens to be the cheapest electricity producer in South Australia. That electricity will be taken out of the South Australian pool. Members need to understand that the price of electricity in South Australia at any one time is set by the

highest bidder. The cheapest producer will largely be pulled out of the pool and will not be bidding into it, which means that the successful bidder will be bidding a quite high price. It will be a gas-based generator that will be bidding high. In fact, most of the time the last bidder will probably be what would previously have been a South Australian-owned generator, namely, Optima.

In terms of total market share, it is the dominant player in the market. It will be setting the price most of the time. That is one of the reasons why Pelican Point is coming in with such confidence. It knows that it is competing with a slightly older gas generator; it knows that it can bid zero and that it will dispatch all the time. It knows that Optima will always be successful in making the last bid and that it will not be able to bid below the cost of production. So Pelican Point is not coming in at any risk.

In fact, we suspect that the Government might have given Pelican Point a better deal—but we do not know because no-one will tell us what the deal is—that at peak times if gas is short it will not be a problem for Pelican Point but it will be a problem for Torrens Island which will go over to burning oil, and when it does that the cost of electricity will go up. Of course, this will happen at peak times. The last bidder, Optima, is now having to generate at peak times at higher cost. What does that mean? It means that the last bidder will be generating at higher cost and will have to bid at the higher cost, and the whole market will pay that price.

The Government is not creating competition in this market. If the Government was serious it would have created different structures. For instance, it would have taken Torrens Island A and B and separated them as companies with similar costs of production and forced them to bid against each other, not knowing who was going to be the last successful bidder. That would have left the Pelican Point operators at that stage not knowing precisely how the other two were going to behave and not knowing who would be the last bidder. At least that would have created some sort of competition in the market.

However, the Government has not done that. In seeking to maximise the price that we will get in terms of the return on the asset now, the Government at the same time has guaranteed a maximisation of the price we pay for our electricity in South Australia. And it has gone further: it is now promoting the unregulated interconnect, which will mean one thing. As I understand it, when it delivers the electricity into the State it will be acting like a generator and it can choose to bid its price into the market.

It will do it very strategically. It will choose when to come in and it will not give us cheap electricity. It will get rid of the bid price of the Optima station, and because of the structure the Government set, and particularly if Flinders Power is supplying to someone like Western Mining, it will set the price all the time. It is money for jam. The electricity coming into South Australia will be cheap for the suppliers but it will not be cheap for the buyers. As the electricity comes in the money will be going out.

The Government has not created a market with any genuine competition in it whatsoever. It is an absolute disgrace that we are passing legislation here which does not address questions about whether or not we are getting a good deal for the bottom line of this State. People like Professor Dick Blandy plainly say that we are not; they say that we are getting an appalling deal in terms of the long-term impact on the price of electricity.

South Australian business and domestic consumers will be facing bigger electricity bills. The good news for the Government, though, is that it will not happen until after the next election. That is the good news for the Government: it gets the sale now and in simple figures it says the debt is less. Any fool can tell you that if you sell the assets the debt will be less. The bottom line impacts will come through, and even in terms of the impact on the State budget overall the budgetary process will take a few more years to filter through. But the price impact for consumers will not be apparent until after the next election. So, the short-term expediency that we have got used to in Australian politics will happen again.

It is about short-term expediency. The reason why the Government is now accepting a lease deal that it knows will be less is that it has committed itself politically so strongly to this sale that it cannot afford to be seen to fail. The Government is not worried about what is good for the State; it is worried that it cannot be seen to have failed. That is why we have been going through this circus all this time. There has been no genuine attempt to go through a proper analysis of what is good for the State; this legislation is all about what is good for the Liberal Party of South Australia. The deal that has been done with the Hon. Trevor Crothers is also about what is good for the Liberal Party and has nothing to do what is good for the State. It is an absolute disgrace.

There has been no attempt to look at the electricity business within the wider energy market and the questions that we should be asking there. What is the long-term energy future for South Australia? I can tell members that the long-term future will not be coal-based generation from the Eastern States. Australia signed off at Kyoto for an 8 per cent increase in greenhouse gas. I am told that the Government, having signed off on an 8 per cent increase whilst most western nations went for zero, is now heading towards a 22 per cent increase.

I will tell members what the economic impact of that will be. The European Union will look at Australia and say, 'You are competing with us; you are sending products into our markets, but you are not using your energy efficiently', and it will put tariffs on Australian products which it will justify in terms of compensation because we have not been tackling this issue. The national market will look a whole lot sicker at that point, when it has been based entirely upon a future which revolves around coal generation largely in the Eastern States.

That is one reason why I am not unhappy that we have a further gas station. I am not saying that the Government has got everything wrong because it has got the odd thing right. When we go to gas generation, in the short term there will be a major price to pay because it will not happen within a market context that is competitive and, as I said, we will pay very dearly for that. Even as we move further towards gas in the future, I think that the composition of the market that is being created in South Australia will not be conducive to the creation of competition.

My next concern is that nothing that has happened in this legislation has in any realistic fashion tackled issues like demand management. In demand management South Australia would be 20 years behind the rest of the world. Demand management is important because South Australia has an unusual peak demand. It is similar in Victoria, but New South Wales has a relatively flat demand. Everyone is aware there are peaks around dinner time each day, but this State particularly has a variation not on a daily basis but

across the year. When we get into the hot periods of summer we have enormous peaks which are probably four times as high as the base demand, created almost solely by the refrigerated airconditioner.

I believe that every time somebody spends \$100 putting a refrigerated air-conditioner into their house the installed capacity has to increase somewhere between \$100 and \$200. Why is that relevant to this debate? It is relevant because you ultimately need—and the Government says it is trying to achieve this—the capacity to make sure that everything in the State is still running regardless of demand. The price we are paying in the market structure for that peak demand comes from the last bidder, which again sets the price, and it can set almost any price it likes. At the moment, I think it is regulated to \$3 000 per megawatt hour; it is about to be increased to \$5 000; and I understand that there is pressure for that ceiling to be lifted as well.

That means that whenever we go into these high peak demand periods the whole market will be asked to pay the price of the last bidder. A failure to address demand management in terms of these peaks is a guarantee that the whole market will pay an enormous price for its electricity, and there is nothing about the way we are structuring the market that will encourage demand management. One of the problems in this industry is that you do not want to build a station that will lead to creating surplus electricity, because if you create surplus electricity the price goes down. The incentive is to build when there is a shortage and not to build beyond it.

So those peaking demands will stay and, as I said, in the national market the last bidder will set the price. Under Government ownership the Government has charged the true rate of production and has factored that in, but the national market will not create any pressure on those peaks whatsoever. There is nothing here that will tackle demand management. It was possible by demand management alone to have avoided building another power station for a considerable period of time. The average domestic residence, with a very small investment (which pays for itself), can halve its electricity demand. By the simple changing over from incandescent to fluorescent lighting, by changing a shower rose and a subsequent change of the temperature of their water heater, the demand on electricity can be halved. It is easily done, but nothing will happen in the market to send signals to encourage it, and there is nothing in this legislation to address those sort of things.

The Hon. R.I. Lucas interjecting:

The Hon. M.J. ELLIOTT: It will not do anything. Things have to be built into the market itself to send signals to encourage demand management, but there is nothing in the legislation that will cause the market to do so. It is a significant failure.

I have touched on a range of issues where there are significant unanswered questions. When I have met with industry representatives, there has been a great deal of concern about whether the price will go down. The Government has focused somewhat on State debt and it feels that if the State debt goes down all other problems will be solved. There is significant disquiet amongst industry people when you speak with them one to one about whether we are to get a market that will deliver price decreases.

That is why we went into the national market in the first place: with the prime objective of getting cheaper electricity. We are now at a point where, if we have managed to

guarantee anything, it is that we will not get cheaper electricity in the longer term. That is a great shame.

I do not know the substance of the agreement that the Hon. Trevor Crothers has struck with the Government, whether it is in writing or what status he believes it has, but I was involved about four years ago in a signed agreement with the Government in relation to retail trading hours. It was signed off by a Government Minister, with the consent of Cabinet and done with the Small Retailers Association and myself. Within it were a number of guarantees and cast iron promises, one being that there would be no change to trading hours without 12 months notice. I will not go into the reasons why it was included, but it was there in writing. The Government has reneged on it and the Attorney-General by way of interjection responded by saying that it was not legally binding.

That gets me back to where I started: issues of morality. Morality counts for nothing in this place. The Government has shredded morality and does not care for it. They think it has something to do with videos and nothing to do with the way people interact with each other, with politicians keeping their word, or with valuing people and communities. It is about their own selfish, self-interest and their own greed. That is why we are here today.

Progress reported; Committee to sit again.

[Sitting suspended from 1.6 to 2.15 p.m.]

NATIVE TITLE

A petition signed by 24 residents of South Australia concerning Native Title rights for indigenous South Australians and praying that this Council does not proceed with legislation that—

1. Undermines or impairs the Native Title rights of indigenous South Australians; and
2. Makes changes to Native Title unless there has been a genuine consultation process with all stakeholders, especially South Australia's indigenous communities was presented by the Hon. R.R. Roberts.

Petition received.

ELECTRICITY, PRIVATISATION

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

The PRESIDENT: What is the subject?

The Hon. R.R. ROBERTS: It is to clear up any misinterpretation of some matters on which I touched this morning.

The PRESIDENT: I think the Hon. Mr Roberts has an opportunity when we go back to Committee to explain any matter that he needs to embrace from this morning.

The Hon. P. Holloway: He is seeking leave.

The PRESIDENT: Order! An honourable member is on his feet: he has asked leave to make a personal explanation, I understand.

The Hon. R.R. ROBERTS: I made a statement this morning about an incident that occurred and I have been asked by a number of people, including my own Leader, to clarify the position. I am happy to do that.

The Hon. R.I. Lucas: I thought it was only if he misrepresented something.

The PRESIDENT: I rule that he can do this. If it is a matter of a personal nature, the honourable member can seek leave of the House.

Leave granted.

The Hon. R.R. ROBERTS: This morning, I referred to an incident that occurred prior to the last vote in the Legislative Council on a test clause in respect of the future of ETSA. I outlined, obviously not in very clear terms, an approach made to me by a member of the Government. I was called to the back of this Chamber and asked whether I would talk to this person. I was then invited to enter the President's Chamber and a proposition was put to me. I was asked what it would take for me to support the legislation. I was tempted to be flattered and to think that it would be a statesmanlike thing to do.

The point put to me was, 'What do you want? Tell us what you want and we will consider it.' I was clearly led to believe that this person was an emissary of John Olsen. I told him, in colourful terms, that I had been a member of the ETU for 30 years; that I was a proponent of putting clauses into legislation to ensure that this legislation had to pass both Houses of Parliament; and that, given those circumstances, I was surprised that John Olsen would in fact even contemplate it and I was insulted by his offer. Indeed, I felt that it was bordering at least on corruption.

Members interjecting:

The PRESIDENT: Order!

QUESTION TIME

ALICE SPRINGS TO DARWIN RAIL LINK

The Hon. CAROLYN PICKLES: My question is directed to the Minister for Transport and relates to the Alice Springs to Darwin rail link.

The PRESIDENT: Is leave granted?

The Hon. CAROLYN PICKLES: I am not seeking leave. When will the Government release details of yesterday's discussions between the Premier and the Prime Minister? Given the Minister's refusal to accept that there may be a funding shortfall, will the State Government be committing the extra funding required, as acknowledged by the responsible Northern Territory Minister, the Hon. Barry Coulter, who said:

It is no secret that additional financial contributions from the Territory, South Australian and Commonwealth Governments will be required for the project to proceed.

Obviously, the Minister is never going to supply those details in her interjections.

The Hon. DIANA LAIDLAW: What a silly, bitter woman.

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: I think you have lost the plot: you are potentially losing your members and now you have lost the plot. As the discussions between the Prime Minister and the Premier have not been conveyed to me, I will ask the Premier if he chooses to inform the honourable member of the nature of those discussions. In terms of the Northern Territory Minister, certainly I have seen a statement in the *Advertiser*. I understand that he made a full statement to the Parliament but I have not received a copy of that at this stage.

If there is a funding shortfall, it will be a matter of discussion between all the parties for funding the bid. In

relation to a preferred bidder, I understand that there have not been discussions with any such party at this stage. I can assure the honourable member that this Government has been single-minded in its determination to build this railway with benefits for jobs in the short term and for refocussing freight through Adelaide, Alice Springs and Darwin and the rest of the world. Depending on the nature of the bids and further assessments of those bids, and discussions with the Federal Government, Northern Territory Government and preferred bidder, I can assure the honourable member that we will single-mindedly pursue this important project.

DEBT REDUCTION

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

Leave granted.

The Hon. P. HOLLOWAY: This year's budget increases Government spending by \$450 million. Professor Cliff Walsh, of the Centre for Economic Studies at the Adelaide University, was reported in the *Advertiser* on 1 June as saying:

The 1999 budget papers reveal that budgets will continue to add to taxpayer funded debt on a cash basis for at least the next two years and that on an accrual basis they will go on adding to net liability for the foreseeable future.

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: I hope the Hon. Legh Davis will listen to the answer. Given the Treasurer's undertaking that all proceeds from the sale of ETSA will go to debt reduction, will the Treasurer now give South Australians an unequivocal guarantee that his Government does not or will not create any additional new debt; and will he now introduce a mini budget to cut expenditure and eliminate additional debt which has already been built into his budget?

The Hon. R.I. LUCAS: What hypocrisy from the shadow Minister for Finance! This is the person who represents a shadow front bench which spends every waking moment attacking every Government Minister whenever they cut a program, close a school or reduce expenditure in any area. What hypocrisy from the shadow Minister for Finance to read out a question that the Shadow Treasurer asked just 10 minutes ago in the House of Assembly.

The Hon. L.H. Davis: He can't even write his own questions.

The Hon. R.I. LUCAS: Yes. The shadow Minister for Finance's colleague, the shadow Minister for Health (Lea Stevens), during the past week and a half has attacked the Government and the Minister for Health for the announcement in the budget that next year there will need to be savings of \$46 million in the health portfolio compared with the level of activity in 1988-99. The honourable member's own colleague has criticised and attacked the Government and the Minister because we are looking at making savings against the level of activity in 1998-99.

The same shadow Minister for Health attacked the Government because it was not spending enough money on mental health services in country and regional areas of South Australia. This is the same shadow Minister for Health who has attacked the Minister for Health and the Government for every service reduction, cut in cost or savings program that they have implemented in the past 12 months. What hypocrisy from this Opposition!

The shadow Minister for Education and Training (the member for one of the northern suburbs seats) has spent the past 12 months attacking the Minister for Education. As recently as this morning—and also in the House yesterday during her speech on the Appropriation Bill—the shadow Minister for Education attacked the Minister for Education over a series of savings and cost reduction programs that he has implemented since last year's budget. These programs have included up to 30 school closures and amalgamations, the reduction of up to 100 teachers, reductions within central office, reductions in school bus services and their funding—

Members interjecting:

The Hon. R.I. LUCAS: I am reminded by my colleagues that the Leader of the Opposition convened a meeting in the southern suburbs on police and law and order services and, together with the shadow Minister for Police, attacked the Government roundly for not spending enough money on the employment of new police officers and the implementation of new services in the police department. What hypocrisy!

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: What a split within the Labor Party! The shadow Treasurer and the shadow Minister for Finance are criticising the Government because it is spending too much on community and public services, whilst at the same time every other member of the Labor Party and every other shadow Minister is attacking the Government over cost reductions and savings programs. This is an Opposition of 'pick a policy'. If you want to talk about spending too much, listen to the shadow Treasurer and the shadow Minister for Finance—sometimes. If you want to say that the Government is making too many cuts and that it needs to spend more, listen to every other member of the Labor Party. So, it is 'pick your policy' depending on which ever one you like at the time.

The Hon. L.H. Davis: Do they ever talk to each other?

The Hon. R.I. LUCAS: They never talk to each other. There is a deep division within the Opposition at the moment. It is quite clear that, regarding issues as fundamental as budgetary and economic policy, they cannot—

The Hon. Diana Laidlaw interjecting:

The Hon. R.I. LUCAS: Well, they do. They have 'pick a policy'. They pick whichever policy they like at any time. Whoever happens to be the Leader of the Opposition can stand on the steps of Parliament House and cheerchase in front of the firefighters when they demand an 18 per cent pay rise from the Government at taxpayers' expense.

The Hon. L.H. Davis: Do you agree with that, Paul?

The Hon. R.I. LUCAS: Does the shadow Minister for Finance agree with that?

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The honourable member's question is based on the most fundamental abject hypocrisy and as such it does not deserve or warrant a response. Until the Opposition can get its act together and present itself as, at least, a united, credible, alternative Party, one which is prepared to support one person and to support or find a policy, then frankly the honourable member's questions do not deserve any attention at all.

I said already this morning in response to a question that I was asked last evening that, if the lease of these assets goes through, the Government has indicated that it will remove the \$186 Rann power bill increase to be implemented from 1 July—it will not be implemented. I have indicated that that

may have an impact in terms of running a deficit for 1999-2000.

The shadow Minister for Finance is saying that either the Government (as some have suggested) should continue with further revenue raising measures or it should cut into the programs on which his own shadow Ministers disagree with him. He is calling for cost reductions; they want to spend more money. Until the shadow Minister can get his act together and work out what the Opposition is asking for, as I have said, his questions do not merit any consideration at all.

The Hon. P. HOLLOWAY: I rise to ask a supplementary question.

Members interjecting:

The PRESIDENT: Order!

The Hon. P. HOLLOWAY: Given the Treasurer's statement this morning that most of the revenue from the lease of ETSA would be spent on debt with a few exceptions, will the Treasurer outline the details of those exceptions and how much he expects them to cost?

The Hon. R.I. LUCAS: When we return to the debate on the Bill this afternoon, I will indicate in detail the Government's response to the three questions which the Hon. Mr Crothers has put, as I assume will the honourable member. I do not believe that Question Time ought to replicate the Committee debate that we are about to enter into this afternoon, but I can indicate in general at the moment that, obviously, there will be costs involved in the transaction. There will be the cost of doing the deal if a deal is to be done to lease the assets, and there is the possibility of some break costs in connection with the finance lease that the Bannon Labor Government entered into for 20 years with Japanese investors in respect of the bulk of the assets of the Port Augusta Power Station.

ABORIGINAL HEALTH

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister representing the Minister for Aboriginal Affairs a question about Aboriginal health. At the risk of being attacked by the Treasurer, who is in fine form at the moment, I will ask this question of the Minister for Transport and Urban Planning, who I think will give me a more appropriate answer.

An honourable member interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: My question relates to how the Aboriginal health dollar is being spent. Inherent in my question perhaps is a request for the redistribution of existing funds, but I will leave that to the Government. I certainly believe that there is a glaring need for attention to be paid to Aboriginal health in a regional community in the Riverland. I recently visited the Gerard Centre in the Riverland. It was quite clear that health services are required for that community. I understand that the Hon. John Dawkins has already been lobbied about this, as have I.

The Aboriginal community tends to be a bit reserved about making applications and approaching the Government because it is not as well versed as many members of the community in respect of professional lobbying. However, it was clear from observation that the children were suffering from eye, ear, nose and throat problems as well as nits. Many of the problems in that community could be curtailed by prevention and redistribution of the dollar that is already being spent on health care.

There is a health care centre in the Riverland which I think is operating quite well. However, the Aboriginal people in the area tend not to use the facilities in the major centres and confine themselves to the Gerard area. It appears to me that the solution would be to set up an arm of the Riverland Health Centre at Gerard, even if it is a visiting service, but a little more regularly than it is at the moment.

The Hon. Diana Laidlaw interjecting:

The Hon. T.G. ROBERTS: A doctor visits once a week, and I do not think that is enough at the moment. Will the Government extend its community health care centre program to Gerard to deal with many of the health problems being experienced by many of the children in that area?

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

DISTINGUISHED VISITORS

The PRESIDENT: Before calling on the next question, I acknowledge in the Gallery the former President of the Legislative Council, Arthur Whyte and his wife, Mary, and a former Premier, David Tonkin.

ROAD SAFETY

The Hon. J.S.L. DAWKINS: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about the use of vehicle restraints in country areas.

Leave granted.

The Hon. J.S.L. DAWKINS: In last week's State budget, \$990 000 was allocated for various road safety measures, including combating speeding, drink driving and fatigue and seeking greater restraint use. I understand that it is planned particularly to emphasise the campaign on the wearing of seat belts in regional areas of the State, including the Riverland and the South-East. Will the Minister indicate how the campaign to increase the use of vehicle restraints in country areas will be implemented?

The Hon. DIANA LAIDLAW: The campaign has commenced in the Riverland with television, radio and print advertisements, and from the seventh of this month it will be extended to the South-East. As the honourable member notes, the campaign is focused on women and children, parents in particular, in terms of restraints. It is the same campaign which was waged last year in Whyalla and which was an outstanding success. Up until November of last year, the non-wearing of seat belt rate was about 15 per cent. That dropped to about 7.4 per cent during the period that the campaign was undertaken in Whyalla. In the Riverland, the non-wearing rate is about 10.1 per cent and, even if we can bring it down to the Whyalla figure of 7.5 per cent, that will be something.

The national goal in terms of non-wearing of seat belts is 5 per cent. Every regional area in South Australia is above that, but the rate in rural communities is almost to a region double what we would see as an acceptable national rate, that being 5 per cent. This is a really critical issue because all members would wish to see a lowering of our road toll. However, 26 per cent of people killed in recent years on our roads had not been wearing seat belts and 10 per cent of the serious injuries were suffered by people who were not wearing seat belts. So, one quarter of the people who have died on our roads have not been wearing seat belts. We believe that this is one area of prevention that can easily be

undertaken by example from parents to kids, but also by parents themselves for their own protection and the protection of others in case they, through no fault of their own, are involved in an accident.

Over the next year with State budget allocations, we will be focusing particularly in country areas on this issue of seat belt restraint. Of course, those campaigns will be supported further by a focus on drink driving and speeding.

WATER QUALITY

The Hon. SANDRA KANCK: I seek leave to make an explanation before asking the Attorney-General, representing the Minister for Government Enterprises, a question about the provision of filtered water to residents living in and around the Adelaide Hills towns of Houghton and Inglewood.

Leave granted.

The Hon. SANDRA KANCK: Last Monday, 31 May, I attended a public meeting at the Houghton Country Women's Association Hall. I estimate that some 70 locals crowded into the hall to express their dismay at the quality of mains water provided to their homes. These people have waited 30 years for filtered water. Many of them live within a stone's throw of the Anstey Hill filtration plant and their cars attract metropolitan registration rates, but compared with their neighbours living on the plains, their water is closer to Third World standards. Aside from the aesthetics of bathing and washing in turbid water, which smells like a swimming pool, those present were outraged at the ongoing expenses inflicted upon them as a result of being serviced by unfiltered water.

They were enraged by the extra cost of installing filtration and softening systems, the extra cost of replacing corroded hot water systems, the extra cost of bottled water and the cost of extra soap, shampoo and washing powder needed to get up lather in hard water. Of even greater concern is the belief prevalent amongst parents in the area that their children suffer a higher rate of illness due to the water quality. SA Water claims the water is safe to consume: local parents are not convinced. One resident spoke of a chlorine reading of 4.3 taken from a pipe near his home when it should have been just .2. That reading is more than 20 times higher than it should have been.

The residents of the area have an eminently reasonable request. They want the State Government to announce a timetable for the provision of filtered water to all residents of the Adelaide Hills who currently lack filtered water. My questions to the Minister are:

1. How is the quantity of chlorine to be added to the mains water determined and by what method is the chlorine added?

2. Will the Minister commit to providing filtered water for all residents of the Adelaide Hills Council by the year 2003? If not, why not, and will he at least indicate how much longer residents will have to wait?

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

GOODS AND SERVICES TAX

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking the Treasurer a question about tax reform.

Leave granted.

The Hon. A.J. REDFORD: I draw the Treasurer's attention to the recent deal entered into by the Prime Minister

and the Federal Leader of the Australian Democrats, Senator Meg Lees, in relation to tax reform and the GST. Indeed, I read and listened to reports that Senator Stott Despoja is unhappy with that arrangement and has indicated that she is prepared to oppose that arrangement and vote against it.

I understand from a radio interview that the Hon. Ian Gilfillan has sided with Senator Meg Lees in relation to the internal debate that is currently taking place on this issue with the Australian Democrats. I must say that I have not heard anything publicly from the Leader of the Australian Democrats in South Australia (Hon. Michael Elliott), nor indeed have I heard anything about which side the Hon. Sandra Kanck might take, whether it will be that of Senator Meg Lees or Senator Stott Despoja. I must say that we await their views with some interest. What are the ramifications for South Australia in relation to the historic tax reform deal entered into between the Prime Minister and Senator Lees?

The Hon. R.I. LUCAS: It is early days from the State's viewpoint. The Premier has been having some discussions with the Prime Minister. I know heads of Treasury were meeting in the early part of this week to try to look behind the detail of proposed deal or the deal that has been struck between the Australian Democrats and the Commonwealth Government. It is my understanding (I must admit that have not heard the views of the Hon. Mr Gilfillan) that—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: I will accept the honourable member's suggestion that he is supporting Senator Lees versus Senator Stott Despoja. My understanding is that all the Parliamentary Leaders, according to Senator Lees, and I think all the State Presidents, support Senator Lees.

The Hon. M.J. Elliott: Support the package.

The Hon. R.I. LUCAS: Well, Senator Lees was putting the package.

The Hon. Carmel Zollo: Personality is the best property of the Liberal Party.

The Hon. R.I. LUCAS: Carmel, on another day that interjection might have made more sense; perhaps not today. By way of interjection, the Leader of the Australian Democrats in South Australia has indicated his support for the package, but not for the personality of Senator Lees in relation to this particular issue. As I understand it, I think the State Presidents have indicated their support for the package as well. In relation—

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: My colleague the Hon. Mr Dawkins did refer me to a front page story in the *Murray Pioneer* which indicates that some Democrat candidates are resigning from the Party at the moment as a result of the package, but in any Party there will always be a few people who are uncomfortable with a particular policy and who want to put a different view and, as in this case of this Democrat candidate, resign from the Party to express that point of view.

In relation to the ramifications for South Australia, as the Premier has indicated, it is still early days for a manufacturing base State such as South Australia. The abolition of wholesale sales tax is obviously a huge boost for a manufacturing based economy such as South Australia, particularly one which relies so much on exports. As the Premier has been quoting, in terms of the removal of the wholesale sales tax, the package might be worth between 4 and 6 per cent on the price of a Holden or Vectra on the export market. That price differential of some 4 to 6 per cent may well attract a significant export order for our automotive companies and

therefore may well mean the difference for further or increased employment for South Australian workers.

In terms of the State budgetary implications, the Commonwealth Government and Commonwealth Treasury officers assert that, broadly, the State budget will be impacted in roughly the same terms as in the previous deal. That is, in about 2004 or 2005 the State budget would see a net improvement of some \$60 million to \$70 million or so over and above what we might otherwise have expected from the continuation of the current funding formula. At this stage we have not had an opportunity to get behind those figures. At the moment State Treasury officers are working on those figures with Commonwealth Treasury officers and, when the Premier and I are in a better position to report to the Parliament on the implications of the proposed package, we will indeed do so.

The Hon. P. HOLLOWAY: As a supplementary question: does the Treasurer believe that those parts of the GST package which relate to wine, and in particular the wine equalisation tax, are beneficial to South Australia? If so, did the Premier receive any undertakings from the Federal Government as to any reductions in the rate of the wine equalisation tax?

The Hon. R.I. LUCAS: The South Australian Government has been strongly supporting the South Australian wine industry in relation to the level of the wine equalisation tax. Of course, the South Australian Government and the South Australian wine industry had a victory with the huge policy decision as to whether the wine industry had a value added tax or a volumetric tax, and we are grateful to the Commonwealth Government and the Prime Minister for the decision that he and the Government took, to the benefit of the South Australian wine industry. The South Australian Government will continue to support the South Australian wine industry to the extent that it can, and has continued to put a point of view to the Commonwealth Government about the appropriate level of the wine equalisation tax. However, I am not aware of any private or public undertaking from the Prime Minister at this stage to change his publicly stated policy.

BAROSSA ROAD

The Hon. G. WEATHERILL: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about the development of the transport corridor to and from the Barossa Valley.

Leave granted.

The Hon. G. WEATHERILL: Because there will be a lot of heavy transport on that road to and from the Barossa, will the Minister give a guarantee to the Council that she will establish overtaking lanes?

The Hon. DIANA LAIDLAW: I am not too sure to which road network the honourable member refers. If it is the road to the northern Barossa area near Nuriootpa, that is the Sturt Highway and is a national responsibility; or, there is the other route through Gawler, and that is a State responsibility. With the release of the State budget last week I released the Barossa road strategy—and I am happy to provide the honourable member with a copy of that strategy—plus the announcement that State sources would provide \$2.25 million for the sealing of Gomersal Road, which branches off the Sturt Highway at Sheoak Log and into the heart of the Barossa. That road currently terminates in the Barossa south of Tanunda. However, in a joint feasibility study between Transport SA, the Barossa Council and the Light Kapunda Council, we have begun examining the realignment of that

road to go from Sheoak Road, possibly into Rowland Flat near Orlando rather than further north as it is now, south of Tanunda.

Certainly, passing lanes have been suggested between Gawler and the Barossa Way through to Nuriootpa—a State road—but it is an extraordinarily difficult issue to manage, because of the wonderful gum trees along the road, and we would not necessarily wish to see the loss of those gum trees, because they are so much a part of the Barossa entrance and the character of the area. However, in the past year we have spent substantial sums of money—and I will get the figure for the honourable member—upgrading the Sandy Creek turn-off and widening the shoulders of the road to Sandy Creek. So, the strategy will identify what is possible without the destruction of some old gum trees, and I will provide that strategy for the honourable member.

I appreciate that, not only for tourism reasons but for the enormous growth in the wine industry, more work must be done on the road system. Without extending the answer to this question, I can tell the honourable member that there is now a major focus in Transport SA which we have never seen before on trying to get more of the wine business generated from the Barossa onto rail. I think that if we can successfully do that in terms of short haul business we can help relieve some of the road congestion in the Barossa.

FISHERIES, MARINE

The Hon. IAN GILFILLAN: I seek leave to ask the Attorney-General, representing the Minister for Primary Industries, a question about the marine scale fishery restructure.

Leave granted.

The Hon. IAN GILFILLAN: I refer to a document entitled *Marine Scalefish Fishery Restructure—Synopsis of the SA Marine Scalefish Fishery* published by Primary Industries and Resources SA, dated January 1999. This document states that it is 'based on the best available data' and is intended to be used 'as an aid to informed analysis and discussion about marine scalefish resources in SA' prior to the preparation of a management plan for the fishery. The purpose of a management plan, in turn, is to ensure that the fishery is sustainable in the long term. On the one hand, it states that almost one in three South Australians over the age of five, some 450 000 people, go fishing at least once a year and are therefore recreational fishers.

The document then uses Victorian data to suggest that, for every 30 recreational anglers, one full-time job is created in the hospitality, tourism or service industries. It therefore concludes that more than 15 000 jobs in South Australia are created by recreational fishing. The report, however, does not say whether the Victorian definition of a 'recreational angler' is the same as the South Australian definition, that is, someone who goes fishing merely once a year. The jobs figures, therefore, may be an overestimation.

In contrast, when it comes to the impact on the long-term sustainability of marine scale fishing in South Australia, the report takes an opposite approach. Figures provided on the total recreational catch are confined to boat anglers only. The report, which is supposedly based on the best available data, simply does not count the impact on the fishery of shore-based and jetty-based anglers. Surely a large number of the 450 000 recreational anglers fish from the shore or from jetties. Counting only the fish taken by those in boats, we find that recreational fishers take 34 per cent of all King George

whiting, 75 per cent of all blue mackerel, 25 per cent of all snook and 19 per cent of all southern calamari. On average, they take 20 per cent of all fish caught in South Australian waters. The true impact is undoubtedly much higher.

The second point from the report relates to how little we know about the viability of some major species caught by both recreational and commercial fishers. On pages 15 and 17 of the report we find that for garfish, cuttlefish, yellow fin whiting, sand crabs and mud cockles there is an unknown stock structure. In other words, no detail is known. For ocean leatherjackets there is no current investigation into localised depletion. My questions to the Minister are:

1. Given that the impact of recreational angling is minimised in the report and that so little is known about so many species, how can a management plan which aims to ensure the fishery is sustainable in the long term be based on such incomplete, misleading data?

2. What action will the Government take to improve its knowledge of the species most commonly fished?

3. Will the Government give an assurance that funds collected in commercial fishing licence fees will be allocated to greater research in this area and, if so, will recreational anglers, who take more than 20 per cent of all fish, be required to fund any research into the sustainability of their hobby?

The Hon. K.T. GRIFFIN: I will refer that question to my colleague in another place and bring back a reply.

WATER SUPPLY

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief statement before asking the Attorney-General, representing the Minister for Primary Industries, a question about water supply.

Leave granted.

The Hon. CAROLINE SCHAEFER: It is well known that a lack of water supply is one of the major inhibitors to growth in the horticultural industry in South Australia. A rural press article this week states, in part:

South Australia's irrigation industry is still under threat from attempts in New South Wales to increase the amount of water pumped from the Murray-Darling basin.

At a recent Murray-Darling basin ministerial council attended by Ministers Kerin and Kotz they are quoted as saying that they were most dissatisfied with the outcome. New South Wales refused to lock into the cap and proposed changes which are unacceptable to South Australia. Queensland is also delaying its capping of water. Queensland has taken two years so far to develop a plan, and at the moment there is no restriction on irrigation in either State. Queensland is apparently building dams of up to 100 megalitres in volume for cotton irrigation. My questions are:

1. Will the Minister supply the Council with details of when the next round of talks will be held?

2. How safe is the self-imposed cap on our supply in South Australia?

3. Can we look forward to any improvement of supply in the long term in this State and, if so, when?

The Hon. K.T. GRIFFIN: I am sure the Minister in another place will be delighted to provide the information to the honourable member. I will refer the questions to the Minister and bring back a reply.

GAMBLING

The Hon. NICK XENOPHON: My question is directed to the Treasurer. Will he indicate what consideration has been given and what steps the Government has taken to implement the recommendations made in August 1998 by the Social Development Committee's inquiry into gambling, with specific reference to each of the recommendations made by that committee?

The Hon. R.I. LUCAS: The Government and I on behalf of the Ministers are still collating replies from the individual agencies. I have corresponded with the Chair of the committee and spoken with her on a couple of occasions apologising for the delay in the Government's response to this issue. It will not surprise the honourable member to know that, as in this Chamber, a range of views are being suggested by various Government departments and agencies and various Ministers as to how the Government should respond to the many recommendations of the Social Development Committee.

I suspect that in the end a Government view might not be possible on a whole variety of the recommendations, given that on all previous gambling-related issues individual members of Parliament have been able to vote by way of conscience. It may well be possible to get a Government view which is supported by the vast majority of the Government members. That is basically where it is at the moment.

I must say that for the past two months I have been diverted from the task at hand by the matters of the budget and others. The Chair raised the issue with me again last week, and now that the budget is out of the way I hope to try to bring together some compilation of all the views, agencies and Ministers in terms of a consolidated response. Indeed, the Government will need to determine as soon as it can whether that is a Government response or a consolidated response of the varying views of the agencies.

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 signed by the South Australian Government and the South Australian Soccer Federation, in particular clause 10 'Construction phase' and clause 20 'Application of the loan'. Under these headings, clause 10.2 stipulates that the federation shall draw down any portion of the loan only after it has received a written notice from the Minister for State Government Services requiring a payment to be made pursuant to subclause 1 and only for the amount specified in that notice. The federation shall not draw down or obtain an advance of any portion of the loan in any other manner or for any other purpose. Clause 20 states that the federation shall not expend or otherwise use the loan or any moneys advanced pursuant to the loan contract for any purpose other than for the purpose.

Will the Minister say whether the Arthur Andersen report recently commissioned by the Government has identified the disbursement of any loan moneys by the South Australian Soccer Federation for any purpose other than to pay for the construction and upgrade of the stand and the fit-out of the

facilities at the Hindmarsh Soccer Stadium as provided by the loan contract?

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

MURRAY RIVER

The Hon. T. CROTHERS: I seek leave to make a precised statement before asking the Minister for Transport and Urban Planning, representing the Minister for Environment and Heritage, a question about the Murray River.

Leave granted.

The Hon. T. CROTHERS: An article which featured in the *Sunday Mail* of 16 May this year stated that experts have warned that Murray River water will be virtually undrinkable in about 30 years due to rising salinity. According to the article, Murray River water is turning more saline each day, and the problem is due to massive land clearances bringing saline water tables to the surface whilst irrigation washes tonnes of salt into waterways. The result is a double curse: salt pans turning farms sterile and saline run-off reaching rivers. In South Australia, 200 000 hectares of farm land is salt affected, and the area is growing by 10 per cent each year. Seeing that the methods currently being employed are having limited success, does the State Government have any alternative short and long-term plans to eliminate salinity in the Murray River?

The Hon. DIANA LAIDLAW: I can confirm that current work is under way to deal with the issues raised by the honourable member, and certainly plans were discussed by Ministers from around Australia just recently when they met in Toowoomba. I will get all that information for the honourable member and bring back a reply.

TRANSADLAIDE, DRUGS POLICY

In reply to **Hon. SANDRA KANCK** (10 December 1998).

The Hon. DIANA LAIDLAW: TransAdelaide's Drug Free Workplace Policy establishes a prudent and reasonable occupational health and safety standard which recognises legislative requirements, business risk and community expectations.

It enables TransAdelaide to meet the requirements of the Rail Safety Act 1996 and the Road Traffic Act 1961, and contributes to public confidence in the public transport system.

The policy includes a testing regime that is in accordance with Australian Standard 4308, Recommended Practice for the Collection, Detection and Quantitation of Drugs of Abuse in Urine, which has been adopted in other industries. TransAdelaide considers this testing approach to be more scientifically reliable than random tests of response times or peripheral vision.

FIREFIGHTERS DISPUTE

In reply to **Hon. A.J. REDFORD** (11 February).

The Hon. K.T. GRIFFIN: The Minister for Police, Correctional Services and Emergency Services has provided the following response—

MP's office at which the UFU protested

The South Australian Metropolitan Fire Service (SAMFS) is not aware of which MP's office the United Fire Fighters Union (UFU) protested at.

Release of lease agreements for SAMFS Headquarters building

The SAMFS Act prescribes that the South Australian Metropolitan Fire Service is the Corporation. The lease, registered on 28 August 1991, lists the body corporate as the lessee. As such the release of the lease arrangements for the SAMFS Headquarters building would be at the Minister's discretion.

Prohibition of second jobs as part of EB Negotiations

The prohibition of second employment has not been included in Enterprise Bargaining Agreement negotiations to date and the

SAMFS is not aware of any intention to include such considerations in future negotiations.

Glass wall

The glass wall was not installed at the time that SAAS moved their Communications Centre into the fifth floor of the SAMFS Headquarters Building. The window and the wall in which it stands are part of the original layout of this area. Originally, the area now used by SAAS was designated 'State Control Centre Fire' under the State Disaster Act. The window provided the State Controller Fire with a view into the SAMFS Communications Centre where, from markings on a white board, he could ascertain the operational involvement of SAMFS resources. It has always been intended that the wall will be removed during renovations required to implement the common CAD System.

SAMFS callouts (total)

During 1997-98, the SAMFS recorded attendance at 17 018 incidents. Due to industrial action, this does not include incident attendances in metropolitan areas for the periods 15 September 1997 to 26 September 1997 and 24 February 1998 to 20 March 1998.

CFS callouts (total)

During 1997-98, the SAMFS Communications Centre despatched the Country Fire Service (CFS) to 996 incidents. Due to industrial action, this does not include CFS despatches for the periods 15 September 1997 to 26 September 1997 and 24 February 1998 to 20 March 1998.

Separately collected SAMFS Communication Centre statistics (not affected by industrial action) indicate that the CFS were despatched to 1502 incidents in this period. The SAMFS however, is not the only avenue through which the CFS can be responded.

Please note that the SAMFS records a single incident response, irrespective of how many appliances attend.

Port Pirie MFS callouts

During 1997-98, the SAMFS Port Pirie crews attended 357 incidents. Please note Industrial action did not affect incident recording in country areas.

Coromandel Valley CFS callouts

During 1997-98, the SAMFS Communications Centre despatched the Coromandel Valley Country Fire Service (CFS) to 18 incidents. The SAMFS however, is not the only avenue through which the CFS can be responded.

Number full time Port Pirie MFS staff

The authorised establishment of Port Pirie operational staff is 30 FTE. The actual number of staff assigned is 23 with the remainder relieving from Port Pirie and from Adelaide. Vacancies are predominantly at the Senior Firefighter rank.

Number of volunteer Coromandel CFS staff

There is only one CFS staff member who is a registered member of the Coromandel CFS Brigade and contributes after hours.

MFS cost to send 5 staff to Port Pirie each week

As prescribed in the Industrial Award, each Adelaide firefighter relieving at Port Pirie, driving a 6 cylinder car is entitled to a car allowance of \$250.88 and 5 meal allowances (\$8.30) totalling \$41.50 per 8 day shift cycle. Therefore, the total cost per reliever per 8 day shift cycle is \$292.38. There are 45 shifts per year. The total cost per week for 5 relievers is therefore \$1265.11. There is no accommodation allowance since the firefighters are accommodated at the Fire Station.

MFS cost previous 5 years Port Pirie staffed from Adelaide

It is not possible from SAMFS electronic systems to accurately establish the cost of assigning relieving staff from Adelaide to Port Pirie for the previous 5 years as prior to July 1996, the SAMFS operated a manual entry system for this type of data.

Notwithstanding, prior to the implementation of the first SAMFS Enterprise Agreement in September 1996 the authorised establishment at Port Pirie was such that relieving staff from Adelaide were not required.

In July 1996 the SAMFS established the Concept HRM system and data for the period July 1996 to June 1997 indicates that the SAMFS required 182.5 reliefs from Adelaide to Port Pirie at a cost of almost \$60 000. More recent statistics are not available as this particular report was not supported by the Concept system after June 1997. This cost is however consistent with the current requirement of 5 relievers per shift, which on today's costs would represent \$65 785.50 per annum.

Prohibit use of fire appliances for public demonstrations

A standing order prohibits the use of SAMFS fire appliances for public demonstrations in support of an industrial dispute. However, in practice and under the conditions of 'protected industrial action', this order is extremely difficult to enforce. The appliances are moved

out of their station by an anonymous crew and remain available on radio within their area of responsibility. This accords with normal operational procedures and they continue to be available for immediate response to emergency incidents. The only way blame for disobedience of orders could be assigned is by photographing the crew in the appliance at the site of the demonstration. This action has not been deemed appropriate in the past.

REPATRIATION HOSPITAL

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Human Services, a question about the Repatriation Hospital.

Leave granted.

The Hon. R.R. ROBERTS: Yesterday in the Council I made members aware of a most unusual good news story about a delightful lady from the Mid North who was able to utilise the services of the Repatriation Hospital to have eye surgery without having to wait on a lengthy waiting list. This type of prompt service for medical procedures is unfortunately becoming something of a rarity in recent times, and it seems to me that we should value this service and ensure that we do not lose it.

Members would be aware that in recent weeks the Minister for Human Services has warned returned servicemen that if the Repatriation Hospital is not fully utilised parts of its operations could be closed or it could be redesignated to something more like a rest home.

In a cultural climate where patients may have to wait a year or more for elective surgery, even if it is urgent, as the Repatriation Hospital at Daw Park is a hospital for returned service people as well as for public patients—which is not generally recognised—could the Minister advise what he will do to ensure that the medical profession and the public are aware of the services offered to public patients at the Repatriation Hospital? Secondly, will the Minister inform all GPs in country areas in writing of the facilities available to public patients at the Repatriation Hospital so that some relief can be provided through the system to enable injured patients in country South Australia to get speedy relief from their elective surgery problems?

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

HOUSING TRUST

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Human Services, a question about the South Australian Housing Trust.

Leave granted.

The Hon. CARMEL ZOLLO: I am often asked by constituents to make representations on their behalf to the South Australian Housing Trust. The most common issue remains the frustrating experience of getting on the waiting list and then any progress on the list in order to be placed in a home. Some of the more recurring problems are to do with home maintenance programs. Many constituents have difficulty getting much needed maintenance on their trust homes. In its 1999-2000 budget estimates, the South Australian Housing Trust has been allocated \$57 million for public housing projects. My questions to the Minister are:

1. How much of the allocation for public housing projects has been earmarked for maintenance programs?

2. What are the current waiting times for getting a home?
3. What are the waiting times for public home maintenance programs?

The Hon. DIANA LAIDLAW: I will refer the honourable member's questions to the Minister and bring back a reply. I just add that, following the question from the Hon. Paul Holloway to the Treasurer today, I assume that you are not asking for any more money.

ONKAPARINGA WATER CATCHMENT LEVY

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Environment, Heritage and Aboriginal Affairs, a question about the Onkaparinga water catchment levy.

Leave granted.

The Hon. T.G. CAMERON: I recently received a letter from the Apple and Pear Growers Association regarding the Onkaparinga water catchment levy. According to the Apple and Pear Growers Association the initial levy for water catchment was developed and implemented in haste and with little or no community consultation. As a result, the levy received strong negative community reaction.

However, the Onkaparinga Water Catchment Management Board was proactive in advancing a levy review process. The Levy Review Reference Group was established, and over a three to four month period undertook extensive and wide-reaching consultation. I commend the board and the review group on their deliberations. A lot of time, effort and resources has been put into this review process. I understand that some \$50 000 was spent on the review.

Subsequently, the board proposed a new levy regime which has been described as bold and innovative. The proposed levy regime gives recognition to primary producers without jeopardising the principles of the catchment program and is fair and equitable. The board's proposal will bring in the same amount of revenue as the initial levy. However, the Minister rejected the board's proposal, and that is disturbing and disappointing for both industry and the community.

The Apple and Pear Growers Association described the Minister's decision as 'making a mockery of the process of community consultation and puts any future consultation in jeopardy'. First, will the Minister immediately release the reasons why she has rejected the Onkaparinga Water Catchment Board's proposal for the water levy? Secondly, in order not to place future public consultation processes in jeopardy, what guarantee can the Minister give that the proposed management plan will not be similarly rejected?

The Hon. DIANA LAIDLAW: The honourable member is correct in saying that there were issues in contention. Today the matter was addressed and I understand that all issues that were in contention have now been resolved satisfactorily. I will bring back a reply for the honourable member, but in the meantime he may wish to speak to the Minister.

PRIVACY

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Attorney-General a question about privacy.

Leave granted.

The Hon. M.J. ELLIOTT: The *Advertiser* of 23 April reported an incident where a woman alleged that her employ-

ment resume which contained personal details had been on-sold to another company. The article quoted the Employee Ombudsman, Gary Collis, as confirming that the sale of resumes between companies did occur and that he warned people to be aware of this. He was reported as saying that he believed the practice of on-selling resumes was not illegal but that steps needed to be taken to protect the privacy of job seekers who were not aware that their personal information was being sold.

In the area of privacy generally, while there are guidelines for Government departments—and might I add that they are not enforceable in a legal sense—there is nothing in the private arena at all. When previous attempts were made by me in this place to get privacy legislation, I believe the Attorney-General's response was, 'If you have nothing to hide, you have nothing to fear,' and that it was unnecessary. This person received a quite frightening telephone call at 4 o'clock in the morning.

Does the Attorney-General continue to believe that privacy legislation is unnecessary, or is he prepared to consider privacy guidelines which would have enforceability in the private as well as the public sector? Is he aware that Victoria has moved in this area because it realises that a company that wants to work in the information technology area needs to comply with standards enforced by the European Union which are very strong compared to what we have in South Australia?

The Hon. K.T. GRIFFIN: As I recollect it, some discussions have been going on for some time between the States, the Territories and the Commonwealth about privacy issues in relation to data protection. I cannot recollect exactly where they may be at the moment. They may, of course, result in some legislative framework in relation to data protection, but my recollection is that there was some anxiety that if there was to be some framework it ought to be a framework which establishes uniform standards across Australia. I will take the question on notice and bring back a reply.

YEAR 2000 COMPLIANCE

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Minister for Consumer Affairs a question about consumer protection in relation to the year 2000 date problem.

Leave granted.

The Hon. CARMEL ZOLLO: Many households in South Australia have for several months been receiving a pamphlet with their insurance renewals concerning the consequences of the year 2000 failure and compensation, whether it be for their car or for their household contents. Briefly, from memory the pamphlet states that the breakdown of the year 2000 component itself does not attract compensation but any consequences of such a scenario do.

Members are aware that this Parliament has passed legislation to assist the industry in sharing of information in relation to the year 2000. There is still some confusion amongst consumers in relation to the compensation involving household goods or their cars following any breakdown due to the year 2000 problem. The issue would arise from items and mechanisms probably no longer under warranty or of a certain age. Many items of a certain age may well have embedded chips and the likelihood of easy replacement of the year 2000 component may not be an easy task or an inexpensive one. Could the Attorney-General provide the Parliament

with information on consumer rights in relation to such exclusion clauses by insurance companies in relation to such goods?

The Hon. K.T. GRIFFIN: The insurance area is a Federal area. Insurance law is generally the subject of Commonwealth regulation. I am aware from reports appearing in the media that insurance companies have excluded liability for year 2000 problems that might arise, mainly because no-one really knows what are the risks and what the consequences might be and insurance companies invariably have taken steps to minimise risk. Claims in areas that are flood prone will frequently exclude flood damage for an item that is the subject of insurance. Earthquake damage is excluded in those areas which are particularly prone to earthquakes. It is not uncommon for insurers around the world to take steps to protect against risk which can be foreseen but the consequences of which are not well understood.

The Office of Consumer and Business Affairs has a number of programs that it has been promoting both in conjunction with the Y2K Office as well as on its own initiative. Those promotions relate to business, but they also relate to consumers' household appliances. The object of the campaign being undertaken by the Office of Consumer and Business Affairs is to get people thinking about what they need to do. Small business needs to think about not only computers but the equipment that might have a date chip installed. To acknowledge that something can be done about that, there will be a testing procedure in place. In relation to consumers, with some of the household equipment that might have a date chip implanted, it will be addressing issues connected with that, so that people do not find that at the commencement of the year 2000 everything crashes in a heap. There is a significant program. I can bring back broader details of that for the honourable member as well as details of some of the initiatives that have been taken by other areas of Government.

PILCHARDS

The Hon. P. HOLLOWAY: My question is directed to the Attorney-General, representing the Minister for Primary Industries. Given that the Minister for Primary Industries indicated earlier this year that he would not approve final allocation of pilchard quotas for 1999 until the Environment, Resources and Development Committee had reported, now that that committee has reported will the Minister accept the recommendations of that committee in relation to those allocations?

The Hon. K.T. GRIFFIN: I will refer that question to the Minister in another place and bring back a reply.

ELECTRICITY CORPORATIONS (RESTRUCTURING AND DISPOSAL) BILL

In Committee (resumed on motion).

(Continued from page 1312.)

Clause 2.

The Hon. NICK XENOPHON: If media speculation is correct—and I hope it is not—today will be a tragic day for democracy in South Australia and a sad day for the electorate's faith and trust in politicians and the political process.

I indicate my support for the Hon. Sandra Kanck's referendum clause and my opposition to the Government's clause before the Committee. In relation to the referendum clause, I am pleased to see that the proposal I put forward for a referendum some 10 months ago in this Chamber has been adopted by the Democrats and, indeed, the Labor Party.

It needs to be said that this legislation poses a very clear dilemma because of the explicit promises made by the Government, the Opposition and the Democrats prior to the last election that ETSA would not be sold or privatised. Some would say that voters have come to expect politicians of all persuasions to break promises, that it is expected that politicians lie to the electorate. It has been said that with every broken promise and every policy backflip the level of cynicism has reached breaking point for many Australians.

I accept that in the ordinary course of events our system of parliamentary democracy expects its elected representatives to make decisions in good conscience and in good faith, taking into account the interests of the State as a whole. If the electorate disapproves of those decisions it can deliver its judgment at the next election. But the scenario before us today is not in the ordinary course of events. The circumstances before us present an extraordinary dilemma because once ETSA is disposed of by this lease process it is gone forever, and the only solution must be a referendum.

There are those who say that a referendum is not an option because it is considered that the people of South Australia will never vote for this proposal. That argument assumes that the people of this State do not have the capacity to understand and accept the arguments for a sale or lease, if it is put in the context of a package that provides for competition and guarantees to deliver a better outcome for the State. I now have serious doubts that the package before the House will do any of those things. It will not only disenfranchise the electorate but also not deliver the savings that a truly competitive market can bring, and I fear that it will not protect the consumers and battlers with the inevitable upheaval of the disposal process.

I concede that initially I thought that a staged lease would resolve the ethical dilemma of not giving South Australians a real choice—of not leaving them out in the cold. In theory, at a superficial glance, the Government's proposal gives a measure of choice for South Australians. However, I have come to the conclusion that the choice is illusory in both a commercial and political context. On any reasonable analysis, the net economic benefit of a stand alone 25 year lease is questionable and in some scenarios would leave us worse off. Previously the Labor Party in November of last year took the position that it would effectively abandon its opposition to the outright disposal of ETSA by announcing that, if the Bill were passed, it would in Government extend the lease to a 97 year term.

I do not know if that is the Opposition's current approach, although I can understand the Opposition's view that a 25 year lease would, because of its intrinsic commercial structure, inevitably lead to a 97 year lease. This means that South Australians will be presented with a *fait accompli* at the next election. My position has been reinforced by a broader concern I have over the Government's entire approach to the question of electricity reform and the competitive market, and the concern that the current framework will not deliver the competitive benefits and price reductions that South Australian consumers and businesses deserve if we are to remain a competitive State—a State that can foster the expansion of manufacturing industry.

The Hon. Trevor Crothers has said that the Government's lease proposal is a different species of animal from a sale. I initially thought that, too. I assure the honourable member that when you have a close look at this lease animal it is the same wolf but in sheep's clothing. It has the same DNA as a sale animal and, in this case, 'DNA' stands for 'deception, nondisclosure and arrogance'. I can only urge the Hon. Trevor Crothers to keep an open mind, to listen to logic and reasoned debate and principle and to vote against the Government's proposal in the absence of a referendum.

The Hon. P. HOLLOWAY: I made a contribution during the Committee stage on Tuesday afternoon, so I will not go over all the ground again. But, given that the Hon. Trevor Crothers has raised a number of issues that he believes should be part of this debate, I think I am duty bound to try to respond to some of those matters.

Let me say first that the Hon. Nick Xenophon has talked about the difference between a lease and a sale and how it is a different species of animal. I think the animal is a little like a duck: it looks like a duck, it flies like a duck, it quacks like a duck, so it must be a duck. There is no difference at all between the lease that this Government is operating and the sale.

I would like to reiterate the statement that was made by the Leader of the Opposition in November last year, and I made similar comments on this matter last Tuesday. The statement is worth putting on the record again in case anyone has forgotten, over the intervening seven months, what our position is. The statement is:

The Labor Party will fight to oppose a long-term lease of ETSA and Optima saying it is effectively a sale of our electricity system. In relation to the situation as it was at the time (the Hon. Mr Xenophon was then considering the matter), the statement continues:

Mr Rann has challenged [in that case] Mr Xenophon to treat the lease as a sale and insist on a referendum before any lease is signed. . . . A 25 year lease with renewals, taking it out to more than 90 years, is equivalent to a sale.

All the experts acknowledge that it is a sale. Even a single 25 year lease is equivalent to almost half the life of ETSA and beyond the useful life of much of its present plant and equipment. But this is not a 25 year deal: it is a 97 year lease.

Of course, those amendments which the Government put on the Notice Paper in November last year are essentially the same lease that we will be considering in this debate. If the Government has any changes to that lease it certainly has not placed them on the file of this Council, so clearly that is the option we are debating.

All those South Australians who thought they were voting against the privatisation of ETSA at the last election will be long dead before a 97 year lease runs out—and that point needs to be considered. It may be an animal, but it is the same species. The Hon. Trevor Crothers has claimed that he is concerned about the State's debt. It is my belief that, if he were genuinely concerned about that issue and genuinely wanted South Australians to control their own destiny, he would vote against the privatisation, the sale or the lease of ETSA because—

The Hon. T. Crothers: No-one has given me an alternative in respect of discharging the debt.

The Hon. P. HOLLOWAY: Well, I hope we can do that. As the honourable member stated in November last year when we debated this matter, this lease is the sale forever and a day of South Australia's most valuable public asset. I will explain the situation in respect of the State debt—and I am

sure the Hon. Trevor Crothers will listen and then explain his position on this issue during debate on the Bill. The Auditor-General is the Parliament's independent analyst of the State's finances, and his latest report shows that, without the sale of ETSA, debt is expected to continue to fall in real terms, nominal terms, and as a proportion of the State economy. His latest report shows that debt as a proportion of the South Australian economy is falling from 28.1 per cent of gross State product in 1992 (at the height of the State Bank collapse) to 18.8 per cent this year, and down to 15.7 per cent in the year 2002.

It also shows that debt in real terms will have fallen from \$9.1 billion in 1992 (at the height of the State Bank crisis) to \$7.2 billion this year, and down to \$6.6 billion in the year 2002. But, there is another point. The interest rates, which represent the cost of servicing the debt, are falling, not rising. This means that the debt today is easier to service than it ever has been since the rising debt after the State Bank collapse.

The Government wants to sell an income earning asset (ETSA) at a time when the cost of carrying the debt is at an historical low. That is a folly and it is irresponsible. ETSA and Optima have returned \$1.3 billion to the Government over the past four budgets. We know that the Government is claiming reduced dividends in this latest budget. Given this Government's propensity to deceive, I treat those claims with a grain of salt. After all, these are not commercial returns: they are returns set largely by the Government itself. We know that the Treasurer can direct ETSA and all its subsidiaries to do whatever he wants: he sets the dividends. Given the propensity of this Government to deceive, it is not surprising that the Government, together with certain sections of the media, has attempted to claim that the sale or lease of ETSA has financial benefits equal to the reduction in the debt that would be reduced.

Emeritus Professor Blandy, one of our best known economists, and many other of the best qualified economists in this State, have put their views on this matter. The Government has not provided a shred of evidence to support the claim that there will be any benefit at all. We should not forget that, and perhaps the Treasurer will have the opportunity during this debate—one last try—to provide the Council with evidence that shows that by selling ETSA we will be better off. The Treasurer has failed to provide a shred of evidence to support that claim so far, and I doubt that he will. If there is any benefit at all, it is the difference between the public debt-interest saved and the total income stream that the Government loses forever. We can just as easily be worse off as better off, and the amount of any possible improvement is likely to be trivial. That is what our top economists have told us.

An honourable member interjecting:

The Hon. P. HOLLOWAY: Indeed. At the last election Labor promised a debt reduction strategy on the basis of John Olsen's assurances that the budget was in balance. We were told before the last election that the Government would not sell ETSA, and we were told that the budget was in good shape. We proposed a debt reduction strategy on the basis of those assurances that the budget was in balance. It was only after the election, of course, that we discovered one of these black holes that keeps cropping up all the time.

The Treasurer must now admit that either the budget that his Government brought down before the election was a fraud or this one is. It must be one or the other. We said before the election that we would at least equal the rate of debt reduction outlined in the forward estimates of the 1997-98 budget and

that we would achieve budgetary surpluses—at least as large as those projected by the Liberal Government. By promising to fund all new expenditure by cutting other existing expenditure, on the basis of information provided in the Liberal Government's own budget papers, Labor pledged to run annual budget surpluses—something, as I indicated in my question earlier today, that this Government has not been able to do.

We had this nonsense of the Government shuffling around dividends from the former bad bank (the Asset Management Commission). It shuffled something like \$200 million from last year's budget into this year's budget to try to turn a deficit into a surplus. By running budget surpluses we do not add to debt; in fact, we reduce debt progressively. We would achieve reductions in nominal debt levels, real debt levels (which are debt levels adjusted for inflation) and net debt as a proportion of the South Australian economy—in other words, the gross State product. By expenditure restraint and by running budget surpluses, first, nominal debt would be reduced progressively which, combined with the impact of even moderate levels of inflation, would lead to, secondly, lower real levels of debt which, in conjunction with growth in the economy (and that is an important point; if we can get growth in the economy our position would be so much better), would lead to, thirdly, lower debt as a proportion of the State's economy (debt to GSP).

The Government has failed to provide any evidence of a financial benefit to the State from the privatisation of ETSA, that is, that savings from lower public debt interest would exceed the loss of revenue available to the State if South Australians continued to own the asset. Privatisation would make financial sense only if the savings in public debt interest exceed the full flow of revenue that would go to the Government if it retained ownership of the enterprise in question.

To privatise the Government's largest income earning asset for less than its retention value would be the height of financial irresponsibility. The current Government bond interest rate has come down to about 6 per cent. The Olsen Government wants to sell an income earning asset at the same time as the cost of servicing our debts is coming down. The Auditor-General could find no evidence of financial benefit from the sale. Professor Dick Blandy said when he analysed the sale of ETSA:

Selling ETSA to pay off debt is like selling one's house to pay off the mortgage and living in rented accommodation instead. The less the interest on the mortgage, the less attractive such a course of action becomes.

Of course, once that income source has gone, there is nothing to stop Lucas and Olsen from running up still more debt. That was the point that I wanted to raise in my question today. This Government might give a commitment that it will use all the income stream it receives from the lease or sale of our electricity assets to reduce debt, but what is to stop it from running up its own debt, as it is now doing?

As Professor Cliff Walsh has told us, the Government is still running debts on a cash basis for at least the next two budgets and on an accrual basis into the foreseeable future. That is what Professor Blandy has told us. What is the point of reducing our debt if this Government is just going to replace one source of debt with another? I think that is an important point that needs to be considered.

In John Olsen we have a Premier who is prepared to sell out South Australia. We need to do something positive about debt, and I trust that the Hon. Trevor Crothers will not reward John Olsen's dishonesty, deceit or blackmail in relation to

this matter. Before I resume my seat, I indicate that, as the Committee stages of this Bill may be the last opportunity for us to scrutinise the sale of our electricity assets, when other members have made their general contributions I will ask the Treasurer a number of questions regarding the sale.

The Hon. R.I. LUCAS: At the outset, given some of the statements that have been made today that in some way the Government or I as the Treasurer have conned or duped the Hon. Mr Crothers, I say, first, to those members who made that claim this morning that they simply do not know the Hon. Mr Crothers. If those members who made that claim this morning believe that I as a member of the Government am in a position to be able to con or dupe the Hon. Mr Crothers into doing anything that he might not choose to do of his own free will, they do not know the Hon. Mr Crothers.

An honourable member: Well, who said that?

The Hon. R.I. LUCAS: The Hon. Mr Ron Roberts said that. He said that the Government was conning and duping the Hon. Mr Crothers. That claim means that in some way the Hon. Mr Crothers is not capable of making his own judgment. Based on a decade or so of knowledge and understanding gained from working with the Hon. Mr Crothers, I think he is big enough and ugly enough—if I can be impolite enough to say that—to look after himself and to make his own decisions, and when he makes his own decisions he will stick by them. It does not matter what others say about him or claim might have been done to him, the honourable member will stick by whatever decision he makes on a particular issue.

The other thing that I want to say before addressing two or three issues of substance that have been raised is that in my 10 years in this place on both a personal and a political level I have always found the Hon. Mr Crothers to be absolutely straight in his dealings. If he gives you a commitment or an indication or asks you a question, he will look you in the eye. He will ask you the question and make his judgment, and whether he agrees or disagrees with you he will tell you to your face what his view is.

There being a disturbance in the gallery:

The ACTING CHAIRMAN (Hon. J.S.L. Dawkins): Order! The gallery must remain silent.

The Hon. R.I. LUCAS: The Hon. Mr Holloway, to his credit, endeavoured to address the issue of debt, which is obviously one of the key issues in this debate. He sought to use a bit of economic sophistry with the argument that, if you look at our \$7.5 billion debt and measure it now as a percentage of GSP, that percentage is lower than it was a few years ago and, therefore, in some way, because of that percentage calculation, the debt burden that hangs over our heads is not as onerous.

Plain speaking men and women know that our debt, despite whatever the Hon. Mr Holloway says about a percentage of GSP, remains at \$7.5 billion. Plain speaking men and women understand that we still have to find \$2 million a day in terms of interest costs, and that the interest cost for 1999-2000 will be \$735 million. It does not matter what sort of economic sophistry you want to go through or whether you massage the figures and say that there is now a lower percentage of GSP, plain speaking men and women understand the debt burden that confronts the State of South Australia.

That is the issue that must be addressed. Sadly, whilst the Hon. Mr Holloway endeavoured to address this debt issue and the debt question that the Hon. Mr Crothers has put to the

Parliament, he together with his Leader and Shadow Treasurer have not been able to come up with a plan other than to say that it is now not as important because its percentage of the GSP is so much less.

The other issue that the honourable member raised was that, in some way, by accumulating large annual surpluses we would be able to remove our State debt. This issue was addressed during Question Time. We talked about the whole notion of how, credibly, the honourable member and his Party could tackle the issue of generating surpluses when the Opposition's shadow Ministers and Leader continually attack the Government for existing savings and cost rationalisation programs in the public sector.

The honourable member raised this notion of accumulating large surpluses. If we were to pay off our debt of \$7.5 billion over a period of, say, 10 to 15 years, if we worked on the basis of about a decade, we would have to generate an annual surplus of about \$600 million to \$700 million a year. In other words, we would have to make a profit every year of about \$600 million to \$700 million. That is almost the equivalent of sacking every school teacher in every Government school in South Australia to try to save the \$600 million to \$700 million a year about which the Hon. Mr Holloway is talking.

Given that last year the Government announced a reduction of just 100 education officers, and given also that the shadow Minister for Finance, the shadow Treasurer, the shadow Minister for Education and the Leader of the Opposition have for the past 12 months attacked the Government for that reduction of up to 100 teachers, how credible is this plan from an Opposition that has no policy—this suggestion that it would generate a surplus of hundreds of millions of dollars a year and put aside the profits to pay off the debt?

It is a difficult enough process to balance our State budget, given the financial circumstances that confront the State and given that next year we have to find \$735 million just to pay the interest costs off our debt. How on earth does the Hon. Mr Holloway believe that anyone could accept a notion that a Labor Government or a Labor Party could generate hundreds of millions of dollars in surpluses when their shadow Ministers for Police, Human Services and Education spend half their waking life complaining about not enough money being spent by the current Government in their particular portfolio areas? They organise public meetings in the southern and northern suburbs to complain about restrictions in services and call on the Government to spend more money on employing more police, more nurses, more teachers and more public servants generally.

This whole notion that there is any alternative to the debt reduction strategy plan that has been put down by the Government is exposed as the fraud that the shadow Minister for Finance knows that it is. There is no alternative. There is but one plan to reduce the State's debt significantly, and it is the plan on which we will take our first vote in a key way this afternoon in relation to the staged long-term lease. The Hon. Mr Crothers on Tuesday, I think it was, put three questions to me. I am sure that in his contribution later on this afternoon he will address the Government's responses but, given that the questions were put to me during the parliamentary debate, I am sure the Hon. Mr Crothers will understand that as the Treasurer and Leader of the Government in the Chamber I will respond to the honourable member formally and as part of the parliamentary process by indicating the nature of the Government's response to his three questions.

The honourable member's first question related to the position of employees and the Government has responded as follows:

The Government agrees to your first request to provide continuing employment options or suitable early retirement/redundancy packages to all staff currently employed in our electricity businesses. Specifically, the Government guarantees that a lessee of electricity assets will be required by the lease agreement to employ all award/enterprise agreement employees employed at the time of that lease agreement on the same terms and conditions in place immediately prior to that agreement.

If, after the lease agreement, an employee who transferred on the terms above becomes surplus to the lessee's requirements, that employee will be entitled to either a voluntary separation package (which provides a separation payment of eight weeks—

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: Voluntary separation package.

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: Exactly. It has to be offered and then the employee must agree—

and three weeks for each year of service to a maximum of 104 weeks) or relocation back to State Government employment at a rate of pay not less than that laid down in that employee's award and/or agreement at the time of relocation.

A number of claims have been made today in this Chamber and elsewhere that this commitment from the Government is in some way less than what the Government was going to offer its employees. That is absolute nonsense.

The Hon. T.G. Roberts: Where does it break new ground?

The Hon. R.I. LUCAS: The whole notion of relocation back to the public sector, if there is no voluntary separation package, is significant new ground, as is also the notion that I have outlined earlier in relation to the voluntary separation package. In relation to the second question, the Government has responded as follows:

The Government agrees to your second request that all lease proceeds (net of transaction costs and possible costs for termination of existing finance leases) will be used to repay State debt. The Government will not proceed with the proposed \$1 billion infrastructure fund but will proceed with a small allocation of about \$10 million which will be used to help ensure electricity prices for small customers in the country will be within 1.7 per cent of city prices for a period of about 10 years from 2003.

I interpose—this is not part of the formal correspondence with the honourable member—that I did explain to the him and to other members that I think this particular amendment was moved by the Independent member for MacKillop in another place many moons ago when this matter was first debated in the House of Assembly by way of an amendment to the original Government legislation, and it was an amendment to which the Government had agreed. The letter continues:

The Government will consider your possible amendment if you proceed to move it.

The honourable member did flag that he might have a possible amendment. Given the nature of the debate today, we are only voting on the test clause of the staged long-term lease. If that test clause is successful later on today—and I say 'if'—then when we return next week the Government will consider the amendment, if the Hon. Mr Crothers were to move an amendment some time next week.

Thirdly, the honourable member did ask that the Government's guarantees in relation to questions 1 and 2 be conveyed to him.

The Hon. T. Crothers: It was not my idea; it was an idea given to me by that creative interjectory genius, Ron Roberts,

in respect of this, and I believed it was a good idea. It does thoroughly protect, once and for all, under the law the employment of members currently employed by ETSA and its ancillaries.

The Hon. R.I. LUCAS: The Hon. Mr Crothers has indicated that he has taken advice in his discussions or listened to the advice of the Hon. Mr Ron Roberts in relation to this matter. In the discussions that we had, I think it was yesterday afternoon, the Hon. Mr Crothers then did subsequent to these questions put a further request—and I must say that, at that time, I was not aware that it was on advice from Mr Roberts, but the Hon. Mr Crothers has made that clear today—that these commitments to questions 1 and 2, that is, the debt and employee entitlements and protections, would be incorporated in the law of the land by way of amendments to the legislation.

As the Hon. Mr Crothers has just indicated, that was his position, having discussed it with the Hon. Mr Roberts; and we, too, as the Government are indebted to the advice provided by the Hon. Mr Roberts in terms of ensuring that the rights of employees will be protected not by way of just a piece of paper, because the Government acknowledges that a piece of paper does not have the force of law. Yesterday, the Hon. Mr Crothers in his bargaining discussions, negotiations—call them what you will—made a very firm point to the Government that he would not settle for anything less than amendments to the legislation.

Therefore, the Government will, absolutely and consistently with those words and undertakings we have given the honourable member, amend the legislation. Next week the Parliament, if this particular clause is passed today—and I again say 'if'—

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: Or the amendment. If the amendment is passed this afternoon, next week the Parliament will again have the opportunity to look at every word, every comma and every full stop of the drafting by Parliamentary Counsel to ensure that the commitments and the guarantees in this particular piece of paper will be reflected absolutely in the legislation. I inform the Hon. Mr Roberts, and indeed anyone else, that should this amendment be successful this afternoon the Hon. Mr Crothers, I am sure, will have a close and abiding interest in ensuring that the Parliamentary Counsel fairly reflects these two commitments that have been given in the correspondence from the Premier and me to the honourable member.

Given that, as the Hon. Mr Holloway has indicated he and others may well have further questions in relation to this amendment to clause 2, I will leave any final comments I might make prior to a final vote and in terms of the suggested process from here on in until we wind up the total debate.

The Hon. R.R. ROBERTS: I acknowledge the interjection made by my colleague the Hon. Trevor Crothers in response to some advice I gave him with respect to the desirability of putting into legislation any agreements the Government might put forward. The Hon. Mr Crothers wanted the Government's proposition in writing. My advice to him was that its promise or anything in writing was not worth the paper it was written on and that, even if you read it into *Hansard*, it will not do any good in any court of law. If better provisions are to be provided to workers in the ETSA industry, it would be preferable to put them into legislation.

The reason I provided him with that advice is that in the past we have been given all sorts of assurances by this Government and it has never fulfilled them. If they are put

into legislation, at least they have a chance. That would be fine if the package was better than the one that you could get outside. But quite clearly the truth is that the single bargaining unit of the United Trades and Labor Council and the ETU has, during the enterprise agreement, already negotiated a package that is better than that being offered by the Government. So, why would the Government not try to put its offer to the Hon. Mr Crothers into legislation?

What it means is this: today the Government cannot retrench anybody for at least two years after the sale. Under the proposition that Mr Lucas has so cunningly agreed to, the day after the sale they can start giving people voluntary requirement packages, and anybody who has had any experience in the employment area knows about voluntary retirement packages. We got rid of half the Public Service with voluntary retirement packages.

I have begged the Hon. Trevor Crothers to avail himself of the opportunity provided by the UTLC to sit down with it and go through this issue. I prevail upon him again before he makes a decision to look at the passage we are talking about, because what the Government is making out it is being honourable about and has agreed to is inferior to what is already in the award. People in ETSA do not want redeployment or redundancy packages: they want their jobs. They like their jobs; and they are good at their jobs. This package needs to be cleared up. What the Government has agreed to is inferior to what it must legally provide today. Let us make that position very clear.

I know the Hon. Trevor Crothers is making an honourable attempt to give me some credit, and I appreciate that, but that is a poisoned chalice. What he is proposing is a good idea. The agreement of the Hon. Mr Crothers to have it in legislation would be a safeguard for those workers if they were entitled to inferior conditions than that implied, but the fact is that the reverse is true. They are entitled to much more now than they will be under this package, so it should be rejected.

I again implore the Hon. Trevor Crothers to put off this vote until he has had an opportunity to sit down with the single bargaining unit—his comrades from the trade union movement; not aliens from outer space but people with whom he has worked for four years—and hear their point of view. That is all they are asking for: the opportunity to put the point of view from the class from which the Hon. Trevor Crothers comes and in which he worked for 30 years. That is not a big ask.

If he can be proselyted by the Treasurer and trapped into having his photo put on the front page of the paper, I implore the Hon. Trevor Crothers to go and sit down with his comrades and listen to their point of view. It is not a big ask.

The Hon. T. CROTHERS: I am concerned about some of the assertions made by the Hon. Ron Roberts. If his assertions are correct, I shall not vote with the Government on this matter, if any arrangement the Treasurer has given me has been stealthily contrived so as to ensure a lesser amount of money and conditions payable to members of ETSA who voluntarily accept any future redundancies than what has currently been agreed to by the unions in question.

The Hon. R.I. LUCAS: I will gladly respond to the Hon. Mr Crothers' question. The claims made by the Hon. Ron Roberts are not true, and let me give you—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: No enterprise agreement has been resolved. Let me give an example. During the discussions last year, the unions came to me as the representative—

Members interjecting:

The CHAIRMAN: Order! The Treasurer is on his feet.

The Hon. R.I. LUCAS: Thank you, Mr Chairman. During the discussions late last year, the unions came to me and indicated that in the context of the Government's policy certain employees would get other than the maximum of 104 weeks voluntary separation pay-out, which is the current Government package that is offered to all public sector workers. In other words, you can get up to a maximum of two years pay-out if you are a very longstanding employee of the Public Service. The union representatives—Mr Fleetwood and Mr Donnelly—said to me (and indeed there are a number of letters to this effect as well) that in a certain set of circumstances the Government was saying that those employees who might have got up to 104 weeks pay-out might have got only 13 weeks pay-out. That is the difference: 13 weeks pay-out as opposed to 104 weeks.

The unions came to me and on behalf of their members (and I can certainly understand that) argued passionately with me as the representative of the Government. In fact, they asked how it was fair that employees at a certain stage can get a pay out of up to 104 weeks as long serving employees but, under the sort of conditions that the Government was talking about, that 104 weeks might drop back to 13 weeks.

That was the position that the union said the Government wanted. It put that to meetings of employees. In correspondence and faxes to employees it stated that the Government wanted to reduce the separation payment or package from 104 weeks for certain employees down to 13 weeks. The Hon. Mr Crothers made a request concerning this package. The Government has only responded to the questions put to us by the honourable member.

I repeat that we agree with the Hon. Mr Crothers' proposition that in those circumstances the employees will not be getting a 13 week pay-out: if it is offered, they will get the full 104 week pay-out if they are long serving employees of long standing within those businesses and—this is the important point, which the Hon. Mr Crothers stressed in the discussions over the past 24 hours—it has to be voluntary. They have to agree.

The Hon. T. Crothers: No coercion.

The Hon. R.I. LUCAS: No coercion; they have to agree and it has to be voluntary. The conditions stressed time and again in the discussions with the Hon. Mr Crothers were that it had to be offered and then it had to be voluntary. It was not to be forced on them; if they were entitled to 104 weeks at the moment, they were not to get only 13 weeks or any other number less than they might currently be entitled to under a voluntary separation package.

The other aspect of the negotiation—the claim that in some way this is inferior to the current package—is whether, if they do not want to take a voluntarily separation package, as the Hon. Mr Crothers asked in his question on Tuesday, they will be transferred back to the public sector (and I do not have the exact words here) at the same rate of pay and conditions that they currently enjoy. That undertaking has been given to those employees.

So, the employees either will have a continuing job as experienced operators—and the vast majority will—or will continue in their employment with the new lessees. For the small number who do not continue at some stage in the future with the new lessee or operator, they have the opportunity of a voluntary separation package or transfer back into the public sector.

I will now address the other reason why the Hon. Ron Roberts's contention—that in some way there is a negotiated

package—is not true. He says that the employees want their jobs and that in some way the numbers cannot be reduced. Under a Labor Government and under this Government the total number of employees in our electricity businesses has reduced from 5 500 to 2 500, as the Hon. Mr Crothers pointed out. If what the Hon. Mr Roberts claims is true, how has that occurred? It is a simple question. How has the number, the 5 500 employees in our electricity businesses at the start of this decade—1990 or 1991—been reduced to 2 500 employees within our businesses in the space of some eight to nine years, if what he claims is true—

The Hon. R.R. Roberts: I would like to answer that.

The Hon. R.I. LUCAS: Yes, I'll give you the opportunity—that is, that those people who want their jobs and can stay on can do so. A number of people in the electricity businesses clearly have taken packages; a number of others have had jobs declared surplus and have been transferred away from jobs that they wanted into other jobs in the electricity businesses. And these jobs were not their preferred first job; they would have preferred their original positions, whatever they might have been.

But the jobs over the eight or nine years under the Labor Government and under the Liberal Government—under both Governments—have been declared surplus within the electricity businesses and a number of people obviously have taken voluntary separation packages under exactly the same conditions that are being offered in this particular arrangement, or they have been transferred within the electricity businesses to other jobs which they did not prefer. I have met with a number of employees within the electricity businesses who have been moved from jobs of their first choice to jobs which were not their first choice, and they would have preferred to stay in the jobs that they might have had six or seven years ago when the Labor Government took this decision or when a Liberal Government, perhaps three or four years ago, might have taken a decision as well.

So, I reject absolutely the notion that the package requested first by the Hon. Mr Crothers and agreed to by the Government is in any way inferior to that which was offered to the employees and which currently exists. I reject absolutely also the notion of the honourable member that in some way the Government has sought to dupe or cunningly mislead or deceive anybody in this Chamber—let alone the Hon. Mr Crothers—in relation to this issue. We were asked a series of straight questions and we have given a series of straight answers.

The Hon. R.R. ROBERTS: The Treasurer asked me to explain how the reduction took place and what was involved in it. I can tell you why it came down from 5 000 to 2 440. A number of reasons are given for it: because Governments for the last seven to 10 years have been talking about competition principles and the employees have been continually told that they had to become more efficient and more competitive, and they engaged themselves in proper negotiations, serious considerations of the way they do things in ETSA, on the promise that if they did not become more efficient they would be taken over by private contractors. Those employees entered all those discussions in good faith on the promise that, if they became more efficient, they would continue to be employed.

In my submission, this Government, since it has been in office, has continually run the numbers down to make the enterprise more saleable. That is how we have got down to this position. Let me tell the Council of some of the techniques involved. I had a blue with the Premier when he

reorganised Port Pirie and took the ETSA employees out of an airconditioned building and put them back down in Feely Street in temporary buildings, which I think were gathered up in Clare and dragged back there. I had a blue with him about that and said, 'This is not good enough.' It was subject to the discussions that took place when we inserted the clause in the last piece of legislation. On that night I was given a guarantee that he would fix up the Port Pirie situation.

Well, that promise has not been honoured, either. So we will leave that on the record. But the Premier came to Port Pirie and had a meeting (I used to have the date and the time; it was 11 o'clock, but I cannot remember the exact date), and he told the employees that there would be no forced redundancies and no forced relocations. The shop steward asked him, 'Well, what if you're not the Minister?', and he said those famous, fatal words, 'Read my lips. There will be no forced redundancies and no forced relocations.'

But what happens? The Government has another technique: they say that you will not have to relocate. What it did was expand the areas of operation, so you can still be in your area but, instead of your area embracing Port Pirie, it went down to Clare and almost up to Quorn. So, those employees voluntarily had to find another situation because he gives them something which is intolerable. That is how it has been done. You asked the question and I have told you the answer.

I have had some advice with respect to the agreement that has been reached. I do not believe it has been signed but I am told that it has been agreed to by all parties. It involves no forced redundancies up to the point of sale; no redundancies at all for two years after the sale; and, because it is intended to be an EB it is then envisaged, as I understand in my brief consultation with the delegate from the UTLC—

The Hon. T. Crothers: Well, the unions had better not sign the agreement, then. What I've got for them is better. They had better not sign it.

The Hon. R.R. ROBERTS: Well, I'm sorry Trevor, you're wrong.

The Hon. T. Crothers: I'm sorry, too. I know a bit about industrial law. They had better not sign it then, because what I've got signed with the Premier and the Hon. Mr Lucas is better for them.

The Hon. R.R. ROBERTS: The proposition is the agreement they have made with the Government, and they have only decided no redundancies up to point of sale and no redundancies for two years thereafter. The Government has claimed that there will be no forced redundancies thereafter; it will be VSPs. That may well be the case, but I again ask the Hon. Trevor Crothers (because his comrades, his affiliates from the UTLC, are up there)—indeed I implore him—to speak to them.

The Hon. T. CROTHERS: I rise in my place first so as to enable everyone who has not made a contribution to do so. I realise that I can speak as often as I wish in this Committee stage. However, for my consideration I have not reached a final conclusion, and I would ask through you, Mr Chairman, whether every honourable member has made the contribution that they wish to make at this point in the debate. If they have not done so, they may do themselves a disservice. I am still listening to all the meaningful elements of the contribution. Am I in order to ask you that, Sir?

The CHAIRMAN: I can ascertain for the honourable member whether any other members wish to address the Committee.

The Hon. T. CROTHERS: Thank you, Sir.

The Hon. P. HOLLOWAY: I have a number of questions that I indicated earlier I wanted to ask the Treasurer in relation to this lease deal, as it is important to the proposal before us that we should get answers on those matters. Given that the Treasurer said last—

The Hon. R.I. Lucas: You are going to keep it going all night, are you?

The Hon. P. HOLLOWAY: I indicated earlier that I would be asking some questions. I put it on the record—I told you. The Treasurer said during the debate on Tuesday evening that a lease will capture virtually all the value of our electricity assets. In view of that statement, will the Treasurer tell us what is the difference between a lease and a sale as far as he is concerned?

The Hon. R.I. LUCAS: I have indicated to the Hon. Mr Holloway, before I respond to the question, that should this test clause on the staged long-term lease be successful this afternoon—I say advisedly ‘should it be’—we will spend whatever time is necessary next week in going through whatever legal or technical niceties, long drawn-out filibuster or debate the honourable member wishes. If he wants to get into a debate this afternoon and try to drag it out, I suspect that it will be to his cost. If he wants to get into a silly debate asking, ‘What is the difference between a sale and a lease?’ and asking about a whole series of technicalities, let him proceed and the Government will sit here, as we have to do, and respond in Committee. He can drag it out, but I suggest he might take wiser advice.

The honourable member is the shadow Minister for Finance. I would have thought that even he would understand the difference between a sale and a lease. If he does not, I suggest he go and have a look.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: That was not your question first. The question was, ‘What is the difference between a sale and a lease?’ If the shadow Minister for Finance in this State cannot understand the difference between a sale and a lease in terms of who owns the assets—the lessee/lessor relationship—we are in a very sad state. If the shadow Minister for Finance needs an explanation of that sort of basic question, I suspect he is simply trying to drag out the Committee stage and filibuster by asking these sorts of silly questions. It is a question of legal definition. It is quite obvious in terms of ownership and the honourable member should know, and obviously does know, the difference between a sale and a lease.

The Hon. P. HOLLOWAY: The reason I wanted the Treasurer to answer that question is that it is highly relevant to this debate and to the decision the Hon. Trevor Crothers will make.

The Hon. T. Crothers interjecting:

The Hon. P. HOLLOWAY: It is my contribution. This Council would know that the current Government, just before the 1997 election, entered into a cross border lease arrangement with Edison Power.

The Hon. T. Crothers: So did the Bannon Government—you might want to touch on that.

The Hon. P. HOLLOWAY: Indeed, it did. The impact of those leases upon the price we get are important matters we need to consider in this debate because, unless we know the costs involved and what impact this will have, how can we assess whether this arrangement is in the best interests of the people of this State? That is what it is all about. Is getting rid of our electricity assets in the best interests of the people of South Australia? Will the economic benefits exceed what

we will lose in terms of dividends and earnings? That is the key question. If the Treasurer cannot provide that information, where are we going?

The Hon. T. Crothers interjecting:

The Hon. P. HOLLOWAY: The Hon. Trevor Crothers may not be aware of the document, but my colleague Kevin Foley in another place has referred to the document before. It is by Basil Scarsella, the Acting Managing Director of ETSA, who pointed out that when the lease was entered into:

The major risks in these transactions once completed remain as outlined.

The first and most important of these is:

An ETSA or South Australian Government Act which triggers an adverse US tax consequence, for which ETSA has indemnified the US investor.

He then explains it as follows:

This risk is in an area where extensive negotiation has taken place.

This briefing document was applied just before the Government had entered into that lease. He continues:

In other words, if the Government wished to change its present policy and privatise ETSA Transmission Corporation after completion of the proposed transaction, it would be constrained to do so by way of a sublease of the transmission facilities other than an assignment and this would require ETSA Transmission to provide options to the sub-sublease in identical terms to that which ETSA Transmission possesses.

That is what the Government has done. The Government owes us an explanation about these sorts of details. What will the impact and cost be? What impact will it have on price for this deal, given the warnings issued there by the Acting Manager of ETSA? As that is relevant to this whole question of whether or not we are to get net benefits from the sale, the Treasurer should explain that.

The Hon. R.I. LUCAS: He will not learn. On at least half a dozen occasions I have outlined—

The Hon. P. Holloway: You want to sell it.

The CHAIRMAN: Order! The Hon. Paul Holloway has asked a number of questions. The Treasurer has the call.

The Hon. R.I. LUCAS: On at least half a dozen occasions I have explained in simple terms that even the shadow Minister for Finance can understand the economic benefits to the State from the sale or long-term lease of our electricity assets. I do not intend this afternoon to go through all the detail again. First, there is simply a significant reduction in our State debt, a significant reduction in our interest costs. Secondly, the significant reduction in our interest costs is greater than the loss of electricity dividends flowing from our electricity businesses. There is therefore a net ongoing benefit to the budget and to the people of South Australia forever and a day because of that differential. I refer the honourable member to the budget papers released last week which, instead of this \$300 million a year that Mike Rann, Kevin Foley and the Hon. Paul Holloway claim flows into our budget from the electricity businesses, indicate that the projections from those businesses and from the Government’s advisory team represent an average of \$160 million a year over the next three year period—not \$300 million, but \$160 million.

So the claims from the commentators who support the Labor Party position that somehow we will lose out of this or that there is no net benefit are just not correct. I do not intend today to go over all the detail again. I can only refer the honourable member to the many contributions that have been made. The honourable member knows that those

contributions are on the record and is only seeking to further delay the debate and the vote on this crucial test clause this afternoon. He knows that is what he is doing and he knows that we have had this debate. The Government's position has not changed and your position is not changing. It is not as though if I explain something you will say, 'All right, I now accept it; I change my position.' You will vote against this test clause. You are simply seeking to delay the debate and delay the vote on this crucial test clause through any device you can think of. Again, that will be to the honourable member's cost and the cost of his Party.

The Hon. M.J. ELLIOTT: The Hon. Trevor Crothers a short while ago said that he was prepared to listen to further contributions—

The Hon. T. Crothers: But not stupid filibustering contributions—

The PRESIDENT: Order! The Hon. Mr Crothers is out of order.

The Hon. T. Crothers interjecting:

The Hon. M.J. ELLIOTT: I am not sure the honourable member knows what contribution I will make at this stage. That is what the Hon. Mr Crothers said. He also said by way of interjection when I was speaking that this was a lease and that that is different from a sale, so on the question as to the difference between a lease and a sale, whilst most people have a general understanding of the difference between the two, when you start talking of long-term leases it can be different. When the Government first talked about the possibility of a lease, it suggested that the value of a lease would be somewhat different.

The Hon. T. Crothers interjecting:

The Hon. M.J. ELLIOTT: That is exactly the point. The difference between a sale and a lease will ultimately depend upon the conditions which apply. I want the Treasurer to explain what, indeed, will be the effective difference between a long-term lease and a sale; and what limitations the lessor would have that a buyer would not have.

The Hon. R.I. LUCAS: Again, these issues were canvassed in my contribution on Tuesday. First, in relation to the value differential, the Government's commercial advice has been, as I said, that the Government's proposition for a staged long-term lease would capture virtually all the value it might capture from a trade sale. As the honourable member knows, I have not indicated previously—and I do not do so again today—what the Government expects to get for the assets. We have said that the economic commentators have variously predicted \$4 billion, \$5 billion or \$6 billion. The Government will not put its commercial advice and estimation on the public record. We have said that we believe the long-term lease, based on commercial advice, will capture all that value, and the various figures provided to the Government are something in the order of 90 per cent and above the value that would be captured.

In relation to the requirements on lessees, again the honourable member is seeking to delay the debate this afternoon. I outlined, quite clearly, in my contribution on Tuesday the requirements that will apply to lessees, the very stringent guidelines that will be laid down by the Independent Regulator in relation to maintenance of the assets, service delivery and the regulatory environment that will be required of any lessee of the Government's assets. I also outlined the notion of a security deposit and, again, I do not want to go over all the detail. The honourable member knows all this because I outlined it on Tuesday, and I do not want to go into all that detail again.

The notion of the security deposit was a quite clear undertaking from the Government to try to ensure that any lessee was not in a position to deliberately run down the assets in, say, the last five years of the 25 year lease because it was about to hand back the assets to the Government; that security deposit would be of some millions of dollars and, if it did seek to run down the assets before handing back to the owners (that is, the South Australian Government and the people), it would lose that security deposit.

If this key amendment is passed this afternoon, we will debate this next week and we will probably spend the large part of the debate in July on the Independent Industry Regulator Bill and the Electricity (Miscellaneous) Amendment Bill where the whole regulatory environment—the standards and the codes—will be debated in great detail. Today, we are being asked to vote on a simple proposition: are we prepared as a Parliament to support the staged long-term lease (the first clause)? If we are, we will return next week to go through the rest of the amendments on this, the first Bill. In July we will debate the Independent Industry Regulator Bill and the Electricity (Miscellaneous) Amendment Bill.

The Hon. T. CROTHERS: Has everyone made the contribution they wish to make?

The CHAIRMAN: Order!

The Hon. T. CROTHERS: I would ask the Hon. Ms Kanck to desist until I have spoken—I realise that this is highly improper—and then she can ask any question (as can any member) that she would like. During my contribution I will touch on a number of the questions that have already been asked.

The CHAIRMAN: Order! The honourable member knows that we are in Committee. If he wants the call now to make a contribution to the Committee, I will give him the call. Not long ago, the honourable member asked whether other members wanted to make a contribution and the Hon. Sandra Kanck stood up. What does the honourable member now require? Do you want the Hon. Sandra Kanck—

Members interjecting:

The CHAIRMAN: Order!

The Hon. T. CROTHERS: I want to begin my address by saying that this issue on which we are talking today is of extreme importance to the people of this State, despite the fact that I have not yet reached—although I was almost tempted to do so—a final conclusion. For the sake of newer members of *Hansard*, who have some difficulty with my accent (which I believe is a delightful version of the Queen's English), I will try to speak as slowly as I can where I have no written advice for *Hansard*. At the moment I am speaking off the cuff.

With respect to my contribution to this debate, it will be under six subheadings. The sixth subheading is (F) 'Conclusions and any other related matter'. I have left that blank, and I shall be speaking to that off the cuff. I will indicate how I will vote, but other questions will be asked—and I do not care how long we are here—and the Treasurer will have the right of reply. I will indicate at the end of my remarks related to subheading (F) just about where I stand, but still not with any absolute finality.

In a very short space of time this is the second occasion on which the Government has pursued this Bill in this place. On the last occasion, I, along with 10 of my parliamentary colleagues, opposed and defeated the measure. The nature of this present Bill was for the total sale of ETSA. I shall always

oppose the outright sale of vital major Government owned assets.

The difference between that matter and the same Bill now in a proposed amended form is that the Government is seeking to lease ETSA. I am led to believe that the Government expects to receive in excess of some \$5.5 billion should this measure pass through the Parliament. In the interests, therefore, of clarity I intend to now present to members a series of six subheadings, which I shall label alphabetically and which, further on in the contribution, I will address individually and, indeed, more specifically. The six subheadings are as follows:

- (A) Economics and the opinions of some economists.
- (B) The sale of ETSA versus the lease of ETSA.
- (C) The State debt and the future of South Australia and its people and their employment.
- (D) Globalisation, rationalisation and capital investment.
- (E) The Australian Labor Party, both past and present.

Finally, in a subheading which, for the benefit of newer members of *Hansard*, will be delivered slowly because I have no written notes and because of the difficulty even I sometimes have in understanding my accent—

The CHAIRMAN: The honourable member will not refer to *Hansard*: they are very professional people, as the honourable member knows.

The Hon. T. CROTHERS: I was talking of the newer members—

The CHAIRMAN: Well, it is out of order to refer to *Hansard*.

The Hon. T. CROTHERS: Thank you very much for being out of order: you, too, are helping me, Sir, and I thank you.

The Hon. T.G. Roberts interjecting:

The Hon. T. CROTHERS: Well, the pendulum does keep swinging. It has swung a bit your way after that unnecessary remark. The final subheading is (F), my conclusions and other related matters.

I turn now to subheading (A), 'Economics and the opinions of some economists'. I proffer the following remarks for the consumption and consideration of my fellow members. It is a known fact that ETSA can contribute between \$200 million plus and up to \$350 million per year to State Government's consolidated revenue.

This is, of course, a variable, and some of the factors which can bear on the figures that I have quoted are the weather; unexpected large sums needed for maintenance, service and replacement parts each year, which are outside ETSA's annual projected programs of maintenance and service; and the effects of the Hilmer report on the ongoing operations of ETSA. For the benefit of those who are not aware of the effects of the report of Professor Fred Hilmer into electricity generation within Australia (and I say that in a narrow term), Professor Hilmer was appointed by the then Federal Labor Government to inquire into the national competition policy. I refer, of course, to the pricing of electricity on a more competitive basis than the Government then believed was the case.

For the benefit also of those who are not aware of the effects of Professor Hilmer's report into electricity generation in Australia, I canvass the following points. Professor Hilmer was commissioned by the then Federal Labor Government to conduct an inquiry into, amongst other things, the cost of electricity generation in the States and Territories of Australia. The findings of the Hilmer report were agreed to and

signed into law by, to my knowledge, two of the Eastern seaboard States of Australia (namely, New South Wales and Victoria) and the then Labor led Government of South Australia.

It goes without saying that the then Keating led Labor Government passed into Federal law many, if not all, of the Hilmer report recommendations. The impact of these measures on the various States was as follows: first, each State would no longer have a total monopoly on the generation of its own electricity requirements; secondly, it is said that the impact of the recommendations of the Hilmer report would lead to cheaper electricity for the consumer; and, thirdly, it would become in the interests of the economy much easier for private capitalists to construct and supply power generated electricity. These are just some of the impacts of the Hilmer report on South Australia. There are others, of course, but these are the ones that I consider to be the most germane to the current proposed amendment Bill.

I turn now to the other half of subheading A, which, as already stated, relates to the opinions of some economists. First, I will make a couple of personal observations. If economics is such an exact science, why must we have periods of boom and bust and the horrendous Depressions of the 1890s and 1930s? Of the latter it must be said, to use a currently popular latin phrase, that it was a decade of a series of *annus horribilis*. Of course, I also place on record that piece of Shavian wit when the great man opined, 'If all the economists of the world were stretched end to end, they would never reach a conclusion.'

I believe that these economists who gave us their opinion that ETSA should be kept in Government hands did not state the full case. I have often pondered those unspoken matters. In the main, they said that ETSA should remain in Government control because over a period of years the ETSA profits paid into the Government's consolidated revenue would exceed the price that the Government would be paid for the sale of ETSA.

I asked myself about the hidden factors which they left unsaid, and the hidden cost of these factors will most assuredly bear fruit if the present state of play continues. As I see it, they are as follows. First, if our electricity costs are more than those elsewhere, those new sunrise industries that will come to Australia will locate their businesses elsewhere than in this State, thus ensuring that the growth of ETSA will remain static with all the consequences that that will then have on consolidated revenue.

Secondly, what if because of electricity costs industries which have long been established here decide to close down their operations or move them elsewhere, either offshore or to another State? We know, for instance, that Mitsubishi is already looking worldwide at the totality of its operations with a view to rationalisation. It is said that this company has determined this in advance and, because of cost, seven or eight of its major plants will either totally or partially close down, and the South Australian Mitsubishi plant might be in that category. If that should happen, that would cause many thousands of people to be thrown onto the South Australian job market with little or no prospect of securing work in South Australia.

Consider further the impact on ETSA with the lower amount of generated power purchased if such a horrible event as this occurred. This company will not be the only one that is operating here to consider the foregoing option should our cost structures remain higher than elsewhere in the world. These economist statements remind me—such is their lack

of awareness of the totality of our present situation—of the young woman who purportedly said, ‘I am a little bit pregnant.’

I opposed the sale of ETSA together with the rest of my colleagues and other members of this place, but it was for reasons other than the foregoing. I shall specifically canvass my reasons later when I deal with subheading B. I now propose to deal with that subheading. To assist the listeners to and the readers of this contribution to better understand what follows, I will quote subheading B of the measure, which states:

B. The sale of ETSA versus the lease of ETSA.

As I said when the Bill concerning the total sale of ETSA was before the Council, I, together with 10 other members of this place, opposed the measure, which led to its defeat in the Upper Chamber of this Parliament, even though it had been carried in another place.

I voted against the sale for the following reasons. When I considered this matter, I pondered long and hard on why it should be that international global capital was so anxious to get into the areas which in the main for the past 50 years or more in this State and 100 years or more elsewhere these capitalists have regarded as being the proper domain of Governments, that is, the responsibility for water supply and electricity generation.

Indeed, as well as the present Bill on electricity, I thought of the supply of water, which of course has always until recently been a total State Government responsibility. The provision of these two services, which are so necessary to sustain the quality of life, is the expected norm in today’s civilised society, both urban and rural, in just about every other geographical location which has responsible Government as well as here. And at the same time, I thought of monopolies and rare commodities for which the capitalist owners are very often prone to charge prices above that which would ensure a fair profit on moneys invested.

To kickstart the investments in question, and in the particulars, I thought of the recent fines imposed by the United States Government on two European chemical cartels that had a monopoly control of certain product areas in the United States domestic market. The United States Government found that these two companies had conspired together to fix prices way above and beyond that which the United States Government deemed to be fair and reasonable. This led to the United States Government fining one of the companies, if I my memory is correct, some \$750 million, and whilst the other company which had cooperated with the Government was fined a lesser amount, which fine still amounted to several hundred million dollars—I may be wrong on the quantum, but it was a massive amount of money—the lesson is there for all to see, and that is: in spite of the best efforts of Government and what Government does to control monopolies, avaricious greed can and ultimately will still lead to some company where it has monopoly control charging prices which it believes the market can bear. Again, I thought of those metal ores which are either in great demand or occur in perhaps only one, two or three locations in the world. The price of these metals is astronomically high and, again, the situation leads to monopoly control. I cite such minerals as chrome, copper, gold, platinum, lead, nickel, zinc, rutile, zircon and their cost per tonne. To support my assertions, there are of course other minerals as well which fall into the same category. But I believe the raft of minerals I have cited is sufficient to prove my point, and again I

believe that the prices charged for these materials is that which their controllers and producers believe the market will bear and not the prices which would achieve a reasonable return on their investment capital.

As I pondered these matters and tried to rationalise the sudden rash of global investment capital into the water and electricity supply—and I pondered the reason for this long and hard—I drew the following conclusions. First, in respect of water, it is already a well-known fact that there will not be enough fresh water by the year 2025 to irrigate our field crops and areas which require irrigation. Secondly, by the year 2035 there will not be enough potable water to supply every human being then living with the amounts of water necessary to sustain life. So there you have it, yet another situation in the not too far distant future for just another potential monopoly control, with all the consequences which follow with respect to exorbitant prices being charged for supply and delivery of that service. And this is potentially made possible by this present Government in selling our water rights to two giant overseas owned companies in—remember, Mr Chairman—the driest State in the driest continent on earth.

I now turn my attention to the previously proposed Government sale of ETSA and the reason why I voted against this sale. Again, I pondered how a monopoly situation could be achieved by the total purchase of ETSA by private capital, and I came to this following conclusion. If one controlled the overhead wires, the underground cables, the overhead high voltage transmission cables, in addition to the source of fuel used to supply the State’s power stations, then again, in that situation, you have the potential to create a monopoly, with the Government of the day almost powerless to intervene. This would most assuredly lead to prices for the supply of electricity to consumers in this State being higher than they should be.

But, wait a minute: is there not a weakness in that argument? Of course there is, because the only fuel supply site owned by ETSA is at Leigh Creek, and as we all know, our power stations, in many instances, can be run on oil or natural gas, which leads me to believe that, in this instance, we have to look further to rationalise out the reasons for private capital wishing to purchase ETSA outright. I advance the following reasons for consideration of members and listeners. We all know that the matter of global warming is at a level where it is severely damaging our ozone layer, which, if enough damage is caused, ultimately will lead to temperature increases on this Earth with subsequent disastrous results, and those disastrous results will be for many of the peoples of this Earth.

One of the very major causes of this is the discharge of gasses from fossil fuels in our upper atmosphere. We all know that these discharges have to be greatly reduced, if not altogether stopped, in the not too distant future. This means that the use of fossil fuels for power generating plants and smelter plants must be discontinued if many of this Earth’s population are to survive global warming. Are there any alternatives? Yes, there are. There are nuclear powered generating plants, but of course—and for very good reason in my humble opinion—we all know this would be about as popular amongst the electorate as increasing the tax rate. So for those reasons, not the least of which is the long life toxicity of the disposal of nuclear waste, nuclear powered generating plants are an absolute political no-no.

What alternatives do the above referred to situations lead us to? There is only one left and that is the alternative energy

sources which are currently available to us; that is, solar power, wind power and tidal power, with the other known source of hydrogen fusion power being some 30 to 40 years away from commercial reality. But the other three sources to which I have referred are already available to us and, as every day passes, they become even more commercially viable than they are now.

I want now to address our collective minds to the current *status quo* of these sources. First, solar power is an alternative energy source which, because of our climate, is well suited to supplying South Australia's and indeed Australia's future energy use.

It is already in commercial use here in South Australia, mainly for this State's domestic use, although it is also used in the Adelaide to Darwin car race, to supply the power for some really remote public phone boxes, in at least one location as a power source to operate at least one reasonably large water purification plant and as a power source for satellite position fixing ground equipment. I understand that it is also used for powering vehicles which NASA and other space agencies send into outer orbit.

2. Wind power

This is a subject that might be dearer to the hearts of my parliamentary colleagues and me! I know precious little about wind power, except from an odd observation, although I am led to believe that it is already in use in Holland and the United States as a power source for towns of between 10 000 to 15 000 people, and that is ongoing. I also understand that on an experimental basis it is being tried here in Australia and in other worldwide locations. As previously said, apart from that which I have just stated, I have very little other knowledge to offer at this time.

I would like if I may to address what may yet be the best of the three alternative energy resources, and that is tidal power. Until five or six years ago, tidal power was not a commercially viable alternative, because power could be generated only by the incoming tide. But, some five or six years ago a young 24 year old Irish professor of physics invented a valve which could generate power from both incoming and outgoing tidal movement. This most certainly will now make tidal power a credible and most economic power source. In fact, so excited did the British Government become that it built a very large pilot plant in the Hebrides which I am led to believe cost some £100 million; a sizeable investment indeed.

Members may well be puzzled as to what this has to do with my voting against the sale of ETSA. Let me now explain the connection as I see it. I led earlier in this contribution that the method used to control electricity supply by private capital was to purchase ownership of the fuel sources of electricity generation but, again, one must ask what purpose that will serve if these sources fall into disuse as power generating fuels and the three other alternative energy sources ever more increasingly come into play within, say, the next decade to 15 years.

I say to members that this time span is not an absolute reality. You see, you cannot purchase and control the wind; you cannot purchase and control solar power; and you cannot purchase and control the tides. So, what then is the answer for global capital to use? It is as simple as ABC. You simply buy the ownership of the overhead wires, the underground cables and the trans-country transmission and high voltage cables. So, there it is, Mr Chairman. For the reasons I have canvassed, I determined to oppose the outright sale, and I shall always continue to do so.

In simple terms, what I am saying is that over the past 100 years market global capital and other capital have allowed governments to take the risk of building the infrastructure to supply both water and power. They could afford to do that, because they controlled the energy sources: first, the coal mines; then, as that fuel became unpopular, the same capitalists who owned the coal mines went into oil; then the same people saw what was happening with nuclear energy so, in the sadly mistaken situation that had arisen, they went into the mining of uranium oxide. So, they could let the Government take the risk, because they got their profits out of the control of the source of the fuels that were used to generate electricity.

I have said that you cannot buy the wind, that you cannot buy the sun and that you cannot buy the water, so they need another alternative to be able to impose their (in some cases) rip-off position on the ordinary poor of this world. That alternative is now not the control of fuels, because you can develop alternative sources; it is in respect of the control of the cables, because it would now cost billions of dollars to reinvent them. They have been installed by governments all over the place for 100 years or more. I went off my written remarks to reduce that to the simplest form, to try to indicate that I am not a raving, radical, left wing loony (although sometimes I am) in respect of what I say having substance in fact.

I turn with somewhat more brevity to the second part of the couplet which is the other leg of my subheading (b), namely, the lease of ETSA. As I have said, to me this is a different animal entirely from the outright sale of the ETSA instrumentality. It has certain attractions for me—subject, of course, to cast iron guarantees which I have sought from the Government for the present employees of ETSA and the use of the moneys generated from the leasing of ETSA and, I might add, additional to what I might call the 'Ron Roberts clause', that is, that the Bill is suitably amended to include the written guarantee, and that written guarantee be included in the document that I received from the Treasurer at about 7 p.m. last night, signed by him and the Premier.

In the discussions I found the Treasurer to be hard nosed but very fair. I suppose people might say that he had to be, given that I had the card he wanted me to play. I do not believe that was the case. Dare I say that, on a couple of occasions, he has voted with the Labor Party. I do not know what that suggests to me. It might have been in times of stress or in times of deep thought; who knows?

An honourable member interjecting:

The Hon. T. CROTHERS: If I have, will you stop interjecting? I have just referred to a guarantee to be given to this Parliament in respect of the moneys being used totally for the repayment of the State's debt, which I understand currently stands at some \$7.6 billion. I have had to revise that, given that I had the capitalists together in here yesterday. I understand from the budget papers that it now stands at some \$7.5 billion.

I would add a small caveat to that, which could lead to my moving a relatively minor amendment at a later stage, should this Bill pass the Council and the Parliament. These guarantees will go a very long way towards convincing me to support the Government's position in this matter. I might add that I will reach my final decision only after the Treasurer has spoken in this debate, in using his right of reply.

I also might add here that even though I might ultimately support this Bill it has been forced on me by the parlous nature of South Australia's desperate financial situation

brought about by time and circumstances and by sheer stupidity. I shall further expand on that later in this contribution.

I will now deal with subheading C, and refresh the memories of the listeners by repeating it: 'the State debt and the future of South Australia and its people and their employment'. Let me move to State debt and deal with that matter. State debt, I am led to believe, currently stands at some \$7.5 billion, \$5 billion of which can be directly laid at the door of the collapse of the State Bank—a collapse which occurred during the currency of the Bannon led Labor Government, for the latter part of which I served as a back bench member.

A scan of the recently released budget papers shows that the interest rates for this total debt are \$1.6 million each and every day that we do not pay anything off the principal of this debt. By my calculations, this interest figure compounds into an annual interest bill of \$584 million per year—a staggering amount given the geographical size of this State and our small population of just in excess of 1.55 million people, and, therefore, with those two previously stated matters, the very narrow revenue base from which State Governments here in South Australia draw their consolidated revenue.

Yet, if this State is to succeed in overcoming its present rust bucket status a way must be found to grapple with our current debts. If we do not, then there is absolutely no future whatsoever for South Australia, its people and their employment, and we shall continue to see our young people leaving this State in ever-increasing numbers to try to secure a future anywhere else but here.

This situation has already been ongoing for the past decade with ever more increasing permanent departures. I note that the most recent unemployment figures released show us to have slightly improved, although at 7.5 per cent we still have the highest unemployment figure of the mainland States—not a very good omen at all with respect to this State's future.

I now turn to deal with the contents of subheading D. Just again to refresh our memories, it is 'globalisation, rationalisation and capital investment'. It has, in my opinion, been the type of globalisation which certainly over the past 20 years or so has aided and abetted the problems that this State has with its huge level of indebtedness. I contend that one of the major forces (but not the only one) driving globalisation is the greed of the mega corporations.

I can well recall speaking at an ALP convention against the opening up of Australia to overseas banks. I contended that our population was too small to be serviced by even more banking institutions than already existed here. I can tell members that out of some 300 or more voting delegates who were at that convention I had about five or six supporters. But, of course, the consequences of opening up the Australian economy fell exactly as I had predicted. Banks incurred enormous debts of many billions of dollars which the people of Australia, who use our banking system, are still paying.

The obscurity of bank branch closures and the ever more additional charges being imposed are spin-offs from the opening up move 10 or 12 years ago. I predicted that the greed and struggle for banks to maintain their customer base did not stop only at the federally based banks. Many of the State banks also incurred enormous losses. Included in this number was our own State Bank, and of all the banks who suffered our State Bank suffered the biggest losses of all—losses of a size from which this State and its people are still reeling.

I am not opposed to globalisation, but I am opposed to the way in which globalisation is being given effect to. It has taken place, and indeed is still taking place, only to suit the greed of the mega corporations in their hungry gutted pursuit of ever-increasing profits. Unfortunately, though, I have to conclude that globalisation is here to stay, whether we like it or not.

Rationalisation, of course, is a fellow traveller of this form of globalisation. We witness everywhere we look the scaling down of company work forces in order to compete with other companies in the same business as themselves and/or in the pursuit of ever more and more burgeoning profits.

I would like briefly to address the question of employment. We are repeatedly told that the present horrendous size of unemployment levels both here and everywhere else will ultimately be fixed by the new sunrise industries which will follow globalisation. I contend that this is not so, either now or in the future. Unemployment at its current level is soul destroying, and in particular is it more so especially for our younger people. Further, it is destroying the social fabric of the society in which we live and will continue to do so whilst we live under the shadow of this present type of globalisation.

I say that those who do not remember the lessons of history are doomed to see them repeat themselves. To that end, I would ask all listeners and readers to acquaint themselves with the lessons of the French Revolution and indeed other historical events, where the ordinary masses of people have concluded that their hunger, starvation and despair should lead them to rise up and overthrow their Governments and governing classes who rule over them.

I will now, if I may, turn my attention to subheading E, which is 'the Australian Labour Party'. The reader will note that I have used the original spelling of the word 'labour', and perhaps that says something about me. I have been a democratic socialist—and am proud to be one—since the time I first started thinking (and who said that that was at a very great age?) about politics. I have been a member of a Labour Party since I was old enough to join one, both here and in my native heath. It was then for me and still is and will continue to be so, until I draw my dying breath, the Party with the only philosophy that is capable of governing ordinary people in a humane and beneficial way. The Australian Labor Party, like so many of its sister Parties around the world, had its genesis in the 1870s and in the 1880s of the last century. It was formed to serve as the sword and shield of the oppressed, the poor, the sick, the unemployed, the uneducated masses and the people who, up until then, had had little or no say in the events on which their daily lives were based.

The Labor Party was formed also to try to improve the wages and conditions of the then working poor whose wages and working conditions could only at best be described as horrendous. I will not bore my colleagues by being more specific about these—the pages of history of that time are absolutely littered with examples. The Australian Labour Party when first formed was made up of people of many disparate opinions, as indeed it is today. But the one thing that most of them had in common was their belief in democratic socialism. This is still so even now as I speak. In fact, the Party has often been described as a collection of warring tribes.

Just for the record in this respect, the ALP is no different from the Liberal Party, the Democrats, or indeed even the Communist Party, or any other political Party or grouping that has ever lived. The major difference between the Australian Labor Party and most other political entities is

that, at least up until recent times, it has been to the forefront of change—sometimes very radical and beneficial change. That, alas and alack, I have to very sadly say is no longer the case.

I can well remember, for instance, when I was convener of one of those warring disparate tribes—the Centre Left—moving a motion at a meeting of that body, a very well attended meeting of several hundred, to the effect that we should set up a think tank, even to the extent of incorporating non-Party members on that body to determine in what direction the Australian Labor Party should be heading. After a long and sometimes very heated debate the resolution was carried, I suspect to placate the old and bold warrior who it was felt was needed to act as the cement between the bricks of the Centre Left.

The committee was set up, chaired and convened by a very prominent ALP person, whose name at this stage will not pass my lips. This body, to my absolute chagrin, never met. It was then that I commenced to put some distance between myself and the then Centre Left. But, all is not lost. We have recently seen emerging from the ruck Mr Mark Latham and Mr Lindsay Tanner, who may well be described, if one was writing a book, as the odd couple because of the disparate and political nature of their background. However, what they now have in common is total commitment to change.

Indeed, to that end Mr Mark Latham has recently published a book titled *Civilising Global Capital*. A copy of this book is currently in the Parliamentary Library. I recently borrowed it. I have not totally read it, nor do I intend to. I started reading it and got to page 6, whereupon I decided that he was on the right track. It had to be correct because he was espousing principles that I have held with respect to change for the past 15 years. So, I decided that he was on the right track, put it down and have since returned it to the Library. If one were speaking Swahili one would have to say this book is *Uhuru*. I will translate that for the non-Swahili speaking members of this Chamber—

Members interjecting:

The Hon. T. CROTHERS: Stop interjecting in your multilingual semi-Welsh Australian accent, Attorney! One would have to say that this book is *Uhuru*, which in English means ‘something of inestimable value’. I now turn, at some cost to my voice, to my subheading (F)—my conclusions and any other related matters, and this is the final of my six subheadings. To interpose, I see that we have a long serving member of *Hansard*, who has always been very accurate. For any new members of *Hansard*, I simply inform them that for obvious reasons, as I have yet to come to a conclusion, I have left this heading virtually blank. I will speak off the cuff in respect of that matter. My memory is not good as it was, so I may not be able to proof copy an off the cuff speech as accurately as might be necessary to reflect what I am saying.

I have a letter in my possession and that letter has since been amended by what I will call the ‘Ron Roberts inspired paragraph’, signed by the Leader of the Government in this place.

The Hon. M.J. Elliott interjecting:

The Hon. T. CROTHERS: I might have something to say about you of a less complimentary nature—perhaps even a less parliamentary nature, too, Mr Elliott. I have a letter in my possession signed by the Leader of the Government in this place and also signed by the Premier and Leader of the Government in another place. This letter is the response to the three questions I directed to both these honourable gentlemen.

At this stage I would seek leave to have it, in its amended form, inserted into *Hansard* without my reading it.

The CHAIRMAN: Under Standing Orders, if it is a statistical table it can be inserted; if it is written it cannot be inserted.

The Hon. T. CROTHERS: There are statistics in it, Sir. I am trying to do it in the interests of members. If not I shall give it to the press—I do not care.

The Hon. R.I. Lucas: Read it.

The Hon. T. CROTHERS: My voice will not hold up. I might sit down at this stage and vote against the measure.

The Hon. T.G. Roberts: Seconded!

The Hon. T. CROTHERS: On the other hand, after that interjection, I shall continue on, more fortified than ever in my resolve. It is nice to be nice to the nice, Terry Roberts. The Chair has imposed great stress on my vocal chords, unfortunately, through a narrow approach, in my view, of an application of Standing Orders.

Be that as it may, however, the following is the agreement signed by Premier Olsen and the Treasurer and Leader of this Council. It is addressed to me, but no date is given—that is suspicious—and it reads as follows:

Dear Trevor,

We write in response to the three questions you put to the Government yesterday relating to the possibility of a staged long-term lease of electricity assets.

1. The Government agrees to your first request to provide continuing employment options or suitable early retirement/redundancy packages to all staff who are currently employed in our electricity businesses. Specifically, the Government guarantees that a lessee of electricity assets will be required by the lease agreement to employ all award/enterprise agreement employees employed at the time of that lease agreement on the same terms and conditions in place immediately prior to that agreement.

If, after the lease agreement, an employee who transferred on the terms above becomes surplus to the lessee’s requirements, that employee will be entitled to either a voluntary separation package (which provides a separation payment of eight weeks and three weeks for each year of service to a maximum of 104 weeks) or relocation back to State Government employment at a rate of pay not less than that laid down in that employee’s award and/or agreement at the time of relocation.

Let me interpose and add here that an observation was made, one of the more sensible questions asked at the time, that pressure could be brought to bear on the employees of ETSA to take redundancy on a non-voluntary basis prior to the lease being entered into. Should that happen, let me assure you, Mr Treasurer, that my respect for your integrity and guarantees given to me will diminish to a point where I shall find a way and means suitable that will retard any progress of this Bill should it pass this place. The letter continues:

2. The Government agrees to your second request that all lease proceeds (net of transaction costs and possible costs for termination of existing finance leases) will be used to repay State debt. The Government will not proceed with the proposed \$1 billion infrastructure fund but will proceed with a small allocation of about \$10 million which will be used to help ensure electricity prices for small customers in the country will be within 1.7 per cent of city prices for a period of about 10 years to 2003. The Government will consider your possible amendment if you proceed to move it.

That is the amendment I have indicated and, if I do move it, I indicate that I have toned down the figure I had in mind. The letter continues:

3. The Government agrees to your third request and this letter is on behalf of the Government and signed by us as the Premier and Leader of the Government and Treasurer and Leader of the Government in the Legislative Council.

As a result of further discussion with you, we undertake to implement the guarantees to employees outlined above by way of amendments to the Government’s legislation. We trust these

undertakings satisfactorily answer your three questions. If you require any clarification of the Government's response, please do not hesitate to contact us. We thank you for your willingness to at least consider a plan which has the capacity to reduce significantly our State's debt and provide the possibility of a better economic future for our State and all South Australians.

Yours sincerely, John Olsen, Premier. Yours sincerely, Rob Lucas MLC, Treasurer.

I received that letter, which is dated 2 June 1999, last night some time around 7 p.m. after our initial discussion which started around 3.30 p.m. I find that letter acceptable—indeed, in spite of the best efforts of the very responsible unions, under the leadership of Mr Geraghty and Mr Sneath, who are the Secretaries of the major unions responsible, respectively, for Leigh Creek and the general ETSA employment. I am an old industrial hack, having been Secretary of the Liquor Trades Union; longest serving President of the same body; President of the Liquor Trades Union; Delegate to the United Trades and Labor Council; Delegate to the Australian Labor Party on behalf of my union; and Delegate to the ACTU Congress. Modesty prevents me from further elaborating—and the fact that I am now losing my voice.

I find this letter acceptable. Although I shall listen carefully to the Treasurer's winding up remarks, I shall not listen to or be influenced by any filibustering questions or tactics. I am prepared to stay here until Sunday. Those filibustering tactics also have weighed in my psyche in respect of my decision, given the importance of this matter to the people of South Australia. If people for their own political reasons wish to delay this matter's reaching a vote on this clause by filibustering, then I put the question myself: what do they care about the poverty of the people and the unemployment of the people whom we all represent, particularly as Labor men?

The Hon. Carolyn Pickles interjecting:

The Hon. T. CROTHERS: What did you say? Did you say it was bullshit? You would not know bullshit from a good—I will withdraw that. As I previously said, whatever I do, this has been and will continue to be a gut-wrenching period for me. I have been under some considerable stress. My poor long-serving and loyal secretary took a telephone call today, amongst other telephone calls, that said, 'Judas never lived to enjoy his 30 pieces of silver. If you vote with the Government, neither will you.' That to me, a reformed member of a particular organisation for a brief spell in Ireland, is like water off a duck's back. Should such an opponent come to my place, he will be greeted by the barrel of a pump action shotgun in which I shall have one up the breach so that I get six rounds at disposing of him, her or them. It does not do anything to detract or to assist me. In fact, as I have said, members of my native heath can become very stubborn and very determined in progressing a matter in which they have a belief. They may not always be right or wrong, but they generally always become very determined and very stubborn.

As I have said, I have been a committed Democrat Socialist—and I mean 'committed': a true believer, not just someone who has joined the Party for their own personal advancement. I had two offers of a parliamentary seat before coming in here, one of which was way back in the 1970s. I chose not to accept that offer because I thought then—and I continue to think now—that I could have done a better job for the underprivileged humanity of this State had I stayed on as Secretary of the union.

I made the comment about the unions. The unions have tried hard under circumstances deliberately reduced by the

draconian Reithian adventurism of Federal Parliament and members of Federal Cabinet under the charge of John Howard and Peter Reith. The industrial power of unions at a Federal base has been much reduced in respect of their being able properly to defend their members. As I have said, the secretaries of the two major unions are very committed, genuine, decent and thinking men. Likewise, in this State, this Government, aided and abetted, in my view, for political electoral enhancement reasons by the Democrats, has also moved to that area. Particularly at this time when unemployment is so high and working conditions are getting worse, irrespective of what I might do—the unions need not come to me should I have to become an Independent as a consequence of my commitment—I shall never support this Government or any other Government in respect of further diminishing the powers and capacities of unions to defend themselves.

It was for that reason that I have said what I have said, not because I am a smart arse or because the union secretaries in question are not intelligent: they are all those things—brave, stubborn and intelligent. It is simply because someone will shake their head and it will fall off, if it has not already done so. If you want to take the option of a strike, you will lose public support once the electricity supply is cut off. That is an observation from me as a former Secretary of the Liquor Trades Union when our members used to go on strike. There were never any problems with the BLF because the public was not affected. As soon as you affect the perceived well being of the general public, the quicker you lose the public support which is so necessary to win a prolonged and protracted strike by workers in that service industry.

For all those reasons I am satisfied that this agreement can be signed, thanks to the creative advice from Mr Roberts. It is pretty watertight. It is the best package, in respect of the guarantees of employment and/or a redundancy package if people wish to take one, that they could have achieved. I think the guarantee of employment is particularly good. I noted in the reference by the Hon. Mr Roberts to the ongoing negotiations with the union that no mention was made of the continued employment of ETSA employees in spite of the fact that in the past eight years, from 1990 to 1998, the number of people employed by ETSA—a considerable number of them under a Labor Government—has declined from about 5500 in 1990 to 2400 in 1998. This is hardly a recipe for using tried and true methods to enforce union policy particularly when, thanks to Reith and Howard and the Hon. Mr Griffin and others, mirror image legislation, perhaps to a lesser degree, has been carried through this Parliament with the support of the Democrats.

I said at the time of receiving that agreement that, whilst it would assist me in reaching a conclusion, it would not be the only thing that I would look at. There were two additional matters which were at least as important—and one of which I considered to be more important—as the agreement which I currently have and which I accept. Those two additional matters are as follows.

As I listened to the contributions of all the members who are opposed to this matter, I did not hear much meaningful talk about the \$7.5 billion of State debt. Indeed, I have heard no suitable alternative proffered relevant to reducing the State debt so as to reduce our interest rates to at least give our State Government some opportunity, even in a small way, to be financially capable of influencing beneficial results which would assist our poor and unemployed, health, education and, I say to the Hon. Mr Roberts, our mentally retarded as well.

I have heard no alternative, none whatsoever, yet this debt continues to hang around the neck of every South Australian as an economic albatross retarding progress in this State by any Government, whether it be the Labor Party, the Democrats or the current Government in office. We have but one asset to utilise to try to discharge the bulk of that debt—and that is ETSA.

I have opposed the sale of ETSA for the reasons I have outlined. I find the lease forced or imposed upon me. It is a different lease from the one which was proposed. It is nicely capable of being blocked at 25 years. I have no doubt that the Government will have to go to the people in two years' time. As the Leader of the Opposition said, 'You must listen to the people', but, as I understand it, there was no commitment given by either Leader other than, 'We shall not sell ETSA.'

I do not want to be semantic. Indeed, within the policy of the Labor Party, the commitment to ETSA is that we shall not sell it from public ownership. I do not believe that I have breached Party policy. I may have breached a decision of Caucus if I decide to support it. Gut-wrenching as that may be, I am prepared to put the interests of the people of this State first and the interests of the political Party to which I have belonged and which I have served, I hope, faithfully and loyally on the backburner. I have not come to that conclusion yet. Wait, there is more.

I want to say that I have resisted from all quarters, in quite a profane way at times, colleagues of mine, the Democrats, the Liberal Party and the two Independents, influencing me and my processes of final determination relative to this matter. Those who know me know that I can be determinedly stubborn if I perceive that I am right, and that I am fiercely independent in respect of my own integrity and any principles or processes of decision making that I might arrive at. That has not always been possible under a normal political Party's organisation, particularly the ALP. However, there does come an occasion when one must bite the bullet if one is to continue to serve as a sword and a shield of the oppressed, the unemployed, the unlettered and the unrepresented.

If one is to continue to press forward—and I hope we do—with democratic socialism, we must not change the principles upon which we were founded. However, by the living heavens (should such a place exist) we must change our methods in a fashion which is more appropriate to meaningfully serve the people with sword and shield, and to deal effectively with the detrimental impacts and greed of the mega corporations and multi-capitalists. I have 15 minutes to go. I do not know which will expire first, either my time or myself, but I will try.

The Hon. T.G. Roberts interjecting:

The Hon. T. CROTHERS: You live in hope, Terry; you have always been a great punter, but I can tell you that you would not get seven to one on me. I am determined to live at least until this is processed. I have been placed in this position—and very reluctantly so—I believe by people's greed and by the political correctness of politicians of all Parties. Over the past 10 years or more, all political Parties have rushed to embrace globalisation and rationalisation for their own perceived electoral safety and advancement.

It is with great reluctance that I advise that I shall be supporting the Government's Bill in respect of the lease of ETSA—and that has a caveat on it. If the Leader of the Government in this Chamber in his right of reply exhibits some state of verbal suicidal lemmingitis, I could well be persuaded again to change my mind. However, I am not my look-alike in the Federal Senate, so I believe I shall stick with

that position, but I do warn the Treasurer that he could change my mind. I shall not change my mind, subject to that minor caveat. I shall be carefully—and I trust the Hon. Mr Lucas on this matter—monitoring any amendments required to change this legislation from a Bill of purchase to a Bill of sale. I shall be monitoring the amendments necessary to include our signed agreement *in toto* and verbatim in the Bill.

At this stage I would say to the unions—and I notice that an old colleague of mine, the premier representative of the union movement in this State, is present today: he would not need the advice I am about to give—that, if this matter is progressed, and I believe it will be, the unions that have operatives employed by ETSA either at Leigh Creek or in general service—and I think the honourable Mr White would know what I am saying—would best be advised to proceed posthaste to the commission and have that guarantee, which will be inserted in this Bill, mirror imaged into their awards and/or agreements.

I do not know whether the press will still be interested in me next Monday. At the moment, I am currently the bullseye in their journalistic dartboard. However, if they are interested, I shall be holding a question and answer press conference—whatever you call it—at 2 p.m. next Monday, when I shall answer any questions directed at me, if they are pertinent and germane to this Bill. Anyone who tries to call me a scab again will be parenthetically dealt with either by being physically ejected or by being physical chastised. And, as an old pug, even though I might last only a minute, I still have that capacity. So I warn those who might wish to inject a dastardly note of name calling into it: do not do it.

I shall hold the conference for 15 to 20 minutes. It will pertain to questions and hopefully answers from me as best as I can give them in respect of this matter. I do this reluctantly and because I have been forced into it and because I further believe, rightly or wrongly, that what I am now about to do is for the better interest both now and in the future of this State and its people. It is the only chance—and it is asinine to suggest otherwise—and the only way in which we can discharge a lot of that debt sufficient to reduce interest rates by, on my calculations, \$1.2 million a week. It is the only way any Party in power can go in respect of securing the well-being of the people of this State both now and in the future. Anyone who holds any other reason, in my view, is myopic in their vision and is using old political methods that were tried and true, say, up to 1960, but they are no longer applicable today.

Having said that, I have reluctantly come to the conclusion, for the reasons I have advanced, that I will be supporting the Government measure and all subsequent measures, subject to the amendments being properly worded, and all other measures necessary, where I believe the Government is right. That is not subject to any questions that may be asked, because I will ignore them; in fact, they could make me even more determined than the 100 per cent determination I now have. The problem I had with the Premier was the electoral statements he had made relative to the promises he made prior to the last election—in fact, I have them in my office. We will see where they go from there. However, I believe that he has courageously, and for whatever reason, led his troops to the correct decision relative to the well-being of the people of this State.

Whilst I am reluctant about it, I believe history will recall this event as similar—although on a larger scale—to the Roxby Downs legislation. However, it is more intangible from the visible eye than the benefits of Roxby Downs. I am

convinced in my belief that history and posterity will record that this Parliament, with my reluctant assistance through this Chamber, has made a historic decision in respect of the continuing welfare of the people here. We shall see what transpires. I have been wrong before. Why I can remember twice last year—no, I am kidding. We shall see what happens.

I support the Government and, subsequent to the amendments being satisfactory to me and if there is no shamanism or smart words smithing, I do trust the Treasurer. Since I have been dealing with him—and I must confess that this surprised me—I have come to know the Treasurer as a man of some integrity. Following my dealings with the Premier, I was even more surprised to find that he has considerable integrity, too. I thank them both for that. They have done a service, I believe, to this State and its people. Thank you for listening. I am sorry that I took so long.

The Hon. R.I. LUCAS: In closing the debate, and given the Hon. Mr Crothers' challenge, I can assure him that I will be very brief because, given his indication, I do not intend to take any risks at all. As the Hon. Mr Crothers knows, he not only has a written commitment from me as the Treasurer and Leader of the Government in this Chamber and from the Premier and the Leader of the Government generally but also a personal undertaking from me in relation to the critical issues for him in relation to employment and debt.

Without going into any detail, he knows that in recent times we shook hands on the guarantees that the Government would give. We conveyed those in writing to the honourable member and they have been the subject of debate today. I indicate to him that, in translating them through Parliamentary Counsel (and neither of us are lawyers; both of us have a healthy regard for lawyers, but suspicion nevertheless, Mr Attorney), we will both keep a close eye on the drafting to ensure that they absolutely reflect the commitments which I have personally given the member and which the Premier and I have given on behalf of the Government. If at any stage the honourable member seeks to amend a word, the Government on its legal advice will take whatever action is required to ensure that it fairly reflects the personal undertakings and the written commitment.

I say in conclusion on behalf of the Government in thanking all members for their contribution to the debate that we stand on the threshold of a historic decision this afternoon, at 6 p.m. on Thursday 3 June; a decision that will be historic not only for this piece of legislation but for the future of this State and its people. I do not have to repeat the reasons, but I want to say that, if this amendment is successful, on behalf of the Government I acknowledge the courage of two men; not just the Hon. Mr Crothers but also the Hon. Mr Cameron who went before him and who similarly had to make a gut-wrenching decision to give up decades of service to the Labor movement and who similarly put the interests of the State ahead of his own personal interests. Should the decision be successful, I acknowledge the courage of two men who in my judgment will go down in history with Norm Foster as people whose decisions put the interest of the State before their own personal interests.

The CHAIRMAN: We have two amendments before the Committee, both of which seek to insert a new Clause 2. I will put the original clause.

Clause negated.

New clause.

The Committee divided on the Treasurer's amendment:

AYES (11)

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

NOES (10)

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

Majority of 1 for the Ayes.

Amendment thus carried; new clause inserted.

There being a disturbance in the gallery:

The CHAIRMAN: Order! If there is any more disturbance in the gallery I will have you removed.

There being a further disturbance in the gallery:

The CHAIRMAN: Order! I ask that the people interjecting be removed.

Progress reported: Committee to sit again.

TOBACCO PRODUCTS REGULATION (SALE OF PRODUCTS DESIGNED FOR SMOKING) AMENDMENT BILL

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

ESTIMATES COMMITTEES

A message was received from the House of Assembly requesting that the Legislative Council give permission to the Treasurer (Hon. R.I. Lucas), the Attorney-General (Hon. K.T. Griffin), the Minister for Transport and Urban Planning (Hon. Diana Laidlaw) and the Minister for Disability Services (Hon. R.D. Lawson), members of the Legislative Council, to attend and give evidence before the Estimates Committees of the House of Assembly on the Appropriation Bill.

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

That the Treasurer, the Attorney-General, the Minister for Transport and Urban Planning and the Minister for Disability Services have leave to attend and give evidence before the Estimates Committees of the House of Assembly on the Appropriation Bill, if they think fit.

Motion carried.

FINANCIAL SECTOR REFORM (SOUTH AUSTRALIA) BILL

Returned from the House of Assembly with the following amendments:

No. 1. Page 9, after line 1—Insert new clause 21 as follows:
Supervision Fund

21. (1) Despite the repeal of the Financial Institutions (Application of Laws) Act 1992, the Supervision Fund continues in existence until SAOFS has fulfilled its obligations under this section

(2) SAOFS must pay out of the Supervision Fund at such time or times as SAOFS determines—

(a) to APRA—

(i) such amount in respect of liabilities relating to leave or other entitlements of employees of SAOFS who become employees of APRA, being liabilities existing immediately before the date on

- which the relevant employees become employees of APRA, as is determined by SAOFS; and
- (ii) such amount in respect of any other liabilities of SAOFS that, by reason of this Act, become liabilities of APRA, as is determined by SAOFS; and
- (b) to ASIC—
- (i) such amount in respect of liabilities relating to leave or other entitlements of employees of SAOFS who become employees of ASIC, being liabilities existing immediately before the date on which the relevant employees become employees of ASIC, as is determined by SAOFS; and
- (ii) such amount in respect of any other liabilities of SAOFS that, by reason of this Act, become liabilities of ASIC, as is determined by SAOFS.
- (3) SAOFS must also pay out of the Supervision Fund—
- (a) any expenses incurred by SAOFS before the transfer date (see section 94(3) of the repealed Financial Institutions Code); and
- (b) any other expenses incurred by SAOFS before it is wound up under Part 5 of the South Australian Office of Financial Supervision Act 1992.
- (4) SAOFS must pay into the Supervision Fund all amounts that would be payable into the Fund were it not for the repeal of the Financial Institutions (Application of Laws) Act 1992.¹
- (5) The amount remaining (if any) in the Supervision Fund after compliance with subsections (2) and (3) must be distributed by SAOFS to each building society, credit union and friendly society that is a transferring financial institution under the Corporations Law, in such proportions as the Minister considers fair.

¹Proceeds from the realisation of surplus SAOFS assets are also to be paid into the Supervision Fund: see Part 5 of the South Australian Office of Financial Supervision Act 1992.

No. 2. Page 22, after line 10—Insert new clause 38 as follows:

- Exemption from State taxes
38. (1) No stamp duty or other duty or tax is chargeable under any Act in respect of anything effected by or done under a transfer agreement given effect to by this Act.
- (2) No obligation arises under an Act for the assessment or imposition of any such duty or tax—
- (a) to lodge a statement or return relating to the vesting of an asset under such a transfer agreement; or
- (b) to include information about such vesting in a statement or return.

Consideration in Committee.

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

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

These amendments are money clauses to which you, Mr President, referred during the Committee consideration of this Bill yesterday. We indicated to the House of

Assembly that they were necessary and they have been inserted by the House of Assembly.

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

Motion carried.

FINANCIAL SECTOR (TRANSFER OF BUSINESS) BILL

Returned from the House of Assembly with the following amendment:

Page 3, after line 30—Insert new clause 8 as follows:

State duties and taxes

8. (1) No stamp duty or other duty or tax is chargeable under any Act in respect of anything effected by or done under this Act.
- (2) No obligation arises under an Act for the assessment or imposition of any such duty or tax—
- (a) to lodge a statement or return relating to the transfer of an asset under this Act; or
- (b) to include information about such a transfer in a statement or return.
- (3) However, a receiving body in a voluntary transfer of business must pay to the Treasurer an amount determined by the Treasurer on the basis of an estimate of the duties and taxes that would, but for this section, be payable under the law of this State in respect of the relevant transfer of assets.
- (4) The Treasurer must give the receiving body written notice of the determination.
- (5) The amount must be paid as required by the Treasurer in the notice of determination.

Consideration in Committee.

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

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

This amendment is another money clause inserted by the House of Assembly. It is an integral part of the Bill, and I ask members to support it.

The Hon. P. HOLLOWAY: We support the motion.

Motion carried.

The PRESIDENT: Order! Would the photographer at the side of the Chamber please move to the correct position? Photographers can only take photos of members who are standing on their feet and speaking.

ADJOURNMENT

At 6.20 p.m. the Council adjourned until Tuesday 8 June at 2.15 p.m.

LEGISLATIVE COUNCIL

Thursday 3 June 1999

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

LISTENING DEVICES (MISCELLANEOUS)
AMENDMENT BILL

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

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

Motion carried.

ELECTRICITY CORPORATIONS
(RESTRUCTURING AND DISPOSAL) BILL

In Committee.

(Continued from 2 June. Page 1250.)

Clause 2.

The Hon. SANDRA KANCK: I move:

Page 1, lines 17 and 18—Leave out this clause and insert:

Commencement

2. (1) Section 1 and this section come into operation on the day on which this Act is assented to by the Governor.

(2) The remainder of this Act will come into operation on a day to be fixed by proclamation.

(3) A proclamation cannot be made to bring a provision of this Act into operation unless a majority of electors for the House of Assembly voting at a referendum approves the following proposition:

That the Government of South Australia be at liberty to dispose of public electricity infrastructure, whether by sale, the granting of leases or otherwise.

(4) The Governor may, by proclamation, appoint a day for the holding of such a referendum.

(5) The Electoral Commissioner will be responsible for the conduct of such a referendum.

(6) The *Electoral Act* 1985 will apply to such a referendum with adaptations, exclusions and modifications prescribed by regulations under this section as if the referendum were a general election of members of the House of Assembly.

(7) The Electoral Commissioner must, not later than 14 days before the day appointed for the holding of such a referendum, post to each elector eligible to vote at the referendum a pamphlet containing—

(a) the argument in favour of the proposition, consisting of not more than 2 000 words, prepared by the Premier; and

(b) the argument against the proposition, consisting of not more than 2 000 words, prepared by the Leader of the Opposition in the House of Assembly after consultation with the Leader of the Australian Democrats in the Legislative Council.

(8) The Electoral Commissioner may reject a written argument prepared for or against the proposition if, in the Commissioner's opinion, the argument contains scandalous or defamatory material.

(9) The Electoral Commissioner may, as the Electoral Commissioner considers appropriate, prepare, print and distribute information contained in the pamphlets posted to electors in their languages or in a form suitable for the visually impaired.

(10) The State must not expend money in respect of the presentation of the argument in favour of, or the argument against, the proposition except for the purposes of the performance of the functions of the Electoral Commissioner under this section.

(11) When the result of such a referendum is known, the Electoral Commissioner must declare the result by notice in the *Gazette*.

(12) The Governor may make regulations for the purposes of this section.

This amendment provides for the holding of a referendum. If, as it appears, the Hon. Trevor Crothers intends to support legislation to allow for a lease of ETSA, the effect of my amendment would be that South Australians would have an opportunity to vote on this matter in a referendum before the Act could come into force.

An honourable member: Is he listening to you now?

The Hon. SANDRA KANCK: Unfortunately, the Hon. Trevor Crothers is not present in the Chamber. He did say that he would listen to the debate, so I hope that he is in his office listening on his loud speaker.

Members interjecting:

The Hon. SANDRA KANCK: Given that the honourable member said that he would listen to the debate, I sincerely hope that he is doing so. The Hon. Trevor Crothers is on record saying in this place that, had this matter gone to the South Australian people, had the Liberals been honest enough at the last election to go to the people of South Australia and say, 'We want to sell ETSA,' the South Australian people could have voted on it, but that opportunity has been denied them.

The Hon. Trevor Crothers himself said that, if the Liberals had gone to the election saying that they wanted to sell ETSA, he would be hard pressed not to support the legislation. Nothing has changed: the South Australian people still have not had the opportunity to say what they want to say about the disposal of this prime asset. I ask members to support me in having this referendum clause inserted.

I am very disturbed by the con that this Government has managed to perpetrate on the South Australian people—and, obviously, on some members of Parliament. I was interested to read the arguments put by the Hon. Trevor Crothers in this morning's *Advertiser*. It appears that he has fallen for these arguments. Even he is using the lie that South Australia must pay \$2 million a day in interest when the figure is so much closer to \$1.5 million.

One wonders about a Government that cannot tell the difference between \$1.5 million and \$2 million. It would make a big difference to the number of hospital beds in some cases if the Government in its calculations could tell the difference between \$1.5 million and \$2 million. That is a difference of \$500 000 a day which this Government is apparently not taking into its calculations. So, again I was disappointed to read those arguments and to see that the Hon. Trevor Crothers has apparently swallowed that lie.

I am also disappointed that the honourable member is even contemplating a lease, because it is known that a lease brings in a return of somewhere between 10 and 30 per cent less than the sale price. So, in many ways, the option that is now being followed is going to—

The Hon. R.D. Lawson interjecting:

The Hon. SANDRA KANCK: That is the advice that was given to the Tasmanian Government by an international expert. This Government appears to like international experts, and this one was Credit Suisse First Boston. It gave that advice to the Tasmanian Government. So, if it applies to the leasing of Tasmanian electricity assets, it also applies here.

I ask the Hon. Trevor Crothers to take that into account when he makes his decision: that we would actually be further down the gurgler. With interest rates as they currently are and with the stream of income that we would lose, South Australia would effectively be in the red from day one. I am

sad that so many people have been conned by this Government and are not even looking at information such as this.

It is worthwhile to reflect on the comment made by Ronald Reagan when he was Governor of California. He said, 'Politics is supposed to be the second oldest profession; I have come to realise that it bears a very close resemblance to the first.' Should this Parliament pass this Bill, the world's two oldest professions will be fused in the imagination of the South Australian public. Each member of this Chamber should reflect once again on the pledges of the three major Parties at the last State election. In unison we all chanted, 'We shall not sell ETSA.'

The Hon. M.J. Elliott: One of them was lying.

The Hon. SANDRA KANCK: One of them was lying, and I wonder who it was. There is no doubt that the vast majority of South Australians were relieved to hear that commitment from all three political Parties, but now it appears that a majority of the members of this Chamber are prepared to break their word. Make no mistake about it: our parliamentary system will be the poorer should we break this pledge. Our standing in the community, which is already low, will tumble to new lows if we dishonour our word. There are times when it might be legitimate for Government or Opposition Party to change tack, to reverse policy, but this is certainly not one of them.

This is a touchstone of the validity of our electoral system. Sell ETSA and, at the same time, we trade this institution's legitimacy. The people of South Australia have been denied an opportunity to cast their vote on the sale of the family silverware. Indeed, they have been denied a thorough examination of the opposing arguments. A referendum will provide an opportunity to finally put all the arguments on the table in a cool and dispassionate manner. Until this occurs, this Chamber does not have the right to circumvent the electorate's approval. I urge all members of the Legislative Council to fulfil their democratic obligations and support my amendment for a referendum. And a word of warning for those who do not: the public will neither forgive nor forget those who have taken them for granted.

The Hon. R.R. ROBERTS: First, I observe that this is the last desperate throw of the dice by a Government that has been rocked by its own dishonesty since it came back after the election. I will later touch on what this means for the people of South Australia. What we see now is the last desperate attempt to take away the people's assets. These assets are not the right of this Government, this Opposition, the Hon. Trevor Crothers or anyone else. They are the legacy that was given to the people of South Australia by perhaps the only decent politician ever produced on that side of the Chamber, Tom Playford. On being returned to Government after the election, they came up with this outrageous proposition to break their promise by claiming a mandate.

Let us clear up that one for a start. Three mandates were given by the electorate: one to the Democrats, one to the Liberal Party and one to the Labor Party. That is, 'We do not want you to sell ETSA.' That was the only mandate; never a mandate for the sale. Immediately on being returned to Government, despite their denials—and we could go through all the *Hansard* reports and press releases once again—they were going to have the sale and discount all debt. Clearly the people of South Australia were not convinced. People were outraged and polls were showing that 75 to 80 per cent of the people were opposed. One suspects that the other 20 per cent were the friends and the big consumers of electricity who will

be the only people in South Australia to benefit from a lease/sale.

The Hon. Trevor Crothers in his contribution on 24 November had it right when he said:

I simply reiterate that, from my point of view, an awful lot of what this is really all about seems to be hidden from view. It is either that or there really are fairies at the bottom of everybody's garden.

Purchase by lease, which is what this really is all about—leasing our electricity generating industry—is really hidden from view. The Hon. Trevor Crothers hit the nail right on the head. This is a sale by any other name.

The Government now comes before us making a number of claims that it is different. If it is different, why did the Leader of the Government say, 'Based on commercial advice that the Government has received, it will mean that it [the lease] will capture virtually all the value of our electricity assets'? It is very clear what this is all about. This is our greatest asset—the greatest boon to so many people as well as small businesses wanting to establish in South Australia. With this proposition the Government is saying, 'We will put this on lay-by until after the next election. We will write some legislation and we will write some contracts. You trust us and, after the next election, if it doesn't work, we'll give part of the money back.' That is basically what we are talking about doing with a \$9 billion asset.

I want to turn to the demands of the Hon. Trevor Crothers. He has laid out his demands, which are as follows. First, the Premier (Mr Olsen) and the Treasurer (Mr Lucas) should guarantee that existing employees of ETSA will be offered a suitably early retirement redundancy package if they want it. On the surface, that sounds a laudable thing. Secondly, those employees who stay with ETSA, but are later made redundant, are to be offered employment within the State Government with the same pay and conditions. Thirdly, all moneys received—and this is the important one—from the leasing of ETSA are to be put immediately into the reduction of the State's \$7.5 billion debt. That is one of the key issues. Fourthly, if Mr Olsen and Mr Lucas agree to the conditions, they must both sign them. Fifthly, the answers to the questions are to be in clear, simple and precise terms.

They sound laudable things. However, I have a copy of a letter that was sent to the Hon. Trevor Crothers from the unions representing employees in the power industry, because I asked for information. I have been a member of the ETU for some 35 years, and I make no apology for the fact that it was on my motion that the ETSA clause provides that it must pass by way of a motion of both Houses of Parliament before it can be sold. The ETU (or the CEPU as it is now) makes it very clear in the letter that they do not want this deal and that they do not want any agreement from the Premier and Rob Lucas about redundancy packages, because why would not the Government agree to that, when it is inferior to the promises it has given to the CEPU and the single bargaining unit of the Trades and Labor Council in writing—promises which it has already started to rat on? The letter states:

Our concerns arise from the following:

The privatisation of the industry (whether by sale or lease) is not in the best interests of the community or our members.

Leasing of the industry is in no way different to a sale.

The fact has been acknowledged to the unions by the Government.

An honourable member interjecting:

The Hon. R.R. ROBERTS: We will come to you in a minute. The letter continues:

We fail to understand your possible support—

referring to Trevor Crothers—

for a lease (whilst dismissing a sale) when the reality is that the assets will never return to public ownership once any lease has been concluded.

Your support for a lease or sale will plummet 2 000 trade unionists back into the deep despair over issues of job security/treatment of superannuation moneys—

And I add WorkCover concerns. They also make the point that on 19 February 1998 the Premier, John Olsen, corresponded with Bob Donnelly, President of the ETU, stating:

If private operators eventually decided they do require a slightly smaller staff, then that will only be allowed to be achieved through natural attrition or voluntary packages.

So, the effect of Trevor Crothers' actions is—

The Hon. L.H. Davis: Tell us about the Port Augusta power station, Ron.

The Hon. R.R. ROBERTS: That was an actuarial lease, which gave the operators no power over the day-to-day running of ETSA. Your lease is an actual lease, which will give away to spivs and lairs and your mates and multinational power stations overseas the assets of the people of South Australia. Have you got that? Do you want it any clearer?

The Hon. L.H. Davis: Tell us about the gas company; that went to spivs and lairs, too.

The Hon. R.R. ROBERTS: We sold the shares; so what?

Members interjecting:

The Hon. R.R. ROBERTS: I love this! The next point they make is:

The unions had comprehensive meetings with the Government throughout March to December 1998, over the extensive list of industrial issues that would apply in the event of any sale or leasing occurring. Premier Olsen and Minister Armitage have broken promises made to the unions and our members. For example, in regard to an assurance of no forced redundancies the Government, in a letter to the unions on 5 March 1998, stated: 'It is not possible for such a commitment to continue forever and therefore the precise terms of the commitment will be an important part of the negotiating process.'

So, there it is; that is what they have agreed to in writing. The letter continues:

Since then the Government has only offered two years of no forced redundancy, which alarms us, because once again the Government is breaking a promise that they made to the unions and the workers.

This is the record that the Hon. Trevor Crothers needs to consider when he takes on board all these offers and assurances. He has to remember that this is the same cabal of anti-union people that he has fought against for 40 years. They are the same people who have harped and carped about industrial relations in this State and who, even as we speak, have legislation before this Council to ruin the working lives and every day lives of workers. That is what the Hon. Trevor Crothers has to remember when he takes on board the promises of these people.

In respect of the proposition that redundant ET workers will be given Public Service jobs, the letter states:

We know—

and the Premier also knows—

that there is no place in the public sector for redeployees from this industry (a fact already confirmed by the Government to the unions).

That is what the Government has confirmed to the unions; it is now going around trying to con the Hon. Trevor Crothers, saying it is prepared to give it to him in writing. I invite the Hon. Rob Lucas, representing the Premier, to lay on the table right now this pact that he has made with the Hon. Trevor Crothers for the consideration of the Committee, and we can

all look at it to see whether it has any foundation. He will not do it. The letter continues:

The other downsized/leased/contracted out departments of Government have their ex-workers waiting for redeployment—

Those who have already been privatised are all waiting for redeployment, but guess what? According to the letter:

There are no spare jobs in the Government.

So, this Government is now saying to the Hon. Trevor Crothers that it will put somewhere on a piece of paper that it will insist that they be re-employed. There are no jobs for redeployment. The letter continues:

Where will the Government redeploy linespersons or high voltage electrical tradespersons to? Which department needs linespersons?

When you analyse this offer you see that it is ludicrous. The letter continues:

There were major issues of dispute between the Government and the unions which resulted in stop work meetings being held throughout the State in October 1998. Those meetings unanimously condemned the Government's abandonment of concern for its 2 000 employees in the industry and unanimously supported a full scale industrial campaign regarding job security/superannuation etc.

The letter to the Hon. Trevor Crothers states:

The unions, our members and their families implore you to remain opposed to the privatisation (whether by sale or lease) of the electricity industry in this State. Our members like their jobs and they are good at their jobs. Our members want their jobs and the security of their jobs. If they wanted to leave [that is, take a redundancy package] they could have taken a package a long time ago.

Just look at the history of the work force in ETSA. The Hon. Trevor Crothers commented in his contribution a couple of days ago about the reduction of the work force in that industry, and he pointed out to the Council that they had gone from 5 219 employees to about 2 447; almost half of the work force has already gone. What the Hon. Trevor Crothers is asking for is an inferior package. Why would the unions not disagree with him? They have a better deal, and we all know why Rob Lucas and the Premier are prepared to agree to it: because it is better for them. It is not better for the employees, and it is certainly not better for the people of South Australia. I implore the Hon. Trevor Crothers to think about that.

The Hon. Trevor Crothers wanted this in writing, and he tells me that he has had discussions with the press. I pointed out to him that any promise from the Government verbally or in writing—a letter from Rob Lucas and John Olsen—is not worth the paper it is written on. His comment to me was that he would read it into *Hansard* and it would be enforceable. Unfortunately, the courts are littered with cases where people thought that that was true. Everybody knows that what is in *Hansard* means absolutely nothing when it comes to interpreting an Act. When it goes to the courts, a letter or the *Hansard* can only indicate the intent. When a matter goes before the courts, the law requires that the Act in question be compared with the Acts Interpretations Act. That was the first con.

I understand that the Hon. Trevor Crothers has said to the Government that he wants something in legislation. I am also advised that it is the intention of the Government to draft some amendments. Let me add another word of caution to the Hon. Trevor Crothers. Any decent, longstanding or experienced trade unionist would never fall for that. You want to see the deal up front before you sign it. You do not say, 'Oh, yes; we'll agree, and you draw it up afterwards.' Why would you do it with people of the ilk of the Premier and Rob Lucas,

who in *Hansard* on numerous occasions have proved themselves to be untruthful to the Parliament.

They promised the Hon. Trevor Crothers that they would draft some legislation by way of amendment to implement his inferior package of conditions for workers. We only have to go back to 22 December 1995, when we talked about the water contract. In answer to a question from the member for Hart about the ownership and arrangements for the water contract, John Olsen said:

The parameters and the principles are non-negotiable. Those parameters and principles are these: 60 per cent Australian equity in United Water International—non-negotiable; and six out of the 10 directors resident in Australia—non-negotiable, in my view, and it will come out in the contract. . .

We have not even seen the contract. So, again this Government, which has been anti-worker and anti-union all its life, is asking Trevor Crothers to trust that it will draft a contract that will reflect his concerns. The Premier continued:

. . . it will come out in the contract when we come to the final contract negotiation phase. In addition, there will be a 20 per cent saving to consumers in South Australia in the delivery of water and wastewater services—non-negotiable; there will be the creation of 1 100 permanent new jobs in the State for South Australians—non-negotiable; and there will be \$628 million worth of export markets over the next 10 years (\$38 million in the first year)—

and I want to see this in the Estimates when they come up—non-negotiable. Those principles will be incorporated in the contract.

Anybody would know that not one of those aims has been achieved. It was a deliberate misrepresentation, designed to dupe people into supporting something which has now clearly been shown to be false.

We also have a number of quotes from such notables as John Olsen and Mr Ingerson, giving assurances that they would never sell ETSA. I will make a couple of final points with respect to this matter. First, the Government said that we must sell ETSA just to retire debt. The people of South Australia, who did not give the Government a mandate at the last election to sell ETSA, were not fooled. They said, 'That is not good enough.' Then the Government tried to bribe the people by saying that it would provide a \$1 billion social reconstruction package from the sale, thinking that would suck in the punters. The people of South Australia said, 'No, we do not want that.' Then the Government went for the whip and imposed its ETSA tax, but still the polls show quite clearly that the people of South Australia have more bottle. They were not to be bribed or browbeaten—

The Hon. A.J. Redford interjecting:

The Hon. R.R. ROBERTS: The Hon. Angus Redford will have an opportunity to find out what they think when he votes on the Hon. Sandra Kanck's motion for a referendum on this matter, because I am confident that, even though an attempt has been made to bribe and browbeat them, South Australians still value their ETSA assets—and they certainly value them above the promises of this Government whose record is in tatters when it comes to telling the truth.

I do not know what discussions have taken place with the Hon. Trevor Crothers about the future and what he wants. I suggest to the honourable member that he take up the invitation of the bargaining unit of the UTLC and the CEPU to hear the side of the workers. The Hon. Trevor Crothers has had a long history of working with workers, and I suggest that, rather than take the view of this cabal of disgraced people, he listen to the views of those workers. I do not think the honourable member ought to be pushed. I do not know what they have said to him, but prior to the last break in

sitting an emissary, reportedly with the endorsement of the Premier, asked me to leave this Chamber and go to another room. He said, 'I have been asked to speak to you. John wants to know what you want. You can save the State.' I told that person, 'You insult me. I do not want to talk to you. You forget that I am a member of the ETU. I promised the people of South Australia that I would not do it; and I am with the person who inserted those clauses and who said you could not do it. So, you can go back and tell him that I am not interested.'

That member asked me not to name him. It is not usually my *modus operandi* to talk about conversations that take place in the corridors, but when it comes to a situation where it has been promised that the assets of the people of South Australia will be preserved, and a member puts a proposition which insults me, I can only say that I am too old to scab; I always have been. I was too old to scab the day I was born. I felt insulted, but I did give that member an assurance that I would not name him. I will not lie; I will tell the truth to protect the people of South Australia and their assets.

I ask the Hon. Trevor Crothers and all other members not to forget their commitments and to forget about this latest fiasco—it is another pea and thimble trick. This Government has had the opportunity to get its mandate. When we first discussed this matter I reminded members opposite of their own history and what Tom Playford did when he saw the benefits of South Australia's having a Government-controlled ETSA. Tom Playford had problems with his own Upper House, but he had enough statesmanship to establish an independent royal commission. It came back with a proposition to give to all South Australians equality of opportunity in terms of electricity supply and in terms of establishing business throughout South Australia. The Government said that it did not want to do that, and that it did not have the time to do so. It has now been seven or eight months, and in that time the Government could have had two Royal Commissions.

The Government has another opportunity, in relation to the propositions advanced by the Hon. Nick Xenophon, to look at Pelican Point and at the contracts. The contracts for Pelican Point are worth considering. Everyone has heard the scuttlebutt about that. We have heard around the corridors that these contracts have been tampered with. We know that there has not been equal opportunity for tendering. We can sort this out very quickly if we support the motions of the Hon. Nick Xenophon for an inquiry into Pelican Point. Let us see how the contracts were written. Let us get the ACCC to look at the contracts that the Government wants to put up for 99 years. The 99 year lease is a good old aristocracy—you give it to them when you are not giving it to them. Let us look at those contracts and see where we go from there.

This Government is absolutely disgraced. The Hon. Mr Crothers would be getting no inducements. I say that from the outset. As past history in the trade union movement would have taught the Hon. Mr Crothers, once the vote is taken, that is the decision. The Hon. Trevor Crothers knows what being a scab means. I ask the Hon. Trevor Crothers not to put on the line his credible past history, the principles of the Labor Party and the principles of the trade union movement, on the worthwhile nature of which he has lectured us on many occasions in the Caucus and in other places.

The Government is asking the honourable member to do a Judas Iscariot act. Judas Iscariot got 13 pieces of silver and the life of Jesus. If Mr Crothers falls for this proposition, he will not get 13 pieces of silver but he will jeopardise the lives

and wellbeing of the people of South Australia. The Hon. Trevor Crothers has the power today to say, 'I am not going to be rushed into this and I am not going to come back next week and have this thing rammed down my throat.' The Hon. Trevor Crothers has the ability to talk to other people. The honourable member and I have been in this Parliament for some years. In fact, I am on record in my second Address in Reply contribution in thanking the Hon. Trevor Crothers for showing me the procedures of the Parliament. When we members first begin in this place we do not get too much of an introduction. The honourable member taught me some of the principles of parliamentary life and of the trade union movement; he has certainly told me about them on a number of occasions.

I ask the Hon. Trevor Crothers not to throw it all aside. It is no use one's putting one's career on the line, because whether or not we sell ETSA will not make a hell of a difference to the coming budget. I am not an economic expert, but Professor Blandy and the person whom the Government pays \$60 000 a year for advice (and that is part-time, one day a week), Cliff Walsh, is critical of the budget.

The Treasurer is saying to the Hon. Trevor Crothers and to me that the Government is going to retire all the debt. If we read the Treasurer's contribution we see that he then says that the Government will take this money and leave it until after the next election when it will decide whether to have either 25 year or 97 year leases and, if not, it will have to be put back. Also, the Treasurer is not saying what he will do with the \$1 billion that was to be committed to social reconstruction. The Treasurer cannot achieve that goal and those demanded by the Hon. Trevor Crothers in these terms.

When this matter was raised the other day I had a private conversation with the Hon. Trevor Crothers about what would happen to the ETSA tax. That is to be removed, too: the Government fixed that up after the Hon. Trevor Crothers nailed them on that one, and that has been announced. But what is in it for the people of South Australia? Who will benefit if we flog off this asset? I will tell the Council who will not benefit: it will not be the Mums and Dads, because the legislation clearly says that. They will not be able to check into this system of buying cheap power from this industry that is on its knees. The Government is trying to convince every South Australian that this is a good deal, but it will be a good deal only for those big consumers of electricity for the next few years.

Some months ago I made a point about the competitive nature of the industry. The Government's friends jumped behind it very early in the piece and said, 'We'll be going out of the State.' Well, where are the announcements about Western Mining, BHP or BHAS going out of the State? I will tell you why we have not heard them—because the Government's friends are already on concessional power rates and have been on it for years. There is no question of product loyalty because they have indicated publicly that they have no product loyalty: it is all about price. One has to wonder why they are not using the present competitive rates—because the contractual arrangements they have with ETSA, which have been established over years, are better.

Selling ETSA will reduce our debt but it will also throw away our income stream. Professor Blandy has said that there may be no net benefit whatsoever, because when you reduce the debt and the burden you need a differential between the two before you get in front. What will that mean for the people of South Australia? It will not be too long before the ETSA tax returns. What is happening is that the people's

assets are being sold yet they get no benefit from it—none whatsoever.

Ask yourself the question: has the nature of business changed since Tom Playford privatised it? When it is taken over by private enterprise do you think that the people in Port Pirie, Spalding, Kimba and Clare will be immune from the cost of transmission and the other costs? This Government not only wants to sell the generators: it also wants to sell the sacred milch cow—the lines and transformers. The Government also wants to flog the one thing that you can guarantee an income from, and it wants to do it under the guise of a lease.

This is one of the worst things that have ever been perpetrated in this State, yet it can be fixed. However, the one thing that this Government will not do is test its promise to the people of South Australia. It told them that it would not sell ETSA; it has told them a number of times what it will not do. The Government has been invited to go back to the people ever since but it will not do so. The Hon. Angus Redford interjected earlier and said, 'When did the people say they didn't want you to lease it?' Well, they told you very clearly before the last election: 'No sale, we want to keep it.' You agreed, and ever since then we have been inviting you to go back to the people.

The Hon. Nick Xenophon proposed an amendment for a referendum. You people opposite have filibustered for seven months. You have been hiding around corners, coming to people and offering deals. I was amazed last week to read in the *Sunday Mail* that the Government was going to reintroduce the legislation: the legislation has been on the table for seven or eight months, but you just would not get on with the show. I believe that the Hon. Nick Xenophon is the only politician in this State who maintains credibility.

Members interjecting:

The Hon. R.R. ROBERTS: He is the only one who did not have to agree not to sell ETSA. He said, 'I'm prepared to go back to the people of South Australia.' There is a cynical attitude towards politics, with the average man and woman saying, 'Politicians don't keep their promises.' That may be true, because this Government is setting exactly that example. The people may not expect the Liberal Government to keep its promises, but they want it to. The Government is sending a message to the young people of South Australia in particular that you do not have to keep your promises. This Parliament has the opportunity to do one of two things: first, throw out this legislation, and I invite the Government to do that; and, secondly, if the Government does not want to do that the answer is easy: let us have the referendum and ask the people who elected us and who own the assets of South Australia.

The other matter discussed was a float. That will mean that the assets now owned by every person in South Australia—man, woman and child—will become the province of the rich. That is who will buy the shares if you go down that path. Therefore, we ought to discount that idea completely. South Australia's electricity assets are owned by the people. The Labor Party in this State is committed to keeping those assets owned by the people, for the people and for the benefit of South Australia—not just the big consumers, but all consumers.

Tom Playford got it right: the best thing for South Australia is that we own the assets. People do not believe the Liberals and they do not necessarily believe us or the Democrats, so, if there was a strong economic argument, why could there not be a Royal Commission or an independent overview that would report on a course of action that would

be in the best interests of the people of South Australia? I remind members of the course of action taken by Tom Playford in 1946. But nobody has shown us what is the best course. All the experts are saying that we may be worse off.

These people—Rob Lucas and John Olsen—given their past history, which is appalling, are saying, ‘Trust us, we’ll do it.’ Well, the people do not trust you. You have tried to bribe them and bash them and still they resist. You ought to wake up. The people of South Australia do not want you to strip them of their birthright. They do not want it taken away. You have an easy answer: you claim a mandate—well, go back and get a mandate. I do not think you have the guts to do it. What you are trying to do is sneak around through back doors and do deals.

I call on all members to examine their conscience. If this proposition is no better for the workers of South Australia—and they tell me that it is not; they tell me that they have better deals from the Government in writing, which the Government is already breaking now—let us not do it. Let us not go down this path. I ask the Hon. Trevor Crothers in particular to consider that, and to consider the people of South Australia who elect him and elect all of us in this place. They gave us clear instructions at the last election that they did not want their assets sold. If there is to be any change to that position they have a right to be consulted. It is the basic principles of organisation of labour: you must consult your members. They have given us the mandate; they have elected us, but they have a right to know what the deal is.

In conclusion, on the contracts and with respect to the legislation, I say to the Hon. Trevor Crothers: if, at the end of the day, you feel that you may still support this position put by the Government, do not do it until you have seen the legislation precisely and do not do it until you have seen the contracts. When I was a union organiser, and I am sure when the Hon. Trevor Crothers was a union organiser, he would never have signed the deal on a verbal undertaking: he would want to see it. You do not buy a pig in a poke. I prevail on the Hon. Trevor Crothers not to be rushed into this decision today but to consider it and to hear more views. The Hon. Trevor Crothers understandably has been under extreme pressure in the last couple of days. I was sitting alongside him when he said three times that he has not made up his mind; he wants to listen to all the points of view.

That is what I believe he will do. In the past couple of days he has deliberately said ‘No’ to people whom he suspects may be adversaries of one group or another and who want to change his view or to proselytise him in one direction or another. Unfortunately, the newspaper states that he has had long conversations with the Treasurer, so he has heard the Government’s view. I am simply asking him to take into account the views of those people who traditionally support the background from which he comes—the trade union movement and the Australian Labor Party.

I ask Mr Crothers to remember that these are the same people who have always been there. Government members are the same people who have never supported the trade union movement, never supported the rights of workers and done nothing but try to rip them down, and now they want to extend their influence and take it away from the ordinary citizens of South Australia. This is a question of social democracy, a matter of Governments intervening to ensure that every South Australian has the benefit of electricity. This is one of the core things the Government ought to do, that people expect Governments ought to do: police, education, water and electricity—the basics of life. The Government

wants to throw it away for a few pieces of silver. However, the people of South Australia will not get the silver. It is to appease the Government’s own ideology.

In contributions he has made in this place the Hon. Trevor Crothers has made those same observations. I put to him that nothing has changed. I ask him not to throw away a distinguished career in the trade union movement and in the Australian Labor Party. He should remember the principles that he has lectured most of us on. He should also remember that it was he who said that no one in the Labor Party hates scabs more than him, but that is what this Government is effectively trying to dupe him into becoming. It will be a sad day for me because the Hon. Trevor Crothers and I have been through a few battles together, and I have always been proud to support him and to have his support.

It is by no means by way of threat—and he knows this to be true—because my principles are still the trade union principles and to seek fairness for all South Australians, and I will not shirk from my duty. I ask the Hon. Trevor Crothers to remember his duty to the people of South Australia and all those Labor supporters and trade union supporters who have given him the honour to represent them in this Parliament. That is what I ask the Hon. Trevor Crothers to do; and, at the end of the day, I hope that he will remember his roots and remember the people who put him here and appreciate the high honour that he has been given by being a member of this place. He represents a particular group of people in this place but, also, he represents all the people of South Australia, the people who are screaming to us all, ‘Do not sell our assets.’

I ask the Hon. Trevor Crothers once more to resist the temptation to succumb to these people who are offering false promises and trying to give assurances. I ask Mr Crothers not to be duped but to take the opportunity to talk to his colleagues in the trade union movement and to some of the people in the Australian Labor Party. He should tell these people what I told them when they came offering me inducements—that they insult you—and then send them scurrying. I am opposed to this, and I will be making more contributions in Committee.

The Hon. T.G. ROBERTS: I also rise to oppose the clause. It appears that clause 2 has almost got us to the second stage of *Ground Hog Day*. The same arguments and conditions apply. I was wondering exactly who was going to play the role of Bill Murray, and I now know—the Hon. Mr Crothers. I hope that when *Ground Hog Day* finally ends there is a happy ending, because there was in the film. The Labor Party stands as a different Party with a different position in relation to the ownership and administration of public assets. Historically the difference that separates the conservative Parties from the Labor Party is that we have a different policy in relation to the mix of ownership of public and private capital and the interrelationship between public and private capital.

At this point the State Government, with the sale of ETSA, will not have any public assets of any significance for Governments to administer. I am sure that, if we are returned to Government, we will have a very difficult job in grabbing any levers at all to supply any of the integration that a Government needs to even out the differences in society by using public assets and public administration without the levers of taxation—significantly the levers of taxation—to supply the balances required in administering social services for disadvantaged people.

Water has been taken out of the hands of the Government to be able to supply direct subsidies to people on lower incomes and for attracting industry into particular economic regions. As we move into new federalism and as States break up into economic regions, the assets that State Governments have to use as levers to attract business and to invite private capital to share the infrastructure of State administrative bodies—and this is another lever with the sale of ETSA that we will not have—will not be available to us to use for those purposes.

One wonders about the future of South Australia. Those who live in the State know that the eastern States have been attracting their share of capital over the past decade, and South Australia has been unable to attract industry into this State without the Government handing out huge incentives and cash grants. We are supposed to be the clever State, the State that will go forward using high-tech information services and banking services: the media and the residents of South Australia have heard it all before. If we lose the ability to use electricity as a service provision for infrastructure, it is another lever we will lose to attract any of those promises that have been made to residents in this State over the past decade.

It is another lever that will be taken up by the private sector and administered by the eastern States grid, but it will not be to the advantage of a small State like South Australia that needs protection and service provisions with recognition from Commonwealth Governments from time to time to provide that pump priming in respect of infrastructure. It will go into a pool and then, without any administrative support from this State and region, it will go into the eastern States pool and we will not be able to use it.

Water was a promise made by the private sector when the proposition was being put forward by the Government to convince South Australians that it would be in their best interests if the assets were leased and managed by the private sector. I refer to all the promises made in the select committees set up to examine this issue. The Hon. Mr Cameron was a member of the Labor Party at that time, and I do not think I have sat next to a more aggressive inquisitor on a committee than the Hon. Mr Cameron; and the Hon. Mr Davis would bear that out.

The Hon. Mr Cameron and I asked a number of questions about the water supply and the benefits to this State in relation to returns on investment, what jobs would be returned to this State and the price structures that would apply at the end of the day for consumers.

All the answers we got from those answering the questions asked by the inquisitors were that South Australia would benefit not only in cheaper water, better service delivery and quality but also in jobs, not just in SA Water but we were going to be the springboard into Asia; that jobs would flow as soon as the taps were open and the pumps were running under the management of the private sector.

What have we found? We have found the direct opposite: 1 100 jobs have gone and the promise of Australian ownership and local participation of local capital in that program has vanished. It is now completely internationally owned. I have nothing against international capital as long as the benefits are returned regionally or into the State. Unfortunately, history shows that most of the profit and excess capital of international capital bodies, whether involved in management services or production and distribution, if it does not go back into recapitalising the program it is operating, will be

repatriated back to the country of origin in which those companies are registered.

Australia has lost the battle in terms of ownership of international capital in major infrastructure projects, so you can bet your bottom dollar (and I hope the Hon. Mr Crothers is listening, because I certainly do not know the answer to the question) that the only companies that will be financially structured, adequately equipped and capable of taking over the electricity assets in this State will be internationally owned, that they will have eastern seaboard connections and that there will be little or no connection into this State in relation to their head offices and their financial administrative services in which you get some spin-off from jobs.

We only have to look around the Adelaide CBD to see what support and infrastructure have been provided by the asset sales that have gone on in this State over the past six years. Those who are watching and observing closely would note that most of the head offices have moved to either Melbourne or Sydney. What can we expect out of a sale? Western Australia has not moved into wholesale privatisation of its electricity assets because the mining and manufacturing sectors believe that you are better able to build up an expectation of your capacity to use and pay for electricity in a relationship with a Government service provider. You have to knock on only one door and convince one set of bureaucrats that the needs of your particular company, your particular pressure group, whether it involve household consumers or large consumers in mining, need to be addressed.

As a result of discussions I have had with people in Western Australia, I am convinced that because of similarities in our economies it would be madness for us to break up our assets and have a number of service providers as is contemplated by this legislation. The large private users of electricity in Western Australia were quite happy to deal with Government because they believed that they would get a better deal and be able to plan for longer term servicing of their needs and requirements.

We have the mining sector here in South Australia making noises about what its future will be in relation to service provision and, rather than get into the knock-out tendering process that is envisaged (where they have to compete for power within the national grid), it is quite possible that many larger users of electricity, including some of the manufacturing sector, will set up their own service provisions.

So, the market for electricity out of the common pool will probably shrink. That possibly would not be the case—and I can only say 'possibly' because I am not close enough to the negotiations to speak with authority. But, if it was kept in State ownership where there would be a relationship between the service provider (that is, ETSA), the Government and the large users you could sit down and negotiate those contracts to get certainty into growth and some idea of future price movements. Certainly, those companies can negotiate and set their projected investment strategies over at least half a decade, if not a decade, forward—which is what the large investors require.

The other problem that the select committee on water found was that the contracts that were to be signed and the way in which they were negotiated, the tendering process, did not allow any scrutiny at all in relation to parliamentary representatives who were elected and put in a position to oversee the provisioning of a process for the sale of those assets. Unfortunately, as a member of Parliament, I felt totally out of any of those negotiations because it was

impossible to know whether or not we had a good deal because the contracts were not made publicly available to Parliament; they were not made publicly available to individual members of Parliament; and they were not made publicly available to committee members; and, as the Hon. Mr Crothers is doing, you had to take the marketplace at its word that the Government negotiators were doing the best they could in a difficult climate for and on behalf of their constituents.

It is not something that I as a single member of Parliament would prefer to have—and I am sure many other members would like an opportunity to be able to say to their constituents, ‘I have seen the contract. The contract is available, and the media have access to it and can disseminate and explain it to South Australians’. Unfortunately, that is not the case. Commercial confidentiality protects all figures and explanations and, as a result, prevents members from doing comparisons that they would like to do on behalf of their fellow South Australians.

We have made numerous attempts to sight the contracts for all the privatisation deals that have been done by this Government over the past six years. The Select Committee on Outsourcing of State Government Services was appointed on 11 December 1997. That committee includes the Hon. Mr Davis (who I expect is chairing it), the Hon. Mike Elliott, the Hon. Paul Holloway, the Hon. Rob Lawson and the Hon. Ron Roberts—and I have to ask my colleague how many times it has met.

The Hon. M.J. Elliott: Four times.

The Hon. T.G. ROBERTS: It has met four times since 11 December 1997.

The Hon. M.J. Elliott: We are working on a draft report.

The Hon. T.G. ROBERTS: Working on a draft report! The point I am making is that we have tried for four years to sight the contracts that were set up in the first period of this Liberal Government. We are now two years into its next term, yet we will still have not seen the contacts.

The Hon. M.J. Elliott: They only finalised the price last year and they still haven’t told us what it is.

The Hon. T.G. ROBERTS: Do you mean the water contract?

The Hon. M.J. Elliott: No, the EDS contract.

The Hon. T.G. ROBERTS: Well, there are so many. But, in relation to the EDS contract, we still do not know the price or the financial arrangements that were included in those negotiations. We do not know what are the trade-offs or the benefits of provisioning, and we do not know what are the forward promises, although we read about them in the media from time to time when they are brokered. The point I make regarding the Bill before us is that we are buying on blind faith. Members are voting for a principle, and, in the light of the past record in respect of all other privatisation arrangements and deals, the people of South Australia and their parliamentary representatives are still no clearer about the setting up of these arrangements than they were at the time of their announcement. The opposition from the Labor Party—

The Hon. T. Crothers interjecting:

The Hon. T.G. ROBERTS: I agree with the honourable member’s interjection, and I hope that we will not vote on this Bill until we see the leasing arrangements or the sale contract or whatever documents pass through this Chamber.

The Hon. Carmel Zollo interjecting:

The Hon. T.G. ROBERTS: We are only debating clause 2; we have not come to the sale or lease. I hope that

we do not progress this Bill past those clauses until we see the details of the negotiated position in which the Government finds itself. I understand that that will be almost impossible, because I suspect that the leasing arrangements will be tendered for in the same way as were the water arrangements, and, as the Treasurer has indicated in his own words, it will probably take at least nine months before those arrangements are finalised.

I suspect that a shortcut will be taken if this Bill passes in any form. I also suspect that another select committee will be set up—or perhaps this matter will be added to the terms of reference of the Select Committee on Outsourcing of State Government Services—to investigate, retrospectively, the circumstances surrounding the privatisation of ETSA.

The Hon. M.J. Elliott: You’ll get the same level of obstruction that the other committees have had, too.

The Hon. T.G. ROBERTS: I will allow the Hon. Mr Elliott to elaborate on the obstruction that has occurred in the setting up and running of the committee of which he is a member.

Regarding the matter of job protection if this asset is sold or leased, I understand that the union has secured some commitments in that respect, and I hope that the Government sticks to those arrangements. I understand that the Hon. Mr Crothers has also negotiated some arrangements regarding job security and benefits. I hope that he or the Treasurer will report on the details of those when they make their contribution.

Another area in which the State or the economy loses badly when we privatise is research and development. In most cases where Government assets are privatised—and in many cases where the private sector aggregates its accumulated assets—research and development is the first casualty. Asset stripping tends to be the first priority of the private sector and then wholesale cutting of the labour force. Generally, the rule of thumb is that you cut your labour force by between 20 and 30 per cent. You then contract out the services that were provided by permanent employees, and the rates of pay of those employees are cut by about the same percentage.

So, if we are to go through more exercises in asset accumulation in fewer and fewer company boardrooms with more and more cuts to labour and research and development, we can expect South Australia to get further behind the eight ball. I assume that we will be given the same promises by the prospective buyer or lessor that they will use the ETSA asset as a springboard into Asia, with the introduction of electricity generating schemes into Indonesia, Malaysia and Thailand, etc.—we have heard those arguments before.

The difficulty that I have with my honourable colleague’s position is that nothing has changed. As I have said, this is a bit like *Groundhog Day*: nothing has changed in the position put forward by the Government. I congratulate the Treasurer for his dogged determination to leave this Bill on the Notice Paper for so long and for working so hard. I must confess that no-one has approached me to see whether I will change my vote. I am not sure about other members, but I thought I had better put that on the record.

The Hon. R.I. Lucas interjecting:

The Hon. T.G. ROBERTS: Perhaps my credibility did go down somewhat in the eyes of the Treasurer, but I have not been approached to see whether I would change my position. I am on record advocating protection of the assets of the State and keeping at least our water and electricity undertakings in public ownership. So is the Hon. Mr Crothers. I refer to the many contributions in *Hansard* by

the Hon. Mr Crothers when he used almost the same arguments as mine and those of other members to defend the ownership of our assets. In respect of ETSA, the Hon. Mr Crothers said on Tuesday 11 August 1998:

But the fact is that, when the economic wheel turns full circle and this economy gets back on track, that debt relative to the State's economy will be paid off. . . . But, once we sell ETSA we have sold it forever, and we could only get it back if we were prepared to pay the price that would then be prevalent.

I take it from those comments that the honourable member was not considering a lease; he was opposing an outright sale. However, I put to him if he is prepared to listen that, in respect of the argument for a 99 year lease, I would hate to get back my second-hand Magna after someone had driven it around for 99 years. If I sold it, loaned it or leased it for that period of time, it would be as good as waving it goodbye.

The fact is that a 99 year lease is as good as a sale, from which, in fact, the Government would probably get a better return for its taxpayers and constituents: it would probably get a better arrangement or deal with a sale than a lease. I do not support either but, if we compare the two, I would not opt for a 99 year lease because of the complicated way in which the leasing arrangements would have to be drawn up, the complicated way in which the Bill is structured regarding the return of capital to the Treasury after the next election, and the changes that can occur in any company cycle during the period of a lease.

The Commonwealth plays a large part in determining infrastructure and support for the way in which States are able to project themselves financially into the future. Historically, State Governments are looked at as economic units, but that is changing: as far as the Commonwealth is concerned, South Australia is almost no longer a State in terms of an economic region.

There are ways in which pump priming can be done by State assets. If the vote goes as we suspect, we are about to lose another lever to enable us to pump prime without the other added problem of direct financial grants. Already we find that this Government has involved itself in making deals or arrangements with companies beyond the scrutiny of Parliament that have turned around and bitten it. I will not describe them at this stage because there are others who can probably do that better than I. The point is that we will not have the benefits of adequate infrastructure and returns and the cash benefits that return to the State, particularly in relation to water. For example, if you do not pay your water bill or your electricity bill, it gets cut off and immediately that cash goes back into the State economy. That is a way in which local cash is returned to the local economy.

We will not have guarantees of that money being returned to the local economy, so I guess there will be a lot of leakage. There will be a lot of movement of larger amounts of capital rather than smaller amounts of capital within the State, and somehow we have to make provision for that. I will make further contributions as we progress through the Committee stage, and I look forward to witnessing the way in which my colleague votes.

The Hon. CAROLYN PICKLES: This is a very sad day for South Australia. Here we have a Government that may finally get its way. By hook or by crook, this Government has schemed and connived until it may get what it wants, and it has done so at extraordinary cost to South Australia. Today as we debate the lease test clause, I think we should all be honest about this. Let us face it, this Government has been

less than honest about this, but I will get to that detail in a minute.

First, the lease is no different from the sale of ETSA. Why would the Government be so keen on pursuing this course of action if it was significantly different from the alleged benefits of a sale? How members are able to justify such a change in position on the basis that a sale and a lease are different is mind-boggling. The 97 year lease of ETSA and Optima makes the State and South Australians just as vulnerable as they were with the sale option. The lease makes South Australians just as vulnerable to foreign investors as a sale. Let us not pretend that foreign investors will have the future of South Australia at heart. That is not their motivation; in fact it is the very opposite.

What is important to the future lessors of ETSA and Optima is unlikely to match what I consider to be the mark of a civil society where the Government has a role in positively assisting those who have been forgotten for one reason or another. This is the very crux of the problem for the Government. The Government has been unable to convince people that the sale or lease of ETSA is any different or in the best interests of the State. The Government's lies have been so transparent, so deceitful, that South Australians have found a new low in this Government. The people of this State have a very bad taste in their mouth from the Government's privatisation agenda.

South Australians have already borne the brunt of the Government's failed agenda in respect of SA Water, and they are extremely reticent about this sale. What has that delivered to South Australia but job losses and massive increases in water bills? The South Australian water experience makes a mockery of any promises or assurances given by the Government regarding a leased ETSA. If we trace the Government's incredible mismanagement of this issue, I am reminded of the Keystone Cops.

When the Premier realised he could not get away with his broken promise, like a naughty child he threatened to increase taxes and charges. This he hoped would force people to make a decision between the hip pocket nerve and the interests of the State. However, the Premier underestimated the will of the people and their ability to see through the Premier's sham strategy. For example, the use of proceeds of the sale or lease of ETSA and Optima for purposes other than debt reduction, as currently proposed by Mr Olsen—and hopefully not by Mr Crothers—is not only a monumental backflip but also the height of financial irresponsibility.

The only acceptable financial case for asset sales is if the reduction in public debt interest that can be achieved through the sale exceeds the amount earned by the public enterprise for the Government. Even then, the financial case for privatisation and the lease option must be examined on a case by case basis. For example, in the current power debate, sale prices as low as \$4 billion and as high as \$9 billion have been cited as sufficient to be of benefit to the State's finances (that is, to reduce public debt interest by as much or more than the value of dividends and retained earnings that are lost to the Government after the sale of the asset). Very often the right answer to the question, 'What would you do about debt?' is 'Keep an income earning asset in public hands.' That is an important way to keep a lid on debt and taxes and provide more services. This is Labor's position on ETSA.

The Auditor-General tried to find evidence that the sale of ETSA would be financially advantageous but could not find such evidence. He found on the basis of Treasury estimates alone—estimates that he was unable to independ-

ently verify—that the potential benefit was between \$35 million and \$60 million a year. The conservative economist Professor Richard Blandy has estimated that the financial effect of the sale is about zero. There is no positive and no negative financial effect. This is more so since the cost of servicing our debt is coming down due to interest rate reductions. The Auditor-General has produced estimates of current interest rates and the average duration of SAFA's stock of debt. Generally the shorter the average duration of loans, the lower the interest rate.

The interest cost on new debt is about 6 per cent. It is the longer term loans at higher interest rates taken out at the time of the State Bank collapse that will be, or have already been, replaced by shorter term loans at lower interest. Professor Blandy has also estimated that 70 per cent of the State's loans will be rolled over to the newer and lower interest rate over the next two years. The Treasurer has said \$5 billion of loans will mature in the next few years. Selling or leasing an income earning asset to reduce debt at the same time as historically low rates of interest is questionable. As Professor Blandy says:

The less the interest on the mortgage, the less attractive such a course of action becomes.

The axiom of the argument for selling is that all proceeds go to reducing debt, not on current items of expenditure, or even capital works, where these do not generate income for the State. Once you reduce your asset base, you cannot run up extra liabilities. This is exactly what this Government will do.

Over the past four years, power utilities have returned \$1.3 billion to the Government in dividends and tax equivalent payments (including a \$450 million debt restructure in 1997-98). In addition, there are earnings of ETSA and Optima that they retain and do not give back to the Government. This also needs to be factored in. They are substantial and therefore add to the value of ETSA. As the former Treasurer (Stephen Baker) said in the 1997-98 budget speech:

Improvements in the performance of Government owned businesses, particularly ETSA Corporation, have also exceeded expectations.

The Olsen Government promised before the last election that the budget was in good shape—that taxes would not rise overall and that ETSA would not be sold.

Now that the Government has got its way, the Premier and the Treasurer cannot even get their lines right. The Premier has been claiming that the budget is in trouble because he cannot get his way with ETSA. However, his outlays are up by nearly \$450 million. When quizzed about this problem the Premier responded that the sale (and we can read 'lease') would save \$500 million worth of interest. The Treasurer said it would save \$300 million. This State does have a debt problem. However, Stephen Baker, the former Treasurer, assured South Australians before the last State election that the Government had broken the back of debt. He assured us that everything was in control and that debt was coming down. The Government lied to the people of this State about its intention with the future of ETSA. There is no question about the fact. What is more frightening is that the Government has no moral qualms about having done so.

When quizzed about the Government's disgraceful broken promise on radio this morning, all the Treasurer could do was chuckle and suggest that this issue had been debated long enough. The contempt he has for democracy, open government and accountability is shameful, but indicative of the moral code of this Government. ETSA is the jewel in the

State's Crown. The Government will never be forgiven for selling the State and its people short.

There are very few things left in this life that I am passionate about. I am passionate about my country, my State and the Party of which I have been a member for 35 years. Over that 35 year period there have been many issues on which I have not agreed with my Party. I have debated and fought out those issues in the forums of the Party. When we have failed to succeed—and we in the Left have failed many times—we have got up, dusted ourselves off and fought the good fight yet again. Some people might call me a masochist, but we go on.

The Hon. Mr Crothers has been a long time member of the trade union movement and the Australian Labor Party. In his time the Hon. Mr Crothers has been passionate about the trade union movement and about the Party he has served for many years. Today we have heard a very passionate speech from the Hon. Mr Ron Roberts. He, too, has had a very long history in the trade union movement, as have the Hons Terry Roberts and George Weatherill.

All of us on this side have come to the Labor Party from different directions, but we have shared the same goal until this day, and hopefully that will continue. The goal has been that we will stick together through adversity and we will serve the people of South Australia with the best will that we can. If this Bill goes through I believe it will be to the detriment of the people of this State. I urge the honourable members of this place to vote out this shameful and dishonest Bill.

The Hon. CARMEL ZOLLO: I also rise to oppose this amendment. My contribution will be brief; I have spoken on this Bill on other occasions and I think that all we are doing is repeating ourselves. My colleague the Hon. Paul Holloway, the Deputy Opposition Leader in this Council, the day before yesterday competently outlined the Opposition's commitment to the South Australian people at the time of the last election that we would not sell ETSA. I join him in placing on record that a long-term lease is viewed no differently by the Opposition. The reasons are obvious: depleted assets at the end of the term and the inability to take advantage of dividends during its lease. As far as I am aware, the lease option was filed in this Chamber last November.

We view the reduction of debt by reducing our income earning asset base as not the same as an improvement in our long-term financial position. Someone within the industry last night suggested to me that a 25 year lease is a smarter business deal for the industry than a sale. The only reason anybody wants to buy or lease ETSA in South Australia is that it is very profitable. I am certain that no-one will disagree with the point of view that private industry is about profit for a few shareholders. Even in the private sector in South Australia, we seem to have a history of our smart entities being guzzled up—I suspect because they are very profitable.

Currently the people of South Australia are all shareholders and the owners of the asset. The three quarters of a million customers in South Australia have every right to ask why their utility cannot continue to compete as one of the utilities in the national electricity market in South Australia and interstate. They perhaps have a right to know why this Government has not focused more on competition and maintenance rather than the sale or lease option.

It may now be 12 months old, but I noticed that the last annual report of ETSA Corporation stated in part:

The performance of ETSA's interstate market teams in Sydney and Melbourne demonstrated that a South Australian based company

can compete well in the national arena. The results of our interstate trading were within our budget parameters and provided ETSA with valuable operating knowledge of the activities of our competitors in advance of the opening up of the SA market. ETSA's competitive market operations have continued to adopt a conservative approach. Our marketing strategies have sacrificed market share for margin and our trading operations have minimised unhedged exposures. Nevertheless, our interstate activities won 167 customers and generated revenue of \$7 million. ETSA has now acquired retail licences in all participating NEM jurisdictions.

I think that is quite a nice bit of groundwork if our utility is leased or sold. I think it is insulting that the Treasurer should tell this Council that the tax leasing arrangements entered into by the previous Labor Government and now his own Government for the reduction of tax liabilities by both Parties are the same as the proposed long-term lease. I suggest that, if he thinks this lease before us is the same, he does not need to bring it before Parliament.

The Opposition disagrees strongly that the sale or lease will be to the long-term advantage of the people of South Australia. This view that the dividends received from ETSA Corporation are greater than the interest we would save if we were to pay off the debt is shared by several prominent economists of our South Australian universities. Disaggregating ETSA Corporation into its various entities may look unpalatable in its formation stages, especially when entities become hybrids of the holding company rather than being looked at as a whole.

Governments should be in the business of looking at things as a whole. Are we trying to say that we will never need to borrow again in South Australia? Why are we not trying to renegotiate our loans while interest rates are low? I think the Hon. Sandra Kanck made a similar comment this morning.

Some members recently mentioned the New South Wales Government and the manner in which it has been dealing with its utilities. This Government may do well to remember that the people of New South Wales, like the majority of people in South Australia, did not want to see their utilities privatised and voted accordingly. Even a huge fistful of dollars from the Liberal Party could not entice them. It might also do well to think about what has happened to our water quality and prices since its outsourcing or privatisation. Both my colleagues the Hons Terry Roberts and Ron Roberts have also spoken at length about that. It has seen loss of jobs, huge price increases and full overseas ownership. The only people to benefit are the board members and executives of SA Water and United Water.

Should ETSA be sold or leased, exactly the same things will happen. Again, the people of South Australia will be the big losers. I personally will honour the Australian Labor Party pledge made to the people of South Australia and my personal pledge to the Party by continuing to oppose the sale or lease of ETSA, and I urge all other members to do the same.

The Hon. M.J. ELLIOTT: When the Democrats went to the last election we had a slogan, 'Don't sell SA short,' and I must say that I am bitterly disappointed to see that indeed this State is to be sold short and is to get a bad deal—although I suppose we should say more accurately that we are about to be 'leased short' due to the agreement that apparently has been struck between the Government and the Hon. Trevor Crothers. I have tried to speak to the Hon. Trevor Crothers outside this place, because when he had last spoken in this place he had said that he was clearly

opposed to the sale and gave a very impassioned speech on 11 August.

The Hon. T. Crothers: I still am.

The Hon. M.J. ELLIOTT: Well, I will get to that in a moment. The honourable member made a very impassioned speech on 11 August, and there was no reason for anybody in this place to believe that there had been any change—although perhaps the Treasurer has known for a little longer than the rest of us that there had been a change of mind. So, our only opportunity to discuss it with the Hon. Trevor Crothers is via this debate, although he now appears to have made another commitment in any case, but, nevertheless, it is worth a try. When the Hon. Trevor Crothers spoke on 11 August his first sentence read:

In rising to make a contribution to this debate let me first congratulate the Hon. Nick Xenophon for his ethical stand in respect of the Government's policy positions taken prior to the last election.

The very last sentence of that speech read:

I oppose the sale of ETSA at the second reading stage of this Bill and I urge all decent thinking, ethically minded members to do the same.

I agree with him absolutely. There is a major issue before us about ethics and morality in politics. It is something of a standing joke in the community: 'How can you tell a politician is lying? His lips are moving.' But it has gone well beyond a joke. At the last election, the Government clearly promised not to sell ETSA. At least one senior member of the Government, when sitting with me privately, admitted 'we lied', and it was made quite plain to me that it was a deliberate and intentional lie. What this Parliament is in effect doing with this legislation is an endorsement of a lie—a big lie.

It is fair to say that when people vote they do not vote on a single issue: they vote for a Party which they think best represents a wide range of matters they consider important and accept that on some matters they might disagree. But there is no question that at the last election the biggest single thing on people's minds was privatisation. So, the Government deliberately lied. People voted for the Government in the belief that ETSA would not be privatised. When they voted for the Democrats or for Labor they had a similar impression. Of course, there was not an SA First to vote for at that stage, but I suppose they assumed that the Hon. Terry Cameron as a member of the Labor Party would have been opposed to privatisation as well.

So, there has been an enormous lie and a deliberate lie, and now this Parliament is being asked to endorse it. Not only was there a deliberate lie at the last election but since that time there has been a deliberate pattern of deception and misleading by the Government in terms of the use of information and data. As the Government has sought to construct a case for sale, it has deliberately blurred risks associated with some parts of the electricity businesses and made this appear to apply to all. For instance, when the Government talks about market risk, I point out that there is no market risk in the major asset, which is the poles and wires. There is no real market risk there at all. It is a monopoly; it is a regulated asset; it is capable of giving a regulated return. In fact, it is exactly why some generating companies interstate are moving their emphasis to the poles and wires. The poles and wires simply had no risk whatsoever and had a guaranteed return. When this return goes into private hands, it will be extracted and will be much greater than that which the State Government currently gets from ETSA. So, when full deregulation strikes—and this will take about two years as the market is deregulated—we will pay the maximum that

the regulator will allow, and the regulator will allow a lot more than the Government is currently taking from ETSA. The price of electricity in relation to the poles and wires part of the business will increase, and that money will leave the South Australian economy. There is no question about that, yet the Government tried to talk about risk as though it applied to what is the most valuable part of the asset, some arguing that as much as 85 per cent of the total electricity assets is the poles and wires. There is no risk; there is guaranteed return; and the guaranteed return will go to private operators who will take out a much bigger return than we currently get. Instead of paying through tax, we will pay much more—and forever—in our electricity bills.

When Government members talk about debt, it is a deliberate deception. We hear constantly how both the size and impact of the debt in South Australia have been overblown. When we hear about the amount of interest we pay on an annualised basis, we are not told that not only do we have debts upon which we are paying interest but that some of that money in fact is being re-loaned. There are parts of the commercial sector which do not count as part of Government debt and which are borrowing from the Government at a higher interest rate than the Government itself is paying. In other words, part of the debt and part of the interest payments are offset by the interest being paid by the commercial sector. The commercial sector has been meeting its own debts and has no problems with them, but the Government has quite happily collected together all the debt and interest payments because it makes a bigger number. It has been a deliberate deception in terms of the impact of interest on our economy and the budget bottom line.

I do not intend to go on at great length about this dishonesty and deception: it is something which in fact my colleague and the spokesperson on this issue, the Hon. Sandra Kanck, has covered on many occasions. But it has to be noted that there was not just the big lie: the whole process of trying to persuade the public on the matter and trying to persuade some members of the Labor Party to move has been based on deliberate misrepresentation of the true situation. One only needs to consider the views of some independent commentators such as Professor Richard Blandy to see what is the true economic impact on the State. Professor Blandy makes it quite plain that the benefits the Government claims for the sale are simply not there. They are not my claims about the numbers: this is Professor Blandy and others who have been through the numbers with a fine toothcomb and who tell us that the State's bottom line will be worse off.

More importantly, what really worries me is that when this legislation is finally passed not only will we not get the economic benefits that are claimed but there will be a number of costs. There are a whole lot of issues which have not been addressed, issues which are capable of being addressed by way of the committee for which the Hon. Nick Xenophon has moved.

Let us try a couple of these issues. When Flinders Power is privatised I expect that Western Mining Corporation will then seek to sign a long-term contract. Western Mining Corporation does not need to buy via the pool. All small and medium businesses will; all domestic consumers will buy from the pool; but Western Mining can buy direct. Clearly, WMC will try to strike a deal with Flinders Power, which happens to be the cheapest electricity producer in South Australia. That electricity will be taken out of the South Australian pool. Members need to understand that the price of electricity in South Australia at any one time is set by the

highest bidder. The cheapest producer will largely be pulled out of the pool and will not be bidding into it, which means that the successful bidder will be bidding a quite high price. It will be a gas-based generator that will be bidding high. In fact, most of the time the last bidder will probably be what would previously have been a South Australian-owned generator, namely, Optima.

In terms of total market share, it is the dominant player in the market. It will be setting the price most of the time. That is one of the reasons why Pelican Point is coming in with such confidence. It knows that it is competing with a slightly older gas generator; it knows that it can bid zero and that it will dispatch all the time. It knows that Optima will always be successful in making the last bid and that it will not be able to bid below the cost of production. So Pelican Point is not coming in at any risk.

In fact, we suspect that the Government might have given Pelican Point a better deal—but we do not know because no-one will tell us what the deal is—that at peak times if gas is short it will not be a problem for Pelican Point but it will be a problem for Torrens Island which will go over to burning oil, and when it does that the cost of electricity will go up. Of course, this will happen at peak times. The last bidder, Optima, is now having to generate at peak times at higher cost. What does that mean? It means that the last bidder will be generating at higher cost and will have to bid at the higher cost, and the whole market will pay that price.

The Government is not creating competition in this market. If the Government was serious it would have created different structures. For instance, it would have taken Torrens Island A and B and separated them as companies with similar costs of production and forced them to bid against each other, not knowing who was going to be the last successful bidder. That would have left the Pelican Point operators at that stage not knowing precisely how the other two were going to behave and not knowing who would be the last bidder. At least that would have created some sort of competition in the market.

However, the Government has not done that. In seeking to maximise the price that we will get in terms of the return on the asset now, the Government at the same time has guaranteed a maximisation of the price we pay for our electricity in South Australia. And it has gone further: it is now promoting the unregulated interconnect, which will mean one thing. As I understand it, when it delivers the electricity into the State it will be acting like a generator and it can choose to bid its price into the market.

It will do it very strategically. It will choose when to come in and it will not give us cheap electricity. It will get rid of the bid price of the Optima station, and because of the structure the Government set, and particularly if Flinders Power is supplying to someone like Western Mining, it will set the price all the time. It is money for jam. The electricity coming into South Australia will be cheap for the suppliers but it will not be cheap for the buyers. As the electricity comes in the money will be going out.

The Government has not created a market with any genuine competition in it whatsoever. It is an absolute disgrace that we are passing legislation here which does not address questions about whether or not we are getting a good deal for the bottom line of this State. People like Professor Dick Blandy plainly say that we are not; they say that we are getting an appalling deal in terms of the long-term impact on the price of electricity.

South Australian business and domestic consumers will be facing bigger electricity bills. The good news for the Government, though, is that it will not happen until after the next election. That is the good news for the Government: it gets the sale now and in simple figures it says the debt is less. Any fool can tell you that if you sell the assets the debt will be less. The bottom line impacts will come through, and even in terms of the impact on the State budget overall the budgetary process will take a few more years to filter through. But the price impact for consumers will not be apparent until after the next election. So, the short-term expediency that we have got used to in Australian politics will happen again.

It is about short-term expediency. The reason why the Government is now accepting a lease deal that it knows will be less is that it has committed itself politically so strongly to this sale that it cannot afford to be seen to fail. The Government is not worried about what is good for the State; it is worried that it cannot be seen to have failed. That is why we have been going through this circus all this time. There has been no genuine attempt to go through a proper analysis of what is good for the State; this legislation is all about what is good for the Liberal Party of South Australia. The deal that has been done with the Hon. Trevor Crothers is also about what is good for the Liberal Party and has nothing to do what is good for the State. It is an absolute disgrace.

There has been no attempt to look at the electricity business within the wider energy market and the questions that we should be asking there. What is the long-term energy future for South Australia? I can tell members that the long-term future will not be coal-based generation from the Eastern States. Australia signed off at Kyoto for an 8 per cent increase in greenhouse gas. I am told that the Government, having signed off on an 8 per cent increase whilst most western nations went for zero, is now heading towards a 22 per cent increase.

I will tell members what the economic impact of that will be. The European Union will look at Australia and say, 'You are competing with us; you are sending products into our markets, but you are not using your energy efficiently', and it will put tariffs on Australian products which it will justify in terms of compensation because we have not been tackling this issue. The national market will look a whole lot sicker at that point, when it has been based entirely upon a future which revolves around coal generation largely in the Eastern States.

That is one reason why I am not unhappy that we have a further gas station. I am not saying that the Government has got everything wrong because it has got the odd thing right. When we go to gas generation, in the short term there will be a major price to pay because it will not happen within a market context that is competitive and, as I said, we will pay very dearly for that. Even as we move further towards gas in the future, I think that the composition of the market that is being created in South Australia will not be conducive to the creation of competition.

My next concern is that nothing that has happened in this legislation has in any realistic fashion tackled issues like demand management. In demand management South Australia would be 20 years behind the rest of the world. Demand management is important because South Australia has an unusual peak demand. It is similar in Victoria, but New South Wales has a relatively flat demand. Everyone is aware there are peaks around dinner time each day, but this State particularly has a variation not on a daily basis but

across the year. When we get into the hot periods of summer we have enormous peaks which are probably four times as high as the base demand, created almost solely by the refrigerated airconditioner.

I believe that every time somebody spends \$100 putting a refrigerated air-conditioner into their house the installed capacity has to increase somewhere between \$100 and \$200. Why is that relevant to this debate? It is relevant because you ultimately need—and the Government says it is trying to achieve this—the capacity to make sure that everything in the State is still running regardless of demand. The price we are paying in the market structure for that peak demand comes from the last bidder, which again sets the price, and it can set almost any price it likes. At the moment, I think it is regulated to \$3 000 per megawatt hour; it is about to be increased to \$5 000; and I understand that there is pressure for that ceiling to be lifted as well.

That means that whenever we go into these high peak demand periods the whole market will be asked to pay the price of the last bidder. A failure to address demand management in terms of these peaks is a guarantee that the whole market will pay an enormous price for its electricity, and there is nothing about the way we are structuring the market that will encourage demand management. One of the problems in this industry is that you do not want to build a station that will lead to creating surplus electricity, because if you create surplus electricity the price goes down. The incentive is to build when there is a shortage and not to build beyond it.

So those peaking demands will stay and, as I said, in the national market the last bidder will set the price. Under Government ownership the Government has charged the true rate of production and has factored that in, but the national market will not create any pressure on those peaks whatsoever. There is nothing here that will tackle demand management. It was possible by demand management alone to have avoided building another power station for a considerable period of time. The average domestic residence, with a very small investment (which pays for itself), can halve its electricity demand. By the simple changing over from incandescent to fluorescent lighting, by changing a shower rose and a subsequent change of the temperature of their water heater, the demand on electricity can be halved. It is easily done, but nothing will happen in the market to send signals to encourage it, and there is nothing in this legislation to address those sort of things.

The Hon. R.I. Lucas interjecting:

The Hon. M.J. ELLIOTT: It will not do anything. Things have to be built into the market itself to send signals to encourage demand management, but there is nothing in the legislation that will cause the market to do so. It is a significant failure.

I have touched on a range of issues where there are significant unanswered questions. When I have met with industry representatives, there has been a great deal of concern about whether the price will go down. The Government has focused somewhat on State debt and it feels that if the State debt goes down all other problems will be solved. There is significant disquiet amongst industry people when you speak with them one to one about whether we are to get a market that will deliver price decreases.

That is why we went into the national market in the first place: with the prime objective of getting cheaper electricity. We are now at a point where, if we have managed to

guarantee anything, it is that we will not get cheaper electricity in the longer term. That is a great shame.

I do not know the substance of the agreement that the Hon. Trevor Crothers has struck with the Government, whether it is in writing or what status he believes it has, but I was involved about four years ago in a signed agreement with the Government in relation to retail trading hours. It was signed off by a Government Minister, with the consent of Cabinet and done with the Small Retailers Association and myself. Within it were a number of guarantees and cast iron promises, one being that there would be no change to trading hours without 12 months notice. I will not go into the reasons why it was included, but it was there in writing. The Government has reneged on it and the Attorney-General by way of interjection responded by saying that it was not legally binding.

That gets me back to where I started: issues of morality. Morality counts for nothing in this place. The Government has shredded morality and does not care for it. They think it has something to do with videos and nothing to do with the way people interact with each other, with politicians keeping their word, or with valuing people and communities. It is about their own selfish, self-interest and their own greed. That is why we are here today.

Progress reported; Committee to sit again.

[Sitting suspended from 1.6 to 2.15 p.m.]

NATIVE TITLE

A petition signed by 24 residents of South Australia concerning Native Title rights for indigenous South Australians and praying that this Council does not proceed with legislation that—

1. Undermines or impairs the Native Title rights of indigenous South Australians; and
2. Makes changes to Native Title unless there has been a genuine consultation process with all stakeholders, especially South Australia's indigenous communities was presented by the Hon. R.R. Roberts.

Petition received.

ELECTRICITY, PRIVATISATION

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

The PRESIDENT: What is the subject?

The Hon. R.R. ROBERTS: It is to clear up any misinterpretation of some matters on which I touched this morning.

The PRESIDENT: I think the Hon. Mr Roberts has an opportunity when we go back to Committee to explain any matter that he needs to embrace from this morning.

The Hon. P. Holloway: He is seeking leave.

The PRESIDENT: Order! An honourable member is on his feet: he has asked leave to make a personal explanation, I understand.

The Hon. R.R. ROBERTS: I made a statement this morning about an incident that occurred and I have been asked by a number of people, including my own Leader, to clarify the position. I am happy to do that.

The Hon. R.I. Lucas: I thought it was only if he misrepresented something.

The PRESIDENT: I rule that he can do this. If it is a matter of a personal nature, the honourable member can seek leave of the House.

Leave granted.

The Hon. R.R. ROBERTS: This morning, I referred to an incident that occurred prior to the last vote in the Legislative Council on a test clause in respect of the future of ETSA. I outlined, obviously not in very clear terms, an approach made to me by a member of the Government. I was called to the back of this Chamber and asked whether I would talk to this person. I was then invited to enter the President's Chamber and a proposition was put to me. I was asked what it would take for me to support the legislation. I was tempted to be flattered and to think that it would be a statesmanlike thing to do.

The point put to me was, 'What do you want? Tell us what you want and we will consider it.' I was clearly led to believe that this person was an emissary of John Olsen. I told him, in colourful terms, that I had been a member of the ETU for 30 years; that I was a proponent of putting clauses into legislation to ensure that this legislation had to pass both Houses of Parliament; and that, given those circumstances, I was surprised that John Olsen would in fact even contemplate it and I was insulted by his offer. Indeed, I felt that it was bordering at least on corruption.

Members interjecting:

The PRESIDENT: Order!

QUESTION TIME

ALICE SPRINGS TO DARWIN RAIL LINK

The Hon. CAROLYN PICKLES: My question is directed to the Minister for Transport and relates to the Alice Springs to Darwin rail link.

The PRESIDENT: Is leave granted?

The Hon. CAROLYN PICKLES: I am not seeking leave. When will the Government release details of yesterday's discussions between the Premier and the Prime Minister? Given the Minister's refusal to accept that there may be a funding shortfall, will the State Government be committing the extra funding required, as acknowledged by the responsible Northern Territory Minister, the Hon. Barry Coulter, who said:

It is no secret that additional financial contributions from the Territory, South Australian and Commonwealth Governments will be required for the project to proceed.

Obviously, the Minister is never going to supply those details in her interjections.

The Hon. DIANA LAIDLAW: What a silly, bitter woman.

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: I think you have lost the plot: you are potentially losing your members and now you have lost the plot. As the discussions between the Prime Minister and the Premier have not been conveyed to me, I will ask the Premier if he chooses to inform the honourable member of the nature of those discussions. In terms of the Northern Territory Minister, certainly I have seen a statement in the *Advertiser*. I understand that he made a full statement to the Parliament but I have not received a copy of that at this stage.

If there is a funding shortfall, it will be a matter of discussion between all the parties for funding the bid. In

relation to a preferred bidder, I understand that there have not been discussions with any such party at this stage. I can assure the honourable member that this Government has been single-minded in its determination to build this railway with benefits for jobs in the short term and for refocussing freight through Adelaide, Alice Springs and Darwin and the rest of the world. Depending on the nature of the bids and further assessments of those bids, and discussions with the Federal Government, Northern Territory Government and preferred bidder, I can assure the honourable member that we will single-mindedly pursue this important project.

DEBT REDUCTION

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

Leave granted.

The Hon. P. HOLLOWAY: This year's budget increases Government spending by \$450 million. Professor Cliff Walsh, of the Centre for Economic Studies at the Adelaide University, was reported in the *Advertiser* on 1 June as saying:

The 1999 budget papers reveal that budgets will continue to add to taxpayer funded debt on a cash basis for at least the next two years and that on an accrual basis they will go on adding to net liability for the foreseeable future.

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: I hope the Hon. Legh Davis will listen to the answer. Given the Treasurer's undertaking that all proceeds from the sale of ETSA will go to debt reduction, will the Treasurer now give South Australians an unequivocal guarantee that his Government does not or will not create any additional new debt; and will he now introduce a mini budget to cut expenditure and eliminate additional debt which has already been built into his budget?

The Hon. R.I. LUCAS: What hypocrisy from the shadow Minister for Finance! This is the person who represents a shadow front bench which spends every waking moment attacking every Government Minister whenever they cut a program, close a school or reduce expenditure in any area. What hypocrisy from the shadow Minister for Finance to read out a question that the Shadow Treasurer asked just 10 minutes ago in the House of Assembly.

The Hon. L.H. Davis: He can't even write his own questions.

The Hon. R.I. LUCAS: Yes. The shadow Minister for Finance's colleague, the shadow Minister for Health (Lea Stevens), during the past week and a half has attacked the Government and the Minister for Health for the announcement in the budget that next year there will need to be savings of \$46 million in the health portfolio compared with the level of activity in 1988-99. The honourable member's own colleague has criticised and attacked the Government and the Minister because we are looking at making savings against the level of activity in 1998-99.

The same shadow Minister for Health attacked the Government because it was not spending enough money on mental health services in country and regional areas of South Australia. This is the same shadow Minister for Health who has attacked the Minister for Health and the Government for every service reduction, cut in cost or savings program that they have implemented in the past 12 months. What hypocrisy from this Opposition!

The shadow Minister for Education and Training (the member for one of the northern suburbs seats) has spent the past 12 months attacking the Minister for Education. As recently as this morning—and also in the House yesterday during her speech on the Appropriation Bill—the shadow Minister for Education attacked the Minister for Education over a series of savings and cost reduction programs that he has implemented since last year's budget. These programs have included up to 30 school closures and amalgamations, the reduction of up to 100 teachers, reductions within central office, reductions in school bus services and their funding—

Members interjecting:

The Hon. R.I. LUCAS: I am reminded by my colleagues that the Leader of the Opposition convened a meeting in the southern suburbs on police and law and order services and, together with the shadow Minister for Police, attacked the Government roundly for not spending enough money on the employment of new police officers and the implementation of new services in the police department. What hypocrisy!

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: What a split within the Labor Party! The shadow Treasurer and the shadow Minister for Finance are criticising the Government because it is spending too much on community and public services, whilst at the same time every other member of the Labor Party and every other shadow Minister is attacking the Government over cost reductions and savings programs. This is an Opposition of 'pick a policy'. If you want to talk about spending too much, listen to the shadow Treasurer and the shadow Minister for Finance—sometimes. If you want to say that the Government is making too many cuts and that it needs to spend more, listen to every other member of the Labor Party. So, it is 'pick your policy' depending on which ever one you like at the time.

The Hon. L.H. Davis: Do they ever talk to each other?

The Hon. R.I. LUCAS: They never talk to each other. There is a deep division within the Opposition at the moment. It is quite clear that, regarding issues as fundamental as budgetary and economic policy, they cannot—

The Hon. Diana Laidlaw interjecting:

The Hon. R.I. LUCAS: Well, they do. They have 'pick a policy'. They pick whichever policy they like at any time. Whoever happens to be the Leader of the Opposition can stand on the steps of Parliament House and cheerchase in front of the firefighters when they demand an 18 per cent pay rise from the Government at taxpayers' expense.

The Hon. L.H. Davis: Do you agree with that, Paul?

The Hon. R.I. LUCAS: Does the shadow Minister for Finance agree with that?

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The honourable member's question is based on the most fundamental abject hypocrisy and as such it does not deserve or warrant a response. Until the Opposition can get its act together and present itself as, at least, a united, credible, alternative Party, one which is prepared to support one person and to support or find a policy, then frankly the honourable member's questions do not deserve any attention at all.

I said already this morning in response to a question that I was asked last evening that, if the lease of these assets goes through, the Government has indicated that it will remove the \$186 Rann power bill increase to be implemented from 1 July—it will not be implemented. I have indicated that that

may have an impact in terms of running a deficit for 1999-2000.

The shadow Minister for Finance is saying that either the Government (as some have suggested) should continue with further revenue raising measures or it should cut into the programs on which his own shadow Ministers disagree with him. He is calling for cost reductions; they want to spend more money. Until the shadow Minister can get his act together and work out what the Opposition is asking for, as I have said, his questions do not merit any consideration at all.

The Hon. P. HOLLOWAY: I rise to ask a supplementary question.

Members interjecting:

The PRESIDENT: Order!

The Hon. P. HOLLOWAY: Given the Treasurer's statement this morning that most of the revenue from the lease of ETSA would be spent on debt with a few exceptions, will the Treasurer outline the details of those exceptions and how much he expects them to cost?

The Hon. R.I. LUCAS: When we return to the debate on the Bill this afternoon, I will indicate in detail the Government's response to the three questions which the Hon. Mr Crothers has put, as I assume will the honourable member. I do not believe that Question Time ought to replicate the Committee debate that we are about to enter into this afternoon, but I can indicate in general at the moment that, obviously, there will be costs involved in the transaction. There will be the cost of doing the deal if a deal is to be done to lease the assets, and there is the possibility of some break costs in connection with the finance lease that the Bannon Labor Government entered into for 20 years with Japanese investors in respect of the bulk of the assets of the Port Augusta Power Station.

ABORIGINAL HEALTH

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister representing the Minister for Aboriginal Affairs a question about Aboriginal health. At the risk of being attacked by the Treasurer, who is in fine form at the moment, I will ask this question of the Minister for Transport and Urban Planning, who I think will give me a more appropriate answer.

An honourable member interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: My question relates to how the Aboriginal health dollar is being spent. Inherent in my question perhaps is a request for the redistribution of existing funds, but I will leave that to the Government. I certainly believe that there is a glaring need for attention to be paid to Aboriginal health in a regional community in the Riverland. I recently visited the Gerard Centre in the Riverland. It was quite clear that health services are required for that community. I understand that the Hon. John Dawkins has already been lobbied about this, as have I.

The Aboriginal community tends to be a bit reserved about making applications and approaching the Government because it is not as well versed as many members of the community in respect of professional lobbying. However, it was clear from observation that the children were suffering from eye, ear, nose and throat problems as well as nits. Many of the problems in that community could be curtailed by prevention and redistribution of the dollar that is already being spent on health care.

There is a health care centre in the Riverland which I think is operating quite well. However, the Aboriginal people in the area tend not to use the facilities in the major centres and confine themselves to the Gerard area. It appears to me that the solution would be to set up an arm of the Riverland Health Centre at Gerard, even if it is a visiting service, but a little more regularly than it is at the moment.

The Hon. Diana Laidlaw interjecting:

The Hon. T.G. ROBERTS: A doctor visits once a week, and I do not think that is enough at the moment. Will the Government extend its community health care centre program to Gerard to deal with many of the health problems being experienced by many of the children in that area?

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

DISTINGUISHED VISITORS

The PRESIDENT: Before calling on the next question, I acknowledge in the Gallery the former President of the Legislative Council, Arthur Whyte and his wife, Mary, and a former Premier, David Tonkin.

ROAD SAFETY

The Hon. J.S.L. DAWKINS: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about the use of vehicle restraints in country areas.

Leave granted.

The Hon. J.S.L. DAWKINS: In last week's State budget, \$990 000 was allocated for various road safety measures, including combating speeding, drink driving and fatigue and seeking greater restraint use. I understand that it is planned particularly to emphasise the campaign on the wearing of seat belts in regional areas of the State, including the Riverland and the South-East. Will the Minister indicate how the campaign to increase the use of vehicle restraints in country areas will be implemented?

The Hon. DIANA LAIDLAW: The campaign has commenced in the Riverland with television, radio and print advertisements, and from the seventh of this month it will be extended to the South-East. As the honourable member notes, the campaign is focused on women and children, parents in particular, in terms of restraints. It is the same campaign which was waged last year in Whyalla and which was an outstanding success. Up until November of last year, the non-wearing of seat belt rate was about 15 per cent. That dropped to about 7.4 per cent during the period that the campaign was undertaken in Whyalla. In the Riverland, the non-wearing rate is about 10.1 per cent and, even if we can bring it down to the Whyalla figure of 7.5 per cent, that will be something.

The national goal in terms of non-wearing of seat belts is 5 per cent. Every regional area in South Australia is above that, but the rate in rural communities is almost to a region double what we would see as an acceptable national rate, that being 5 per cent. This is a really critical issue because all members would wish to see a lowering of our road toll. However, 26 per cent of people killed in recent years on our roads had not been wearing seat belts and 10 per cent of the serious injuries were suffered by people who were not wearing seat belts. So, one quarter of the people who have died on our roads have not been wearing seat belts. We believe that this is one area of prevention that can easily be

undertaken by example from parents to kids, but also by parents themselves for their own protection and the protection of others in case they, through no fault of their own, are involved in an accident.

Over the next year with State budget allocations, we will be focusing particularly in country areas on this issue of seat belt restraint. Of course, those campaigns will be supported further by a focus on drink driving and speeding.

WATER QUALITY

The Hon. SANDRA KANCK: I seek leave to make an explanation before asking the Attorney-General, representing the Minister for Government Enterprises, a question about the provision of filtered water to residents living in and around the Adelaide Hills towns of Houghton and Inglewood.

Leave granted.

The Hon. SANDRA KANCK: Last Monday, 31 May, I attended a public meeting at the Houghton Country Women's Association Hall. I estimate that some 70 locals crowded into the hall to express their dismay at the quality of mains water provided to their homes. These people have waited 30 years for filtered water. Many of them live within a stone's throw of the Anstey Hill filtration plant and their cars attract metropolitan registration rates, but compared with their neighbours living on the plains, their water is closer to Third World standards. Aside from the aesthetics of bathing and washing in turbid water, which smells like a swimming pool, those present were outraged at the ongoing expenses inflicted upon them as a result of being serviced by unfiltered water.

They were enraged by the extra cost of installing filtration and softening systems, the extra cost of replacing corroded hot water systems, the extra cost of bottled water and the cost of extra soap, shampoo and washing powder needed to get up lather in hard water. Of even greater concern is the belief prevalent amongst parents in the area that their children suffer a higher rate of illness due to the water quality. SA Water claims the water is safe to consume: local parents are not convinced. One resident spoke of a chlorine reading of 4.3 taken from a pipe near his home when it should have been just .2. That reading is more than 20 times higher than it should have been.

The residents of the area have an eminently reasonable request. They want the State Government to announce a timetable for the provision of filtered water to all residents of the Adelaide Hills who currently lack filtered water. My questions to the Minister are:

1. How is the quantity of chlorine to be added to the mains water determined and by what method is the chlorine added?

2. Will the Minister commit to providing filtered water for all residents of the Adelaide Hills Council by the year 2003? If not, why not, and will he at least indicate how much longer residents will have to wait?

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

GOODS AND SERVICES TAX

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking the Treasurer a question about tax reform.

Leave granted.

The Hon. A.J. REDFORD: I draw the Treasurer's attention to the recent deal entered into by the Prime Minister

and the Federal Leader of the Australian Democrats, Senator Meg Lees, in relation to tax reform and the GST. Indeed, I read and listened to reports that Senator Stott Despoja is unhappy with that arrangement and has indicated that she is prepared to oppose that arrangement and vote against it.

I understand from a radio interview that the Hon. Ian Gilfillan has sided with Senator Meg Lees in relation to the internal debate that is currently taking place on this issue with the Australian Democrats. I must say that I have not heard anything publicly from the Leader of the Australian Democrats in South Australia (Hon. Michael Elliott), nor indeed have I heard anything about which side the Hon. Sandra Kanck might take, whether it will be that of Senator Meg Lees or Senator Stott Despoja. I must say that we await their views with some interest. What are the ramifications for South Australia in relation to the historic tax reform deal entered into between the Prime Minister and Senator Lees?

The Hon. R.I. LUCAS: It is early days from the State's viewpoint. The Premier has been having some discussions with the Prime Minister. I know heads of Treasury were meeting in the early part of this week to try to look behind the detail of proposed deal or the deal that has been struck between the Australian Democrats and the Commonwealth Government. It is my understanding (I must admit that have not heard the views of the Hon. Mr Gilfillan) that—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: I will accept the honourable member's suggestion that he is supporting Senator Lees versus Senator Stott Despoja. My understanding is that all the Parliamentary Leaders, according to Senator Lees, and I think all the State Presidents, support Senator Lees.

The Hon. M.J. Elliott: Support the package.

The Hon. R.I. LUCAS: Well, Senator Lees was putting the package.

The Hon. Carmel Zollo: Personality is the best property of the Liberal Party.

The Hon. R.I. LUCAS: Carmel, on another day that interjection might have made more sense; perhaps not today. By way of interjection, the Leader of the Australian Democrats in South Australia has indicated his support for the package, but not for the personality of Senator Lees in relation to this particular issue. As I understand it, I think the State Presidents have indicated their support for the package as well. In relation—

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: My colleague the Hon. Mr Dawkins did refer me to a front page story in the *Murray Pioneer* which indicates that some Democrat candidates are resigning from the Party at the moment as a result of the package, but in any Party there will always be a few people who are uncomfortable with a particular policy and who want to put a different view and, as in this case of this Democrat candidate, resign from the Party to express that point of view.

In relation to the ramifications for South Australia, as the Premier has indicated, it is still early days for a manufacturing base State such as South Australia. The abolition of wholesale sales tax is obviously a huge boost for a manufacturing based economy such as South Australia, particularly one which relies so much on exports. As the Premier has been quoting, in terms of the removal of the wholesale sales tax, the package might be worth between 4 and 6 per cent on the price of a Holden or Vectra on the export market. That price differential of some 4 to 6 per cent may well attract a significant export order for our automotive companies and

therefore may well mean the difference for further or increased employment for South Australian workers.

In terms of the State budgetary implications, the Commonwealth Government and Commonwealth Treasury officers assert that, broadly, the State budget will be impacted in roughly the same terms as in the previous deal. That is, in about 2004 or 2005 the State budget would see a net improvement of some \$60 million to \$70 million or so over and above what we might otherwise have expected from the continuation of the current funding formula. At this stage we have not had an opportunity to get behind those figures. At the moment State Treasury officers are working on those figures with Commonwealth Treasury officers and, when the Premier and I are in a better position to report to the Parliament on the implications of the proposed package, we will indeed do so.

The Hon. P. HOLLOWAY: As a supplementary question: does the Treasurer believe that those parts of the GST package which relate to wine, and in particular the wine equalisation tax, are beneficial to South Australia? If so, did the Premier receive any undertakings from the Federal Government as to any reductions in the rate of the wine equalisation tax?

The Hon. R.I. LUCAS: The South Australian Government has been strongly supporting the South Australian wine industry in relation to the level of the wine equalisation tax. Of course, the South Australian Government and the South Australian wine industry had a victory with the huge policy decision as to whether the wine industry had a value added tax or a volumetric tax, and we are grateful to the Commonwealth Government and the Prime Minister for the decision that he and the Government took, to the benefit of the South Australian wine industry. The South Australian Government will continue to support the South Australian wine industry to the extent that it can, and has continued to put a point of view to the Commonwealth Government about the appropriate level of the wine equalisation tax. However, I am not aware of any private or public undertaking from the Prime Minister at this stage to change his publicly stated policy.

BAROSSA ROAD

The Hon. G. WEATHERILL: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about the development of the transport corridor to and from the Barossa Valley.

Leave granted.

The Hon. G. WEATHERILL: Because there will be a lot of heavy transport on that road to and from the Barossa, will the Minister give a guarantee to the Council that she will establish overtaking lanes?

The Hon. DIANA LAIDLAW: I am not too sure to which road network the honourable member refers. If it is the road to the northern Barossa area near Nuriootpa, that is the Sturt Highway and is a national responsibility; or, there is the other route through Gawler, and that is a State responsibility. With the release of the State budget last week I released the Barossa road strategy—and I am happy to provide the honourable member with a copy of that strategy—plus the announcement that State sources would provide \$2.25 million for the sealing of Gomersal Road, which branches off the Sturt Highway at Sheoak Log and into the heart of the Barossa. That road currently terminates in the Barossa south of Tanunda. However, in a joint feasibility study between Transport SA, the Barossa Council and the Light Kapunda Council, we have begun examining the realignment of that

road to go from Sheoak Road, possibly into Rowland Flat near Orlando rather than further north as it is now, south of Tanunda.

Certainly, passing lanes have been suggested between Gawler and the Barossa Way through to Nuriootpa—a State road—but it is an extraordinarily difficult issue to manage, because of the wonderful gum trees along the road, and we would not necessarily wish to see the loss of those gum trees, because they are so much a part of the Barossa entrance and the character of the area. However, in the past year we have spent substantial sums of money—and I will get the figure for the honourable member—upgrading the Sandy Creek turn-off and widening the shoulders of the road to Sandy Creek. So, the strategy will identify what is possible without the destruction of some old gum trees, and I will provide that strategy for the honourable member.

I appreciate that, not only for tourism reasons but for the enormous growth in the wine industry, more work must be done on the road system. Without extending the answer to this question, I can tell the honourable member that there is now a major focus in Transport SA which we have never seen before on trying to get more of the wine business generated from the Barossa onto rail. I think that if we can successfully do that in terms of short haul business we can help relieve some of the road congestion in the Barossa.

FISHERIES, MARINE

The Hon. IAN GILFILLAN: I seek leave to ask the Attorney-General, representing the Minister for Primary Industries, a question about the marine scale fishery restructure.

Leave granted.

The Hon. IAN GILFILLAN: I refer to a document entitled *Marine Scalefish Fishery Restructure—Synopsis of the SA Marine Scalefish Fishery* published by Primary Industries and Resources SA, dated January 1999. This document states that it is 'based on the best available data' and is intended to be used 'as an aid to informed analysis and discussion about marine scalefish resources in SA' prior to the preparation of a management plan for the fishery. The purpose of a management plan, in turn, is to ensure that the fishery is sustainable in the long term. On the one hand, it states that almost one in three South Australians over the age of five, some 450 000 people, go fishing at least once a year and are therefore recreational fishers.

The document then uses Victorian data to suggest that, for every 30 recreational anglers, one full-time job is created in the hospitality, tourism or service industries. It therefore concludes that more than 15 000 jobs in South Australia are created by recreational fishing. The report, however, does not say whether the Victorian definition of a 'recreational angler' is the same as the South Australian definition, that is, someone who goes fishing merely once a year. The jobs figures, therefore, may be an overestimation.

In contrast, when it comes to the impact on the long-term sustainability of marine scale fishing in South Australia, the report takes an opposite approach. Figures provided on the total recreational catch are confined to boat anglers only. The report, which is supposedly based on the best available data, simply does not count the impact on the fishery of shore-based and jetty-based anglers. Surely a large number of the 450 000 recreational anglers fish from the shore or from jetties. Counting only the fish taken by those in boats, we find that recreational fishers take 34 per cent of all King George

whiting, 75 per cent of all blue mackerel, 25 per cent of all snook and 19 per cent of all southern calamari. On average, they take 20 per cent of all fish caught in South Australian waters. The true impact is undoubtedly much higher.

The second point from the report relates to how little we know about the viability of some major species caught by both recreational and commercial fishers. On pages 15 and 17 of the report we find that for garfish, cuttlefish, yellow fin whiting, sand crabs and mud cockles there is an unknown stock structure. In other words, no detail is known. For ocean leatherjackets there is no current investigation into localised depletion. My questions to the Minister are:

1. Given that the impact of recreational angling is minimised in the report and that so little is known about so many species, how can a management plan which aims to ensure the fishery is sustainable in the long term be based on such incomplete, misleading data?

2. What action will the Government take to improve its knowledge of the species most commonly fished?

3. Will the Government give an assurance that funds collected in commercial fishing licence fees will be allocated to greater research in this area and, if so, will recreational anglers, who take more than 20 per cent of all fish, be required to fund any research into the sustainability of their hobby?

The Hon. K.T. GRIFFIN: I will refer that question to my colleague in another place and bring back a reply.

WATER SUPPLY

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief statement before asking the Attorney-General, representing the Minister for Primary Industries, a question about water supply.

Leave granted.

The Hon. CAROLINE SCHAEFER: It is well known that a lack of water supply is one of the major inhibitors to growth in the horticultural industry in South Australia. A rural press article this week states, in part:

South Australia's irrigation industry is still under threat from attempts in New South Wales to increase the amount of water pumped from the Murray-Darling basin.

At a recent Murray-Darling basin ministerial council attended by Ministers Kerin and Kotz they are quoted as saying that they were most dissatisfied with the outcome. New South Wales refused to lock into the cap and proposed changes which are unacceptable to South Australia. Queensland is also delaying its capping of water. Queensland has taken two years so far to develop a plan, and at the moment there is no restriction on irrigation in either State. Queensland is apparently building dams of up to 100 megalitres in volume for cotton irrigation. My questions are:

1. Will the Minister supply the Council with details of when the next round of talks will be held?

2. How safe is the self-imposed cap on our supply in South Australia?

3. Can we look forward to any improvement of supply in the long term in this State and, if so, when?

The Hon. K.T. GRIFFIN: I am sure the Minister in another place will be delighted to provide the information to the honourable member. I will refer the questions to the Minister and bring back a reply.

GAMBLING

The Hon. NICK XENOPHON: My question is directed to the Treasurer. Will he indicate what consideration has been given and what steps the Government has taken to implement the recommendations made in August 1998 by the Social Development Committee's inquiry into gambling, with specific reference to each of the recommendations made by that committee?

The Hon. R.I. LUCAS: The Government and I on behalf of the Ministers are still collating replies from the individual agencies. I have corresponded with the Chair of the committee and spoken with her on a couple of occasions apologising for the delay in the Government's response to this issue. It will not surprise the honourable member to know that, as in this Chamber, a range of views are being suggested by various Government departments and agencies and various Ministers as to how the Government should respond to the many recommendations of the Social Development Committee.

I suspect that in the end a Government view might not be possible on a whole variety of the recommendations, given that on all previous gambling-related issues individual members of Parliament have been able to vote by way of conscience. It may well be possible to get a Government view which is supported by the vast majority of the Government members. That is basically where it is at the moment.

I must say that for the past two months I have been diverted from the task at hand by the matters of the budget and others. The Chair raised the issue with me again last week, and now that the budget is out of the way I hope to try to bring together some compilation of all the views, agencies and Ministers in terms of a consolidated response. Indeed, the Government will need to determine as soon as it can whether that is a Government response or a consolidated response of the varying views of the agencies.

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 signed by the South Australian Government and the South Australian Soccer Federation, in particular clause 10 'Construction phase' and clause 20 'Application of the loan'. Under these headings, clause 10.2 stipulates that the federation shall draw down any portion of the loan only after it has received a written notice from the Minister for State Government Services requiring a payment to be made pursuant to subclause 1 and only for the amount specified in that notice. The federation shall not draw down or obtain an advance of any portion of the loan in any other manner or for any other purpose. Clause 20 states that the federation shall not expend or otherwise use the loan or any moneys advanced pursuant to the loan contract for any purpose other than for the purpose.

Will the Minister say whether the Arthur Andersen report recently commissioned by the Government has identified the disbursement of any loan moneys by the South Australian Soccer Federation for any purpose other than to pay for the construction and upgrade of the stand and the fit-out of the

facilities at the Hindmarsh Soccer Stadium as provided by the loan contract?

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

MURRAY RIVER

The Hon. T. CROTHERS: I seek leave to make a precised statement before asking the Minister for Transport and Urban Planning, representing the Minister for Environment and Heritage, a question about the Murray River.

Leave granted.

The Hon. T. CROTHERS: An article which featured in the *Sunday Mail* of 16 May this year stated that experts have warned that Murray River water will be virtually undrinkable in about 30 years due to rising salinity. According to the article, Murray River water is turning more saline each day, and the problem is due to massive land clearances bringing saline waterbodies to the surface whilst irrigation washes tonnes of salt into waterways. The result is a double curse: salt pans turning farms sterile and saline run-off reaching rivers. In South Australia, 200 000 hectares of farm land is salt affected, and the area is growing by 10 per cent each year. Seeing that the methods currently being employed are having limited success, does the State Government have any alternative short and long-term plans to eliminate salinity in the Murray River?

The Hon. DIANA LAIDLAW: I can confirm that current work is under way to deal with the issues raised by the honourable member, and certainly plans were discussed by Ministers from around Australia just recently when they met in Toowoomba. I will get all that information for the honourable member and bring back a reply.

TRANSADLAIDE, DRUGS POLICY

In reply to **Hon. SANDRA KANCK** (10 December 1998).

The Hon. DIANA LAIDLAW: TransAdelaide's Drug Free Workplace Policy establishes a prudent and reasonable occupational health and safety standard which recognises legislative requirements, business risk and community expectations.

It enables TransAdelaide to meet the requirements of the Rail Safety Act 1996 and the Road Traffic Act 1961, and contributes to public confidence in the public transport system.

The policy includes a testing regime that is in accordance with Australian Standard 4308, Recommended Practice for the Collection, Detection and Quantitation of Drugs of Abuse in Urine, which has been adopted in other industries. TransAdelaide considers this testing approach to be more scientifically reliable than random tests of response times or peripheral vision.

FIREFIGHTERS DISPUTE

In reply to **Hon. A.J. REDFORD** (11 February).

The Hon. K.T. GRIFFIN: The Minister for Police, Correctional Services and Emergency Services has provided the following response—

MP's office at which the UFU protested

The South Australian Metropolitan Fire Service (SAMFS) is not aware of which MP's office the United Fire Fighters Union (UFU) protested at.

Release of lease agreements for SAMFS Headquarters building

The SAMFS Act prescribes that the South Australian Metropolitan Fire Service is the Corporation. The lease, registered on 28 August 1991, lists the body corporate as the lessee. As such the release of the lease arrangements for the SAMFS Headquarters building would be at the Minister's discretion.

Prohibition of second jobs as part of EB Negotiations

The prohibition of second employment has not been included in Enterprise Bargaining Agreement negotiations to date and the

SAMFS is not aware of any intention to include such considerations in future negotiations.

Glass wall

The glass wall was not installed at the time that SAAS moved their Communications Centre into the fifth floor of the SAMFS Headquarters Building. The window and the wall in which it stands are part of the original layout of this area. Originally, the area now used by SAAS was designated 'State Control Centre Fire' under the State Disaster Act. The window provided the State Controller Fire with a view into the SAMFS Communications Centre where, from markings on a white board, he could ascertain the operational involvement of SAMFS resources. It has always been intended that the wall will be removed during renovations required to implement the common CAD System.

SAMFS callouts (total)

During 1997-98, the SAMFS recorded attendance at 17 018 incidents. Due to industrial action, this does not include incident attendances in metropolitan areas for the periods 15 September 1997 to 26 September 1997 and 24 February 1998 to 20 March 1998.

CFS callouts (total)

During 1997-98, the SAMFS Communications Centre despatched the Country Fire Service (CFS) to 996 incidents. Due to industrial action, this does not include CFS despatches for the periods 15 September 1997 to 26 September 1997 and 24 February 1998 to 20 March 1998.

Separately collected SAMFS Communication Centre statistics (not affected by industrial action) indicate that the CFS were despatched to 1502 incidents in this period. The SAMFS however, is not the only avenue through which the CFS can be responded.

Please note that the SAMFS records a single incident response, irrespective of how many appliances attend.

Port Pirie MFS callouts

During 1997-98, the SAMFS Port Pirie crews attended 357 incidents. Please note Industrial action did not affect incident recording in country areas.

Coromandel Valley CFS callouts

During 1997-98, the SAMFS Communications Centre despatched the Coromandel Valley Country Fire Service (CFS) to 18 incidents. The SAMFS however, is not the only avenue through which the CFS can be responded.

Number full time Port Pirie MFS staff

The authorised establishment of Port Pirie operational staff is 30 FTE. The actual number of staff assigned is 23 with the remainder relieving from Port Pirie and from Adelaide. Vacancies are predominantly at the Senior Firefighter rank.

Number of volunteer Coromandel CFS staff

There is only one CFS staff member who is a registered member of the Coromandel CFS Brigade and contributes after hours.

MFS cost to send 5 staff to Port Pirie each week

As prescribed in the Industrial Award, each Adelaide firefighter relieving at Port Pirie, driving a 6 cylinder car is entitled to a car allowance of \$250.88 and 5 meal allowances (\$8.30) totalling \$41.50 per 8 day shift cycle. Therefore, the total cost per reliever per 8 day shift cycle is \$292.38. There are 45 shifts per year. The total cost per week for 5 relievers is therefore \$1265.11. There is no accommodation allowance since the firefighters are accommodated at the Fire Station.

MFS cost previous 5 years Port Pirie staffed from Adelaide

It is not possible from SAMFS electronic systems to accurately establish the cost of assigning relieving staff from Adelaide to Port Pirie for the previous 5 years as prior to July 1996, the SAMFS operated a manual entry system for this type of data.

Notwithstanding, prior to the implementation of the first SAMFS Enterprise Agreement in September 1996 the authorised establishment at Port Pirie was such that relieving staff from Adelaide were not required.

In July 1996 the SAMFS established the Concept HRM system and data for the period July 1996 to June 1997 indicates that the SAMFS required 182.5 reliefs from Adelaide to Port Pirie at a cost of almost \$60 000. More recent statistics are not available as this particular report was not supported by the Concept system after June 1997. This cost is however consistent with the current requirement of 5 relievers per shift, which on today's costs would represent \$65 785.50 per annum.

Prohibit use of fire appliances for public demonstrations

A standing order prohibits the use of SAMFS fire appliances for public demonstrations in support of an industrial dispute. However, in practice and under the conditions of 'protected industrial action', this order is extremely difficult to enforce. The appliances are moved

out of their station by an anonymous crew and remain available on radio within their area of responsibility. This accords with normal operational procedures and they continue to be available for immediate response to emergency incidents. The only way blame for disobedience of orders could be assigned is by photographing the crew in the appliance at the site of the demonstration. This action has not been deemed appropriate in the past.

REPATRIATION HOSPITAL

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Human Services, a question about the Repatriation Hospital.

Leave granted.

The Hon. R.R. ROBERTS: Yesterday in the Council I made members aware of a most unusual good news story about a delightful lady from the Mid North who was able to utilise the services of the Repatriation Hospital to have eye surgery without having to wait on a lengthy waiting list. This type of prompt service for medical procedures is unfortunately becoming something of a rarity in recent times, and it seems to me that we should value this service and ensure that we do not lose it.

Members would be aware that in recent weeks the Minister for Human Services has warned returned servicemen that if the Repatriation Hospital is not fully utilised parts of its operations could be closed or it could be redesignated to something more like a rest home.

In a cultural climate where patients may have to wait a year or more for elective surgery, even if it is urgent, as the Repatriation Hospital at Daw Park is a hospital for returned service people as well as for public patients—which is not generally recognised—could the Minister advise what he will do to ensure that the medical profession and the public are aware of the services offered to public patients at the Repatriation Hospital? Secondly, will the Minister inform all GPs in country areas in writing of the facilities available to public patients at the Repatriation Hospital so that some relief can be provided through the system to enable injured patients in country South Australia to get speedy relief from their elective surgery problems?

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

HOUSING TRUST

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Human Services, a question about the South Australian Housing Trust.

Leave granted.

The Hon. CARMEL ZOLLO: I am often asked by constituents to make representations on their behalf to the South Australian Housing Trust. The most common issue remains the frustrating experience of getting on the waiting list and then any progress on the list in order to be placed in a home. Some of the more recurring problems are to do with home maintenance programs. Many constituents have difficulty getting much needed maintenance on their trust homes. In its 1999-2000 budget estimates, the South Australian Housing Trust has been allocated \$57 million for public housing projects. My questions to the Minister are:

1. How much of the allocation for public housing projects has been earmarked for maintenance programs?

2. What are the current waiting times for getting a home?
3. What are the waiting times for public home maintenance programs?

The Hon. DIANA LAIDLAW: I will refer the honourable member's questions to the Minister and bring back a reply. I just add that, following the question from the Hon. Paul Holloway to the Treasurer today, I assume that you are not asking for any more money.

ONKAPARINGA WATER CATCHMENT LEVY

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Environment, Heritage and Aboriginal Affairs, a question about the Onkaparinga water catchment levy.

Leave granted.

The Hon. T.G. CAMERON: I recently received a letter from the Apple and Pear Growers Association regarding the Onkaparinga water catchment levy. According to the Apple and Pear Growers Association the initial levy for water catchment was developed and implemented in haste and with little or no community consultation. As a result, the levy received strong negative community reaction.

However, the Onkaparinga Water Catchment Management Board was proactive in advancing a levy review process. The Levy Review Reference Group was established, and over a three to four month period undertook extensive and wide-reaching consultation. I commend the board and the review group on their deliberations. A lot of time, effort and resources has been put into this review process. I understand that some \$50 000 was spent on the review.

Subsequently, the board proposed a new levy regime which has been described as bold and innovative. The proposed levy regime gives recognition to primary producers without jeopardising the principles of the catchment program and is fair and equitable. The board's proposal will bring in the same amount of revenue as the initial levy. However, the Minister rejected the board's proposal, and that is disturbing and disappointing for both industry and the community.

The Apple and Pear Growers Association described the Minister's decision as 'making a mockery of the process of community consultation and puts any future consultation in jeopardy'. First, will the Minister immediately release the reasons why she has rejected the Onkaparinga Water Catchment Board's proposal for the water levy? Secondly, in order not to place future public consultation processes in jeopardy, what guarantee can the Minister give that the proposed management plan will not be similarly rejected?

The Hon. DIANA LAIDLAW: The honourable member is correct in saying that there were issues in contention. Today the matter was addressed and I understand that all issues that were in contention have now been resolved satisfactorily. I will bring back a reply for the honourable member, but in the meantime he may wish to speak to the Minister.

PRIVACY

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Attorney-General a question about privacy.

Leave granted.

The Hon. M.J. ELLIOTT: The *Advertiser* of 23 April reported an incident where a woman alleged that her employ-

ment resume which contained personal details had been on-sold to another company. The article quoted the Employee Ombudsman, Gary Collis, as confirming that the sale of resumes between companies did occur and that he warned people to be aware of this. He was reported as saying that he believed the practice of on-selling resumes was not illegal but that steps needed to be taken to protect the privacy of job seekers who were not aware that their personal information was being sold.

In the area of privacy generally, while there are guidelines for Government departments—and might I add that they are not enforceable in a legal sense—there is nothing in the private arena at all. When previous attempts were made by me in this place to get privacy legislation, I believe the Attorney-General's response was, 'If you have nothing to hide, you have nothing to fear,' and that it was unnecessary. This person received a quite frightening telephone call at 4 o'clock in the morning.

Does the Attorney-General continue to believe that privacy legislation is unnecessary, or is he prepared to consider privacy guidelines which would have enforceability in the private as well as the public sector? Is he aware that Victoria has moved in this area because it realises that a company that wants to work in the information technology area needs to comply with standards enforced by the European Union which are very strong compared to what we have in South Australia?

The Hon. K.T. GRIFFIN: As I recollect it, some discussions have been going on for some time between the States, the Territories and the Commonwealth about privacy issues in relation to data protection. I cannot recollect exactly where they may be at the moment. They may, of course, result in some legislative framework in relation to data protection, but my recollection is that there was some anxiety that if there was to be some framework it ought to be a framework which establishes uniform standards across Australia. I will take the question on notice and bring back a reply.

YEAR 2000 COMPLIANCE

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Minister for Consumer Affairs a question about consumer protection in relation to the year 2000 date problem.

Leave granted.

The Hon. CARMEL ZOLLO: Many households in South Australia have for several months been receiving a pamphlet with their insurance renewals concerning the consequences of the year 2000 failure and compensation, whether it be for their car or for their household contents. Briefly, from memory the pamphlet states that the breakdown of the year 2000 component itself does not attract compensation but any consequences of such a scenario do.

Members are aware that this Parliament has passed legislation to assist the industry in sharing of information in relation to the year 2000. There is still some confusion amongst consumers in relation to the compensation involving household goods or their cars following any breakdown due to the year 2000 problem. The issue would arise from items and mechanisms probably no longer under warranty or of a certain age. Many items of a certain age may well have embedded chips and the likelihood of easy replacement of the year 2000 component may not be an easy task or an inexpensive one. Could the Attorney-General provide the Parliament

with information on consumer rights in relation to such exclusion clauses by insurance companies in relation to such goods?

The Hon. K.T. GRIFFIN: The insurance area is a Federal area. Insurance law is generally the subject of Commonwealth regulation. I am aware from reports appearing in the media that insurance companies have excluded liability for year 2000 problems that might arise, mainly because no-one really knows what are the risks and what the consequences might be and insurance companies invariably have taken steps to minimise risk. Claims in areas that are flood prone will frequently exclude flood damage for an item that is the subject of insurance. Earthquake damage is excluded in those areas which are particularly prone to earthquakes. It is not uncommon for insurers around the world to take steps to protect against risk which can be foreseen but the consequences of which are not well understood.

The Office of Consumer and Business Affairs has a number of programs that it has been promoting both in conjunction with the Y2K Office as well as on its own initiative. Those promotions relate to business, but they also relate to consumers' household appliances. The object of the campaign being undertaken by the Office of Consumer and Business Affairs is to get people thinking about what they need to do. Small business needs to think about not only computers but the equipment that might have a date chip installed. To acknowledge that something can be done about that, there will be a testing procedure in place. In relation to consumers, with some of the household equipment that might have a date chip implanted, it will be addressing issues connected with that, so that people do not find that at the commencement of the year 2000 everything crashes in a heap. There is a significant program. I can bring back broader details of that for the honourable member as well as details of some of the initiatives that have been taken by other areas of Government.

PILCHARDS

The Hon. P. HOLLOWAY: My question is directed to the Attorney-General, representing the Minister for Primary Industries. Given that the Minister for Primary Industries indicated earlier this year that he would not approve final allocation of pilchard quotas for 1999 until the Environment, Resources and Development Committee had reported, now that that committee has reported will the Minister accept the recommendations of that committee in relation to those allocations?

The Hon. K.T. GRIFFIN: I will refer that question to the Minister in another place and bring back a reply.

ELECTRICITY CORPORATIONS (RESTRUCTURING AND DISPOSAL) BILL

In Committee (resumed on motion).

(Continued from page 1312.)

Clause 2.

The Hon. NICK XENOPHON: If media speculation is correct—and I hope it is not—today will be a tragic day for democracy in South Australia and a sad day for the electorate's faith and trust in politicians and the political process.

I indicate my support for the Hon. Sandra Kanck's referendum clause and my opposition to the Government's clause before the Committee. In relation to the referendum clause, I am pleased to see that the proposal I put forward for a referendum some 10 months ago in this Chamber has been adopted by the Democrats and, indeed, the Labor Party.

It needs to be said that this legislation poses a very clear dilemma because of the explicit promises made by the Government, the Opposition and the Democrats prior to the last election that ETSA would not be sold or privatised. Some would say that voters have come to expect politicians of all persuasions to break promises, that it is expected that politicians lie to the electorate. It has been said that with every broken promise and every policy backflip the level of cynicism has reached breaking point for many Australians.

I accept that in the ordinary course of events our system of parliamentary democracy expects its elected representatives to make decisions in good conscience and in good faith, taking into account the interests of the State as a whole. If the electorate disapproves of those decisions it can deliver its judgment at the next election. But the scenario before us today is not in the ordinary course of events. The circumstances before us present an extraordinary dilemma because once ETSA is disposed of by this lease process it is gone forever, and the only solution must be a referendum.

There are those who say that a referendum is not an option because it is considered that the people of South Australia will never vote for this proposal. That argument assumes that the people of this State do not have the capacity to understand and accept the arguments for a sale or lease, if it is put in the context of a package that provides for competition and guarantees to deliver a better outcome for the State. I now have serious doubts that the package before the House will do any of those things. It will not only disenfranchise the electorate but also not deliver the savings that a truly competitive market can bring, and I fear that it will not protect the consumers and battlers with the inevitable upheaval of the disposal process.

I concede that initially I thought that a staged lease would resolve the ethical dilemma of not giving South Australians a real choice—of not leaving them out in the cold. In theory, at a superficial glance, the Government's proposal gives a measure of choice for South Australians. However, I have come to the conclusion that the choice is illusory in both a commercial and political context. On any reasonable analysis, the net economic benefit of a stand alone 25 year lease is questionable and in some scenarios would leave us worse off. Previously the Labor Party in November of last year took the position that it would effectively abandon its opposition to the outright disposal of ETSA by announcing that, if the Bill were passed, it would in Government extend the lease to a 97 year term.

I do not know if that is the Opposition's current approach, although I can understand the Opposition's view that a 25 year lease would, because of its intrinsic commercial structure, inevitably lead to a 97 year lease. This means that South Australians will be presented with a *fait accompli* at the next election. My position has been reinforced by a broader concern I have over the Government's entire approach to the question of electricity reform and the competitive market, and the concern that the current framework will not deliver the competitive benefits and price reductions that South Australian consumers and businesses deserve if we are to remain a competitive State—a State that can foster the expansion of manufacturing industry.

The Hon. Trevor Crothers has said that the Government's lease proposal is a different species of animal from a sale. I initially thought that, too. I assure the honourable member that when you have a close look at this lease animal it is the same wolf but in sheep's clothing. It has the same DNA as a sale animal and, in this case, 'DNA' stands for 'deception, nondisclosure and arrogance'. I can only urge the Hon. Trevor Crothers to keep an open mind, to listen to logic and reasoned debate and principle and to vote against the Government's proposal in the absence of a referendum.

The Hon. P. HOLLOWAY: I made a contribution during the Committee stage on Tuesday afternoon, so I will not go over all the ground again. But, given that the Hon. Trevor Crothers has raised a number of issues that he believes should be part of this debate, I think I am duty bound to try to respond to some of those matters.

Let me say first that the Hon. Nick Xenophon has talked about the difference between a lease and a sale and how it is a different species of animal. I think the animal is a little like a duck: it looks like a duck, it flies like a duck, it quacks like a duck, so it must be a duck. There is no difference at all between the lease that this Government is operating and the sale.

I would like to reiterate the statement that was made by the Leader of the Opposition in November last year, and I made similar comments on this matter last Tuesday. The statement is worth putting on the record again in case anyone has forgotten, over the intervening seven months, what our position is. The statement is:

The Labor Party will fight to oppose a long-term lease of ETSA and Optima saying it is effectively a sale of our electricity system. In relation to the situation as it was at the time (the Hon. Mr Xenophon was then considering the matter), the statement continues:

Mr Rann has challenged [in that case] Mr Xenophon to treat the lease as a sale and insist on a referendum before any lease is signed. . . . A 25 year lease with renewals, taking it out to more than 90 years, is equivalent to a sale.

All the experts acknowledge that it is a sale. Even a single 25 year lease is equivalent to almost half the life of ETSA and beyond the useful life of much of its present plant and equipment. But this is not a 25 year deal: it is a 97 year lease.

Of course, those amendments which the Government put on the Notice Paper in November last year are essentially the same lease that we will be considering in this debate. If the Government has any changes to that lease it certainly has not placed them on the file of this Council, so clearly that is the option we are debating.

All those South Australians who thought they were voting against the privatisation of ETSA at the last election will be long dead before a 97 year lease runs out—and that point needs to be considered. It may be an animal, but it is the same species. The Hon. Trevor Crothers has claimed that he is concerned about the State's debt. It is my belief that, if he were genuinely concerned about that issue and genuinely wanted South Australians to control their own destiny, he would vote against the privatisation, the sale or the lease of ETSA because—

The Hon. T. Crothers: No-one has given me an alternative in respect of discharging the debt.

The Hon. P. HOLLOWAY: Well, I hope we can do that. As the honourable member stated in November last year when we debated this matter, this lease is the sale forever and a day of South Australia's most valuable public asset. I will explain the situation in respect of the State debt—and I am

sure the Hon. Trevor Crothers will listen and then explain his position on this issue during debate on the Bill. The Auditor-General is the Parliament's independent analyst of the State's finances, and his latest report shows that, without the sale of ETSA, debt is expected to continue to fall in real terms, nominal terms, and as a proportion of the State economy. His latest report shows that debt as a proportion of the South Australian economy is falling from 28.1 per cent of gross State product in 1992 (at the height of the State Bank collapse) to 18.8 per cent this year, and down to 15.7 per cent in the year 2002.

It also shows that debt in real terms will have fallen from \$9.1 billion in 1992 (at the height of the State Bank crisis) to \$7.2 billion this year, and down to \$6.6 billion in the year 2002. But, there is another point. The interest rates, which represent the cost of servicing the debt, are falling, not rising. This means that the debt today is easier to service than it ever has been since the rising debt after the State Bank collapse.

The Government wants to sell an income earning asset (ETSA) at a time when the cost of carrying the debt is at an historical low. That is a folly and it is irresponsible. ETSA and Optima have returned \$1.3 billion to the Government over the past four budgets. We know that the Government is claiming reduced dividends in this latest budget. Given this Government's propensity to deceive, I treat those claims with a grain of salt. After all, these are not commercial returns: they are returns set largely by the Government itself. We know that the Treasurer can direct ETSA and all its subsidiaries to do whatever he wants: he sets the dividends. Given the propensity of this Government to deceive, it is not surprising that the Government, together with certain sections of the media, has attempted to claim that the sale or lease of ETSA has financial benefits equal to the reduction in the debt that would be reduced.

Emeritus Professor Blandy, one of our best known economists, and many other of the best qualified economists in this State, have put their views on this matter. The Government has not provided a shred of evidence to support the claim that there will be any benefit at all. We should not forget that, and perhaps the Treasurer will have the opportunity during this debate—one last try—to provide the Council with evidence that shows that by selling ETSA we will be better off. The Treasurer has failed to provide a shred of evidence to support that claim so far, and I doubt that he will. If there is any benefit at all, it is the difference between the public debt-interest saved and the total income stream that the Government loses forever. We can just as easily be worse off as better off, and the amount of any possible improvement is likely to be trivial. That is what our top economists have told us.

An honourable member interjecting:

The Hon. P. HOLLOWAY: Indeed. At the last election Labor promised a debt reduction strategy on the basis of John Olsen's assurances that the budget was in balance. We were told before the last election that the Government would not sell ETSA, and we were told that the budget was in good shape. We proposed a debt reduction strategy on the basis of those assurances that the budget was in balance. It was only after the election, of course, that we discovered one of these black holes that keeps cropping up all the time.

The Treasurer must now admit that either the budget that his Government brought down before the election was a fraud or this one is. It must be one or the other. We said before the election that we would at least equal the rate of debt reduction outlined in the forward estimates of the 1997-98 budget and

that we would achieve budgetary surpluses—at least as large as those projected by the Liberal Government. By promising to fund all new expenditure by cutting other existing expenditure, on the basis of information provided in the Liberal Government's own budget papers, Labor pledged to run annual budget surpluses—something, as I indicated in my question earlier today, that this Government has not been able to do.

We had this nonsense of the Government shuffling around dividends from the former bad bank (the Asset Management Commission). It shuffled something like \$200 million from last year's budget into this year's budget to try to turn a deficit into a surplus. By running budget surpluses we do not add to debt; in fact, we reduce debt progressively. We would achieve reductions in nominal debt levels, real debt levels (which are debt levels adjusted for inflation) and net debt as a proportion of the South Australian economy—in other words, the gross State product. By expenditure restraint and by running budget surpluses, first, nominal debt would be reduced progressively which, combined with the impact of even moderate levels of inflation, would lead to, secondly, lower real levels of debt which, in conjunction with growth in the economy (and that is an important point; if we can get growth in the economy our position would be so much better), would lead to, thirdly, lower debt as a proportion of the State's economy (debt to GSP).

The Government has failed to provide any evidence of a financial benefit to the State from the privatisation of ETSA, that is, that savings from lower public debt interest would exceed the loss of revenue available to the State if South Australians continued to own the asset. Privatisation would make financial sense only if the savings in public debt interest exceed the full flow of revenue that would go to the Government if it retained ownership of the enterprise in question.

To privatise the Government's largest income earning asset for less than its retention value would be the height of financial irresponsibility. The current Government bond interest rate has come down to about 6 per cent. The Olsen Government wants to sell an income earning asset at the same time as the cost of servicing our debts is coming down. The Auditor-General could find no evidence of financial benefit from the sale. Professor Dick Blandy said when he analysed the sale of ETSA:

Selling ETSA to pay off debt is like selling one's house to pay off the mortgage and living in rented accommodation instead. The less the interest on the mortgage, the less attractive such a course of action becomes.

Of course, once that income source has gone, there is nothing to stop Lucas and Olsen from running up still more debt. That was the point that I wanted to raise in my question today. This Government might give a commitment that it will use all the income stream it receives from the lease or sale of our electricity assets to reduce debt, but what is to stop it from running up its own debt, as it is now doing?

As Professor Cliff Walsh has told us, the Government is still running debts on a cash basis for at least the next two budgets and on an accrual basis into the foreseeable future. That is what Professor Blandy has told us. What is the point of reducing our debt if this Government is just going to replace one source of debt with another? I think that is an important point that needs to be considered.

In John Olsen we have a Premier who is prepared to sell out South Australia. We need to do something positive about debt, and I trust that the Hon. Trevor Crothers will not reward John Olsen's dishonesty, deceit or blackmail in relation to

this matter. Before I resume my seat, I indicate that, as the Committee stages of this Bill may be the last opportunity for us to scrutinise the sale of our electricity assets, when other members have made their general contributions I will ask the Treasurer a number of questions regarding the sale.

The Hon. R.I. LUCAS: At the outset, given some of the statements that have been made today that in some way the Government or I as the Treasurer have conned or duped the Hon. Mr Crothers, I say, first, to those members who made that claim this morning that they simply do not know the Hon. Mr Crothers. If those members who made that claim this morning believe that I as a member of the Government am in a position to be able to con or dupe the Hon. Mr Crothers into doing anything that he might not choose to do of his own free will, they do not know the Hon. Mr Crothers.

An honourable member: Well, who said that?

The Hon. R.I. LUCAS: The Hon. Mr Ron Roberts said that. He said that the Government was conning and duping the Hon. Mr Crothers. That claim means that in some way the Hon. Mr Crothers is not capable of making his own judgment. Based on a decade or so of knowledge and understanding gained from working with the Hon. Mr Crothers, I think he is big enough and ugly enough—if I can be impolite enough to say that—to look after himself and to make his own decisions, and when he makes his own decisions he will stick by them. It does not matter what others say about him or claim might have been done to him, the honourable member will stick by whatever decision he makes on a particular issue.

The other thing that I want to say before addressing two or three issues of substance that have been raised is that in my 10 years in this place on both a personal and a political level I have always found the Hon. Mr Crothers to be absolutely straight in his dealings. If he gives you a commitment or an indication or asks you a question, he will look you in the eye. He will ask you the question and make his judgment, and whether he agrees or disagrees with you he will tell you to your face what his view is.

There being a disturbance in the gallery:

The ACTING CHAIRMAN (Hon. J.S.L. Dawkins): Order! The gallery must remain silent.

The Hon. R.I. LUCAS: The Hon. Mr Holloway, to his credit, endeavoured to address the issue of debt, which is obviously one of the key issues in this debate. He sought to use a bit of economic sophistry with the argument that, if you look at our \$7.5 billion debt and measure it now as a percentage of GSP, that percentage is lower than it was a few years ago and, therefore, in some way, because of that percentage calculation, the debt burden that hangs over our heads is not as onerous.

Plain speaking men and women know that our debt, despite whatever the Hon. Mr Holloway says about a percentage of GSP, remains at \$7.5 billion. Plain speaking men and women understand that we still have to find \$2 million a day in terms of interest costs, and that the interest cost for 1999-2000 will be \$735 million. It does not matter what sort of economic sophistry you want to go through or whether you massage the figures and say that there is now a lower percentage of GSP, plain speaking men and women understand the debt burden that confronts the State of South Australia.

That is the issue that must be addressed. Sadly, whilst the Hon. Mr Holloway endeavoured to address this debt issue and the debt question that the Hon. Mr Crothers has put to the

Parliament, he together with his Leader and Shadow Treasurer have not been able to come up with a plan other than to say that it is now not as important because its percentage of the GSP is so much less.

The other issue that the honourable member raised was that, in some way, by accumulating large annual surpluses we would be able to remove our State debt. This issue was addressed during Question Time. We talked about the whole notion of how, credibly, the honourable member and his Party could tackle the issue of generating surpluses when the Opposition's shadow Ministers and Leader continually attack the Government for existing savings and cost rationalisation programs in the public sector.

The honourable member raised this notion of accumulating large surpluses. If we were to pay off our debt of \$7.5 billion over a period of, say, 10 to 15 years, if we worked on the basis of about a decade, we would have to generate an annual surplus of about \$600 million to \$700 million a year. In other words, we would have to make a profit every year of about \$600 million to \$700 million. That is almost the equivalent of sacking every school teacher in every Government school in South Australia to try to save the \$600 million to \$700 million a year about which the Hon. Mr Holloway is talking.

Given that last year the Government announced a reduction of just 100 education officers, and given also that the shadow Minister for Finance, the shadow Treasurer, the shadow Minister for Education and the Leader of the Opposition have for the past 12 months attacked the Government for that reduction of up to 100 teachers, how credible is this plan from an Opposition that has no policy—this suggestion that it would generate a surplus of hundreds of millions of dollars a year and put aside the profits to pay off the debt?

It is a difficult enough process to balance our State budget, given the financial circumstances that confront the State and given that next year we have to find \$735 million just to pay the interest costs off our debt. How on earth does the Hon. Mr Holloway believe that anyone could accept a notion that a Labor Government or a Labor Party could generate hundreds of millions of dollars in surpluses when their shadow Ministers for Police, Human Services and Education spend half their waking life complaining about not enough money being spent by the current Government in their particular portfolio areas? They organise public meetings in the southern and northern suburbs to complain about restrictions in services and call on the Government to spend more money on employing more police, more nurses, more teachers and more public servants generally.

This whole notion that there is any alternative to the debt reduction strategy plan that has been put down by the Government is exposed as the fraud that the shadow Minister for Finance knows that it is. There is no alternative. There is but one plan to reduce the State's debt significantly, and it is the plan on which we will take our first vote in a key way this afternoon in relation to the staged long-term lease. The Hon. Mr Crothers on Tuesday, I think it was, put three questions to me. I am sure that in his contribution later on this afternoon he will address the Government's responses but, given that the questions were put to me during the parliamentary debate, I am sure the Hon. Mr Crothers will understand that as the Treasurer and Leader of the Government in the Chamber I will respond to the honourable member formally and as part of the parliamentary process by indicating the nature of the Government's response to his three questions.

The honourable member's first question related to the position of employees and the Government has responded as follows:

The Government agrees to your first request to provide continuing employment options or suitable early retirement/redundancy packages to all staff currently employed in our electricity businesses. Specifically, the Government guarantees that a lessee of electricity assets will be required by the lease agreement to employ all award/enterprise agreement employees employed at the time of that lease agreement on the same terms and conditions in place immediately prior to that agreement.

If, after the lease agreement, an employee who transferred on the terms above becomes surplus to the lessee's requirements, that employee will be entitled to either a voluntary separation package (which provides a separation payment of eight weeks—

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: Voluntary separation package.

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: Exactly. It has to be offered and then the employee must agree—

and three weeks for each year of service to a maximum of 104 weeks) or relocation back to State Government employment at a rate of pay not less than that laid down in that employee's award and/or agreement at the time of relocation.

A number of claims have been made today in this Chamber and elsewhere that this commitment from the Government is in some way less than what the Government was going to offer its employees. That is absolute nonsense.

The Hon. T.G. Roberts: Where does it break new ground?

The Hon. R.I. LUCAS: The whole notion of relocation back to the public sector, if there is no voluntary separation package, is significant new ground, as is also the notion that I have outlined earlier in relation to the voluntary separation package. In relation to the second question, the Government has responded as follows:

The Government agrees to your second request that all lease proceeds (net of transaction costs and possible costs for termination of existing finance leases) will be used to repay State debt. The Government will not proceed with the proposed \$1 billion infrastructure fund but will proceed with a small allocation of about \$10 million which will be used to help ensure electricity prices for small customers in the country will be within 1.7 per cent of city prices for a period of about 10 years from 2003.

I interpose—this is not part of the formal correspondence with the honourable member—that I did explain to the him and to other members that I think this particular amendment was moved by the Independent member for MacKillop in another place many moons ago when this matter was first debated in the House of Assembly by way of an amendment to the original Government legislation, and it was an amendment to which the Government had agreed. The letter continues:

The Government will consider your possible amendment if you proceed to move it.

The honourable member did flag that he might have a possible amendment. Given the nature of the debate today, we are only voting on the test clause of the staged long-term lease. If that test clause is successful later on today—and I say 'if'—then when we return next week the Government will consider the amendment, if the Hon. Mr Crothers were to move an amendment some time next week.

Thirdly, the honourable member did ask that the Government's guarantees in relation to questions 1 and 2 be conveyed to him.

The Hon. T. Crothers: It was not my idea; it was an idea given to me by that creative interjectory genius, Ron Roberts,

in respect of this, and I believed it was a good idea. It does thoroughly protect, once and for all, under the law the employment of members currently employed by ETSA and its ancillaries.

The Hon. R.I. LUCAS: The Hon. Mr Crothers has indicated that he has taken advice in his discussions or listened to the advice of the Hon. Mr Ron Roberts in relation to this matter. In the discussions that we had, I think it was yesterday afternoon, the Hon. Mr Crothers then did subsequent to these questions put a further request—and I must say that, at that time, I was not aware that it was on advice from Mr Roberts, but the Hon. Mr Crothers has made that clear today—that these commitments to questions 1 and 2, that is, the debt and employee entitlements and protections, would be incorporated in the law of the land by way of amendments to the legislation.

As the Hon. Mr Crothers has just indicated, that was his position, having discussed it with the Hon. Mr Roberts; and we, too, as the Government are indebted to the advice provided by the Hon. Mr Roberts in terms of ensuring that the rights of employees will be protected not by way of just a piece of paper, because the Government acknowledges that a piece of paper does not have the force of law. Yesterday, the Hon. Mr Crothers in his bargaining discussions, negotiations—call them what you will—made a very firm point to the Government that he would not settle for anything less than amendments to the legislation.

Therefore, the Government will, absolutely and consistently with those words and undertakings we have given the honourable member, amend the legislation. Next week the Parliament, if this particular clause is passed today—and I again say 'if'—

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: Or the amendment. If the amendment is passed this afternoon, next week the Parliament will again have the opportunity to look at every word, every comma and every full stop of the drafting by Parliamentary Counsel to ensure that the commitments and the guarantees in this particular piece of paper will be reflected absolutely in the legislation. I inform the Hon. Mr Roberts, and indeed anyone else, that should this amendment be successful this afternoon the Hon. Mr Crothers, I am sure, will have a close and abiding interest in ensuring that the Parliamentary Counsel fairly reflects these two commitments that have been given in the correspondence from the Premier and me to the honourable member.

Given that, as the Hon. Mr Holloway has indicated he and others may well have further questions in relation to this amendment to clause 2, I will leave any final comments I might make prior to a final vote and in terms of the suggested process from here on in until we wind up the total debate.

The Hon. R.R. ROBERTS: I acknowledge the interjection made by my colleague the Hon. Trevor Crothers in response to some advice I gave him with respect to the desirability of putting into legislation any agreements the Government might put forward. The Hon. Mr Crothers wanted the Government's proposition in writing. My advice to him was that its promise or anything in writing was not worth the paper it was written on and that, even if you read it into *Hansard*, it will not do any good in any court of law. If better provisions are to be provided to workers in the ETSA industry, it would be preferable to put them into legislation.

The reason I provided him with that advice is that in the past we have been given all sorts of assurances by this Government and it has never fulfilled them. If they are put

into legislation, at least they have a chance. That would be fine if the package was better than the one that you could get outside. But quite clearly the truth is that the single bargaining unit of the United Trades and Labor Council and the ETU has, during the enterprise agreement, already negotiated a package that is better than that being offered by the Government. So, why would the Government not try to put its offer to the Hon. Mr Crothers into legislation?

What it means is this: today the Government cannot retrench anybody for at least two years after the sale. Under the proposition that Mr Lucas has so cunningly agreed to, the day after the sale they can start giving people voluntary requirement packages, and anybody who has had any experience in the employment area knows about voluntary retirement packages. We got rid of half the Public Service with voluntary retirement packages.

I have begged the Hon. Trevor Crothers to avail himself of the opportunity provided by the UTLC to sit down with it and go through this issue. I prevail upon him again before he makes a decision to look at the passage we are talking about, because what the Government is making out it is being honourable about and has agreed to is inferior to what is already in the award. People in ETSA do not want redeployment or redundancy packages: they want their jobs. They like their jobs; and they are good at their jobs. This package needs to be cleared up. What the Government has agreed to is inferior to what it must legally provide today. Let us make that position very clear.

I know the Hon. Trevor Crothers is making an honourable attempt to give me some credit, and I appreciate that, but that is a poisoned chalice. What he is proposing is a good idea. The agreement of the Hon. Mr Crothers to have it in legislation would be a safeguard for those workers if they were entitled to inferior conditions than that implied, but the fact is that the reverse is true. They are entitled to much more now than they will be under this package, so it should be rejected.

I again implore the Hon. Trevor Crothers to put off this vote until he has had an opportunity to sit down with the single bargaining unit—his comrades from the trade union movement; not aliens from outer space but people with whom he has worked for four years—and hear their point of view. That is all they are asking for: the opportunity to put the point of view from the class from which the Hon. Trevor Crothers comes and in which he worked for 30 years. That is not a big ask.

If he can be proselyted by the Treasurer and trapped into having his photo put on the front page of the paper, I implore the Hon. Trevor Crothers to go and sit down with his comrades and listen to their point of view. It is not a big ask.

The Hon. T. CROTHERS: I am concerned about some of the assertions made by the Hon. Ron Roberts. If his assertions are correct, I shall not vote with the Government on this matter, if any arrangement the Treasurer has given me has been stealthily contrived so as to ensure a lesser amount of money and conditions payable to members of ETSA who voluntarily accept any future redundancies than what has currently been agreed to by the unions in question.

The Hon. R.I. LUCAS: I will gladly respond to the Hon. Mr Crothers' question. The claims made by the Hon. Ron Roberts are not true, and let me give you—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: No enterprise agreement has been resolved. Let me give an example. During the discussions last year, the unions came to me as the representative—

Members interjecting:

The CHAIRMAN: Order! The Treasurer is on his feet.

The Hon. R.I. LUCAS: Thank you, Mr Chairman. During the discussions late last year, the unions came to me and indicated that in the context of the Government's policy certain employees would get other than the maximum of 104 weeks voluntary separation pay-out, which is the current Government package that is offered to all public sector workers. In other words, you can get up to a maximum of two years pay-out if you are a very longstanding employee of the Public Service. The union representatives—Mr Fleetwood and Mr Donnelly—said to me (and indeed there are a number of letters to this effect as well) that in a certain set of circumstances the Government was saying that those employees who might have got up to 104 weeks pay-out might have got only 13 weeks pay-out. That is the difference: 13 weeks pay-out as opposed to 104 weeks.

The unions came to me and on behalf of their members (and I can certainly understand that) argued passionately with me as the representative of the Government. In fact, they asked how it was fair that employees at a certain stage can get a pay out of up to 104 weeks as long serving employees but, under the sort of conditions that the Government was talking about, that 104 weeks might drop back to 13 weeks.

That was the position that the union said the Government wanted. It put that to meetings of employees. In correspondence and faxes to employees it stated that the Government wanted to reduce the separation payment or package from 104 weeks for certain employees down to 13 weeks. The Hon. Mr Crothers made a request concerning this package. The Government has only responded to the questions put to us by the honourable member.

I repeat that we agree with the Hon. Mr Crothers' proposition that in those circumstances the employees will not be getting a 13 week pay-out: if it is offered, they will get the full 104 week pay-out if they are long serving employees of long standing within those businesses and—this is the important point, which the Hon. Mr Crothers stressed in the discussions over the past 24 hours—it has to be voluntary. They have to agree.

The Hon. T. CROTHERS: No coercion.

The Hon. R.I. LUCAS: No coercion; they have to agree and it has to be voluntary. The conditions stressed time and again in the discussions with the Hon. Mr Crothers were that it had to be offered and then it had to be voluntary. It was not to be forced on them; if they were entitled to 104 weeks at the moment, they were not to get only 13 weeks or any other number less than they might currently be entitled to under a voluntary separation package.

The other aspect of the negotiation—the claim that in some way this is inferior to the current package—is whether, if they do not want to take a voluntarily separation package, as the Hon. Mr Crothers asked in his question on Tuesday, they will be transferred back to the public sector (and I do not have the exact words here) at the same rate of pay and conditions that they currently enjoy. That undertaking has been given to those employees.

So, the employees either will have a continuing job as experienced operators—and the vast majority will—or will continue in their employment with the new lessees. For the small number who do not continue at some stage in the future with the new lessee or operator, they have the opportunity of a voluntary separation package or transfer back into the public sector.

I will now address the other reason why the Hon. Ron Roberts's contention—that in some way there is a negotiated

package—is not true. He says that the employees want their jobs and that in some way the numbers cannot be reduced. Under a Labor Government and under this Government the total number of employees in our electricity businesses has reduced from 5 500 to 2 500, as the Hon. Mr Crothers pointed out. If what the Hon. Mr Roberts claims is true, how has that occurred? It is a simple question. How has the number, the 5 500 employees in our electricity businesses at the start of this decade—1990 or 1991—been reduced to 2 500 employees within our businesses in the space of some eight to nine years, if what he claims is true—

The Hon. R.R. Roberts: I would like to answer that.

The Hon. R.I. LUCAS: Yes, I'll give you the opportunity—that is, that those people who want their jobs and can stay on can do so. A number of people in the electricity businesses clearly have taken packages; a number of others have had jobs declared surplus and have been transferred away from jobs that they wanted into other jobs in the electricity businesses. And these jobs were not their preferred first job; they would have preferred their original positions, whatever they might have been.

But the jobs over the eight or nine years under the Labor Government and under the Liberal Government—under both Governments—have been declared surplus within the electricity businesses and a number of people obviously have taken voluntary separation packages under exactly the same conditions that are being offered in this particular arrangement, or they have been transferred within the electricity businesses to other jobs which they did not prefer. I have met with a number of employees within the electricity businesses who have been moved from jobs of their first choice to jobs which were not their first choice, and they would have preferred to stay in the jobs that they might have had six or seven years ago when the Labor Government took this decision or when a Liberal Government, perhaps three or four years ago, might have taken a decision as well.

So, I reject absolutely the notion that the package requested first by the Hon. Mr Crothers and agreed to by the Government is in any way inferior to that which was offered to the employees and which currently exists. I reject absolutely also the notion of the honourable member that in some way the Government has sought to dupe or cunningly mislead or deceive anybody in this Chamber—let alone the Hon. Mr Crothers—in relation to this issue. We were asked a series of straight questions and we have given a series of straight answers.

The Hon. R.R. ROBERTS: The Treasurer asked me to explain how the reduction took place and what was involved in it. I can tell you why it came down from 5 000 to 2 440. A number of reasons are given for it: because Governments for the last seven to 10 years have been talking about competition principles and the employees have been continually told that they had to become more efficient and more competitive, and they engaged themselves in proper negotiations, serious considerations of the way they do things in ETSA, on the promise that if they did not become more efficient they would be taken over by private contractors. Those employees entered all those discussions in good faith on the promise that, if they became more efficient, they would continue to be employed.

In my submission, this Government, since it has been in office, has continually run the numbers down to make the enterprise more saleable. That is how we have got down to this position. Let me tell the Council of some of the techniques involved. I had a blue with the Premier when he

reorganised Port Pirie and took the ETSA employees out of an airconditioned building and put them back down in Feely Street in temporary buildings, which I think were gathered up in Clare and dragged back there. I had a blue with him about that and said, 'This is not good enough.' It was subject to the discussions that took place when we inserted the clause in the last piece of legislation. On that night I was given a guarantee that he would fix up the Port Pirie situation.

Well, that promise has not been honoured, either. So we will leave that on the record. But the Premier came to Port Pirie and had a meeting (I used to have the date and the time; it was 11 o'clock, but I cannot remember the exact date), and he told the employees that there would be no forced redundancies and no forced relocations. The shop steward asked him, 'Well, what if you're not the Minister?', and he said those famous, fatal words, 'Read my lips. There will be no forced redundancies and no forced relocations.'

But what happens? The Government has another technique: they say that you will not have to relocate. What it did was expand the areas of operation, so you can still be in your area but, instead of your area embracing Port Pirie, it went down to Clare and almost up to Quorn. So, those employees voluntarily had to find another situation because he gives them something which is intolerable. That is how it has been done. You asked the question and I have told you the answer.

I have had some advice with respect to the agreement that has been reached. I do not believe it has been signed but I am told that it has been agreed to by all parties. It involves no forced redundancies up to the point of sale; no redundancies at all for two years after the sale; and, because it is intended to be an EB it is then envisaged, as I understand in my brief consultation with the delegate from the UTLC—

The Hon. T. Crothers: Well, the unions had better not sign the agreement, then. What I've got for them is better. They had better not sign it.

The Hon. R.R. ROBERTS: Well, I'm sorry Trevor, you're wrong.

The Hon. T. Crothers: I'm sorry, too. I know a bit about industrial law. They had better not sign it then, because what I've got signed with the Premier and the Hon. Mr Lucas is better for them.

The Hon. R.R. ROBERTS: The proposition is the agreement they have made with the Government, and they have only decided no redundancies up to point of sale and no redundancies for two years thereafter. The Government has claimed that there will be no forced redundancies thereafter; it will be VSPs. That may well be the case, but I again ask the Hon. Trevor Crothers (because his comrades, his affiliates from the UTLC, are up there)—indeed I implore him—to speak to them.

The Hon. T. CROTHERS: I rise in my place first so as to enable everyone who has not made a contribution to do so. I realise that I can speak as often as I wish in this Committee stage. However, for my consideration I have not reached a final conclusion, and I would ask through you, Mr Chairman, whether every honourable member has made the contribution that they wish to make at this point in the debate. If they have not done so, they may do themselves a disservice. I am still listening to all the meaningful elements of the contribution. Am I in order to ask you that, Sir?

The CHAIRMAN: I can ascertain for the honourable member whether any other members wish to address the Committee.

The Hon. T. CROTHERS: Thank you, Sir.

The Hon. P. HOLLOWAY: I have a number of questions that I indicated earlier I wanted to ask the Treasurer in relation to this lease deal, as it is important to the proposal before us that we should get answers on those matters. Given that the Treasurer said last—

The Hon. R.I. Lucas: You are going to keep it going all night, are you?

The Hon. P. HOLLOWAY: I indicated earlier that I would be asking some questions. I put it on the record—I told you. The Treasurer said during the debate on Tuesday evening that a lease will capture virtually all the value of our electricity assets. In view of that statement, will the Treasurer tell us what is the difference between a lease and a sale as far as he is concerned?

The Hon. R.I. LUCAS: I have indicated to the Hon. Mr Holloway, before I respond to the question, that should this test clause on the staged long-term lease be successful this afternoon—I say advisedly ‘should it be’—we will spend whatever time is necessary next week in going through whatever legal or technical niceties, long drawn-out filibuster or debate the honourable member wishes. If he wants to get into a debate this afternoon and try to drag it out, I suspect that it will be to his cost. If he wants to get into a silly debate asking, ‘What is the difference between a sale and a lease?’ and asking about a whole series of technicalities, let him proceed and the Government will sit here, as we have to do, and respond in Committee. He can drag it out, but I suggest he might take wiser advice.

The honourable member is the shadow Minister for Finance. I would have thought that even he would understand the difference between a sale and a lease. If he does not, I suggest he go and have a look.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: That was not your question first. The question was, ‘What is the difference between a sale and a lease?’ If the shadow Minister for Finance in this State cannot understand the difference between a sale and a lease in terms of who owns the assets—the lessee/lessor relationship—we are in a very sad state. If the shadow Minister for Finance needs an explanation of that sort of basic question, I suspect he is simply trying to drag out the Committee stage and filibuster by asking these sorts of silly questions. It is a question of legal definition. It is quite obvious in terms of ownership and the honourable member should know, and obviously does know, the difference between a sale and a lease.

The Hon. P. HOLLOWAY: The reason I wanted the Treasurer to answer that question is that it is highly relevant to this debate and to the decision the Hon. Trevor Crothers will make.

The Hon. T. Crothers interjecting:

The Hon. P. HOLLOWAY: It is my contribution. This Council would know that the current Government, just before the 1997 election, entered into a cross border lease arrangement with Edison Power.

The Hon. T. Crothers: So did the Bannon Government—you might want to touch on that.

The Hon. P. HOLLOWAY: Indeed, it did. The impact of those leases upon the price we get are important matters we need to consider in this debate because, unless we know the costs involved and what impact this will have, how can we assess whether this arrangement is in the best interests of the people of this State? That is what it is all about. Is getting rid of our electricity assets in the best interests of the people of South Australia? Will the economic benefits exceed what

we will lose in terms of dividends and earnings? That is the key question. If the Treasurer cannot provide that information, where are we going?

The Hon. T. Crothers interjecting:

The Hon. P. HOLLOWAY: The Hon. Trevor Crothers may not be aware of the document, but my colleague Kevin Foley in another place has referred to the document before. It is by Basil Scarsella, the Acting Managing Director of ETSA, who pointed out that when the lease was entered into:

The major risks in these transactions once completed remain as outlined.

The first and most important of these is:

An ETSA or South Australian Government Act which triggers an adverse US tax consequence, for which ETSA has indemnified the US investor.

He then explains it as follows:

This risk is in an area where extensive negotiation has taken place.

This briefing document was applied just before the Government had entered into that lease. He continues:

In other words, if the Government wished to change its present policy and privatise ETSA Transmission Corporation after completion of the proposed transaction, it would be constrained to do so by way of a sublease of the transmission facilities other than an assignment and this would require ETSA Transmission to provide options to the sub-sublease in identical terms to that which ETSA Transmission possesses.

That is what the Government has done. The Government owes us an explanation about these sorts of details. What will the impact and cost be? What impact will it have on price for this deal, given the warnings issued there by the Acting Manager of ETSA? As that is relevant to this whole question of whether or not we are to get net benefits from the sale, the Treasurer should explain that.

The Hon. R.I. LUCAS: He will not learn. On at least half a dozen occasions I have outlined—

The Hon. P. Holloway: You want to sell it.

The CHAIRMAN: Order! The Hon. Paul Holloway has asked a number of questions. The Treasurer has the call.

The Hon. R.I. LUCAS: On at least half a dozen occasions I have explained in simple terms that even the shadow Minister for Finance can understand the economic benefits to the State from the sale or long-term lease of our electricity assets. I do not intend this afternoon to go through all the detail again. First, there is simply a significant reduction in our State debt, a significant reduction in our interest costs. Secondly, the significant reduction in our interest costs is greater than the loss of electricity dividends flowing from our electricity businesses. There is therefore a net ongoing benefit to the budget and to the people of South Australia forever and a day because of that differential. I refer the honourable member to the budget papers released last week which, instead of this \$300 million a year that Mike Rann, Kevin Foley and the Hon. Paul Holloway claim flows into our budget from the electricity businesses, indicate that the projections from those businesses and from the Government’s advisory team represent an average of \$160 million a year over the next three year period—not \$300 million, but \$160 million.

So the claims from the commentators who support the Labor Party position that somehow we will lose out of this or that there is no net benefit are just not correct. I do not intend today to go over all the detail again. I can only refer the honourable member to the many contributions that have been made. The honourable member knows that those

contributions are on the record and is only seeking to further delay the debate and the vote on this crucial test clause this afternoon. He knows that is what he is doing and he knows that we have had this debate. The Government's position has not changed and your position is not changing. It is not as though if I explain something you will say, 'All right, I now accept it; I change my position.' You will vote against this test clause. You are simply seeking to delay the debate and delay the vote on this crucial test clause through any device you can think of. Again, that will be to the honourable member's cost and the cost of his Party.

The Hon. M.J. ELLIOTT: The Hon. Trevor Crothers a short while ago said that he was prepared to listen to further contributions—

The Hon. T. Crothers: But not stupid filibustering contributions—

The PRESIDENT: Order! The Hon. Mr Crothers is out of order.

The Hon. T. Crothers interjecting:

The Hon. M.J. ELLIOTT: I am not sure the honourable member knows what contribution I will make at this stage. That is what the Hon. Mr Crothers said. He also said by way of interjection when I was speaking that this was a lease and that that is different from a sale, so on the question as to the difference between a lease and a sale, whilst most people have a general understanding of the difference between the two, when you start talking of long-term leases it can be different. When the Government first talked about the possibility of a lease, it suggested that the value of a lease would be somewhat different.

The Hon. T. Crothers interjecting:

The Hon. M.J. ELLIOTT: That is exactly the point. The difference between a sale and a lease will ultimately depend upon the conditions which apply. I want the Treasurer to explain what, indeed, will be the effective difference between a long-term lease and a sale; and what limitations the lessor would have that a buyer would not have.

The Hon. R.I. LUCAS: Again, these issues were canvassed in my contribution on Tuesday. First, in relation to the value differential, the Government's commercial advice has been, as I said, that the Government's proposition for a staged long-term lease would capture virtually all the value it might capture from a trade sale. As the honourable member knows, I have not indicated previously—and I do not do so again today—what the Government expects to get for the assets. We have said that the economic commentators have variously predicted \$4 billion, \$5 billion or \$6 billion. The Government will not put its commercial advice and estimation on the public record. We have said that we believe the long-term lease, based on commercial advice, will capture all that value, and the various figures provided to the Government are something in the order of 90 per cent and above the value that would be captured.

In relation to the requirements on lessees, again the honourable member is seeking to delay the debate this afternoon. I outlined, quite clearly, in my contribution on Tuesday the requirements that will apply to lessees, the very stringent guidelines that will be laid down by the Independent Regulator in relation to maintenance of the assets, service delivery and the regulatory environment that will be required of any lessee of the Government's assets. I also outlined the notion of a security deposit and, again, I do not want to go over all the detail. The honourable member knows all this because I outlined it on Tuesday, and I do not want to go into all that detail again.

The notion of the security deposit was a quite clear undertaking from the Government to try to ensure that any lessee was not in a position to deliberately run down the assets in, say, the last five years of the 25 year lease because it was about to hand back the assets to the Government; that security deposit would be of some millions of dollars and, if it did seek to run down the assets before handing back to the owners (that is, the South Australian Government and the people), it would lose that security deposit.

If this key amendment is passed this afternoon, we will debate this next week and we will probably spend the large part of the debate in July on the Independent Industry Regulator Bill and the Electricity (Miscellaneous) Amendment Bill where the whole regulatory environment—the standards and the codes—will be debated in great detail. Today, we are being asked to vote on a simple proposition: are we prepared as a Parliament to support the staged long-term lease (the first clause)? If we are, we will return next week to go through the rest of the amendments on this, the first Bill. In July we will debate the Independent Industry Regulator Bill and the Electricity (Miscellaneous) Amendment Bill.

The Hon. T. CROTHERS: Has everyone made the contribution they wish to make?

The CHAIRMAN: Order!

The Hon. T. CROTHERS: I would ask the Hon. Ms Kanck to desist until I have spoken—I realise that this is highly improper—and then she can ask any question (as can any member) that she would like. During my contribution I will touch on a number of the questions that have already been asked.

The CHAIRMAN: Order! The honourable member knows that we are in Committee. If he wants the call now to make a contribution to the Committee, I will give him the call. Not long ago, the honourable member asked whether other members wanted to make a contribution and the Hon. Sandra Kanck stood up. What does the honourable member now require? Do you want the Hon. Sandra Kanck—

Members interjecting:

The CHAIRMAN: Order!

The Hon. T. CROTHERS: I want to begin my address by saying that this issue on which we are talking today is of extreme importance to the people of this State, despite the fact that I have not yet reached—although I was almost tempted to do so—a final conclusion. For the sake of newer members of *Hansard*, who have some difficulty with my accent (which I believe is a delightful version of the Queen's English), I will try to speak as slowly as I can where I have no written advice for *Hansard*. At the moment I am speaking off the cuff.

With respect to my contribution to this debate, it will be under six subheadings. The sixth subheading is (F) 'Conclusions and any other related matter'. I have left that blank, and I shall be speaking to that off the cuff. I will indicate how I will vote, but other questions will be asked—and I do not care how long we are here—and the Treasurer will have the right of reply. I will indicate at the end of my remarks related to subheading (F) just about where I stand, but still not with any absolute finality.

In a very short space of time this is the second occasion on which the Government has pursued this Bill in this place. On the last occasion, I, along with 10 of my parliamentary colleagues, opposed and defeated the measure. The nature of this present Bill was for the total sale of ETSA. I shall always

oppose the outright sale of vital major Government owned assets.

The difference between that matter and the same Bill now in a proposed amended form is that the Government is seeking to lease ETSA. I am led to believe that the Government expects to receive in excess of some \$5.5 billion should this measure pass through the Parliament. In the interests, therefore, of clarity I intend to now present to members a series of six subheadings, which I shall label alphabetically and which, further on in the contribution, I will address individually and, indeed, more specifically. The six subheadings are as follows:

- (A) Economics and the opinions of some economists.
- (B) The sale of ETSA versus the lease of ETSA.
- (C) The State debt and the future of South Australia and its people and their employment.
- (D) Globalisation, rationalisation and capital investment.
- (E) The Australian Labor Party, both past and present.

Finally, in a subheading which, for the benefit of newer members of *Hansard*, will be delivered slowly because I have no written notes and because of the difficulty even I sometimes have in understanding my accent—

The CHAIRMAN: The honourable member will not refer to *Hansard*: they are very professional people, as the honourable member knows.

The Hon. T. CROTHERS: I was talking of the newer members—

The CHAIRMAN: Well, it is out of order to refer to *Hansard*.

The Hon. T. CROTHERS: Thank you very much for being out of order: you, too, are helping me, Sir, and I thank you.

The Hon. T.G. Roberts interjecting:

The Hon. T. CROTHERS: Well, the pendulum does keep swinging. It has swung a bit your way after that unnecessary remark. The final subheading is (F), my conclusions and other related matters.

I turn now to subheading (A), 'Economics and the opinions of some economists'. I proffer the following remarks for the consumption and consideration of my fellow members. It is a known fact that ETSA can contribute between \$200 million plus and up to \$350 million per year to State Government's consolidated revenue.

This is, of course, a variable, and some of the factors which can bear on the figures that I have quoted are the weather; unexpected large sums needed for maintenance, service and replacement parts each year, which are outside ETSA's annual projected programs of maintenance and service; and the effects of the Hilmer report on the ongoing operations of ETSA. For the benefit of those who are not aware of the effects of the report of Professor Fred Hilmer into electricity generation within Australia (and I say that in a narrow term), Professor Hilmer was appointed by the then Federal Labor Government to inquire into the national competition policy. I refer, of course, to the pricing of electricity on a more competitive basis than the Government then believed was the case.

For the benefit also of those who are not aware of the effects of Professor Hilmer's report into electricity generation in Australia, I canvass the following points. Professor Hilmer was commissioned by the then Federal Labor Government to conduct an inquiry into, amongst other things, the cost of electricity generation in the States and Territories of Australia. The findings of the Hilmer report were agreed to and

signed into law by, to my knowledge, two of the Eastern seaboard States of Australia (namely, New South Wales and Victoria) and the then Labor led Government of South Australia.

It goes without saying that the then Keating led Labor Government passed into Federal law many, if not all, of the Hilmer report recommendations. The impact of these measures on the various States was as follows: first, each State would no longer have a total monopoly on the generation of its own electricity requirements; secondly, it is said that the impact of the recommendations of the Hilmer report would lead to cheaper electricity for the consumer; and, thirdly, it would become in the interests of the economy much easier for private capitalists to construct and supply power generated electricity. These are just some of the impacts of the Hilmer report on South Australia. There are others, of course, but these are the ones that I consider to be the most germane to the current proposed amendment Bill.

I turn now to the other half of subheading A, which, as already stated, relates to the opinions of some economists. First, I will make a couple of personal observations. If economics is such an exact science, why must we have periods of boom and bust and the horrendous Depressions of the 1890s and 1930s? Of the latter it must be said, to use a currently popular latin phrase, that it was a decade of a series of *annus horribilis*. Of course, I also place on record that piece of Shavian wit when the great man opined, 'If all the economists of the world were stretched end to end, they would never reach a conclusion.'

I believe that these economists who gave us their opinion that ETSA should be kept in Government hands did not state the full case. I have often pondered those unspoken matters. In the main, they said that ETSA should remain in Government control because over a period of years the ETSA profits paid into the Government's consolidated revenue would exceed the price that the Government would be paid for the sale of ETSA.

I asked myself about the hidden factors which they left unsaid, and the hidden cost of these factors will most assuredly bear fruit if the present state of play continues. As I see it, they are as follows. First, if our electricity costs are more than those elsewhere, those new sunrise industries that will come to Australia will locate their businesses elsewhere than in this State, thus ensuring that the growth of ETSA will remain static with all the consequences that that will then have on consolidated revenue.

Secondly, what if because of electricity costs industries which have long been established here decide to close down their operations or move them elsewhere, either offshore or to another State? We know, for instance, that Mitsubishi is already looking worldwide at the totality of its operations with a view to rationalisation. It is said that this company has determined this in advance and, because of cost, seven or eight of its major plants will either totally or partially close down, and the South Australian Mitsubishi plant might be in that category. If that should happen, that would cause many thousands of people to be thrown onto the South Australian job market with little or no prospect of securing work in South Australia.

Consider further the impact on ETSA with the lower amount of generated power purchased if such a horrible event as this occurred. This company will not be the only one that is operating here to consider the foregoing option should our cost structures remain higher than elsewhere in the world. These economist statements remind me—such is their lack

of awareness of the totality of our present situation—of the young woman who purportedly said, ‘I am a little bit pregnant.’

I opposed the sale of ETSA together with the rest of my colleagues and other members of this place, but it was for reasons other than the foregoing. I shall specifically canvass my reasons later when I deal with subheading B. I now propose to deal with that subheading. To assist the listeners to and the readers of this contribution to better understand what follows, I will quote subheading B of the measure, which states:

B. The sale of ETSA versus the lease of ETSA.

As I said when the Bill concerning the total sale of ETSA was before the Council, I, together with 10 other members of this place, opposed the measure, which led to its defeat in the Upper Chamber of this Parliament, even though it had been carried in another place.

I voted against the sale for the following reasons. When I considered this matter, I pondered long and hard on why it should be that international global capital was so anxious to get into the areas which in the main for the past 50 years or more in this State and 100 years or more elsewhere these capitalists have regarded as being the proper domain of Governments, that is, the responsibility for water supply and electricity generation.

Indeed, as well as the present Bill on electricity, I thought of the supply of water, which of course has always until recently been a total State Government responsibility. The provision of these two services, which are so necessary to sustain the quality of life, is the expected norm in today’s civilised society, both urban and rural, in just about every other geographical location which has responsible Government as well as here. And at the same time, I thought of monopolies and rare commodities for which the capitalist owners are very often prone to charge prices above that which would ensure a fair profit on moneys invested.

To kickstart the investments in question, and in the particulars, I thought of the recent fines imposed by the United States Government on two European chemical cartels that had a monopoly control of certain product areas in the United States domestic market. The United States Government found that these two companies had conspired together to fix prices way above and beyond that which the United States Government deemed to be fair and reasonable. This led to the United States Government fining one of the companies, if I my memory is correct, some \$750 million, and whilst the other company which had cooperated with the Government was fined a lesser amount, which fine still amounted to several hundred million dollars—I may be wrong on the quantum, but it was a massive amount of money—the lesson is there for all to see, and that is: in spite of the best efforts of Government and what Government does to control monopolies, avaricious greed can and ultimately will still lead to some company where it has monopoly control charging prices which it believes the market can bear. Again, I thought of those metal ores which are either in great demand or occur in perhaps only one, two or three locations in the world. The price of these metals is astronomically high and, again, the situation leads to monopoly control. I cite such minerals as chrome, copper, gold, platinum, lead, nickel, zinc, rutile, zircon and their cost per tonne. To support my assertions, there are of course other minerals as well which fall into the same category. But I believe the raft of minerals I have cited is sufficient to prove my point, and again I

believe that the prices charged for these materials is that which their controllers and producers believe the market will bear and not the prices which would achieve a reasonable return on their investment capital.

As I pondered these matters and tried to rationalise the sudden rash of global investment capital into the water and electricity supply—and I pondered the reason for this long and hard—I drew the following conclusions. First, in respect of water, it is already a well-known fact that there will not be enough fresh water by the year 2025 to irrigate our field crops and areas which require irrigation. Secondly, by the year 2035 there will not be enough potable water to supply every human being then living with the amounts of water necessary to sustain life. So there you have it, yet another situation in the not too far distant future for just another potential monopoly control, with all the consequences which follow with respect to exorbitant prices being charged for supply and delivery of that service. And this is potentially made possible by this present Government in selling our water rights to two giant overseas owned companies in—remember, Mr Chairman—the driest State in the driest continent on earth.

I now turn my attention to the previously proposed Government sale of ETSA and the reason why I voted against this sale. Again, I pondered how a monopoly situation could be achieved by the total purchase of ETSA by private capital, and I came to this following conclusion. If one controlled the overhead wires, the underground cables, the overhead high voltage transmission cables, in addition to the source of fuel used to supply the State’s power stations, then again, in that situation, you have the potential to create a monopoly, with the Government of the day almost powerless to intervene. This would most assuredly lead to prices for the supply of electricity to consumers in this State being higher than they should be.

But, wait a minute: is there not a weakness in that argument? Of course there is, because the only fuel supply site owned by ETSA is at Leigh Creek, and as we all know, our power stations, in many instances, can be run on oil or natural gas, which leads me to believe that, in this instance, we have to look further to rationalise out the reasons for private capital wishing to purchase ETSA outright. I advance the following reasons for consideration of members and listeners. We all know that the matter of global warming is at a level where it is severely damaging our ozone layer, which, if enough damage is caused, ultimately will lead to temperature increases on this Earth with subsequent disastrous results, and those disastrous results will be for many of the peoples of this Earth.

One of the very major causes of this is the discharge of gasses from fossil fuels in our upper atmosphere. We all know that these discharges have to be greatly reduced, if not altogether stopped, in the not too distant future. This means that the use of fossil fuels for power generating plants and smelter plants must be discontinued if many of this Earth’s population are to survive global warming. Are there any alternatives? Yes, there are. There are nuclear powered generating plants, but of course—and for very good reason in my humble opinion—we all know this would be about as popular amongst the electorate as increasing the tax rate. So for those reasons, not the least of which is the long life toxicity of the disposal of nuclear waste, nuclear powered generating plants are an absolute political no-no.

What alternatives do the above referred to situations lead us to? There is only one left and that is the alternative energy

sources which are currently available to us; that is, solar power, wind power and tidal power, with the other known source of hydrogen fusion power being some 30 to 40 years away from commercial reality. But the other three sources to which I have referred are already available to us and, as every day passes, they become even more commercially viable than they are now.

I want now to address our collective minds to the current *status quo* of these sources. First, solar power is an alternative energy source which, because of our climate, is well suited to supplying South Australia's and indeed Australia's future energy use.

It is already in commercial use here in South Australia, mainly for this State's domestic use, although it is also used in the Adelaide to Darwin car race, to supply the power for some really remote public phone boxes, in at least one location as a power source to operate at least one reasonably large water purification plant and as a power source for satellite position fixing ground equipment. I understand that it is also used for powering vehicles which NASA and other space agencies send into outer orbit.

2. Wind power

This is a subject that might be dearer to the hearts of my parliamentary colleagues and me! I know precious little about wind power, except from an odd observation, although I am led to believe that it is already in use in Holland and the United States as a power source for towns of between 10 000 to 15 000 people, and that is ongoing. I also understand that on an experimental basis it is being tried here in Australia and in other worldwide locations. As previously said, apart from that which I have just stated, I have very little other knowledge to offer at this time.

I would like if I may to address what may yet be the best of the three alternative energy resources, and that is tidal power. Until five or six years ago, tidal power was not a commercially viable alternative, because power could be generated only by the incoming tide. But, some five or six years ago a young 24 year old Irish professor of physics invented a valve which could generate power from both incoming and outgoing tidal movement. This most certainly will now make tidal power a credible and most economic power source. In fact, so excited did the British Government become that it built a very large pilot plant in the Hebrides which I am led to believe cost some £100 million; a sizeable investment indeed.

Members may well be puzzled as to what this has to do with my voting against the sale of ETSA. Let me now explain the connection as I see it. I led earlier in this contribution that the method used to control electricity supply by private capital was to purchase ownership of the fuel sources of electricity generation but, again, one must ask what purpose that will serve if these sources fall into disuse as power generating fuels and the three other alternative energy sources ever more increasingly come into play within, say, the next decade to 15 years.

I say to members that this time span is not an absolute reality. You see, you cannot purchase and control the wind; you cannot purchase and control solar power; and you cannot purchase and control the tides. So, what then is the answer for global capital to use? It is as simple as ABC. You simply buy the ownership of the overhead wires, the underground cables and the trans-country transmission and high voltage cables. So, there it is, Mr Chairman. For the reasons I have canvassed, I determined to oppose the outright sale, and I shall always continue to do so.

In simple terms, what I am saying is that over the past 100 years market global capital and other capital have allowed governments to take the risk of building the infrastructure to supply both water and power. They could afford to do that, because they controlled the energy sources: first, the coal mines; then, as that fuel became unpopular, the same capitalists who owned the coal mines went into oil; then the same people saw what was happening with nuclear energy so, in the sadly mistaken situation that had arisen, they went into the mining of uranium oxide. So, they could let the Government take the risk, because they got their profits out of the control of the source of the fuels that were used to generate electricity.

I have said that you cannot buy the wind, that you cannot buy the sun and that you cannot buy the water, so they need another alternative to be able to impose their (in some cases) rip-off position on the ordinary poor of this world. That alternative is now not the control of fuels, because you can develop alternative sources; it is in respect of the control of the cables, because it would now cost billions of dollars to reinvent them. They have been installed by governments all over the place for 100 years or more. I went off my written remarks to reduce that to the simplest form, to try to indicate that I am not a raving, radical, left wing loony (although sometimes I am) in respect of what I say having substance in fact.

I turn with somewhat more brevity to the second part of the couplet which is the other leg of my subheading (b), namely, the lease of ETSA. As I have said, to me this is a different animal entirely from the outright sale of the ETSA instrumentality. It has certain attractions for me—subject, of course, to cast iron guarantees which I have sought from the Government for the present employees of ETSA and the use of the moneys generated from the leasing of ETSA and, I might add, additional to what I might call the 'Ron Roberts clause', that is, that the Bill is suitably amended to include the written guarantee, and that written guarantee be included in the document that I received from the Treasurer at about 7 p.m. last night, signed by him and the Premier.

In the discussions I found the Treasurer to be hard nosed but very fair. I suppose people might say that he had to be, given that I had the card he wanted me to play. I do not believe that was the case. Dare I say that, on a couple of occasions, he has voted with the Labor Party. I do not know what that suggests to me. It might have been in times of stress or in times of deep thought; who knows?

An honourable member interjecting:

The Hon. T. CROTHERS: If I have, will you stop interjecting? I have just referred to a guarantee to be given to this Parliament in respect of the moneys being used totally for the repayment of the State's debt, which I understand currently stands at some \$7.6 billion. I have had to revise that, given that I had the capitalists together in here yesterday. I understand from the budget papers that it now stands at some \$7.5 billion.

I would add a small caveat to that, which could lead to my moving a relatively minor amendment at a later stage, should this Bill pass the Council and the Parliament. These guarantees will go a very long way towards convincing me to support the Government's position in this matter. I might add that I will reach my final decision only after the Treasurer has spoken in this debate, in using his right of reply.

I also might add here that even though I might ultimately support this Bill it has been forced on me by the parlous nature of South Australia's desperate financial situation

brought about by time and circumstances and by sheer stupidity. I shall further expand on that later in this contribution.

I will now deal with subheading C, and refresh the memories of the listeners by repeating it: 'the State debt and the future of South Australia and its people and their employment'. Let me move to State debt and deal with that matter. State debt, I am led to believe, currently stands at some \$7.5 billion, \$5 billion of which can be directly laid at the door of the collapse of the State Bank—a collapse which occurred during the currency of the Bannon led Labor Government, for the latter part of which I served as a back bench member.

A scan of the recently released budget papers shows that the interest rates for this total debt are \$1.6 million each and every day that we do not pay anything off the principal of this debt. By my calculations, this interest figure compounds into an annual interest bill of \$584 million per year—a staggering amount given the geographical size of this State and our small population of just in excess of 1.55 million people, and, therefore, with those two previously stated matters, the very narrow revenue base from which State Governments here in South Australia draw their consolidated revenue.

Yet, if this State is to succeed in overcoming its present rust bucket status a way must be found to grapple with our current debts. If we do not, then there is absolutely no future whatsoever for South Australia, its people and their employment, and we shall continue to see our young people leaving this State in ever-increasing numbers to try to secure a future anywhere else but here.

This situation has already been ongoing for the past decade with ever more increasing permanent departures. I note that the most recent unemployment figures released show us to have slightly improved, although at 7.5 per cent we still have the highest unemployment figure of the mainland States—not a very good omen at all with respect to this State's future.

I now turn to deal with the contents of subheading D. Just again to refresh our memories, it is 'globalisation, rationalisation and capital investment'. It has, in my opinion, been the type of globalisation which certainly over the past 20 years or so has aided and abetted the problems that this State has with its huge level of indebtedness. I contend that one of the major forces (but not the only one) driving globalisation is the greed of the mega corporations.

I can well recall speaking at an ALP convention against the opening up of Australia to overseas banks. I contended that our population was too small to be serviced by even more banking institutions than already existed here. I can tell members that out of some 300 or more voting delegates who were at that convention I had about five or six supporters. But, of course, the consequences of opening up the Australian economy fell exactly as I had predicted. Banks incurred enormous debts of many billions of dollars which the people of Australia, who use our banking system, are still paying.

The obscurity of bank branch closures and the ever more additional charges being imposed are spin-offs from the opening up move 10 or 12 years ago. I predicted that the greed and struggle for banks to maintain their customer base did not stop only at the federally based banks. Many of the State banks also incurred enormous losses. Included in this number was our own State Bank, and of all the banks who suffered our State Bank suffered the biggest losses of all—losses of a size from which this State and its people are still reeling.

I am not opposed to globalisation, but I am opposed to the way in which globalisation is being given effect to. It has taken place, and indeed is still taking place, only to suit the greed of the mega corporations in their hungry gutted pursuit of ever-increasing profits. Unfortunately, though, I have to conclude that globalisation is here to stay, whether we like it or not.

Rationalisation, of course, is a fellow traveller of this form of globalisation. We witness everywhere we look the scaling down of company work forces in order to compete with other companies in the same business as themselves and/or in the pursuit of ever more and more burgeoning profits.

I would like briefly to address the question of employment. We are repeatedly told that the present horrendous size of unemployment levels both here and everywhere else will ultimately be fixed by the new sunrise industries which will follow globalisation. I contend that this is not so, either now or in the future. Unemployment at its current level is soul destroying, and in particular is it more so especially for our younger people. Further, it is destroying the social fabric of the society in which we live and will continue to do so whilst we live under the shadow of this present type of globalisation.

I say that those who do not remember the lessons of history are doomed to see them repeat themselves. To that end, I would ask all listeners and readers to acquaint themselves with the lessons of the French Revolution and indeed other historical events, where the ordinary masses of people have concluded that their hunger, starvation and despair should lead them to rise up and overthrow their Governments and governing classes who rule over them.

I will now, if I may, turn my attention to subheading E, which is 'the Australian Labour Party'. The reader will note that I have used the original spelling of the word 'labour', and perhaps that says something about me. I have been a democratic socialist—and am proud to be one—since the time I first started thinking (and who said that that was at a very great age?) about politics. I have been a member of a Labour Party since I was old enough to join one, both here and in my native heath. It was then for me and still is and will continue to be so, until I draw my dying breath, the Party with the only philosophy that is capable of governing ordinary people in a humane and beneficial way. The Australian Labor Party, like so many of its sister Parties around the world, had its genesis in the 1870s and in the 1880s of the last century. It was formed to serve as the sword and shield of the oppressed, the poor, the sick, the unemployed, the uneducated masses and the people who, up until then, had had little or no say in the events on which their daily lives were based.

The Labor Party was formed also to try to improve the wages and conditions of the then working poor whose wages and working conditions could only at best be described as horrendous. I will not bore my colleagues by being more specific about these—the pages of history of that time are absolutely littered with examples. The Australian Labour Party when first formed was made up of people of many disparate opinions, as indeed it is today. But the one thing that most of them had in common was their belief in democratic socialism. This is still so even now as I speak. In fact, the Party has often been described as a collection of warring tribes.

Just for the record in this respect, the ALP is no different from the Liberal Party, the Democrats, or indeed even the Communist Party, or any other political Party or grouping that has ever lived. The major difference between the Australian Labor Party and most other political entities is

that, at least up until recent times, it has been to the forefront of change—sometimes very radical and beneficial change. That, alas and alack, I have to very sadly say is no longer the case.

I can well remember, for instance, when I was convener of one of those warring disparate tribes—the Centre Left—moving a motion at a meeting of that body, a very well attended meeting of several hundred, to the effect that we should set up a think tank, even to the extent of incorporating non-Party members on that body to determine in what direction the Australian Labor Party should be heading. After a long and sometimes very heated debate the resolution was carried, I suspect to placate the old and bold warrior who it was felt was needed to act as the cement between the bricks of the Centre Left.

The committee was set up, chaired and convened by a very prominent ALP person, whose name at this stage will not pass my lips. This body, to my absolute chagrin, never met. It was then that I commenced to put some distance between myself and the then Centre Left. But, all is not lost. We have recently seen emerging from the ruck Mr Mark Latham and Mr Lindsay Tanner, who may well be described, if one was writing a book, as the odd couple because of the disparate and political nature of their background. However, what they now have in common is total commitment to change.

Indeed, to that end Mr Mark Latham has recently published a book titled *Civilising Global Capital*. A copy of this book is currently in the Parliamentary Library. I recently borrowed it. I have not totally read it, nor do I intend to. I started reading it and got to page 6, whereupon I decided that he was on the right track. It had to be correct because he was espousing principles that I have held with respect to change for the past 15 years. So, I decided that he was on the right track, put it down and have since returned it to the Library. If one were speaking Swahili one would have to say this book is *Uhuru*. I will translate that for the non-Swahili speaking members of this Chamber—

Members interjecting:

The Hon. T. CROTHERS: Stop interjecting in your multilingual semi-Welsh Australian accent, Attorney! One would have to say that this book is *Uhuru*, which in English means ‘something of inestimable value’. I now turn, at some cost to my voice, to my subheading (F)—my conclusions and any other related matters, and this is the final of my six subheadings. To interpose, I see that we have a long serving member of *Hansard*, who has always been very accurate. For any new members of *Hansard*, I simply inform them that for obvious reasons, as I have yet to come to a conclusion, I have left this heading virtually blank. I will speak off the cuff in respect of that matter. My memory is not good as it was, so I may not be able to proof copy an off the cuff speech as accurately as might be necessary to reflect what I am saying.

I have a letter in my possession and that letter has since been amended by what I will call the ‘Ron Roberts inspired paragraph’, signed by the Leader of the Government in this place.

The Hon. M.J. Elliott interjecting:

The Hon. T. CROTHERS: I might have something to say about you of a less complimentary nature—perhaps even a less parliamentary nature, too, Mr Elliott. I have a letter in my possession signed by the Leader of the Government in this place and also signed by the Premier and Leader of the Government in another place. This letter is the response to the three questions I directed to both these honourable gentlemen.

At this stage I would seek leave to have it, in its amended form, inserted into *Hansard* without my reading it.

The CHAIRMAN: Under Standing Orders, if it is a statistical table it can be inserted; if it is written it cannot be inserted.

The Hon. T. CROTHERS: There are statistics in it, Sir. I am trying to do it in the interests of members. If not I shall give it to the press—I do not care.

The Hon. R.I. Lucas: Read it.

The Hon. T. CROTHERS: My voice will not hold up. I might sit down at this stage and vote against the measure.

The Hon. T.G. Roberts: Seconded!

The Hon. T. CROTHERS: On the other hand, after that interjection, I shall continue on, more fortified than ever in my resolve. It is nice to be nice to the nice, Terry Roberts. The Chair has imposed great stress on my vocal chords, unfortunately, through a narrow approach, in my view, of an application of Standing Orders.

Be that as it may, however, the following is the agreement signed by Premier Olsen and the Treasurer and Leader of this Council. It is addressed to me, but no date is given—that is suspicious—and it reads as follows:

Dear Trevor,

We write in response to the three questions you put to the Government yesterday relating to the possibility of a staged long-term lease of electricity assets.

1. The Government agrees to your first request to provide continuing employment options or suitable early retirement/redundancy packages to all staff who are currently employed in our electricity businesses. Specifically, the Government guarantees that a lessee of electricity assets will be required by the lease agreement to employ all award/enterprise agreement employees employed at the time of that lease agreement on the same terms and conditions in place immediately prior to that agreement.

If, after the lease agreement, an employee who transferred on the terms above becomes surplus to the lessee’s requirements, that employee will be entitled to either a voluntary separation package (which provides a separation payment of eight weeks and three weeks for each year of service to a maximum of 104 weeks) or relocation back to State Government employment at a rate of pay not less than that laid down in that employee’s award and/or agreement at the time of relocation.

Let me interpose and add here that an observation was made, one of the more sensible questions asked at the time, that pressure could be brought to bear on the employees of ETSA to take redundancy on a non-voluntary basis prior to the lease being entered into. Should that happen, let me assure you, Mr Treasurer, that my respect for your integrity and guarantees given to me will diminish to a point where I shall find a way and means suitable that will retard any progress of this Bill should it pass this place. The letter continues:

2. The Government agrees to your second request that all lease proceeds (net of transaction costs and possible costs for termination of existing finance leases) will be used to repay State debt. The Government will not proceed with the proposed \$1 billion infrastructure fund but will proceed with a small allocation of about \$10 million which will be used to help ensure electricity prices for small customers in the country will be within 1.7 per cent of city prices for a period of about 10 years to 2003. The Government will consider your possible amendment if you proceed to move it.

That is the amendment I have indicated and, if I do move it, I indicate that I have toned down the figure I had in mind. The letter continues:

3. The Government agrees to your third request and this letter is on behalf of the Government and signed by us as the Premier and Leader of the Government and Treasurer and Leader of the Government in the Legislative Council.

As a result of further discussion with you, we undertake to implement the guarantees to employees outlined above by way of amendments to the Government’s legislation. We trust these

undertakings satisfactorily answer your three questions. If you require any clarification of the Government's response, please do not hesitate to contact us. We thank you for your willingness to at least consider a plan which has the capacity to reduce significantly our State's debt and provide the possibility of a better economic future for our State and all South Australians.

Yours sincerely, John Olsen, Premier. Yours sincerely, Rob Lucas MLC, Treasurer.

I received that letter, which is dated 2 June 1999, last night some time around 7 p.m. after our initial discussion which started around 3.30 p.m. I find that letter acceptable—indeed, in spite of the best efforts of the very responsible unions, under the leadership of Mr Geraghty and Mr Sneath, who are the Secretaries of the major unions responsible, respectively, for Leigh Creek and the general ETSA employment. I am an old industrial hack, having been Secretary of the Liquor Trades Union; longest serving President of the same body; President of the Liquor Trades Union; Delegate to the United Trades and Labor Council; Delegate to the Australian Labor Party on behalf of my union; and Delegate to the ACTU Congress. Modesty prevents me from further elaborating—and the fact that I am now losing my voice.

I find this letter acceptable. Although I shall listen carefully to the Treasurer's winding up remarks, I shall not listen to or be influenced by any filibustering questions or tactics. I am prepared to stay here until Sunday. Those filibustering tactics also have weighed in my psyche in respect of my decision, given the importance of this matter to the people of South Australia. If people for their own political reasons wish to delay this matter's reaching a vote on this clause by filibustering, then I put the question myself: what do they care about the poverty of the people and the unemployment of the people whom we all represent, particularly as Labor men?

The Hon. Carolyn Pickles interjecting:

The Hon. T. CROTHERS: What did you say? Did you say it was bullshit? You would not know bullshit from a good—I will withdraw that. As I previously said, whatever I do, this has been and will continue to be a gut-wrenching period for me. I have been under some considerable stress. My poor long-serving and loyal secretary took a telephone call today, amongst other telephone calls, that said, 'Judas never lived to enjoy his 30 pieces of silver. If you vote with the Government, neither will you.' That to me, a reformed member of a particular organisation for a brief spell in Ireland, is like water off a duck's back. Should such an opponent come to my place, he will be greeted by the barrel of a pump action shotgun in which I shall have one up the breach so that I get six rounds at disposing of him, her or them. It does not do anything to detract or to assist me. In fact, as I have said, members of my native heath can become very stubborn and very determined in progressing a matter in which they have a belief. They may not always be right or wrong, but they generally always become very determined and very stubborn.

As I have said, I have been a committed Democrat Socialist—and I mean 'committed': a true believer, not just someone who has joined the Party for their own personal advancement. I had two offers of a parliamentary seat before coming in here, one of which was way back in the 1970s. I chose not to accept that offer because I thought then—and I continue to think now—that I could have done a better job for the underprivileged humanity of this State had I stayed on as Secretary of the union.

I made the comment about the unions. The unions have tried hard under circumstances deliberately reduced by the

draconian Reithian adventurism of Federal Parliament and members of Federal Cabinet under the charge of John Howard and Peter Reith. The industrial power of unions at a Federal base has been much reduced in respect of their being able properly to defend their members. As I have said, the secretaries of the two major unions are very committed, genuine, decent and thinking men. Likewise, in this State, this Government, aided and abetted, in my view, for political electoral enhancement reasons by the Democrats, has also moved to that area. Particularly at this time when unemployment is so high and working conditions are getting worse, irrespective of what I might do—the unions need not come to me should I have to become an Independent as a consequence of my commitment—I shall never support this Government or any other Government in respect of further diminishing the powers and capacities of unions to defend themselves.

It was for that reason that I have said what I have said, not because I am a smart arse or because the union secretaries in question are not intelligent: they are all those things—brave, stubborn and intelligent. It is simply because someone will shake their head and it will fall off, if it has not already done so. If you want to take the option of a strike, you will lose public support once the electricity supply is cut off. That is an observation from me as a former Secretary of the Liquor Trades Union when our members used to go on strike. There were never any problems with the BLF because the public was not affected. As soon as you affect the perceived well being of the general public, the quicker you lose the public support which is so necessary to win a prolonged and protracted strike by workers in that service industry.

For all those reasons I am satisfied that this agreement can be signed, thanks to the creative advice from Mr Roberts. It is pretty watertight. It is the best package, in respect of the guarantees of employment and/or a redundancy package if people wish to take one, that they could have achieved. I think the guarantee of employment is particularly good. I noted in the reference by the Hon. Mr Roberts to the ongoing negotiations with the union that no mention was made of the continued employment of ETSA employees in spite of the fact that in the past eight years, from 1990 to 1998, the number of people employed by ETSA—a considerable number of them under a Labor Government—has declined from about 5500 in 1990 to 2400 in 1998. This is hardly a recipe for using tried and true methods to enforce union policy particularly when, thanks to Reith and Howard and the Hon. Mr Griffin and others, mirror image legislation, perhaps to a lesser degree, has been carried through this Parliament with the support of the Democrats.

I said at the time of receiving that agreement that, whilst it would assist me in reaching a conclusion, it would not be the only thing that I would look at. There were two additional matters which were at least as important—and one of which I considered to be more important—as the agreement which I currently have and which I accept. Those two additional matters are as follows.

As I listened to the contributions of all the members who are opposed to this matter, I did not hear much meaningful talk about the \$7.5 billion of State debt. Indeed, I have heard no suitable alternative proffered relevant to reducing the State debt so as to reduce our interest rates to at least give our State Government some opportunity, even in a small way, to be financially capable of influencing beneficial results which would assist our poor and unemployed, health, education and, I say to the Hon. Mr Roberts, our mentally retarded as well.

I have heard no alternative, none whatsoever, yet this debt continues to hang around the neck of every South Australian as an economic albatross retarding progress in this State by any Government, whether it be the Labor Party, the Democrats or the current Government in office. We have but one asset to utilise to try to discharge the bulk of that debt—and that is ETSA.

I have opposed the sale of ETSA for the reasons I have outlined. I find the lease forced or imposed upon me. It is a different lease from the one which was proposed. It is nicely capable of being blocked at 25 years. I have no doubt that the Government will have to go to the people in two years' time. As the Leader of the Opposition said, 'You must listen to the people', but, as I understand it, there was no commitment given by either Leader other than, 'We shall not sell ETSA.'

I do not want to be semantic. Indeed, within the policy of the Labor Party, the commitment to ETSA is that we shall not sell it from public ownership. I do not believe that I have breached Party policy. I may have breached a decision of Caucus if I decide to support it. Gut-wrenching as that may be, I am prepared to put the interests of the people of this State first and the interests of the political Party to which I have belonged and which I have served, I hope, faithfully and loyally on the backburner. I have not come to that conclusion yet. Wait, there is more.

I want to say that I have resisted from all quarters, in quite a profane way at times, colleagues of mine, the Democrats, the Liberal Party and the two Independents, influencing me and my processes of final determination relative to this matter. Those who know me know that I can be determinedly stubborn if I perceive that I am right, and that I am fiercely independent in respect of my own integrity and any principles or processes of decision making that I might arrive at. That has not always been possible under a normal political Party's organisation, particularly the ALP. However, there does come an occasion when one must bite the bullet if one is to continue to serve as a sword and a shield of the oppressed, the unemployed, the unlettered and the unrepresented.

If one is to continue to press forward—and I hope we do—with democratic socialism, we must not change the principles upon which we were founded. However, by the living heavens (should such a place exist) we must change our methods in a fashion which is more appropriate to meaningfully serve the people with sword and shield, and to deal effectively with the detrimental impacts and greed of the mega corporations and multi-capitalists. I have 15 minutes to go. I do not know which will expire first, either my time or myself, but I will try.

The Hon. T.G. Roberts interjecting:

The Hon. T. CROTHERS: You live in hope, Terry; you have always been a great punter, but I can tell you that you would not get seven to one on me. I am determined to live at least until this is processed. I have been placed in this position—and very reluctantly so—I believe by people's greed and by the political correctness of politicians of all Parties. Over the past 10 years or more, all political Parties have rushed to embrace globalisation and rationalisation for their own perceived electoral safety and advancement.

It is with great reluctance that I advise that I shall be supporting the Government's Bill in respect of the lease of ETSA—and that has a caveat on it. If the Leader of the Government in this Chamber in his right of reply exhibits some state of verbal suicidal lemmingitis, I could well be persuaded again to change my mind. However, I am not my look-alike in the Federal Senate, so I believe I shall stick with

that position, but I do warn the Treasurer that he could change my mind. I shall not change my mind, subject to that minor caveat. I shall be carefully—and I trust the Hon. Mr Lucas on this matter—monitoring any amendments required to change this legislation from a Bill of purchase to a Bill of sale. I shall be monitoring the amendments necessary to include our signed agreement *in toto* and verbatim in the Bill.

At this stage I would say to the unions—and I notice that an old colleague of mine, the premier representative of the union movement in this State, is present today: he would not need the advice I am about to give—that, if this matter is progressed, and I believe it will be, the unions that have operatives employed by ETSA either at Leigh Creek or in general service—and I think the honourable Mr White would know what I am saying—would best be advised to proceed posthaste to the commission and have that guarantee, which will be inserted in this Bill, mirror imaged into their awards and/or agreements.

I do not know whether the press will still be interested in me next Monday. At the moment, I am currently the bullseye in their journalistic dartboard. However, if they are interested, I shall be holding a question and answer press conference—whatever you call it—at 2 p.m. next Monday, when I shall answer any questions directed at me, if they are pertinent and germane to this Bill. Anyone who tries to call me a scab again will be parenthetically dealt with either by being physically ejected or by being physical chastised. And, as an old pug, even though I might last only a minute, I still have that capacity. So I warn those who might wish to inject a dastardly note of name calling into it: do not do it.

I shall hold the conference for 15 to 20 minutes. It will pertain to questions and hopefully answers from me as best as I can give them in respect of this matter. I do this reluctantly and because I have been forced into it and because I further believe, rightly or wrongly, that what I am now about to do is for the better interest both now and in the future of this State and its people. It is the only chance—and it is asinine to suggest otherwise—and the only way in which we can discharge a lot of that debt sufficient to reduce interest rates by, on my calculations, \$1.2 million a week. It is the only way any Party in power can go in respect of securing the well-being of the people of this State both now and in the future. Anyone who holds any other reason, in my view, is myopic in their vision and is using old political methods that were tried and true, say, up to 1960, but they are no longer applicable today.

Having said that, I have reluctantly come to the conclusion, for the reasons I have advanced, that I will be supporting the Government measure and all subsequent measures, subject to the amendments being properly worded, and all other measures necessary, where I believe the Government is right. That is not subject to any questions that may be asked, because I will ignore them; in fact, they could make me even more determined than the 100 per cent determination I now have. The problem I had with the Premier was the electoral statements he had made relative to the promises he made prior to the last election—in fact, I have them in my office. We will see where they go from there. However, I believe that he has courageously, and for whatever reason, led his troops to the correct decision relative to the well-being of the people of this State.

Whilst I am reluctant about it, I believe history will recall this event as similar—although on a larger scale—to the Roxby Downs legislation. However, it is more intangible from the visible eye than the benefits of Roxby Downs. I am

convinced in my belief that history and posterity will record that this Parliament, with my reluctant assistance through this Chamber, has made a historic decision in respect of the continuing welfare of the people here. We shall see what transpires. I have been wrong before. Why I can remember twice last year—no, I am kidding. We shall see what happens.

I support the Government and, subsequent to the amendments being satisfactory to me and if there is no shamanism or smart words smithing, I do trust the Treasurer. Since I have been dealing with him—and I must confess that this surprised me—I have come to know the Treasurer as a man of some integrity. Following my dealings with the Premier, I was even more surprised to find that he has considerable integrity, too. I thank them both for that. They have done a service, I believe, to this State and its people. Thank you for listening. I am sorry that I took so long.

The Hon. R.I. LUCAS: In closing the debate, and given the Hon. Mr Crothers' challenge, I can assure him that I will be very brief because, given his indication, I do not intend to take any risks at all. As the Hon. Mr Crothers knows, he not only has a written commitment from me as the Treasurer and Leader of the Government in this Chamber and from the Premier and the Leader of the Government generally but also a personal undertaking from me in relation to the critical issues for him in relation to employment and debt.

Without going into any detail, he knows that in recent times we shook hands on the guarantees that the Government would give. We conveyed those in writing to the honourable member and they have been the subject of debate today. I indicate to him that, in translating them through Parliamentary Counsel (and neither of us are lawyers; both of us have a healthy regard for lawyers, but suspicion nevertheless, Mr Attorney), we will both keep a close eye on the drafting to ensure that they absolutely reflect the commitments which I have personally given the member and which the Premier and I have given on behalf of the Government. If at any stage the honourable member seeks to amend a word, the Government on its legal advice will take whatever action is required to ensure that it fairly reflects the personal undertakings and the written commitment.

I say in conclusion on behalf of the Government in thanking all members for their contribution to the debate that we stand on the threshold of a historic decision this afternoon, at 6 p.m. on Thursday 3 June; a decision that will be historic not only for this piece of legislation but for the future of this State and its people. I do not have to repeat the reasons, but I want to say that, if this amendment is successful, on behalf of the Government I acknowledge the courage of two men; not just the Hon. Mr Crothers but also the Hon. Mr Cameron who went before him and who similarly had to make a gut-wrenching decision to give up decades of service to the Labor movement and who similarly put the interests of the State ahead of his own personal interests. Should the decision be successful, I acknowledge the courage of two men who in my judgment will go down in history with Norm Foster as people whose decisions put the interest of the State before their own personal interests.

The CHAIRMAN: We have two amendments before the Committee, both of which seek to insert a new Clause 2. I will put the original clause.

Clause negatived.

New clause.

The Committee divided on the Treasurer's amendment:

AYES (11)

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

NOES (10)

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

Majority of 1 for the Ayes.

Amendment thus carried; new clause inserted.

There being a disturbance in the gallery:

The CHAIRMAN: Order! If there is any more disturbance in the gallery I will have you removed.

There being a further disturbance in the gallery:

The CHAIRMAN: Order! I ask that the people interjecting be removed.

Progress reported: Committee to sit again.

TOBACCO PRODUCTS REGULATION (SALE OF PRODUCTS DESIGNED FOR SMOKING) AMENDMENT BILL

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

ESTIMATES COMMITTEES

A message was received from the House of Assembly requesting that the Legislative Council give permission to the Treasurer (Hon. R.I. Lucas), the Attorney-General (Hon. K.T. Griffin), the Minister for Transport and Urban Planning (Hon. Diana Laidlaw) and the Minister for Disability Services (Hon. R.D. Lawson), members of the Legislative Council, to attend and give evidence before the Estimates Committees of the House of Assembly on the Appropriation Bill.

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

That the Treasurer, the Attorney-General, the Minister for Transport and Urban Planning and the Minister for Disability Services have leave to attend and give evidence before the Estimates Committees of the House of Assembly on the Appropriation Bill, if they think fit.

Motion carried.

FINANCIAL SECTOR REFORM (SOUTH AUSTRALIA) BILL

Returned from the House of Assembly with the following amendments:

No. 1. Page 9, after line 1—Insert new clause 21 as follows:
Supervision Fund

21. (1) Despite the repeal of the Financial Institutions (Application of Laws) Act 1992, the Supervision Fund continues in existence until SAOFS has fulfilled its obligations under this section

(2) SAOFS must pay out of the Supervision Fund at such time or times as SAOFS determines—

(a) to APRA—

(i) such amount in respect of liabilities relating to leave or other entitlements of employees of SAOFS who become employees of APRA, being liabilities existing immediately before the date on

- which the relevant employees become employees of APRA, as is determined by SAOFS; and
- (ii) such amount in respect of any other liabilities of SAOFS that, by reason of this Act, become liabilities of APRA, as is determined by SAOFS; and
- (b) to ASIC—
- (i) such amount in respect of liabilities relating to leave or other entitlements of employees of SAOFS who become employees of ASIC, being liabilities existing immediately before the date on which the relevant employees become employees of ASIC, as is determined by SAOFS; and
- (ii) such amount in respect of any other liabilities of SAOFS that, by reason of this Act, become liabilities of ASIC, as is determined by SAOFS.
- (3) SAOFS must also pay out of the Supervision Fund—
- (a) any expenses incurred by SAOFS before the transfer date (see section 94(3) of the repealed Financial Institutions Code); and
- (b) any other expenses incurred by SAOFS before it is wound up under Part 5 of the South Australian Office of Financial Supervision Act 1992.
- (4) SAOFS must pay into the Supervision Fund all amounts that would be payable into the Fund were it not for the repeal of the Financial Institutions (Application of Laws) Act 1992.¹
- (5) The amount remaining (if any) in the Supervision Fund after compliance with subsections (2) and (3) must be distributed by SAOFS to each building society, credit union and friendly society that is a transferring financial institution under the Corporations Law, in such proportions as the Minister considers fair.

¹Proceeds from the realisation of surplus SAOFS assets are also to be paid into the Supervision Fund: see Part 5 of the South Australian Office of Financial Supervision Act 1992.

No. 2. Page 22, after line 10—Insert new clause 38 as follows:

- Exemption from State taxes
38. (1) No stamp duty or other duty or tax is chargeable under any Act in respect of anything effected by or done under a transfer agreement given effect to by this Act.
- (2) No obligation arises under an Act for the assessment or imposition of any such duty or tax—
- (a) to lodge a statement or return relating to the vesting of an asset under such a transfer agreement; or
- (b) to include information about such vesting in a statement or return.

Consideration in Committee.

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

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

These amendments are money clauses to which you, Mr President, referred during the Committee consideration of this Bill yesterday. We indicated to the House of

Assembly that they were necessary and they have been inserted by the House of Assembly.

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

Motion carried.

FINANCIAL SECTOR (TRANSFER OF BUSINESS) BILL

Returned from the House of Assembly with the following amendment:

Page 3, after line 30—Insert new clause 8 as follows:

State duties and taxes

8. (1) No stamp duty or other duty or tax is chargeable under any Act in respect of anything effected by or done under this Act.
- (2) No obligation arises under an Act for the assessment or imposition of any such duty or tax—
- (a) to lodge a statement or return relating to the transfer of an asset under this Act; or
- (b) to include information about such a transfer in a statement or return.
- (3) However, a receiving body in a voluntary transfer of business must pay to the Treasurer an amount determined by the Treasurer on the basis of an estimate of the duties and taxes that would, but for this section, be payable under the law of this State in respect of the relevant transfer of assets.
- (4) The Treasurer must give the receiving body written notice of the determination.
- (5) The amount must be paid as required by the Treasurer in the notice of determination.

Consideration in Committee.

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

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

This amendment is another money clause inserted by the House of Assembly. It is an integral part of the Bill, and I ask members to support it.

The Hon. P. HOLLOWAY: We support the motion.

Motion carried.

The PRESIDENT: Order! Would the photographer at the side of the Chamber please move to the correct position? Photographers can only take photos of members who are standing on their feet and speaking.

ADJOURNMENT

At 6.20 p.m. the Council adjourned until Tuesday 8 June at 2.15 p.m.