

LEGISLATIVE COUNCIL

Wednesday 9 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 8 June. Page 1386.)

New clause 11AA.

The Hon. P. HOLLOWAY: I move:

After new clause 11A insert:

Probity auditor to report to Economic and Finance Committee

11AA (1) The Economic and Finance Committee of the Parliament may require a person appointed by the Treasurer (or otherwise on behalf of the Crown) as the probity auditor in relation to the making of a sale/lease agreement to appear before it from time to time and—

(a) answer questions relating to the measures planned and taken to ensure the probity of the processes leading up to the making of the sale/lease agreement; and

(b) make a final report on the probity of those processes before the sale/lease agreement is made.

(2) A sale/lease agreement may not be made until the Committee reports to the Minister that its requirements under subsection (1) have been satisfied in relation to the agreement.

(3) This section does not limit the powers that the Committee has as a committee of the Parliament.

Bearing in mind that this is the most important—the largest and most significant—leasing or outsourcing contract ever executed in this State's history, we are saying that the probity auditor of that operation should be required if necessary to appear before the Economic and Finance Committee of the Parliament to answer questions in relation to that situation. Whilst this is something that we want, I remind members of exactly what happened regarding the water contract. In that case, the Government requested proposals. In that process, the last tender (ultimately, the winning tender) was put in 3½ hours late (after 9 p.m.). Tenders were due to close at 6 p.m. Staff of the relevant agency opened the two bids that arrived on time and distributed them to almost 40 people. So, 40 people had access to two of the tenders which arrived before 6 p.m. (the appointed time).

The probity auditor who was observing the process went home at 6 p.m. but, as I said, the winning tender arrived at half past nine that night. A tape was made of the process to ensure that it was legitimate. That tape ran out at 4.30 p.m. This matter has been the subject of considerable investigation by committees of this Parliament, and a number of questions have been asked in Parliament. Everyone would agree that that was an absolutely unsatisfactory situation.

Through this amendment the Opposition wants to ensure that the probity auditor appears before the relevant committee of the Parliament (the Economic and Finance Committee) to answer questions regarding the probity process. We believe

that with this safeguard there will be a little bit of an extra sanction to ensure that those sorts of things do not happen again. The way in which the amendment is worded with the requirement to report to the Economic and Finance Committee in our opinion is the only way in which Parliament can have some sort of feedback from the probity auditor regarding the legitimacy of the sale/lease process.

I hope that, given the experience that we have had in the past, this amendment will ensure that, this time, the processes will be above board, and the Parliament will have the means of ensuring that that is so without, as happened with respect to the water contract, having to set up a select committee, which dragged out all these details bit by bit. I also think that the Auditor-General himself was required to report on this subject. So, this amendment provides a safeguard in relation to the process of submitting tenders that we believe will add some legitimacy to the whole process. I ask the Committee to support this amendment.

The Hon. R.I. LUCAS: The Government strongly opposes the construct of this amendment. I will address some issues relating to the probity auditor during my opposition to this amendment. Again, this is the first in a series of amendments. I understand the position of the Labor Party and the Australian Democrats, who will seek to place roadblocks and significant impediments in the way of the process which may impact on the timing of the leasing deals and also the value that we might be able to recoup from the lease of our assets.

As I said to the Committee last night, as it appears that we will see the lease of our electricity assets, there ought to be a shared objective amongst members to ensure that we maximise the lease proceeds to the benefit of South Australia. This particular structure is, again, a rearguard action from the Democrats and the Labor Party.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: The honourable member will have an opportunity, if she wishes, to put her point of view. I am not sure why she is scratchy this morning.

The Hon. Sandra Kanck: I think democracy is important; that is why.

The Hon. R.I. LUCAS: The honourable member can say that if she wishes. I hope she will respect my right to put a point of view without my being subjected to a barrage of criticism from the honourable member—

The Hon. Carolyn Pickles: Who is scratchy now?

The Hon. R.I. LUCAS: I am a very sensitive being, and I am not used to such a barrage of criticism.

The Hon. T.G. Cameron interjecting:

The Hon. R.I. LUCAS: Exactly; I am reeling from this barrage from the Deputy Leader of the Australian Democrats. I continue and indicate that that ought to be the shared objective of members. The Government, through this Bill and its amendments, will be (I think for the first time) tabling each and every one of the lease contracts at the end of the leasing process for all members, including the Deputy Leader of the Australian Democrats, and others, to enable them to look at the deal and to make comment and criticism.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: Governments are there to make decisions. It is our view, if we want to maximise the lease proceeds, that having the Deputy Leader of the Australian Democrats involved as part of the process in terms of whether or not it is an appropriate commercial decision will not assist the objective of maximising the sale proceeds. I can understand why the Deputy Leader of the Australian Democrats would want to be a part of the process and why she would

want to establish a series of road blocks which may well be used to delay and to cause—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: No agreement can be made until the committee reports. Has the honourable member had any recent experience with some of the committees controlled in another place? I will not go into the detail of the Public Works Committee.

An honourable member interjecting:

The Hon. R.I. LUCAS: I can talk about select committees in the Upper House that have taken three years to reach a conclusion. Some select committees have never reported, and some where Labor members—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: I am just saying—

An honourable member interjecting:

The Hon. R.I. LUCAS: So is the Public Works Committee, and we do not want to go through the detail of some of the recent experiences in trying to get major projects up and going to ensure that a reasonable time frame is complied with for major development projects.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: Again, I think the Deputy Leader is conceding that the processes that he is establishing can be used to delay and to ensure that further impediments are placed in the way of the process. I cannot think of any recent deals where this has occurred. Even under the Labor Government none of the lease contracts with respect to either the Port Augusta Power Station or the Torrens Island Power Station were tabled in this Council.

The Hon. P. Holloway: Perhaps we should have.

The Hon. R.I. LUCAS: The Deputy Leader says 'Perhaps we should have.' That is convenient for him to say 10 years down the track. This Government is saying that, at the end of this process, we will table the lease contracts—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: The Deputy Leader can criticise Mike Rann and other Ministers of the Cabinet who took those decisions.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: So, he was not a member of the Party, either?

Members interjecting:

The CHAIRMAN: Order! Every member has a chance to contribute.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: And this Government is not. We are tabling the lease contracts. We are the ones setting the lead in terms of public accountability. We are the ones saying that, at the end of this process, we will put all of the five, or whatever the number is, lease contracts on the table for the Deputy Leader of the Democrats and the Deputy Leader of the Labor Party in the Upper House to look at and to criticise. The Economic and Finance Committee has the power, if it wants, through a whole variety of different mechanisms, to seek responses from Government officers and others. I am not sure how the committee's powers relate to probity auditors. Other standing committees, such as the Public Works Committee, have been speaking to a variety of Government consultants and advisers in relation to the Pelican Point project. Clearly, there are some powers in relation to a number of these other areas.

I am prepared to indicate to the Committee that the Government would be happy—and, again, I do not think that this has been done before—at the end of the process to table

the probity auditor's report in this Chamber and in another place so that it can be subject to public scrutiny and accountability in terms of the probity of the process. As the Treasurer, I think that is a reasonable proposition. It is one which will not delay the leasing process. It is one which adds a further layer of public accountability, together with the much more critical issue of the actual lease contracts being made available to the Parliament. It is a measure of accountability related to no previous Government, including the Government that the Deputy Leader is criticising—his own Government, the Bannon Government—for its failure to be publicly accountable for the leasing deals at Port Augusta and Torrens Island.

As I said, it is easy now to be critical of his own Government of the 1980s but the issue is this Government in this particular deal, because it is so significant. We understand the honourable member's argument that this is a one-off deal from the viewpoint that it is the biggest in terms of a proposed leasing arrangement. So, this does not necessarily establish Government principles and processes for the future but, in relation to this deal, because it is so significant, we are prepared to table the contracts at the end of the process. Again, at the end of the total process we would be prepared to table a copy of the probity auditor's report.

We think that is a reasonable position to adopt. I have just given the undertaking that I will do so—or the Government will do so—on behalf of Government at the end of the process. As I said, this amendment is very similar to a series of other amendments which have been moved or flagged and which are designed to place further impediments and possibly impact upon the lease value of our assets. We therefore strongly oppose this amendment for the reasons I have outlined.

The Hon. SANDRA KANCK: I do not think that this amendment is unreasonable. If the probity auditor appears before the Economic and Finance Committee and reports that all is well, the Government can get a pat on the back. If it does not go well, Parliament ought to know about it. This is not, as the Treasurer has been describing it, a roadblock or an impediment: this is about accountability. It is a real snub to democracy that our Treasurer keeps on describing accountability measures as impediments. The Treasurer obviously believes that the Government should be able to do what it wants when it wants. That is not what representative democracy is all about. The Treasurer is trumpeting the fact that we will have a contract that is signed, sealed and delivered tabled in this Parliament, but it means that, if anything is wrong with it, it will be too late for us to do anything about it.

The Hon. R.I. Lucas interjecting:

The Hon. SANDRA KANCK: That is exactly what I moved last night and what you voted down; that is exactly what I want, because it might be that you have not got it right. You seem to have got it wrong in many other ways in the last 16 months, and I truly do not trust this Government to get it right. This is a representative democracy. All 22 members of this Legislative Council were elected to represent the people of South Australia: we are not here to represent the potential new owners of these assets. We need the greatest scrutiny possible when we are about to sell South Australia's largest asset. I indicate very strong support for this amendment.

The Hon. T. CROTHERS: I was not going to enter this debate, but I feel constrained to contribute by the remarks of the previous speaker. I make the point that a rose by whatever name you call it is still a rose. This is yet another desperate act—

The Hon. P. Holloway: It may not smell as sweet, though.

The Hon. T. CROTHERS: No, some of what has been said in opposition to this Bill has been pretty sour in my nostrils and would almost make a true democrat like me wish to vomit. I will proceed to address—in my nostrils, *ad nauseam*—the comments made by the previous speaker. She said that this will not hold up the lease of ETSA. That is totally wrong. We have a small window of opportunity here, because of the potential flooding of the capital market when Carr gets his way to deal with the New South Wales electricity body, in order for us to maximise the price we get for the sale or lease of ETSA which will put the people of this State and South Australia first, foremost and always, and that is the position that I have taken.

I see in the gallery today some representatives of the union who have been waiting to try to see me. I did not witness the event, but I understand that one of the officials was removed from the gallery for threatening to punch me. I obviously cannot name that official, and I do not know whether that is true. If that is so, I find that appalling. I cannot comment further than that. I just make the remark that I will not see them unless they can show me that that is not true.

However, I will return to the main focus, which is the delivery made by the Hon. Ms Kanck. She says (and I will repeat it again, because considering this proposition it has me in mental turmoil) that this will not act as any form of estoppel but it is democracy in action. The true Democrat in action will understand that his or her first responsibility to the electorate in any position is to advance their cause, irrespective of Party affiliations, as I have done, whatever ordure and personal cost that imposes on one. The true Democrat will, on a matter of the utmost importance to people of this State, advance their cause. You will not advance the cause of the people of this State one iota if you put in acts of estoppel.

The honourable member, despite protestations to the contrary whilst on her feet, is too intelligent a person not to understand that this is a disparate and desperate act by those opponents of this measure which can only reel against our maximising any future that this lease will offer to the people who live in this current rust bucket of a State—a rust bucket made possible, I might add, by the greedy interests of the megacapitalists who seek to maximise their greedy profits by—

The Hon. Carolyn Pickles interjecting:

The Hon. T. CROTHERS: I won't even dignify that inane remark with a comment, Carolyn. As I have said, this is a disparate and desperate act by those opponents of this measure who would seek to delay it in the hope of a 'She'll be right; something's sure to turn up sooner or later; one of them will crack' attitude. I will not be cracking! This is too important a matter for the people whom I was chosen to represent having the honour to be preselected by a Party to do so.

In the final analysis, I could have sat on my hands. I have two years at most to go—depending on Premier Olsen—and the integrity and the interests of the people of this State demanded that I bite the bullet.

The Hon. Sandra Kanck: Keep your promises!

The Hon. T. CROTHERS: I have kept my promises. We are not selling ETSA; that is the promise we made. The Labor Party says nothing about leasing ETSA in its policy, and I have the policy document, which I am prepared to release. I have honoured the promises by voting some two months ago against the sale of ETSA. As I have indicated to the Treasurer

privately, this is something that will occur in my political lifetime once in 100 years. I shall not support the Government any further in its efforts to sell off any of our other assets. I have made that point to the Treasurer. The Hon. Ms Kanck says, 'Keep your promises.' That coming from a Democrat is, to me, something that needs to be addressed. Did Meg Lees keep her promises? Did she?.

The Hon. Sandra Kanck: Yes.

The Hon. T. CROTHERS: Well, Senator Stott Despoja, your Deputy Federal Leader, does not think so and she has a pile of letters that Moss Trooper, the Australian champion hurdler, could not jump over even in his halcyon jumping days. I did not want to enter the debate but it has to be said that, for us to maximise the position of the people of this State, this matter has to be addressed expeditiously. This amendment, either deliberately or by accidental design—and I make no comment either way as I leave posterity to be the judge—is designed to serve as a further restraining estoppel against the capacity of this Government to act in the best interests of South Australians and its people—putting them first—and the Government needs maximum flexibility.

Knowing the Treasurer as I do, and having got to know him more, a man of some integrity and not without personal courage, because after all on two occasions he did vote for the Labor Party and I hope that he may again perform the same function, I am certain that the measure now before us will go forward, given the hundreds of letters I have had in support both from within and without the Labor Party. I refer to the measures of support I have had with a private face from seven or eight of my former shadow Cabinet colleagues. There was an offer from one backbencher in a marginal electorate, whom I will not name because I admire this particular young person that, if he could assist me by carrying me across the Chamber to the Government benches, he would so do.

The Hon. R.I. Lucas: He would have to be a big lad.

The Hon. T. CROTHERS: Does the Minister really want me to vote against this or not? I did not wish to enter the debate but the foolhardiness of the Kanck amendment beggars—

The Hon. Sandra Kanck interjecting:

The Hon. T. CROTHERS: You are entitled to your opinion and I am entitled to mine. Posterity will be the judge of us. I am not a punting man, but I know what I will bet given the number of letters of support I have had from within and without the Labor Party.

The Hon. T.G. Roberts interjecting:

The Hon. T. CROTHERS: We will deal with that expeditiously and we will do whatever is necessary to get this measure through. I conclude with that small contribution by opposing resolutely, with every fibre of my not inconsiderable frame, this foolhardy measure.

The Hon. NICK XENOPHON: I indicate my support for this amendment. I do not regard it as a road block, as the Treasurer has said, because it is merely a minor speed hump which ensures that the process does not proceed at a reckless speed. This measure is about accountability and I am pleased that the Treasurer has indicated—

The Hon. T. Crothers interjecting:

The Hon. NICK XENOPHON: I will pick up what the Hon. Trevor Crothers said earlier. As a true democrat, he said he wanted to advance the cause of the electorate and to put people first. I would have thought that if the process is beyond reproach, if it is clear, transparent and accountable, it must be a good thing in terms of the biggest transaction this State has ever been involved in. That is why I support the

amendment wholeheartedly. My question to the Treasurer about the amendment, notwithstanding that it is not his, is that he indicated he will table the probity auditor's reports once the process has been completed. Can he confirm what he will be tabling, in what time frame and whether he will be willing to support a legislative amendment to that effect.

The Hon. R.I. LUCAS: At the end of the process, as we will do in relation to the lease contracts, my intention would be to table, at the same time—assuming it is available and I am sure it probably would be—a copy of the probity auditor's report on the process. It would seem to make sense that, at the same time as we table the total package of lease documents, we table the probity auditor's report. I do not intend to support an amendment in this regard. I have given an undertaking to the Chamber in relation to it. I will be accountable to the honourable member and, indeed, other members should I not follow that through. The probity auditor's report, frankly, is a much less significant document than when compared with the separate and individual lease contracts that will be tabled. So the Government is prepared to table a lease contract and documents.

I have indicated publicly on behalf of the Government that we will table the probity auditor's report at the end of the process, and again we will be responsible and accountable. The various committees of the Parliament, or indeed any new committee of the Parliament that might be established, retain their powers if they so wish to pursue those issues with the probity auditor after the tabling of the report. The Auditor-General, in the normal course of events, I understand, would look at the probity auditor's reports and has the capacity to make comment on them in either his annual report or indeed in any special report that he might want to make.

I think this sort of notion that in some way only through this particular amendment, and indeed a range of other amendments, can we see true public accountability discounts significantly the Government's commitment to accountability on this issue, the powers of the various independent bodies such as the Auditor-General, for example, and his officers and the powers of the various committees of the Parliament should they choose to pursue an issue if there happens to be a particular concern. I would have thought that that package of accountability measures is something which, frankly, ought to be applauded rather than pilloried as some members have sought to do during the debate on this amendment.

The Hon. NICK XENOPHON: I want to make it clear that I am not pillorying, in any way at all, the Government's commitment to table the lease documents; in fact, I welcome that, but can—

The Hon. A.J. Redford interjecting:

The Hon. NICK XENOPHON: If the Hon. Angus Redford was listening yesterday, it is on the record that I welcome the Government's commitment—

The Hon. A.J. Redford interjecting:

The CHAIRMAN: Order!

The Hon. NICK XENOPHON: Perhaps, Mr Chairman, I should best ignore the Hon. Angus Redford. Following up the Treasurer's response, can he indicate to the Chamber, in broad terms, the functions and authorities of the probity auditor? In this case, in terms of these lease transactions, do they go beyond the role of the probity auditor, for instance, in the water contract or any other major contract in which the State has been involved? In this case, is it proposed that, given the nature of the transaction, the probity auditor's role will be beyond that of previous roles of probity auditors and

other transactions; and, if not, can he briefly indicate the parameters of the probity auditor's role?

The Hon. R.I. LUCAS: I cannot speak with any great authority on how the probity auditor worked with previous processes, but in relation to this process it is very comprehensive and wide ranging. The probity auditor would approve the bidding rules and the release of information to bidders. I understand that he can attend any of the meetings that are conducted with bidders in terms of information. He is there to ensure that confidentiality and security provisions, which are obviously critical in relation to any bid process, are appropriate in terms of security. With a contract as big as this, it is obviously a key issue that security is guaranteed, confidentiality of information, and any issues in relation to conflict of interest with advisers or various people working for particular bidders. If there are any complaints about conflicts of interest, the probity auditor would be required to investigate, consider and resolve those so that we have a process that is beyond reproach.

So, it is not a restricted, targeted, limited role for the probity auditor; it is really very broad—as it ought to be because, in essence, we are asking the probity auditor to, in effect, be riding shotgun looking at the process. Obviously, he is not participating in negotiations, or anything, but he is there to ensure that everyone is being treated fairly and equally and that we do not have a particular bidder who believes that someone else has obtained more information than they have or that they are being treated unfairly or differently in any particular way. I cannot help the honourable member as to how probity auditors have operated with respect to previous contracts or outsourcing, such as SA Water, but, with respect to this matter, it is a very broad and comprehensive role.

The Hon. NICK XENOPHON: I am grateful for the Treasurer's response. The Treasurer has indicated that it is a broad process, that the probity auditor has a very important role to ride shotgun (as the Treasurer has indicated) over the whole process and, if necessary, to sit in on bids, and I have two questions flowing from that. First, given the nature of the transactions and how comprehensive they are, in terms of the probity auditor's role, is the probity auditor being appointed on a full-time basis, on a part-time basis, or is it at the probity auditor's discretion? If a situation arises where there may be a number of negotiations happening at one time and the probity auditor cannot ride shotgun, so to speak, on all those negotiations, is there provision within the context of this framework for the probity auditor to appoint a deputy?

The Hon. R.I. LUCAS: It is a fee for service basis, and the probity auditor has the discretion to appoint what additional resources he requires to ensure that the process is conducted properly. So, if the—

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: No, it has been appointed and it is a 'he'. So, unless he has a sex change, it will be a 'he'. The honourable member does not have to correct me on my gender inclusive use of language; I can assure the honourable member. If the probity auditor requires additional resources at any stage during the process, he has the capacity to have those additional resources appointed to assist—whether it be in the circumstances as outlined by the honourable member or, indeed, any other circumstances where he might believe that there might be additional—

The Hon. A.J. Redford: What is the budget?

The Hon. R.I. LUCAS: This is one of those rare breeds where, basically, the probity auditor comes to us and says that

this is what is required—within reason, obviously. We do not write blank cheques. We would not seek—as, indeed, we try not to do with the Auditor-General—

The Hon. A.J. REDFORD: What is the scale of charges that is being applied?

The Hon. R.I. LUCAS: It will be the normal commercial rate for the legal firm from which the probity auditor comes.

The Hon. A.J. REDFORD: Can the Treasurer give this place an undertaking that these fees will be charged on the basis of the guidelines issued by the Attorney-General for the provision of legal services to Government agencies and/or statutory authorities—which guidelines, I understand, were issued some time back in 1994-95?

The Hon. R.I. LUCAS: I do not know much about the Attorney's rates established in 1994-95, but the probity auditor has been appointed under a contract which we understand has been approved by Crown Law, which obviously reports to the Attorney-General. I am happy to take advice on that and to have a word with the honourable member in relation to what the fees are. I do not know what the fees are, and I am not sure whether they comply with the 1994-95 document to which the honourable member refers, but the probity auditor has been appointed. There is an existing arrangement with the probity auditor in relation to the fees to be paid.

Given that the probity auditor has been involved in the Pelican Point process and in the initial stages of the process, it would obviously make a lot of sense to allow someone who has developed a considerable degree of background knowledge of this area now to assist with the continuing process. I am happy to take the honourable member's question on notice and see whether I can provide him with further information.

The Hon. A.J. REDFORD: In relation to this specific issue, the previous Government had extraordinary political problems associated with what on the face of it were excessive charges applied by the then members of the firm Thomsons Simmons in relation to the provision of legal services to the State Bank. I know there has been criticism of other legal firms in relation to the provision of services to Beneficial Finance and the like and, as a supporter of the Government and this Bill, I would hate to see the Government subjected to similar sorts of criticism following this process.

Given the very open ended approach being taken of giving the probity auditor access to documents, meetings and various other matters, and given the fact that the probity auditor may delegate to other people (my experience with some of the larger firms is that they never hesitate to do that so that everyone gets a nibble), there is a risk that the costs could blow out to an extraordinary extent and lead to some embarrassment to the Government, which I am sure the Hon. Sandra Kanck would not like to see happen.

I would be interested to hear the Treasurer's comments on what will be done to monitor the fees to ensure that they are reasonable and that there will not be any political embarrassment or any suggestion that this is another legal frenzy where everybody has their snout in the trough (and I am not saying that that might happen with the people involved in this matter).

The Hon. R.I. LUCAS: I thank the honourable member for his comments. Certainly, we will do what we can to ensure that the circumstances which the honourable member has outlined and which might have occurred in the past do not occur with this. In the total cost of this arrangement, if there

is to be criticism of the Government's legal costs it is more likely to be in relation to the legal advice that the Government has been taking and will continue to take, because we believe that we need the best advice we can get, not only from Crown Law but also from our own private commercial advisers within South Australia. Two South Australian firms and one national firm provide advice to the Government. I must pay tribute to the quality of the legal advice from our interstate and local colleagues on this issue; in my judgment it has been quite outstanding. I suspect that the criticism is more likely to come in relation to that.

The amount of money the Government is likely to spend on the probity auditor is small when compared with that which the Government has spent and will spend on legal fees for the disaggregation and now the sale process. Nevertheless, we are careful with the cents and with the dollars; careful with the little amounts and with the large amounts. The honourable member's advice is heard loudly and clearly by me as the Treasurer, and certainly the senior officers within Treasury and Finance.

Whilst there is a contract with the probity auditor, the issue of how many people are appointed and for how long particular tasks might take are issues that we will monitor closely, but in the context that we believe that others in this Chamber and in the community have the view that the Government ought not to restrict the proper role and responsibility of the probity auditor by in any way restricting his access to a reasonable level of resource to monitor and then report on the probity of this process. It is a balancing act and certainly I as Treasurer and my officers will do the best we can to try to balance these objectives.

The Hon. A.J. REDFORD: I take those comments on board. I was not at all alluding to the other legal advisers who are engaged by the Treasurer on behalf of the Government in relation to the sale process. Indeed, the Treasurer well knows that I made some fairly strong submissions to him that we use local firms of solicitors because of their substantial cost competitiveness when compared with their eastern State colleagues. But, those solicitors and lawyers are also subject—

The Hon. T.G. Cameron interjecting:

The Hon. A.J. REDFORD: No; I did not mention any names. It was a strong submission that local South Australian lawyers be used wherever possible, and I am grateful to the Treasurer that he has taken those submissions on board. I am sure everybody in this Chamber would endorse the position I took. The difference with lawyers in that position is that they are the subject of direction. In other words, the Treasurer can say, 'Look, I don't want legal advice in that area' or, 'I think you are going over the top in relation to chasing that rabbit down that burrow' and there is a level of day-to-day accountability in relation to that advice. I have no problem with that, and I am sure that that can be monitored and controlled reasonably—as best you can, with firms of lawyers.

The problem I have with the probity auditor is that it is so open ended. If a scenario of snouts in the trough is associated with it, the Treasurer is in a very difficult position because, if he tries to rein in his costs, he runs the risk of being accused by the Sandra Kancks of this world that he did not allow the probity auditor to get on with the job. On the other hand, if the Treasurer does nothing and it becomes a feeding frenzy, he will have the Hon. Ron Roberts saying that it has been an absolute scandal.

The Treasurer finds himself in a very difficult position in relation to the probity auditor. I know everybody has goodwill in relation to this. I hope the Treasurer and the probity auditor (and I think these comments ought to be passed on to the probity auditor) should remain conscious of the fact that there should not be an open ended feeding frenzy, nor should the probity auditor be constrained by what he sees as his duty. I am concerned about the level of accountability. In 12 months, if there is any hint that the probity auditor has been reined in because he has gone berserk in terms of charging, I can just see the Hon. Sandra Kanck saying he has been gagged. It is a difficult balancing act, but I ask everybody to keep that in mind.

The Hon. P. HOLLOWAY: I will exercise my right of reply in relation to my amendment. A number of issues were introduced into the debate, and I will deal with them briefly. First, the Treasurer said that he was introducing a new era of accountability. I think the Committee should be quite clear that, when the Government says it will table all the leases in relation to a leasing deal, clause 11A(7)(e) of this Bill provides that each lease to which the resolution relates must have been laid before each House of Parliament not later than 14 sitting days after the end of two years from the date on which the first lease conferring a right of that kind was made. So, whereas we may well get to see the leases, it may not be until well after two years from the time they are signed, and that could well be after the next election. So, although the Hon. Trevor Crothers made the point earlier that at the election the public would have a right to look at them and assess them, that may not necessarily be the case.

The Treasurer has told us these reports may well take a minimum of nine months from when the leases are signed, but according to the legislation they are required to be tabled not later than 14 sitting days plus two years from the date on which the first lease is made. So, we may very well not see these reports tabled until two years later.

The Hon. T. Crothers interjecting:

The Hon. P. HOLLOWAY: But that is the requirement. The point is that the public will not be able to see these leases. So, when the Treasurer says that he is introducing a new era of accountability, let us not get carried away with that. I do not think that two years after they are signed should give us much comfort.

In reply to an earlier question, the Treasurer said that he would table the probity auditor's report at the same time. So, again, that could be two years after the event when obviously it would be much too late to do anything about it. So, if the probity auditor were to report that there was a problem, there would not be much value in knowing about that two years later. I think that point needs to be made regarding this clause.

The Hon. Trevor Crothers introduced some new material in his address. I will deal with that later. Again I make the point regarding this clause that the conduct of the tender process in the outsourcing of water resources was a disgrace. I do not want to malign the probity auditor who was involved in that process—I do not know whose fault it was and I do not want to apportion blame—but one thing we would all agree on is that we do not want to see this happen again: in fact, it must not happen again.

The reason for these amendments is to try to provide a pre-emptive role. I remind members that this clause provides that the Economic and Finance Committee may require a person as probity auditor to appear before the committee. If the probity auditor knows that he may have to appear before

the committee and answer questions, clearly this would be a very good pre-emptive provision which would guarantee that the process would be conducted in a proper manner.

I expect that the Economic and Finance Committee will never exercise this role. Let us hope that it never does. If no question arises regarding the process, hopefully the probity auditor, in the light of the experience with SA Water, will bend over backwards to ensure that what happened then will never happen again. In that case, there would be and should be no need for the probity auditor ever to appear before the committee of Parliament. I think it is important to realise that the main function of this clause is to provide that pre-emptive role.

In conclusion, it appears as though this amendment will be negated, but at least some progress has been made in that the Treasurer has given us an assurance that he will table the report. However, I reiterate that a report of a probity auditor two years after a lease is signed will not be of much help. This is not much of an advance. One would have thought that the probity auditor's report should be made within a reasonable time, say, 30 or 60 days of the lease being signed, because, after all, the probity auditor's report would be confined purely to matters within that person's jurisdiction—in other words, the process itself—and I would have thought that report could be made much earlier in the process.

Again I make the point that, given what happened before, surely this will not happen again. Surely this Government and the probity auditor will bend over backwards to ensure that that sort of thing does not happen again. The Opposition believes in principle that this is an important matter. If this clause is inserted in the legislation, I think it will provide a guarantee that it will never have to be acted upon. In other words, this clause will guarantee that the probity auditor will never have to appear before the Economic and Finance Committee.

One other matter that emerged from the debate relates to comments of the Hon. Angus Redford. I think his concerns about costing provide perhaps the reason why there should be some sort of accountability in the process involving the probity auditor. I believe that the Hon. Angus Redford effectively is supporting the reasons behind this amendment. I ask the Committee to support this amendment.

The Hon. T.G. CAMERON: I indicate that SA First will oppose this amendment. As the Government would probably verify, I have no agreements with it regarding any of the amendments that have been moved to this Bill. It is my intention to listen carefully to the debate and to try to come to a decision regarding this amendment. I have listened to the debate carefully, and I must say I was influenced by the contribution of the Hon. Trevor Crothers, who pointed out to me what proposed new subclause (2) of the amendment could mean. Proposed new subclause (2) provides:

A sale/lease agreement may not be made until the committee reports to the Minister that its requirements under subsection (1) have been satisfied in relation to the agreement.

I wonder where we would be if the roles were reversed and we had a Labor Government and a Liberal Opposition? I would have to congratulate the Democrats for their consistent support of this amendment because they would do exactly the same thing if the roles were reversed: they always support a resolution such as this.

I also suspect that, if the Government were in Opposition and the Opposition were in Government, we could very well hear similar arguments from both sides regarding this amendment. However, I think the Hon. Paul Holloway during

his address made a Freudian slip when he said that the purpose of proposed new clause 11AA is to provide a pre-emptive role. It is for precisely that reason that I have come to the conclusion that this amendment should be opposed.

I do not think any member of this Chamber, certainly those who have been here for a while, would be in any doubt as to what role the Economic and Finance Committee might play. If it was given the power provided in subclause (2), I suspect that the proceedings of that committee would quickly turn into a witch-hunt—

The Hon. P. Holloway interjecting:

The Hon. T.G. CAMERON: I will come to the water committee in a moment. I do not need to remind the Hon. Paul Holloway that the Council can set up a select committee at any time to look into these contracts. If I am given evidence, as I was in relation to the water contract, I will be the first member of this Council to rise to my feet and move for a select committee to be established to inquire into these processes.

The Hon. A.J. Redford: Who gave it to you? Satisfy my curiosity.

The Hon. T.G. CAMERON: I will not satisfy the honourable member's curiosity, but I was provided with a lot of information on the SA Water contract from a member of my previous Party. That matter is *sub judice*, and I have already been warned that I may be called as a witness so I will say no more about the water contract at this stage unless members would like me to go into detail under parliamentary privilege regarding just what I do know.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: I will not be distracted by the Hon. Angus Redford's interjections. I have probably said too much already.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: I have been involved in only two defamation cases and they were both withdrawn, the first prior to my giving evidence and the second after I had been sworn in to give evidence. I seem to have an impact on defamation cases.

I return to proposed new subclause (2). As the Hon. Trevor Crothers pointed out in his contribution, this provision could be used to frustrate, delay and turn the entire lease process into a picnic. It would be turned into a witch-hunt. I repeat what the Hon. Trevor Crothers said: this process should be as expeditious as possible. The reason for this is that there is a window of opportunity, but I will not dwell on that because the Hon. Trevor Crothers has already covered it. Once a decision is made, the process should get under way and the proceeds used to extinguish debt as soon as possible.

I note that all lease documents will be tabled in the Parliament. I also note that the Treasurer stated to the Council that the Liberal Government is leading the way in tabling these documents. The Treasurer does not need me to remind him that the Government's concession to tabling all these documents was a commitment that was given to the Hon. Nick Xenophon and me. It was a demand which the Hon. Nick Xenophon put to me and with which I agreed, and we put it to the Government. So, if anyone needs any thanks for the lease documents being subsequently tabled, that thanks should go to the Hon. Nick Xenophon.

I ask members to look at some of the people who will be poking their way through these leases at various times. I understand that the Economic and Finance Committee of the Parliament has wide powers and can undertake, at the

moment, some of the functions that are contained in this process.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: The Hon. Mr Redford says that the Public Works Committee could look at it. A probity auditor will be involved. The Auditor-General has wide powers to look at this and, of course, if at any time the ACCC thought that the Government was entering into any leasing arrangements which might be anti-competitive or which would come under its powers I have no doubt that it would look at it. Of course, both this and the other House have the option of setting up select committees.

I do not want to damn the lease process at the outset; I do not want to consign it to failure and turn it into a picnic at which everyone will be squabbling. If anyone suggests that this sale lease agreement may not be made until the Economic and Finance Committee reports to the Minister that its requirements under subsection (1) have been satisfied in relation to the agreement, I cannot see where they are coming from. If Labor wins the next election, I will listen and make up my mind as to whether or not I would support a proposition such as this, which may well be moved by a Liberal Opposition. Be that as it may, this amendment will frustrate the lease process and I am not prepared to support it.

The Hon. A.J. REDFORD: I did not intend to say anything but I think that I was misrepresented by the Hon. Mr Holloway. I asked some questions about the probity auditor—

The Hon. P. Holloway interjecting:

The Hon. A.J. REDFORD: I acknowledge that interjection. However, I do not agree with this particular clause. There are a number of reasons why I do not agree with it, not the least of which is the way in which this Parliament has operated since the Hon. Mike Rann became the Leader of the Opposition and Kevin Foley became his lap-dog. Because what has happened in relation to the use of parliamentary committees since those two events occurred is that we have had nothing but the undermining of every attempt by the Government to attract investment and thereby jobs into this State.

We need to look only at the way in which the Opposition treated Motorola, a company respected throughout the world, to see just how far the Opposition will go in adopting the policy announced by Mike Rann not long after he became Leader of the Opposition, and to see that this is an Opposition about maximum mayhem. No attempt has been made on the part of the Opposition (there might have been the very rare occasion) to treat this sort of process in any way other than in a totally political fashion.

The Hon. T.G. Roberts interjecting:

The Hon. A.J. REDFORD: The Hon. Terry Roberts interjects, and he has a part to play in this because I well remember serving on a select committee with him—and a wonderful select committee it was. It met about four times. The committee inquired into the outsourcing of the prison services at Mount Gambier. When the Hon. Terry Roberts and the Hon. George Weatherill could not find anything remotely like a scandal and could not find anything remotely that might interest the—

The Hon. T.G. Roberts: The Government chaired the committee.

The Hon. A.J. REDFORD: But the committee was established on the honourable member's motion. When the honourable member could not find anything or could not get any media interested, we could not get a quorum. I say with

all sincerity that I severely doubt the motives of the Opposition every time it attempts to introduce a process such as this, because there has never been any indication on the Opposition's part that it wants to deal with the Executive arm of Government dispassionately. On every occasion its attitude is, 'Can we make a political point? If we cannot do so, we walk away.' The lack of trust and the political opportunism of the past five years indicates why this clause would be nothing but a political re-run—'ground hog day', I think, is the term being used—of other issues.

At the end of the day we have in this country representative Government. We elect representatives by various means and we give them the opportunity to go out and do their job. In relation to the Westminster system, we allow the Executive arm of Government to get on and do its job and then Parliament supervises the process subsequent to that. We all know that that may have the effect—and in this case I am sure that it will do so—of focusing the Government's mind, knowing that ultimately it will have the process scrutinised by Parliament.

A good example is the probity auditor. The probity auditor will know, I am sure, within the next 72 hours that this Parliament will closely monitor the level of his fees and the level of his activity to ensure that it is not a gravy train for a particular legal firm. But, in the meantime, we will allow him or her to get on and do the job. At the end of the day, this clause certainly is merely designed to advance the political cause of the Leader of the Opposition: that is maximum mayhem, and that would be a severe hindrance to the Government's getting on with the job of entering into leases with third parties.

This clause simply is a political device and nothing more. As the Treasurer said, there is sufficient accountability through the Auditor-General, through the probity auditor, through the parliamentary process and, indeed, based on some real and substantial fact, as the Hon. Terry Cameron suggested, through the subsequent setting up of a select committee.

Finally, the Economic and Finance Committee—and one could never excuse that committee of failing to take up issues—is always sitting there to follow this. I strongly oppose this amendment: it merely allows the Hon. Sandra Kanck and the Hon. Paul Holloway to repeat their discredited arguments which we have listened to *ad nauseam* over the past 18 months.

The Committee divided on the new clause:

AYES (9)

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

NOES (10)

| | |
|-----------------------|----------------|
| Cameron, T. G. | Crothers, T. |
| 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. |

PAIR

| | |
|---------------|--------------|
| Gilfillan, I. | Davis, L. H. |
|---------------|--------------|

Majority of 1 for the Noes.

New clause thus negated.

New clause 11AB.

The Hon. P. HOLLOWAY: I move:

After proposed new clause 11A insert:
Powers of Economic and Finance Committee

11AB.(1) The Economic and Finance Committee of the Parliament may require officers or executives of a company that operates any asset, or carries on operations on any land, that has been disposed of by a sale/lease agreement (whether by disposal of the asset or land or disposal of shares in a company that was an electricity corporation or a State-owned company) to appear before it and answer questions relating to the company and its operations in the National Electricity Market (i.e. the market regulated by the National Electricity Law).

(2) The Committee is not to exercise powers under subsection (1) more frequently than once in each year in relation to the same company unless the Committee considers that special circumstances have arisen justifying further exercise of the powers in relation to that company in a particular year.

(3) Except as provided in subsection (2), this section does not limit the powers that the Committee has as a committee of the Parliament.

Briefly, the new clause seeks to enable the Economic and Finance Committee of the Parliament to require officers or executives of electricity companies, that is, the new lease companies, to appear before it in relation to the operations of those companies in the national electricity market. There is a restriction on that power, because we would not want that power to be abused. The caveat on it is that the committee must not exercise those powers, that is, to call the officers of an electricity committee before the committee more than once in a particular year. The reason why this clause is necessary is that, whereas we may dispose of our electricity assets, the State cannot dispose of its responsibilities in relation to the provision of electricity in this State. One could look at the Auckland example where there was a catastrophe under a leasing arrangement. Obviously, the New Zealand Government had to step in and become involved in that matter.

Also, regardless of who owns our electricity assets, the Government will still have a role in planning for the provision of our electricity system. Indeed, in one of the other Bills we will be addressing in July, there is a provision to set up a structure to enable Government input into our electricity industry. It may well be leased at the end of this process, but as a Parliament we will still need to consider this process.

The Hon. Caroline Schaefer interjecting:

The Hon. P. HOLLOWAY: Let us take another example. The Hon. Caroline Schaefer should perhaps reflect on what is happening at the moment in Victoria with Esso. Look at what Jeff Kennett's Government is doing. Jeff Kennett had to set up a Royal Commission in that State as a result of the failure of the basic gas infrastructure at Longford. Is it not appropriate that a Parliament should have some oversight of the major industries in this State, whether they be electricity, gas or whatever? If we do not, what occurred in Victoria could happen here. Now, all sorts of problems have arisen in that State as a consequence. There has to be a planning function for electricity. A Government cannot just absolve its responsibilities by selling off an asset any more than we can in any other area.

Ultimately, if there is some breakdown or problem with the national electricity market as it affects this State, this Government will have to be involved, because who else can be? At the end of the day, there is no-one else other than the Government. This clause seeks to give the committee, if it requires—it does not have to do it—the capacity to ask officers of the company to appear before it no more than once a year to answer questions in relation to the operation of that national electricity market. The Hon. Caroline Schaefer seemed to suggest that that is some major impediment. I do not believe that it is. By comparison with Victoria, if the Government takes it eye off the ball, so to speak, and does

not keep an eye on its assets as was the case in relation to gas in that State, a Government can get caught out. This simply allows the capacity of Government through its relevant committee, the Economic and Finance Committee, if it wishes, to seek advice from the companies that will be running our electricity assets to answer questions about the operation of the market. I support the new clause.

The Hon. R.I. LUCAS: The Government opposes the provision. As the Hon. Mr Cameron indicated in his last contribution, the parliamentary committees—and at this stage we are focussing on the Economic and Finance Committee—have considerable powers, anyway. They are able to do all these things if they so determine, that is, to require officers or executives of companies to answer a whole series of questions. We in the Parliament know the powers of our parliamentary committees and, if circumstances at any stage justify either annual or more frequent discussions with operators of our assets, we have the capacity and the power to do so.

The Hon. Mr Holloway has talked about the possible use of this provision further down the track. However, the amendment is cleverly drafted. It does not mention applying further down the track: it can apply right from day one. The Economic and Finance Committee can be used from day one in this fashion. Indeed, by way of separate resolution of the Economic and Finance Committee, should it be so supported, it could do so. The last thing in the world the Government wants is an inquiry by this committee—or, indeed, an inquiry by any other committee. If we have the objective of trying to interest a large number of people in bidding for our assets, we should make this as reasonable an investment climate for them as we can.

To flag in the legislation itself the not inconsiderable powers of the Economic and Finance Committee and wave them in the face of potential purchasers as being powers that have already been endorsed by the Parliament to be so used is not, in the Government's judgment, the most sensible way of encouraging people to participate in the bidding process. As I have said, without any provision in this legislation, our Economic and Finance Committee retains the power to look at these issues of its own volition or if referred to it by a House of the Parliament.

The Hon. Mr Holloway raised a number of issues in relation to standards, and so on. I suggest, with the greatest degree of respect, that the body that is most likely to be critical of this will be the Independent Regulator. When we debate the Independent Regulator measure in July, the powers of the Independent Regulator—his capacity to be able to monitor codes and standards—is an area where there is likely to be public accountability of the greatest measure in trying to ensure that we do not have significant problems in the ongoing operation and maintenance of our assets.

As I said, with the greatest degree of respect to the Hon. Mr Holloway and to the rest of us as members of Parliament, we are unlikely to be in the position—as will, indeed the Independent Regulator—to make these sorts of technical and detailed assessments. Nevertheless, the Independent Regulator will report and members of Parliament, if they want to pursue those reports, as happens when the Auditor-General by and large raises issues, can pursue those issues by way of the various parliamentary—

An honourable member interjecting:

The Hon. R.I. LUCAS: No, not at all. Members of Parliament then pursue those issues in greater detail than might have been raised by the Auditor-General in the report.

A number of questions raised by Oppositions, both Labor and Liberal, are flagged by the comprehensive reports of the Auditor-General, which have grown from one volume when I first entered Parliament to about six or seven volumes, as in the case of the most recent Auditor-General's Report. The Government does not support this amendment. However, in opposing it, we acknowledge the appropriate role of the Parliament in respect of its committees, should they so decide to pursue these issues. We just do not see the sense, in terms of trying to have an expeditious process and also trying to maximise the amount of interest in our process, in flagging and creating a situation where right from day one the Economic and Finance Committee can be digging around in this area, even before lease contracts have been signed.

As I said, the amendment has been cleverly worded to allow the impact of this amendment right from day one. We should not have the Economic and Finance Committee potentially already commencing investigations, dragging officers of companies before the Parliament, demanding papers and answers to questions, conducting public interviews and being critical of the operations of the various Government entities and Government businesses, whilst at the same time we are trying to conduct the bidding process and persuade people that we have businesses that are of interest to them and on which we believe they ought to be bidding considerable sums of up front money for the staged long-term lease that is about to be put to them. It does not make sense if you share the objective of trying to maximise the lease proceeds from our assets.

The Hon. NICK XENOPHON: Will the Treasurer simply confirm that this provision does not give any additional powers to the Economic and Finance Committee?

The Hon. R.I. LUCAS: My understanding is that the powers of the Economic and Finance Committee are not added to by this provision. The Government's objection is that, in effect, it is endorsing right from the word 'Go' the notion of the Economic and Finance Committee commencing a series of investigations. Trying to conduct the bidding process, with the Economic and Finance Committee, as I said, from the word 'Go', and with the endorsement of the Parliament, calling in or having the potential to call in a whole series of people is not the sort of environment in which one should be trying to conduct a bidding process. In the end, if the Economic and Finance Committee sees something about which it is gravely concerned, the powers of that committee can be switched on at that stage by way of a separate motion either within the committee or within a House of Parliament to refer a particular investigation to it.

Whilst we understand the Economic and Finance Committee and its powers, one of the first things all the bidders will look at will be the legislation which governs this process. If they see this provision there, which looms large in terms of their being dragged in before that committee and they hear from their mates from within Motorola, or whatever else it is, what has been going on and a range of other things, that is not the sort of investment climate conducive to encouraging people to participate.

It might not be the critical issue, but we want everything operating to our advantage whilst we conduct the bidding process. If, further down the track, having undertaken this the Parliament or committees decide to have a whole series of inquiries and investigations, so be it. We will express our view at the time as to whether we think it is appropriate. For heaven's sake, let us not do this at this time whilst we are trying to maximise sale proceeds from a lease process.

The Committee divided on the new clause:

AYES (8)

| | |
|----------------|-----------------------|
| Elliott, M. J. | Holloway, P. (teller) |
| Kanck, S. M. | Pickles, C. A. |
| Roberts, R. R. | Roberts, T. G. |
| Weatherill, G. | Zollo, C. |

NOES (11)

| | |
|-----------------------|----------------|
| Cameron, T. G. | Crothers, T. |
| 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. |
| Xenophon, N. | |

PAIR

| | |
|---------------|--------------|
| Gilfillan, I. | Davis, L. H. |
|---------------|--------------|

Majority of 3 for the Noes.

New clause thus negated.

New clause 11AC.

The Hon. P. HOLLOWAY: I move:

After new clause 11A—Insert new clause as follows:

Expenditure on public advertising campaigns relating to prescribed long term leases

11AC. (1) A public authority must not spend public money on an advertising campaign to promote this Act, its underlying policy or the alleged benefits to the State of a prescribed long term lease under this Act unless—

- (a) the appropriate Minister has first referred the proposed expenditure to the Economic and Finance Committee of the Parliament; and
- (b) the Committee has reported to both Houses of Parliament on the proposed expenditure; and
- (c) the expenditure has been authorised by a resolution of both Houses of Parliament.

(2) In this section—

‘advertising campaign’ means an advertisement or series of advertisements published or to be published by newspaper, radio or television;

‘appropriate Minister’ means the Minister who is, or is responsible for, a public authority proposing to spend public money on an advertising campaign;

‘prescribed company’ has the same meaning as in section 11A;

‘prescribed electricity assets’ has the same meaning as in section 11A;

‘prescribed lease’ has the same meaning as in section 11A;

‘prescribed long term lease’ has the same meaning as in section 11A;

‘public authority’ means—

- (a) a Minister of the Crown; or
- (b) a State instrumentality; or
- (c) a publicly funded body;

‘right’ has the same meaning as in section 11A.

As to my previous two amendments the Government argued that they may have impacted upon the price that the State may have received on the lease of its electricity assets. However, that argument cannot be used on this matter. Indeed, if my motion is carried, as I hope it will be, it will guarantee that the taxpayers will save money. The new clause seeks to prevent the Government from spending any public money on any advertising campaign to promote this Act. We know already that in the course of the past 12 months the Government has spent a considerable amount of money, well over \$500 000, and it is probably a lot more by now in trying to promote the sale of our electricity assets, and we all know the ETSALE pamphlets and advertisements that were put out at the time. How successful that advertising campaign was, I do not know but, nevertheless, in the next 24 hours this Chamber will make a final decision on this Bill. If it is passed, and that is the present indication, there is surely now

no need at all for any further taxpayers’ money to be spent in promoting the Bill. For that reason, I urge the Committee to support the measure, which provides that no public authority can spend public money promoting this Act or its underlying policy or alleged benefits unless the Parliament has approved it.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: If the Government is to oppose this matter, let it give a reason for doing so. I would have thought that now the process is coming to a conclusion that should be it. Given that we will be spending some tens of millions of dollars on legal and other fees associated with the drafting of these leases, surely that is enough. Surely there should be no more. I hope the Committee will support the measure so that no more money will be spent on any sort of promotion of this electricity sale or lease process. I will be interested to hear from the Treasurer, if he intends to oppose the clause, on exactly what grounds he will do so.

The Hon. R.I. LUCAS: I am always happy to indicate that. I oppose the provision and indicate that the Government has no intention of conducting a major or minor television or radio campaign about what might be the successful passage of the legislation. I am happy to place that on the record. As this is a very broad provision I want to give a couple of examples of what might be the intended or unintended consequences. For example, once a year or maybe a couple of times, as has been the case since Don Dunstan was Premier, Premiers make public presentations to the community on particular issues. Premier Olsen has been no different in that respect when perhaps once or twice a year he has done a three minute address to the State which summarises the major issues.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: No. The Premier might indicate a whole series of things, such as, ‘Here is what the budget has provided and the Government is going to spend \$200 million on the Southern Expressway,’ or—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: Well, an advertising campaign is—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: As I said, from Don Dunstan’s day, a Premier hires time for a commercial or advertisement; it is an address to the State type arrangement, which goes for two or three minutes, or five minutes maximum, and if in that—

The Hon. A.J. Redford: There should be more of it.

The Hon. R.I. LUCAS: It puts a range of issues. In the most recent one the Premier was standing at the start of the tunnel through the Hills, highlighting that as a major infrastructure project, and other things. It is in that context that the Premier was able to indicate that, because of the leasing of our assets, we have now repaid some of our debt and we now have budget flexibility to be able to spend on infrastructure projects. On my reading and advice in respect of this provision, that would prevent that sort of circumstance. I understand what the honourable member might have been driving at but, as I said, the programs about which the member has complained were designed to try to get a majority of members in the Parliament to support this provision, that is, the sale or long-term lease. That would have been achieved, so the purpose of such a campaign would no longer exist.

I highlight another issue. As I said, we are not contemplating television or radio campaigns. However, we have been

asked an enormous range of questions not only from country areas but also from the metropolitan area. For example, what on earth does it mean now to have potentially private operators of our assets? Will we lose our pensioner concessions? Who will maintain our assets? Will there continue to be undergrounding of powerlines? Will the various concessions that are applied to various charities still continue? There is a range of quite sensible and reasonable questions. Certainly one of the propositions that has been put to me—and it is still too early to conclude a view—is that we ought to respond to these questions by way of printed materials and potentially paid advertising space in newspapers saying, ‘Here are the answers to the questions that are being asked.’

I understand from where the honourable member is coming. We are having a similar debate about this in another Bill which is currently before the Parliament. As I said, the paid television and radio campaigns about which the honourable member is complaining were designed for a purpose; that is, to try to get a majority of people in the community, in this Chamber in particular, to support a sale or long-term lease. That will have been achieved. The Government has no intention of being involved in a series of ongoing paid commercials detailing what has occurred and—

The Hon. P. Holloway: You are not suggesting that that is what changed Trevor’s mind, are you?

The Hon. R.I. LUCAS: No, I am not suggesting that at all. However, I am saying that that was the Government’s intention and the reasons for doing it. We hope by the end of this week—should we ever get through the Committee stage in this Chamber and in another place—to have concluded this Bill, and in so doing that objective will have been achieved. However, there are genuine, sensible and reasonable ways in which public expenditure might need to be applied in the future and which would be caught up by this provision and which would be in the interests of trying to allay the concerns of pensioners, or indeed others, about standards in rural communities.

I know that some rural people have put the view to members that, as soon as we have private operators, those marginal (as they put it) people at the end of the powerline will be cut off by a private operator. That is a genuine concern. It may well be that in rural newspapers the Government would want to directly, or through an Independent Regulator authority or something, highlight the protections that will be included in the package of legislation that we have, even under the staged long-term lease.

The Hon. T.G. Cameron interjecting:

The Hon. R.I. LUCAS: To allay people’s concerns, because some of them are indeed unreasonable concerns and they might be played upon by certain people in the community.

The Hon. A.J. Redford: Never!

The Hon. R.I. LUCAS: I hope that the Hon. Mr Redford is right. This is the very biggest deal of its nature with which we in this Parliament will ever be involved or associated. I think everyone has acknowledged that. I believe that there are genuine reasons why, in a reasonable way, at some stage in the future, public information might need to be shared with people just to allay some of the concerns people have that, in some way, they will be left to the devices of the private operator. I can understand that the Labor Party will continue to highlight—

Members interjecting:

The CHAIRMAN: Order! Everyone can contribute.

The Hon. R.I. LUCAS: We can understand that the Labor Party, Mr Holloway, Mr Foley and others will continue to say, ‘We have sold out to the Auckland type disaster situation; we have sold out to the disasters in Queensland’. They will say that the sorts of claims that were made regarding Auckland, Queensland and Victoria are the sorts of things to which we have agreed. We will have a situation where all those types of claims are able to be made and, in some way, in those sorts of circumstances, we may need to place factual information before people by way of printed materials or advertisements within appropriate newspapers. However, even putting that sort of scare campaign aside, I think that people in the community have genuine questions, particularly pensioners and rural constituents. They want to know and to be assured that their concerns are at least being addressed by the Parliament in some way.

We would hope to be able to explain through the Independent Regulator mechanism that many of these concerns can indeed be addressed. I understand from where the honourable member is coming but, as I said, hopefully we will have moved on with this vote this week in the Parliament. The circumstances that I flag are what the Government is contemplating. I have highlighted a couple of examples of what I would think are reasonable examples of public expenditure. I am sure there are others but, due to the short space of time, I have not been able to contemplate or develop them—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: When the honourable member says that there is an opt out clause, the opt out clause is that there has to be a resolution of both Houses. If both Houses say, ‘No,’ then you cannot do it. I am sure the Labor Party will not adopt a position where it will support that, and I am sure the Democrats will not—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: I assure the honourable member that, the way in which Mike Rann and Kevin Foley play this particular business, they will not allow the Government to do that. If they are running a scare campaign—

Members interjecting:

The CHAIRMAN: Order!

The Hon. R.I. LUCAS: If they are running a scare campaign, they will not want the facts to get in the way of their particular argument. So, there would be a major campaign to prevent a vote on a particular resolution. You have to wait for a resolution of the Houses. Given that the Houses do not sit for a couple of months (and whatever else it is), it might be racing away during the particular provision.

The Hon. SANDRA KANCK: I believe the Government has wasted an enormous amount of taxpayers’ money over the past 16 months on these sorts of advertising campaigns and I see no need for any more in relation to this issue. The Government is getting its way. It can have a press conference whenever it wants to promote its point of view. It has a whole media unit at its disposal, and whenever it has a press conference the journalists all turn up and report what the Government has to say. It has a lot of power at its disposal as it is. I think there is another concern in this, too; that is, in 12 months when the contracts are finally signed, sealed and delivered, we will be in the run up to an election and any campaign of this nature would be designed as an election ploy, and we would be very naive to think otherwise. It will be interesting to see whether the—

Members interjecting:

The CHAIRMAN: Order! The honourable member is on her feet.

The Hon. SANDRA KANCK:—Hon. Terry Cameron and the Hon. Trevor Crothers vote with the Government on this clause because one would have to wonder, if those two members decide to vote with the Government, why they are giving the Liberal Party a free kick.

The Hon. NICK XENOPHON: I support this amendment moved by the Hon. Paul Holloway for the reasons outlined by him and also for a number of the reasons put by the Hon. Sandra Kanck. The Treasurer has referred to a similar Bill that is currently before the Chamber, and I note that that received the support of the Hon. Terry Cameron—although I recognise that, from the interjections today, the Hon. Terry Cameron is unlikely to support this clause. To be fair to the Hon. Terry Cameron, I think that that Bill related to the expenditure of moneys for an advertising campaign promoting a Bill, as distinct from an Act of Parliament. There are quite different principles involved—issues involving the doctrine of the separation of powers. So, it would be entirely consistent, for instance, for the Hon. Terry Cameron to support the Bill that is before this Committee and not this amendment.

However, given the concerns raised by the Hon. Paul Holloway in terms of public expenditure, this amendment provides an appropriate check and balance. Given the nature of the transaction—the fact that this is the biggest transaction involving the State—it seems to me that it would be inappropriate for further moneys to be spent, particularly since in the past the Government has placed such a high priority on debt reduction.

The Treasurer has indicated that there would be circumstances where the Government would want to inform, for example, rural communities of the changes, or the lack of changes, that would be brought about by this situation. The Treasurer has indicated that no television or radio campaign is contemplated. Can the Treasurer give an undertaking that there will not be a television or radio campaign in relation to the Act, if passed?

The Hon. R.I. LUCAS: I am happy to repeat the undertaking that I have given: with the exception of the fact that the Premier occasionally (as I said, once or twice a year) addresses the State in a two, three or five minute address that is generally broadcast across the three commercial stations at the same time, most often on a Sunday evening (or whatever else it might be), and consistent with the approach of a number of Premiers—dating back to Don Dunstan in the 1970s, who first started this particular proposal—within that context, as I said, I am sure that the Premier would want to indicate that at least in part because of the decisions that have been taken we have been able to reduce the debt to whatever the level might have been, and that we have been able to free up budget flexibility to spend on whatever the particular project might happen to be—whether it be a road, a school, a hospital or something else such as that.

However, in relation to the Government having a similar campaign of paid television or radio commercials to highlight the fact that we have got this Bill through the Parliament, there is no plan and we will not be doing that. But in the context of the Premier's addressing the State or, as I said, the paid advertising in newspapers or through written materials that might be distributed to people by way of letter or leaflet, the Government would wish to be able to keep that option should the circumstances require it. As I said, it has been raised with me that we are receiving expressions of concern

from a number of different interest groups—in particular, from pensioners about pension concessions, and in relation to service standards generally, not just in rural areas. The Government would obviously wish to maintain the flexibility to be able to respond in a reasonable way to those sorts of genuine concerns that might be held by some in the community.

The Hon. NICK XENOPHON: Further to the fact that there may be an advertising campaign, a newspaper advertising campaign or leaflets contemplated in relation to changes that could affect electricity consumers with a privatised industry, can the Treasurer indicate that any such advertising in the print media will be restricted to those sorts of issues rather than an advertising campaign touting the alleged benefits with respect to debt reduction, for instance? In other words, will it be circumscribed to those sorts of issues?

The Hon. R.I. LUCAS: In relation to printed materials that might be circulated into communities, I think the Government might want to retain the flexibility of saying, 'Here is what has occurred.' For example, regarding our giving the sort of guarantee that the honourable member is talking about, the fact is that all members of Parliament have access to public expenditure through global allowances and a variety of other means to write letters to people to attack the Government's sell out (as they would see it) on lease proposals and so on. The Government ought not to be restrained in terms of printed materials from being able to respond, and respond in kind, to highlight issues through direct mail letters to people or, indeed, leaflets and material.

Another example that I am thinking of is where at the moment we are circulating a printed piece of material to, hopefully, all employees within the electricity companies, because we believe that some unreasonable interpretations of the Government's protections have been highlighted publicly within those businesses and we believe that the Government ought to be entitled to put its position very quickly, by way of printed materials, to its workers—I think there might be a letter from me or an attachment, or something like that which, hopefully, will be circulated to employees in the very near future to highlight the Government's position. So, in relation to written materials, the Hon. Mr Xenophon, Mike Rann and the Labor Party have access to taxpayer funds for them to be able to expend money on printed materials, leaflets, newsletters and a variety of other mechanisms.

The Hon. Nick Xenophon interjecting:

The Hon. R.I. LUCAS: And the Government, as Ministers—

Members interjecting:

The CHAIRMAN: Order!

The Hon. R.I. LUCAS: I indicate that, as the Treasurer and an Upper House member, I do not have a global allowance to distribute information of that nature to—

An honourable member interjecting:

The Hon. R.I. LUCAS: I am not able to share that. The money that is available to me is public money provided by way of appropriation to Treasury or to the Treasurer's office. What we are saying is that there are mechanisms for members through printed materials, newsletters, direct mail and other mechanisms which are accepted as part of the cut and thrust of politics, and we believe that the Government ought to be able to use that sort of expenditure.

An honourable member interjecting:

The Hon. R.I. LUCAS: No, the honourable member was seeking some sort of undertaking or guarantee from me that we would not be highlighting the benefits of the deal in terms

of debt reduction. The Government would clearly want to be able to continue to highlight the benefits by way of debt reduction and those sorts of things, or at least keep the option open for that by way of direct mail letters or leaflets to various people. However, the pre-eminent reasons why the Government will want to keep the flexibility are as I have outlined: for those addresses to the State that the Premier conducts—and only the Premier; Ministers do not—and the ability to respond. They are the pre-eminent reasons why the Government would want to retain the option, or the flexibility.

The Hon. T.G. CAMERON: The Treasurer was in Opposition when the South Australian Government sold off the South Australian Gas Company—and I emphasise ‘sold off’, not leased. My question is: did the now Government (the then Opposition) move any amendment to constrain the then Labor Government from advertising and publicising what was going on in relation to the sale and the impact that it might have on its consumers?

The Hon. R.I. LUCAS: To my knowledge the answer to that question is ‘No.’

The Hon. A.J. REDFORD: Amendments like this occur continuously. The fact is that Governments govern, and Parliaments pass laws and hold the Governments accountable. When you move amendments like this you seek to involve the Parliament in the Government process. That is not our role and never has been our role. Can one imagine 69 members of Parliament sitting around a table designing an advertising campaign? That is what this clause means; it is ridiculous. We must allow Governments to govern. By all means, criticise them and hold them to account, but to allow the Economic and Finance Committee to become a *quasi* Government in conjunction with both Houses of Parliament and reports is ridiculous. At the end of the day, the three stage process is absolutely ridiculous.

The Hon. Paul Holloway ought to go back and look at how much money the Hon. Mike Rann spent when he was Minister of Tourism and how regularly and how often he spent it. It was a gravy train. He spent that money at the taxpayers’ expense under the auspices of his portfolio, but no-one sought to bring in legislation to stop him. Parliament brought him to account, asked questions and criticised him. That is Parliament’s role. At the end of that process, if a Minister breaks the law or Parliament feels strongly enough about it, we move a motion of no confidence in that Minister and have him replaced. That is how our system works. Let Governments govern. You will never get accountability while you do not let Governments govern, because Governments blame Oppositions, Oppositions blame Governments and the people become utterly confused.

The Hon. T. CROTHERS: Should this amendment get carried, will it have the real or designed impact of preventing the Government from making such publications or doing such advertising as would (if it is permitted to do so) enhance the amount of money we get for the asset? If carried, would this amendment be so far reaching as to prevent that very beneficial advertising approach?

The Hon. R.I. LUCAS: I believe the answer to the honourable member’s question is that, yes, it would, because it would prevent a whole range of campaigns as contemplated by the amendment. I had hoped we might be able to vote on this before lunch, but I understand that the Hon. Paul Holloway and others want to speak again.

Progress reported: Committee to sit again.

[Sitting suspended from 1.3 to 2.15 p.m.]

QUESTION TIME

CRIME

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Attorney-General in his own right and also representing the Minister for Police a question about the crime rate.

Leave granted.

The Hon. CAROLYN PICKLES: I refer the Attorney to a report released by the Australian Institute of Criminology, and I believe it was attributed to Dr Mukherjee, who is the Principal Criminologist at the Australian Institute of Criminology, and it was also referred to in the media today. The report found that eight ethnic groups had higher arrest and imprisonment rates than other members of the population. Does the Attorney agree with the comments made by the Chairman of the Ethnic Communities Council, as follows:

... there is a targeting of non English speaking background people by police. They face more severe penalties.

What are the implications, if any, of such research for South Australia, and will the Attorney take any action, given the findings, if they apply to South Australia?

The Hon. K.T. GRIFFIN: I have seen reference to that report in the media. Because of other duties here I have not been able either to familiarise myself with the paper or to obtain a briefing on it, so I am not able to make a constructive comment on it at the moment. The information that it presents causes some concern if it is in fact an accurate report as well as accurate information. We know that there is an over representation in the criminal justice system of indigenous Australians in both the adult population and the juvenile population, and a number of strategies have been put in place to endeavour to address that. I identified several of those last Friday, when I launched an Aboriginal court day, which is a pilot project at Port Adelaide that places special emphasis on Aboriginal offenders being supported by their families in an informal courtroom environment.

Certainly, among the representatives of Aboriginal people at that launch there was a very warm feeling about the project, which was initiated very largely as a result of the Government’s appointment of three Aboriginal justice officers, which appointments in turn largely arose out of the report into the implementation of the fines enforcement strategy. I should say there are an additional four Aboriginal police aides at Port Adelaide. There is a positive sense of where both the court system and policing, as well as the Aboriginal community in the Port Adelaide area, might be going in relation to Aboriginal offending.

At the same time, I indicated that, in respect of young offenders, the Juvenile Justice Research Committee is trying to coordinate better, across Government, the research that is being undertaken and needs to be undertaken in relation to offending, including Aboriginal young offenders, and there is also a monitoring committee to oversee some of the programs that are being run in relation to minimising both young offending and reoffending.

There are lots of other interesting projects which are all directed towards the same end, and that is to reduce offending, not just among the Aboriginal community, but that is particularly so, and more widely across the community, and also to ensure that as much as it is possible to do so those

offences do not occur in the first place. That requires a lot of support and early intervention which I am delighted about because, as members know, I am very strong on trying to deal with the causes of crime before we end up with young people, in particular, but also adults moving into the offending regime.

In relation to persons of other ethnic backgrounds, my recollection is that police do not record the ethnicity of those who might be apprehended, certainly not those where there are reports about offenders, remembering that police statistics are based upon matters coming to the knowledge or attention of police. However, several other projects endeavour to deal with Aboriginal offending and a greater level of identification of the aboriginality of those who might be offenders for no reason other than that they are a group that is overrepresented in the criminal justice system. Unless we can identify them and identify the reasons why that is occurring, we will not have any long-term solutions to that problem. I will take on notice the other areas to which the honourable member referred. I will take the questions on notice and I will bring back a reply when I have had an opportunity to consider the report released by the Institute of Criminology.

STATE DEBT

The Hon. P. HOLLOWAY: My question is directed to the Treasurer. When did the last major refinancing of State debt occur? How much debt was turned over in that refinancing operation and what was the interest rate of the refinanced debt?

The Hon. R.I. LUCAS: I will take that on notice. There is no single major refinancing of debt with a gross debt of some \$12 billion, and that constituting some hundreds of loans spread over varying lengths of time from less than a year—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: Some of them, no. The longest loan is for 40 years, I think, which was taken out in the period of the Bannon Government, not that I make any point about that. Our loans vary from relatively short to very long terms. Luckily the percentage of those that are very long, like 40 years, is very small but they all come due at different times. I will take advice on that from the financing authority and bring back a more detailed response. If the member is interested in what amount of our debt might be coming due, I can advise him that a significant portion of our debt rolls over in the next two to three years. While some of our long-term debt might have been borrowed back in the 1980s at 14 per cent or 15 per cent, the more recent debt is at much low lower levels of 5 per cent or 6 per cent.

Should the Parliament some time this week, or during the coming weekend, or whenever we get through the remaining clauses of the Bills, approve the staged long-term lease of ETSA with the proceeds coming on stream we think some time next year, that is very good timing in terms of the rollover of the State debt so that we can actually repay our State debt at an appropriate time without having to incur significant costs.

BAROSSA VALLEY DEVELOPMENT

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Treasurer, representing the Premier, a question on development in the Barossa Valley.
Leave granted.

The Hon. T.G. ROBERTS: The Barossa Valley is experiencing similar development problems to those in the Coonawarra region, that is, trying to manage success. There have been two development statements in the press recently, one indicating the building of a new winery in the Barossa Valley and one concerning the removal of 80 gum trees so that Mildara Blass can expand its grape production in that area. Among all the problems that face Governments, that of managing success is probably the one that Governments certainly look forward to and prefer but, when success impacts on local residents and on the environment in the way some developments do, it makes it difficult for Governments to manage the twin effect and benefit of development, environmental protection and securing employment for people in this State. There is a view that, if development is orderly, we can have both: that we can protect the environment, we can have development and we can provide the security that communities need.

It appears to me that there is a possibility of the State being the winner if infrastructure for winery expansion is provided in the outer northern suburbs of Adelaide, such as Gawler and Sheoak. Those areas already have established infrastructure suited particularly to stainless steel fabrication, tank building and the erection of wineries. Governments could encourage development in those areas and the maintenance of the folksy image that wine requires to promote itself in the marketplace by having the land connected to the labelling and bottling. I think the wine industry and the Government would be well advised to try to get those areas to match so that we can have orderly development in what we thankfully see as a bright star on the horizon of the economy.

My question is: will the Government look at developing a plan for the Barossa Valley which will maximise grape and wine production but which will also protect the environment and share the benefits of the increase in wine production with the outer northern suburbs of Adelaide: the Sheoak and Gawler regions?

The Hon. DIANA LAIDLAW: I appreciate that this question was directed through the Treasurer to the Premier as Minister for State Development. If any further matters need to be added, I will obtain a comment from the Minister for State Development, but I can alert the honourable member to the fact that an industry PAR has been released for public comment in terms of the northern Barossa area and also the Mildara Blass proposal, which has been deemed by me as a major development. Consultation is still under way in that regard, and we will coordinate that consultation and make a decision on the development in the near future.

Regarding the whole of the Barossa, when the budget was released this year I also released the Barossa road strategy which is absolutely critical to the development of this area. That strategy covers not only the existing wine industry but the proposed expansion of that industry plus the tourism industry. Councillors and the local member, the Hon. John Dawkins who lives in this area, have highlighted the potential conflicts between trucks associated with the harvest, getting the bottled product to market, and increased emphasis on tourism.

The northern Adelaide area has regional development. The board has been involved in transport studies, and may well have been involved in further relationships with the Barossa in terms of metal manufacturing (tanks and sheds and the like), as the honourable member has suggested. I will have to ascertain that information for the honourable member, but

I assure him the Government is acutely aware of the need for sensitivity.

In that regard, I highlight the fact that the Motor Accident Commission recently undertook a study on roadside obstacles, including trees. This is a huge issue for us in the Barossa in terms of the development of road strategies and the use of more heavy vehicles. I am loath to see some of our wonderful old gum trees that are situated right on the road curb being removed, but there is a push for the widening of roads and the increasing of shoulders. All these matters—

The Hon. T.G. Roberts interjecting:

The Hon. DIANA LAIDLAW: Bend with the wind, yes. All these matters are being addressed at the same time as a push for cycle lanes through the Barossa Way, but those cannot easily be provided without addressing native vegetation issues. So, I reassure the honourable member that in terms of the transport and urban planning portfolio we are acutely aware of our responsibilities and we are working through them. If at any time the honourable member wants to be involved in those discussions, I would welcome his input.

The PRESIDENT: Order! If the cameramen in the gallery continue to take footage of members who are not on their feet and speaking, they will not be allowed back into the gallery. They try it out every time, and I am getting a bit tired of it.

RAIL TRANSPORT

The Hon. J.S.L. DAWKINS: Will the Minister for Transport and Urban Planning advise whether it is feasible to use rail for short haul trips in order to reduce the number of heavy truck movements in metropolitan areas such as Port Adelaide and Outer Harbor?

The Hon. DIANA LAIDLAW: This has been a contentious issue for some time as we seek to look at the future of rail and building rail business, particularly the attraction of more business from road to rail for road safety and environmental reasons. I was pleased to learn late on Monday this week that WMC and Linfox, its freight forwarder, have awarded a contract to Australia Southern Railroad for short haul rail business between Inner Harbor and Outer Harbor in the Port Adelaide-Le Fevre Peninsula area.

This will be a huge win for that area and it will certainly see the removal of multiple trucks from the road. Advice given to me is that initially 23 containers of copper cathode per day, which is 150 tonnes per annum, will be transferred by rail from the Inner Harbor berth to 25 Terminal area, which is in the proximity of the SACBH grain terminal. This means that 16 of these containers will go to Outer Harbor for export and seven containers will go to Charlicks' siding and then to Sydney. In the Port Adelaide-Le Fevre Peninsula area 23 truck movements will be removed from the road network per week—23 each way per day—and that will be of great interest to local residents, schools in the area, businesses and the council.

This, I think, is a major breakthrough not only because ASR won this in a competitive bid but it has always been assumed in Australian rail history, and across the United States and Europe, that rail was not suited for short haul business. That is a major breakthrough in the way in which we can encourage more business under rail. In fact, it fits in with the question asked by the Hon. Terry Roberts a moment ago because there is great possibility that much of the wine

business in the Barossa could well use train rather than truck for a lot of its journeys.

The other major breakthrough is that, traditionally, Linfox has been a road freight forwarder and is now happy to work with rail instead of competing against it, which has been the history of road and rail in this State and nation. They are focusing on the total freight forwarding task. I commend both Linfox and ASR for that big advance—and there are jobs. I am told that ASR will have to engage an additional train crew plus a relief crew to cover leave. The new contract—

The Hon. T.G. Roberts: Rex might get a job.

The Hon. DIANA LAIDLAW: I think that is a reference to Mr Rex Phillips. He has been engaged as a consultancy by Transport SA and has been able to negotiate and be a go-between for much of this business. He has provided, with his experience in rail, an extraordinary amount of expertise within Transport SA—traditionally a road agency—as well as being a liaison between the private sector, the unions and Transport SA. I understand that initially his consultancy was for three months. Mr Phillips has more than paid his way already and his consultancy has been extended until Christmas time. If members opposite were as productive as Mr Phillips, and as enlightened, this State would be a much better place for us all to live in the future.

EMERGENCY SERVICES LEVY

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General, or, if he wishes to pass the buck, the Minister for Police, Correctional Services and Emergency Services, a question about the emergency services levy.

Leave granted.

The Hon. IAN GILFILLAN: During debate on the Emergency Services Funding Bill last year in another place the then Emergency Services Minister (Hon. Iain Evans) was asked whether the Government would offer pensioner concessions from the full effect of the proposed levy. The Minister replied that, under the present system for funding emergency services (that is, the levy which is paid through insurance premiums), pensioners get no concessions. The amount payable is referable to the sum insured. In *Hansard* of 22 July (page 1 524) the Minister said:

There is a benefit to people currently insured, whether or not on low income, because they no longer have to pay out the 8 per cent or 16 per cent of premium to the CFS or MFS. That is deleted from their insurance cost and there is a saving to them there.

The Minister did point out, however, that under what is now section 33 of the Act the Government may make regulations for the remission of the levy for the benefit of those entitled to pensions and other benefits. I notice that regulations under the Emergency Services Funding Act (No. 36 of 1999) were gazetted on 27 May this year. True to his word, the Minister has not inserted into the regulations any concessions for pensioners. That is rather galling to the many people who have been in touch with me and my office indicating how unfairly they believe they are being treated by having to pay more, contrary to the undertaking given by the then Minister (Hon. Iain Evans).

The amount of the emergency services levy, as we are all aware, is vastly in excess of the sum which was collected through the former fire services levy on insurance premiums both in terms of the overall amount collected and its impact on average households, including pensioner households. It is very difficult to describe the abolition of the existing fire

services levy as a 'benefit'—as the Minister called it—when the new emergency services levy is so much higher than the existing levy. Certainly, no pensioners have described to me the new arrangement as being of benefit to them. In the light of that situation and in the light of the expectation from the Minister's comment in July last year, and given that the Government will now be extracting much more from fully insured pensioners than it did under the old system, why has the Government offered no pensioner concessions in the regulations as it is empowered to do under section 33 of the Act?

The Hon. K.T. GRIFFIN: Because there are more regulations to come.

The Hon. IAN GILFILLAN: I have a supplementary question: can I interpret that answer to offer hope to pensioners that the new regulations will indeed offer them a rebate or a discount?

The Hon. K.T. GRIFFIN: The Government has already made a public statement about concessions for pensioners. What I have said is correct: there are more regulations to come.

HEALTH CARE, AGED

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief explanation before asking the Minister for the Ageing a question about the cost of health care for the ageing. Leave granted.

The Hon. CAROLINE SCHAEFER: This month's edition of *Focus*, the Hospital and Health Services Association newsletter, features an article entitled 'Ageing Not Major Factor in Increasing Health Costs.' It is a result of a study undertaken for the Productivity Commission by Professor Jeff Richardson and Dr Iain Robertson of the Centre of Health Program Evaluation. Their study found that ageing of the population will not cause the predicted health funding crisis and should not be the focus of health policy. As part of their evidence they used a study undertaken in Victoria in 1995 which found that the ageing contributed .3 per cent of a total increase of 3.2 per cent to the costs for health funding in that State in that year and that much greater contributions to increased costs were population increase, greater intensity of treatment and the increased use of new and often more expensive technologies. They also cite the United States, which has a young population profile but the highest health costs as a proportion of GDP; and the opposite pattern is true in the UK. Can the Minister confirm or otherwise the validity of this report and what effect, if any, this will have on future health care for the aged?

The Hon. R.D. LAWSON: I have seen the latest issue of the newsletter of the Hospital and Health Services Association which does carry on its front page the headline 'Ageing Not Major Factor in Increasing Health Costs'; but it does seem to me that that headline is not a fair reflection of the article which appears beneath it, nor is it really a fair report of the study undertaken by Richardson and Robertson. I have not actually studied its report, but I intend to do so.

The article really refers to a debate that has been going on for some time amongst financial modellers and economists about the cost of health care. There has been an ongoing debate about the relationship of the rising costs to the ageing of the population. It is interesting to note that the Hospital and Health Services Association seems to indicate at the end of the article that the answer is managed care similar to that in the United States, which it claims has created an incentive

to develop technologies that reduce costs. That is a conclusion which I must say I have some difficulty in accepting.

In one sense I welcome this sort of article, because it tends to negate the often negative publicity about our ageing population. It is very often suggested that an ageing population is a burden on the community, and that those who are not retired will in the future have to face an unbearable burden of health costs. That is simply not the case. Of course, it is true that a number of factors contribute to rising hospital costs, and one ought to be careful to make a distinction between health costs and hospital costs, because the notion of health is a very much wider one, especially when one is looking at the older members of the community for whom community supports such as home care and the like are very much more important than is hospital care in an aggregate sense.

One of those factors that contributes significantly to rising health costs is technology: the increased take up of high technology has led to dramatic increases in terms of public hospitals, because new technological developments tend to be more expensive. Likewise, the way in which medicine is practised is having a significant effect. General practitioners are now making fewer home calls and opening fewer surgeries after hours, and public hospitals are being used more and more as a GP service. That is shifting costs from the Medicare federally funded system into the State system, supported by the State Government. With more and more doctors charging above the bulk billing rate, public hospitals are reporting higher numbers of people attending accident and emergency services to receive free consultations. There is the fact, already widely publicised, about the level of private health insurance which, for quite some time, was declining but which has apparently now been arrested, and that clearly has a very significant effect on health costs.

However, it is undoubtedly true that we have an ageing population and that the number of aged members of the community does have a direct bearing upon the number of people admitted to hospitals. The figures are worth repeating on this point. In this State alone, since 1991-92 the aged group between 50 and 64 years has grown by about 14 per cent, while demand in the public hospital system for that age group has increased by 37 per cent. A person aged 65 years or more has four times the health care demand compared with younger people, and at 75 years this figure increases sixfold. According to recent figures, while this State's population has remained relatively static over the past four years, since the 1993-94 financial year, total public hospital admissions have increased by over 36 000. It is undoubtedly true that an older population is increasing the number of hospital admissions.

At the same time, it ought be said that in this State, through the Home and Community Care program (HACC), community care and support for older people is increasing. We have a number of health preventive measures, and a number of measures to divert older people from acute care and to keep them in community care. There are a number of programs, for example, blood pressure screening and the like, which will improve health outcomes for our older people. I certainly undertake to bring to the honourable member a more considered response after I have had an opportunity to study the report of Professor Richardson and Dr Robertson.

GAMBLING RELATED SUICIDE

The Hon. NICK XENOPHON: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Human Services, a question about gambling related suicides.

Leave granted.

The Hon. NICK XENOPHON: Evidence presented to the Social Development Committee's inquiry into gambling reflected on the link between gambling and suicide, with the Adelaide Central Mission being aware over a six month period of at least six suicides. Relationships Australia also referred to the link between suicidal ideation and gambling. More recently a study carried out in Adelaide by Dr Mark Scurrah, an Adelaide psychiatrist, involving 80 problem gamblers at Flinders Medical Centre found that 80 per cent of the group surveyed admitted to thoughts of suicide and that 30 per cent had attempted it in the past 12 months. Dr Scurrah also called for more revenue to be directed into medical treatment of gamblers. I am personally aware of the devastation caused by gambling related suicide and the impact it can have on the deceased's family and beyond. My questions to the Minister are:

1. How much Government revenue has been allocated and/or spent for the medical treatment of problem and pathological gamblers from the 1994-95 year?

2. Given the magnitude of the problem indicated by the studies to which I have referred, what steps has the Minister for Human Services taken to research the link between problem gambling and suicide and the costs involved to the community in relation to gambling related suicide?

3. Further to that, will the Minister consider establishing a task force to investigate the link between gambling and suicides?

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

The Hon. A.J. REDFORD: I desire to ask a supplementary question. Has there been any independent studies as to what might be required in terms of expenditure for treatment of gambling associated problems as outlined by the honourable member?

The Hon. DIANA LAIDLAW: I will seek information on that matter also and bring back a reply.

HOUSING TRUST DISPUTES

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Human Services, a question about Housing Trust disputes.

Leave granted.

The Hon. R.R. ROBERTS: Over the recent four or five months I have received a number of constituents in my electorate office in Port Pirie concerning problems in respect of disruptive tenants in Housing Trust areas. I have read the principles of the trust and they refer to disruptive tenants. The principles outline that all tenants are entitled to quiet enjoyment of their trust premises. There has been an increasing spate of disruptive tenants in the Port Pirie area, and I have been forced to look at the disputes resolution processes that are in force.

I have a copy of a statement of complaint which was provided to me by the Housing Trust and which lays out the usual criteria as to who the complainant is and what the

circumstances of the complaint may be. The last line is of some concern because it states:

I understand that this information may be released to the alleged offender.

People then date it, sign it and print their name. Many tenants in trust areas have been in Port Pirie for over 50 years. In many cases they are women living alone and, unfortunately from time to time, disruptive tenants are placed in the other half of double unit homes and they are subjected to a whole range of torments. For instance, many times up to 15 or 16 people are living in the house; loud music; three or four Rottweiler dogs; plus the stone-throwing children and a few other complaints. It is then expected that the woman, who lives on her own and who is in her eighties, puts in a complaint which will be given to her tormentors.

I have discussed this with a number of people and the general consensus is that it is an unrealistic expectation which leaves us with an unhappy legacy of these people living in terror and under constant torment. A number of agencies undertake this type of community consultation or disputes resolution. However, my further investigations show that, whilst we have them in the eastern suburbs of Adelaide and at Noarlunga, they are few and far between in country areas—and that will be the subject of another question. My questions to the Minister are:

1. Is it envisaged to conduct a review of the procedures and complaint system that are in place, given the number of complaints that I and I am sure other members have received?

2. If so, when will that take place, as I am told they are being reviewed?

The Hon. Diana Laidlaw: You have been told they are being reviewed.

The Hon. R.R. ROBERTS: I have been told that some investigations are taking place.

3. When will the review be completed, if indeed one is taking place?

4. When can those constituents be given some relief from the torments that they are enduring?

The Hon. DIANA LAIDLAW: The circumstances outlined by the honourable member require some assessment and I will certainly ask the Minister for a prompt reply. As an aside, I asked the Attorney whether there would be a legal requirement, in terms of the trust following up a complaint, for the person registering the complaint to have that submitted to the offender. The Attorney did not think, off the cuff—and I know he does not like his legal view aired, do you?

The Hon. K.T. Griffin interjecting:

The Hon. DIANA LAIDLAW: No, he does not—that it would be mandatory, but he has not seen the form and I will not hold him to it.

The Hon. R.R. Roberts interjecting:

The Hon. DIANA LAIDLAW: I would have thought that the honourable member and the constituents who have raised this matter have a very good point of concern. I suspect they would feel intimidated in those instances and they should not have to tolerate that, in addition to other behaviours about which they complained.

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 Hindmarsh Stadium.

Leave granted.

The Hon. J.F. STEFANI: I refer to the funding deed signed on 14 October 1996 by the South Australian Government and the South Australian Soccer Federation, and in particular clause 8, 'Grandstand entrance levy'. Under this heading, subclause 8.1 requires that the federation throughout the term of its loan contract with the South Australian Government is to impose and collect a levy of at least \$3 on every spectator seeking to enter or use the grandstand area at any event held at Hindmarsh Stadium. Subclauses 8.6 and 8.11 stipulate that the federation shall deposit in a designated bank account, the details of which must be conveyed to the Minister, all levy moneys collected or received on the next day of business after receipt and collection of such moneys.

Clause 23.1 of the funding deed also provides that, at the request of the Treasurer, the federation shall grant a first registered mortgage of its lease over Hindmarsh Stadium. Clause 36 of the funding deed further stipulates that the Federation shall grant to the Minister a fixed charge over the bank account into which all moneys are deposited from the imposition of the grandstand entrance levy. My questions are:

1. Can the Minister advise the Council whether the Arthur Anderson report commissioned by the Government confirms that the South Australian Soccer Federation has fully complied with the conditions of subclauses 8.1, 8.6 and 8.11 as outlined in my explanation?

2. Will the Minister advise whether the Government, through the Treasurer, has exercised its right to register a first mortgage over the lease held by the South Australian Soccer Federation on the Hindmarsh Stadium?

3. If the Treasurer has not exercised that right, will the Minister ensure that such right is exercised immediately and advise the Council accordingly?

4. Will the Minister advise the Council whether the Government has secured a fixed charge as stipulated in clause 36 of the funding deed and, if not, will the Minister immediately secure such fixed charge as required under the funding deed and advise the Council accordingly?

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

SOUTH-EASTERN FREEWAY

The Hon. SANDRA KANCK: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about increased traffic noise on the South-Eastern Freeway.

Leave granted.

The Hon. Diana Laidlaw: Are these the constituents whom I met with today?

The Hon. SANDRA KANCK: I don't know. The *Mount Barker Courier* has recently carried a number of letters—

Members interjecting:

The PRESIDENT: Order!

The Hon. SANDRA KANCK: —regarding increased road traffic noise as a result of the redevelopment of the freeway, and the reason I ask this question is that I have been reading the letters in that paper. The exhaust brakes of trucks are identified as the main culprit in this noise pollution. The letters speak of distressing and intolerable noise levels for residents living close to the freeway. They also indicate that the report commissioned by the State Government to assess the impact of expanding the carrying capacity of the South-Eastern Freeway to 30 000 vehicles a day failed to consider the impact upon local residents. Will the Minister authorise

a study into the feasibility of reducing noise pollution on the freeway and, in particular, banning the use of exhaust brakes by trucks on the freeway?

The Hon. DIANA LAIDLAW: This, in fact, was not exactly the matter that was raised with me by the group of residents and the local member, the member for Heysen. They came to praise the communication strategy and the cooperation between Macmahons, the department and residents. However, they did have one issue about noise in the Crafrers area which we will now ensure is monitored.

I am aware that the issue of engine brake noise was a matter of some concern well prior to this Adelaide-Crafrers study and major road project. I think that that matter was first raised through Liberal Party branches in the Adelaide Hills, and that was the reason why I responded promptly some 18 months ago with the erection of signs on the freeway and also across the metropolitan area discouraging drivers of vehicles from using exhaust brakes.

The Hon. J.S.L. Dawkins: And on the Sturt Highway in the Riverland.

The Hon. DIANA LAIDLAW: They are in the Riverland, too. The South Australian Road Transport Association has worked on this project with Transport SA and the Environmental Protection Authority. The noises are being monitored, and I understand that the number of vehicles using their exhaust brakes has reduced.

An honourable member interjecting:

The Hon. DIANA LAIDLAW: By the EPA. It still appears to be a continuing problem on the freeway, and I will certainly assess other options. The South Australian Road Transport Association is working with truck operators in terms of the new tunnel arrangement. That will remove a lot of stress from the drivers and vehicles, and we are hoping very much that, with that stress removed, the engines will not be so overheated and the drivers will not be so concerned about the overuse of brakes and will be more confident about using the gear box rather than brakes in the last descent from the freeway to the Portrush Road, Cross Road, Glen Osmond Road area. I assure the honourable member that it has been actively considered; we are aware of the concerns. The banning of such use has not been actively considered. At this stage we have thought that the best approach is one of education and signage; I have not been persuaded otherwise at this stage, but I will keep an open mind.

BROWNHILL CREEK

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning questions concerning the Adelaide-Crafrers highway and pollution of Brownhill Creek.

Leave granted.

The Hon. T.G. CAMERON: A national water quality monitoring scheme has uncovered unusually high pollution levels in Adelaide's Brownhill Creek. The pollution has been blamed partly on run-off from the current construction of the Adelaide-Crafrers highway. One of the few surviving creeks in the metropolitan area, Brownhill Creek, has long been regarded as ecologically significant. I do not know whether members know Brownhill Creek at all, but it is a lovely little part of Adelaide. I have spent many an occasion down there enjoying an afternoon picnic lunch and a snooze in the sun. However, it is not me who is complaining but local residents. Local residents conducting water testing fear the creek will die if no remedy is found for the coffee coloured water.

Waterwatch testing during May detected the highest levels of turbidity in Brownhill Creek since testing began six years ago. The pollution appears to have worsened since it was first reported to the EPA in May last year. The levels are so high that KESAB took the step of alerting the Patawalonga Catchment Water Management Board to the problem. KESAB Clean Waters regional catchment coordinator, Ms Kaylee deWet-Jones, said the results were the worst recorded since testing began six years ago, and Brownhill Creek Association spokesman, Mr Luke Franham, is reported as saying the EPA had given Transport SA a licence to pollute. Test results show that 70 to 80 per cent of aquatic invertebrates are being killed off between the upper and lower reaches of the waterway. My questions to the Minister are:

1. Is Transport SA aware of the Waterwatch and KESAB testing results; and what steps is the department taking to ensure that the load that currently ends up in Brownhill Creek as a result of the construction of the Adelaide-Crafers highway is being kept to an absolute minimum?

2. Has Transport SA been in contact with either KESAB or the Brownhill Creek Association to discuss this potentially disastrous situation and, if not, will the Minister ensure that it does?

The Hon. DIANA LAIDLAW: I am not sure whether Transport SA is aware of those test results, but I will inquire. I do know that Transport SA has been in contact with the Friends of Brownhill Creek and that a meeting has already been arranged with representatives of the friends to meet with the contractors (Macmahon), Transport SA officers and the independent auditor regarding the environment. The honourable member would be aware that with this project, the scale of which has been the biggest in Australia for some years, the contractors and Transport SA have been very aware of their environmental responsibilities.

The honourable member may have seen the project and noted the amount of earth moved; the infills, most of which have been completely banked with stone; the runway area for water run-off; the holding dams; and the lining of the creek bed of the upper reaches. The Federal Government has made a big investment in environmental management. Certainly I am aware that during May we received record rains and, with the earthworks still in progress, this may have led to some of the outcomes the honourable member has reported. Those reports have been sufficient for me to ask Transport SA to meet with Macmahon Constructors and with the independent auditor and representatives of the Friends, and I think that meeting is due very shortly.

GOODS AND SERVICES TAX

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Treasurer a question about the GST and its impact on South Australia.

Leave granted.

The Hon. CARMEL ZOLLO: At the last Premiers' Conference, South Australia and the other States signed off on a deal which included a 10 per cent GST on virtually all goods and services and a timetable for the abolition of financial institutions duty and other State taxes. Following the recent changes agreed to between the Prime Minister and the Democrats, we now know that there will be no GST on basic food and the deferral of the abolition of some State taxes. Concern has been expressed that there will be increased compliance costs, particularly for small business, and the

possible loss of jobs, as well as an overall decrease in total revenue collected from the GST.

While the intergovernmental agreement apparently provides for financial assistance to the States to assist with any temporary shortfall in their budgets as a result of implementing tax changes, the Victorian Premier amongst others was sufficiently concerned about the proposed changes to the original agreement to call on the Prime Minister to hold another Premiers' Conference. Has the Treasurer determined what increased compliance costs will be imposed on small businesses in particular? I also understand that the Premier in the other House indicated that he expected to receive a report on the implications of a six month delay in the abolition of financial institutions duty. Can the Treasurer advise the Council of those implications?

The Hon. R.I. LUCAS: I will have to take advice as to whether any studies have been done by the Department of Industry and Trade or Treasury in relation to increased compliance costs of implementing the GST. I am not aware of any study conducted by Treasury. I understand that a number of industry groups have commissioned reports in relation to their estimates of compliance costs, so it may well be that information becomes available through that source.

In relation to the second aspect of the question, we have had some initial advice from Treasury, which I have discussed with the Premier, and at some stage we will be in a position to finalise the Treasury analysis. There was another meeting of Treasury officers interstate yesterday where these matters were further discussed in terms of the timing of the removal of various taxes and the sequence in which that might occur. A number of options evidently were canvassed, all of which would have different impacts. When we know the final detail of the Commonwealth's package, and when we have a final agreement between the States and Territories and the Commonwealth, we will be in a position to conclusively do some analysis as to what the impact will be.

In terms of the initial analysis, the claim that the Commonwealth Government and Commonwealth officers have made is that the States and Territories will be roughly in the same ballpark in terms of the net benefit to their budgets and at about the same time. I have reported to this Chamber that, in about 2004 or 2005, South Australia was projected to see some sort of net benefit of \$60 million to \$70 million a year flowing into State revenue over and above what we might have otherwise expected through a continuation of the existing arrangements.

On that basis, if the Commonwealth Treasury's contentions are correct—and we are still looking at those details—we will be expecting at about that time to be getting in the ballpark of \$60 million to \$70 million additional revenue flowing into the State. That is the sort of work that we are still doing. That is the initial work that has been done, and that is the particular contention made by Commonwealth Treasury in relation to the impact on the State budget.

NATIVE VEGETATION

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Minister representing the Minister for Environment and Heritage a question about native vegetation clearance.

Leave granted.

The Hon. M.J. ELLIOTT: I understand from a report that I received today that the Native Vegetation Council has devised a fast tracking process whereby, if a person wants to

clear native vegetation from their property, rather than lodging the application for assessment by officers within the branch, that person has the work done by a consultant who works directly for that person. I ask the Minister: in those circumstances, what sort of confidence can we have in the quality of the assessment being done when consultants want to win another consultancy and it is clear that reputations can be built on the ability to ensure that as many trees as possible are knocked over—

Members interjecting:

The PRESIDENT: Order!

The Hon. M.J. ELLIOTT: —as distinct from officers who work in the department and who have one responsibility—and one responsibility alone—and that is to report on the value or otherwise of the vegetation?

The Hon. DIANA LAIDLAW: That is exactly what the consultants' responsibility would also be.

ELECTRICITY CORPORATIONS (RESTRUCTURING AND DISPOSAL) BILL

In Committee (resumed on motion).
(Continued from page 1399.)

New clause 11AC.

The Hon. P. HOLLOWAY: I conclude my case for this proposed new clause by reminding the Committee that it would prevent any public authority from spending money on promoting any alleged benefits to the State from a prescribed long-term lease under the Act. A couple of points emerged during the debate that I need to address. First, the Treasurer indicated that he thought that, if this proposed new clause were inserted, it would unnecessarily constrain the Government from dealing with a case where it might be necessary to advise people in country districts of the impact of any changes in the ownership of our electricity assets.

The first point I make is that there is an opt out clause. In moving this amendment, the Opposition conceded that there could be some rare examples where it might be necessary to explain a policy in the public interest. So, it provided for that by enabling the Minister to refer the matter to the Economic and Finance Committee and, if both Houses of Parliament agreed, such expenditure could be committed. So, there is an opt out clause.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: That is the second matter: we will deal with that in a moment. That was the first matter which was dealt with by the Treasurer. If there is a genuine reason (and I emphasise 'genuine') for the Government's needing to do it, I am sure that, if this amendment is carried, the Government should have no problem getting that through both Houses.

In relation to the Premier's making a three minute paid advertisement, in the course of which he may refer to the lease of ETSA, I do not believe that such a situation would be prevented by this clause. The clause talks about an advertising campaign and provides that a public authority must not spend public money on an advertising campaign. An 'advertising campaign' is defined as an advertisement or series of advertisements published or to be published by newspaper, radio or television. If one looks at the definition

of 'advertisement', one could not believe that a three minute speech by the Premier would be covered unless, of course, the entire content of that address were related to the electricity lease, in which case I would argue that it should be prevented. If the Premier of this State—

The Hon. R.I. Lucas: How would you decide that? Would we have to submit a script to you for approval?

The Hon. P. HOLLOWAY: Of course not, and the Treasurer knows that.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: It is an advertising campaign. I do not believe that the sort of scenario painted by the Treasurer is caught by this Act.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: It is not caught by this Act. The Treasurer is being quite mischievous in trying to suggest that this situation would be caught by this Act.

The Hon. R.I. Lucas: You said that it would be.

The Hon. P. HOLLOWAY: I said that if the Premier of this State made a paid advertisement that dealt entirely with what he alleged to be the benefits of an electricity lease—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Yes, of course it would be, and so it should be.

The Hon. R.I. Lucas: How do you determine it?

The Hon. P. HOLLOWAY: It is not up to me to determine it: this Parliament will determine it. An advertising campaign means an advertisement or series of advertisements.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: A published campaign.

Members interjecting:

The Hon. P. HOLLOWAY: The Treasurer is deliberately trying to mislead this Committee in relation to the issue. This Treasurer and this Government want to squander public money for its political purpose and we simply seek to stop that. That is what this clause is about and the fact is that the Treasurer, however much he may try to muddy the waters, wants to do it. This Government has already spent between \$500 000 and \$1 million trying to promote the alleged benefit of this sale—

An honourable member interjecting:

The Hon. P. HOLLOWAY: The figure is going higher, and that is to say nothing about what he spends on all the consultants. How much has gone to lawyers on this sale? The cost will be not in the millions but in the tens of millions by the time it is finished, with all due respect to the advisers who are present. The Opposition believes that this amendment should be carried into law. The Government should not be allowed to indulge in specific advertising in an attempt to promote the policies underlying a lease of electricity assets or any alleged benefits of those assets. Enough is enough. We have already spent millions of dollars on that, and we should spend no more. That is why it is necessary, we believe, to enact it in law. I have just reminded myself of another point I need to address. Just prior to the luncheon adjournment, the Treasurer claimed that somehow this measure could reduce the return that we would be likely to get from the lease of our assets.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: I think that if one refers to the *Hansard* record—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: In that case I stand corrected. If the Treasurer is not suggesting, as I thought he did

in answer to a question from the Hon. Trevor Crothers, that if this were passed it might reduce the lease proceeds, I will not proceed further with the matter.

I ask the Committee to support this amendment so that we can ensure that no more money is spent on the lease. If the House of Assembly and the Council ultimately pass this lease, the one aspect on which I agree with the Treasurer is that we have an obligation so ensure that the public receives the maximum return. We will oppose this Bill right up to the final stages.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: How on earth is that hypocritical? We will oppose this sale up to—

The Hon. A.J. Redford interjecting:

The CHAIRMAN: Order!

The Hon. P. HOLLOWAY: Mr Chairman, the Hon. Angus Redford has probably already said too much today, but I will repeat the sentence, though, since he interrupted. Once this process is set in train, once the Act is passed, I do believe that all of us will have an obligation to try to get the best outcome for the State. I think that is an important point to make, and we will do it. The Hon. Angus Redford can wail on. Perhaps he wants to continue to play politics with it; we will not. We will oppose this Bill right up to the end, but once it is there we will seek to get the maximum return. That is why I believe that this clause serves that end by ensuring that no more money is spent on advertising.

The Hon. T.G. CAMERON: I indicate that SA First will not support this new clause, although I have some sympathy for the intentions that have been outlined by the Hon. Paul Holloway and the Hon. Nick Xenophon. However, when one looks at paragraphs (a), (b) and (c) one can easily see that this new clause is more about frustrating, delaying and confusing the lease process rather than any genuine attempt to try to put a rein on expenditure or to limit it. Seriously, if the honourable member was fair dinkum, why did he not move a clause that provides, 'There shall be none.' No, the honourable member has a clause which provides that, first, it has to be referred to the Economic and Finance Committee and then it has to report to both Houses of Parliament. It will take as long to get approval to spend some money on advertising as it has to get this Bill through the Council, and the honourable member knows it. I will tell the honourable member why I have some sympathy for what is intended by this clause—and the Hon. Nick Xenophon referred to it: after being Secretary of the South Australian Labor Party for 9½ years, the overwhelming majority of which time we were in Government, believe you me, members of this Committee, I know how Governments can use money to help political Parties.

The Hon. T. CROTHERS: For all those reasons that my backbench colleague Terry Cameron has outlined I, too, will oppose this new clause. But, worse than anything the honourable member said, I am concerned that if the same filibustering went on in the Economic and Finance Committee to which he referred as has gone on here, the delay could be so indeterminable as to cause terminal the capacity of anybody to effect a maximum price for the sale of the lease. I resolutely oppose this clause and any other amendment designed, in the words of my colleague, as a delaying or stalling tactic relative to the matter of expediting this Bill currently before us in an amended form.

The Hon. P. HOLLOWAY: I have one final point: this Bill cannot pass into law any more quickly than it can get through the House of Assembly tomorrow.

The Committee divided on the new clause:

AYES (9)

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

NOES (10)

| | |
|-----------------------|----------------|
| Cameron, T. G. | Crothers, T. |
| 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. |

PAIR

| | |
|----------------|--------------|
| Elliott, M. J. | Davis, L. H. |
|----------------|--------------|

Majority of 1 for the Noes.

New clause thus negated.

The Hon. R.I. LUCAS: I move:

Insert proposed new clause as follows:

Provisions relating to sale/lease agreements.

11B. (1) If—

(a) an electricity corporation or State-owned company has an easement in relation to electricity infrastructure on, above or under land; and

(b) the Minister, by a sale/lease agreement, transfers part of the infrastructure, or grants a lease or other rights in respect of part of the infrastructure, to a purchaser,

the Minister may, by the sale/lease agreement, transfer to the purchaser rights conferred by the easement but limited so they operate in relation to that part of the infrastructure (which rights will be taken to constitute a separate registrable easement) and may, by a subsequent sale/lease agreement, transfer to the same or a different purchaser rights conferred by the easement but limited so they operate in relation to another part of the infrastructure, whether on, above or under the same part or a different part of the land (which rights will also be taken to constitute a separate registrable easement).

(2) A sale/lease agreement may transfer assets or liabilities (or both) to a State-owned company, Minister, electricity corporation or any instrumentality of the Crown or statutory corporation, or the Crown, with effect at the end of the term of a lease (whether granted by the agreement, a transfer order or otherwise) or in specified circumstances.

(3) In exercising powers in relation to assets or liabilities of, or available to, a body other than the Minister, the Minister is to be taken to be acting as the agent of the other body.

(4) A sale/lease agreement effects the transfer and vesting of an asset or liability or shares, or the grant of a lease, easement or other rights, in accordance with its terms by force of this Act and despite the provisions of any other law or instrument.

(5) The transfer of a liability by a sale/lease agreement operates to discharge the transferor and the Crown from the liability.

(6) Unless the sale/lease agreement otherwise provides—

(a) the transfer of an asset by a sale/lease agreement operates to discharge the asset from any trust in favour of the Crown;

(b) the transfer of the shares in an electricity corporation or State-owned company by a sale/lease agreement operates to discharge the assets of the company from any trust in favour of the Crown.

(7) If a sale/lease agreement so provides—

(a) a security to which a transferred asset is subject ceases to apply to the asset on its transfer by the sale/lease agreement;

(b) a security to which a leased asset is subject ceases to apply to the asset on the grant of the lease by the sale/lease agreement.

(8) A sale/lease agreement may provide that instruments identified in the agreement, or to be identified as provided in the agreement, are to be transferred instruments.

(9) If an instrument is identified in, or under, a sale/lease agreement as a transferred instrument, the instrument operates, as from a date specified in the agreement, subject to any modifications specified in the agreement.

The purpose of this amendment is to facilitate the operation of sale/lease agreements in particular. Clause 11B(1) permits the Minister, by a sale/lease agreement, to transfer to a purchaser rights conferred by an easement and an electricity corporation or State-owned company has, in relation to electricity infrastructure, on, above or under land, being rights in limited, so that they may operate in relation to a part of the infrastructure to which the easement relates.

These rights constitute a separate registrable easement. This will, for example, enable two or more purchasers who have separately leased ETSA's transmission and distribution assets to be granted an easement so that they may access different powerlines carried by the same poles. I remind the Committee that this was an issue that we discussed yesterday afternoon some time. Clause 11B(2) enables the sale/lease agreement to transfer assets and liabilities to a State-owned company, a Minister, an electricity corporation, a statutory corporation or the Crown with effect at the end of the term of the lease or in specified circumstances. For example, a sale/lease agreement might confer on an electricity corporation or a State-owned company the option to repurchase certain assets from a purchaser. In such a case, the transfer of those assets to an electricity corporation or State-owned company will have the benefit of those provisions of the Bill which are intended to facilitate the transfer of assets.

The Hon. P. HOLLOWAY: The identification and registration of easements is a complex issue. Can the Treasurer indicate what progress has been made so far in identifying easements. Has any start been made in relation to registering them?

The Hon. R.I. LUCAS: The member is right: this is a difficult and complicated area. I am advised a reasonable amount of work has been done but much more remains to be done in this area.

New clause inserted.

New clause 11C.

The Hon. R.I. LUCAS: I move:

Insert proposed new clause as follows:

Subcontracting performance of obligations to purchasers

11C. Despite any other law or instrument, an electricity corporation or a State-owned company may, if authorised to do so by the Minister, subcontract to a purchaser under a sale/lease agreement the performance of all or part of the electricity corporation's or State-owned company's obligations under a contract.

This new clause will enable an electricity corporation or State-owned company, if authorised to do so by the Minister, to subcontract to a purchaser under a sale/lease agreement the performance of all or part of its obligations under a contract. The purpose of this amendment is to enable Optima, ETSA and any of their subsidiaries, and any State-owned company to which any of their assets and liabilities have been transferred, to subcontract the performance of their contractual obligations to the purchaser or lessee of one of the State's electricity businesses. This will be necessary where a contract is not transferred to a purchaser under a sale/lease agreement, e.g., because certain obligations or liabilities are attached to it which it is considered should not be borne by a purchaser. This subcontracting will affect a pass through to the purchaser of those contractual obligations which are intended to be borne by the purchaser.

The Hon. CARMEL ZOLLO: Can the Treasurer give examples of such subcontracting?

The Hon. R.I. LUCAS: It is the same example that I listed during debate in Committee last night on a similar

provision. An example would be in relation to software licensing, where what might be transferred to the lessee will be the responsibility to pay the bills and receive the services but not handing over the total licence in relation to some sort of software licence agreement.

The Hon. NICK XENOPHON: Can the Treasurer indicate what the clause contemplates in relation to the intellectual property of, say, a software licence? Who would own the intellectual property in those circumstances? Are there any consequences flowing from it if the intellectual property belongs to a subcontractor which was material in the proper functioning of the entity? To what extent could that entity be prejudiced in terms of the subcontracting arrangement?

The Hon. R.I. LUCAS: My legal advice is that all ETSA would have is a licence. It would not own the intellectual property, because that remains with whoever had the intellectual property in the first place. You just have a licence to use that product. As we transfer that to the lessee, we are not handing over intellectual property at all. We never had it to hand over.

New clause inserted.

New clause 11D.

The Hon. R.I. LUCAS: I move:

Insert new clause as follows:

Special orders

11D. (1) The Minister may, by order in writing (a special order), transfer assets or liabilities (or both) of the purchaser under a sale/lease agreement to another body or bodies.

(2) A special order may only be made at the request of the purchaser made within 12 months of the date of the sale/lease agreement and with the consent of the other body or bodies.

(3) Only one special order may be made at the request of the same purchaser.

(4) In exercising powers under this section in relation to assets or liabilities of the purchaser, the Minister is to be taken to be acting as the agent of the purchaser.

(5) A special order takes effect on the date of the order or on a later date specified in the order.

(6) A special order effects the transfer and vesting of an asset or liability in accordance with its terms by force of this Act and despite the provisions of any other law or instrument.

(7) A special order may provide that instruments identified in the order, or to be identified as provided in the order, are to be transferred instruments.

(8) If an instrument is identified in, or under, a special order as a transferred instrument, the instrument operates, as from a date specified in the order, subject to any modifications specified in the order.

New clause 11D enables the Minister by order in writing to transfer assets and liabilities of a purchaser under a sale/lease agreement to another body or bodies and to make consequential alterations to references to the purchaser and certain instruments. Such an order may be made only once at the request of the purchaser, made within 12 months of the date of the sale/lease agreement to which the purchaser is a party and with the consent of the proposing transferee or transferees.

One of the circumstances in which a special order could be made is to facilitate the reallocation of assets which may have been inadvertently transferred to the wrong entity within a purchaser's company structure or consortium. Other circumstances include facilitating a post sale reconstruction, for example, where that reconstruction is necessary to effect a refinancing of the acquisition of the electricity business which the purchaser has acquired. These circumstances may arise because bidders in privatisations are generally required to put together acquisition structures and to put in place project financing under considerable time constraints.

The Hon. SANDRA KANCK: I can understand that the new owner might want to transfer liabilities back, but I am really struggling to imagine their wanting to transfer back assets. Could the Treasurer give us an example of this?

The Hon. R.I. LUCAS: I just need to clarify that. They are not transferring liabilities or assets back to the Government businesses. It might be their own complicated corporate structure that they have established, which might not be a simple structure. It is a question of transferring assets and liabilities within those corporate structures that they might have constructed. As I understand it, it is not a question of its being transferred back; it is within the complicated structure, financing arrangements or whatever else it is that there might need to be reallocation.

The Hon. SANDRA KANCK: I move:

After subclause (8) insert:

(9) A special order cannot take effect until—

- (a) a copy of the order has been laid before each House of Parliament; and
- (b) the order has been approved by resolution of each House of Parliament.

It is in the same nature of earlier amendments that I have moved and, once again, it is a question of transparency and accountability. The Parliament should be able to see what is happening and to have a say on what is happening.

The Hon. R.I. LUCAS: We really have had this debate now three or four times, so I will not go over it again. For the same reasons, the Government opposes this provision, just as it opposed the other two or three provisions last evening and earlier today.

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

The Hon. Sandra Kanck's amendment negatived; new clause inserted.

The Hon. T.G. CAMERON: I move:

Before clause 12—Leave out new clause 11E and insert:
Terms of leases and related instruments

11E. (1) The Minister is to endeavour to ensure that a prescribed long term lease in respect of prescribed electricity assets or a related instrument contains terms under which—

- (a) the lessee's right or option to renew or extend the lease must be exercised not less than five years before the commencement of the term of that renewal or extension; and
- (b) the risk of non-payment of rent (including amounts to be paid on the exercise of a right or option to renew or extend the lease) is addressed at the commencement of the lease by the provision of adequate security or other means; and
- (c) the lessee must provide adequate security in respect of compliance with requirements as to the condition of the leased assets at the expiration or earlier termination of the lease; and
- (d) the lessor accepts no liability for, and provides no warranty or indemnity as to, a consequence arising from—
 - (i) the lessee's use of the leased assets in trade or business; or
 - (ii) pool prices in the National Electricity Market or a similar or derivative market relating to the supply of electricity; or
 - (iii) competition between participants in the National Electricity Market or a similar or derivative market relating to the supply of electricity; or
 - (iv) regulatory change in the electricity supply industry; and
- (e) the lessee must indemnify the lessor for any liability of the lessor to a third party arising from the lessee's use or possession of the leased assets; and
- (f) the lessee must have adequate insurance against risks arising from the use or possession of the leased assets; and

(g) the lessee must ensure compliance with all regulatory requirements applicable to the use or possession of the leased assets; and

(h) the lessor is entitled to terminate the lease if a breach of the lessee's obligations of any of the following kinds, or any other serious breach, remains unremedied after reasonable notice:

(i) failure to obtain or retain—

- (A) a licence or registration required for the use of the leased assets for their intended purpose in the electricity supply industry under the Electricity Act 1996 or the National Electricity (South Australia) Law; or
- (B) a similar licence, registration or other authority required under subsequent legislation;

(ii) non-payment of rent;

(iii) substantial cessation of use of the leased assets for their intended purpose in the electricity supply industry; and

(i) the lessor has a right or option, at the expiration or earlier termination of the lease, to acquire assets that form part of the business involved in the use of the leased assets for their intended purpose in the electricity supply industry.

(2) If a prescribed long term lease is granted in respect of prescribed electricity assets and the lease and prescribed report relating to the lease are laid before a House of Parliament in accordance with section 11A, a report stating the extent to which the lease complies with the requirements set out in subsection (1) and giving reasons for any non-compliance must be laid before that House of Parliament at the same time.

(3) Non-compliance with this section does not affect the validity of a prescribed long term lease.

(4) A provision included in a prescribed lease or related instrument that deals with—

- (a) the circumstances or conditions under which the lease may be terminated by the lessor or lessee; or
- (b) the application of a security provided in relation to the lease; or
- (c) the pre-payment of amounts payable by way of rent under the lease and the retention of such amounts by the lessor; or
- (d) the continuance of the lease despite the occurrence of unintended or unforeseen circumstances; or
- (e) the continuance of the obligation to pay rent despite the occurrence of unintended or unforeseen circumstances; or
- (f) the amount payable in consequence of a breach of the lease; or

(g) the liability of the lessor in relation to the leased assets, will have effect according to its terms and despite any law or rule to the contrary.

(5) In this section—

'electricity supply industry' means the industry involved in the generation, transmission, distribution, supply or sale of electricity;

'National Electricity Market' means the market regulated by the National Electricity Law;

'prescribed company' has the same meaning as in section 11A;

'prescribed electricity assets' has the same meaning as in section 11A;

'prescribed lease' means—

(a) a lease granted by a sale/lease agreement; or

(b) a lease granted by a transfer order the lessee under which is, or was when the lease was granted, a prescribed company or subsidiary of a prescribed company or any instrumentality of the Crown or a statutory corporation;

'prescribed long term lease' means a prescribed lease that confers a right to the use or possession of the assets for a term extending to a time, or commencing, more than 25 years after the making of the lease;

'right' has the same meaning as in section 11A.

The purpose of this amendment is to render the Minister accountable to Parliament in relation to certain important matters which it might be expected should be dealt with in a

long-term lease sale—that is, a lease of the prescribed electricity assets granted under the Bill for more than 25 years. The amendment requires the Minister to endeavour to ensure that a long-term lease, or a related instrument—and that could be a security document—addresses the matters set out in the amendment. I will give some examples of how the Minister must endeavour to ensure that the lease includes the following—and I will state some of them, although, to use a phrase often used in this place, the list is not exhaustive.

There needs to be a provision that requires adequate security to be provided to cover the risk if the lessee fails to pay amounts due by way of rent or does not return the lease assets at the end of the lease in a satisfactory condition; a provision that indemnifies the lessor for any liability that it may incur to a third party as a result of the lessee's use or possession of the leased assets; a provision that requires the lessee to adequately insure the leased assets; and a provision that enables the lessor to terminate the lease where the lessee commits a serious breach of the lease and fails to remedy that breach after being given reasonable notice to do so by the lessor.

I am sure that all members in this Committee, irrespective of their views on a lease deal, would support a Minister, notwithstanding which Government he was from, having those powers in order to protect the interests of the ratepayers of South Australia. The Minister must report to Parliament on the manner in which the lease addresses these terms and must provide reasons for any failure of the lease to do so.

The remaining substantive provision of the amendment—that is, proposed new clause 11E(4)—is the same as proposed new clause 11E(1) which is included in the amendments proposed by the Treasurer. The purpose of this subclause is to provide that certain terms of the lease which might otherwise not be enforceable against the lessee—for example, because they could be characterised as a penalty—are, in fact, enforceable despite any law or rule to the contrary. I would describe the amendments that I have put forward as enabling the Government to get on with the job of leasing the assets.

The Hon. R.I. LUCAS: Just to assist the Committee, the Government's preferred position originally had been its proposed new clause 11E, which I had circulated in my name. As the Hon. Mr Cameron has, at least in part, indicated, this issue in relation to the terms of prescribed leases has been an issue of recent discussion but it was also an issue of discussion late last year, when the Government had some extended discussions with the Hon. Mr Xenophon and the Hon. Mr Cameron. Whilst the Government's preferred position was its circulated proposed new clause 11E, because of the nature of the discussions that have transpired in recent days, I indicate that the Government does not intend to move its proposed new clause 11E: it now intends to support the amendment that has been moved by the Hon. Mr Cameron, and we acknowledge his interest in this issue in recent times and late last year. We also acknowledge the Hon. Mr Xenophon's interest in this issue late last year.

The Hon. A.J. REDFORD: I do not care whether the mover or the Treasurer answers this question. The Hon. Terry Cameron's proposed new clause 11E(1)(a) provides that the Minister is to endeavour to ensure that a prescribed long-term lease in respect of a prescribed electricity asset or instrument contains terms under which (a) the lessee's right or option to renew or extend the lease must be exercised not less than five years before the commencement of the term of that renewal or extension. Consistent with the statements made by the Hon. Trevor Crothers, would you want to ensure that that

right is not exercised at least prior to the next election? If that clause is adequate, what is there to prevent someone from exercising a right to renew prior to the next election, which would undermine the principles that the Government and the Hon. Trevor Crothers agreed to last week? It may well be a drafting issue, and I may have misinterpreted it.

The Hon. T.G. CAMERON: I do not have the advantage of a handful of advisers at my side—

The Hon. A.J. Redford: Nor do I.

The Hon. T.G. CAMERON:—and I am not a lawyer, but it is certainly our intention that this lease would be extended after the next election.

The Hon. R.I. LUCAS: To clarify the issue, the option to renew cannot be extended until after the next election because the scheme of the staged long-term lease is that this week (we hope) we will vote on the first 25 year lease.

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: Clause 11A(4)(b). So, in this Parliament we vote on the first 25 years and then, after the next election, a vote must be taken on the renewal. This measure provides that you could not leave it for years after the next election. It puts an outer limit after the next election so that it is done within a reasonable time frame, which will be not less than five years before the commencement of the term of that renewal or extension. We cannot do the right to renew prior to the election, because this scheme is all about having an election and having a vote after the election.

The Hon. P. HOLLOWAY: For the reasons that I outlined in some detail last evening on clause 11A, the Opposition believes that this notion of having to deal with parts of this lease after the election is an absolute nonsense. We have consistently put our views on record and that we will not have a bar of it.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: In the light of that and for all the reasons I gave last night, we will be opposing this clause. If the Hon. Angus Redford wishes to keep interjecting and have me go through them all again, I am happy to do so. At this stage I indicate that we will oppose the clause.

The Hon. NICK XENOPHON: I direct my questions to the Treasurer. I understand that it is not the Treasurer's amendment, but I take it that he is supporting the Hon. Terry Cameron's amendment. Is that correct?

An honourable member interjecting:

The Hon. NICK XENOPHON: Yes? Thank you. Subclause (c) states that the lessee must provide adequate security in respect of compliance with the requirements as to the condition of the leased assets, etc. What is defined by 'adequate security'? In other words, are criteria set for that, or does he proposed that those criteria be set forth in the leases?

The Hon. R.I. LUCAS: No criteria are specified at this stage. They would be part of the negotiation in relation to each deal.

The Hon. T.G. Cameron interjecting:

The Hon. NICK XENOPHON: I thank the Hon. Terry Cameron for his response. In addition to that, does not 'adequate security' also imply security in terms of the maintenance of the plant and equipment at the end of the lease period if, for instance, the lease is renewed for whatever reason? In other words, can the Treasurer give us some idea of the parameters of what the security would be required for and the extent of that liability in terms of the overall lease price?

The Hon. T. CROTHERS: As I said in my contribution on the test case, it appears to me that what these companies really want to lease is our underground cables, our domestic supply cables and our overhead high voltage transmission wires across country. I find this question somewhat out of the ordinary, if I can be so kind to the Hon. Mr Xenophon to say that. It seems to me that, if that is what they are buying, they will want to maintain them in good running order so that they do not put money into a dummy investment and they can continue to get an adequate return. It is like a good ship or a good car: if it is not maintained properly it will break down or sink. The people who will ultimately purchase this lease are in no different position in respect of ensuring maintenance of a standard high enough that they get an adequate return on their investment. I think it is a very ordinary question, if the honourable member will pardon me for saying so.

The Hon. R.I. LUCAS: The Hon. Mr Xenophon asked a question in relation to security and, although I am not sure whether I understand exactly his question, I can explain, as I sought to do last Thursday, that within the up-front payment that will be sought from the bidders will be a component of 70 per cent to 80 per cent of the bid which would relate to the first 25 years and, of that, 20 per cent to 30 per cent might relate to the renewals. Within that up-front bid, as the Government indicated last year in discussions with the honourable member and as I did so again last Thursday, there would be the notion within the negotiations for some form of security bond or deposit. So, if after the next election, and it does not appear likely, it would be only a 25 year lease, the Government would not be exposed to a position where in the last five years of those 25 years an operator could run down those assets and fail to maintain them in a suitable condition knowing that they were going to hand them back at the end of a 25 year period.

There are a couple of protections in relation to that. One issue is the not-inconsiderable power of the Independent Regulator, and the second issue is a significant bond, worth some millions of dollars, which would be retained in some way. I think that the honourable member's question went beyond that in relation to other forms of security and, if I have not answered that question, he will need to explain it more specifically so I can respond to it.

The Hon. NICK XENOPHON: In terms of the criteria for the bond, will the bond be payable as part of the terms of the initial 25 year lease? Will it be waived if there is an extension to a 97 year lease? What will the approach of the Government be in negotiations and can an undertaking be given that the security bond will be sufficient to meet any contingencies to ensure that the assets are not run down?

The Hon. R.I. LUCAS: I will try to explain this under two sets of circumstances. Under one set of circumstances—and this is unlikely given the approach now adopted by the Labor Party—if we vote for a 25 year lease and, after the next election, the Parliament votes against it, there would be no continuation of the next three lots of 24 year leases. Under that set of circumstances, which is now unlikely because of what the Labor Party has said, the structure that was to be established would have ensured that, because there would be no renewal, the Government would have to hand back 20 or 30 per cent of the up-front payment. So, X amount of dollars would have had to be handed back to the bidders. The bidders would have bid up front in two components. If they did not get the second component because Parliament voted against it, the Government would have had to repay that amount of money.

Under the honourable member's original scheme, the lessees would have just held on to the money that they had in their trust fund account, but under this scheme the money has been paid to the Government and, after the next election, the Government would have to hand back to the lessees 20 or 30 per cent of the total bid price (whatever amount that might be) because they would not get the three lots of 24 year renewals. So, the Government would physically hand back an amount of money—whatever that 20 or 30 per cent might be.

What the Government intends to do in those circumstances is to say that a component of that would be held by the Government as a form of security deposit or bond. So, we would not hand back the whole lot: we would hold on to a portion of it as, in effect, a bond hanging over the security of those assets for the first 25 year period. Under those circumstances, a portion would be held as a security deposit or bond. So, if the assets were not being properly maintained at the end of that period, the Government would hold on to that money. That is what would happen in those circumstances. However, as I said, because of the approach adopted by the Labor Party, that is unlikely.

We are now talking about how this would operate in relation to the 100 year period. In those circumstances, the Government would hold on to the money. As I said, we will have another look at the drafting of this amendment in that set of circumstances. If there is any need to tidy it up and redraft it, we will either come back and recommit the clause later this evening or revisit it in the House of Assembly. More specifically, the long-term and short-term protection of the maintenance of the assets will be a role and responsibility of the Independent Regulator. The Independent Regulator will say, 'Here's your licence and here are the conditions that you must meet in terms of the standards and the codes.' That will require the operators, obviously, to meet those particular standards. They will therefore need to maintain the assets in a fit condition to meet those standards. The driving force in relation to proper and ongoing maintenance will be more particularly the role and responsibility of the powers of the Independent Regulator.

The Hon. NICK XENOPHON: I appreciate the Treasurer's response, but in relation to some of the other assets, for instance, if a decision is made by the lessee that the life of the generator will be only another 10, 15 or 20 years, does the Treasurer foresee that, given that type of asset, there will be a greater risk; that there would be a need for a bond to be paid up front? Also, can the Treasurer foresee that the Independent Regulator might step in in exceptional circumstances to revoke a licence? Again, I am sure that no member hopes that would happen. But in that event does the Treasurer believe that there ought to be some criteria for a mechanism to establish the level of the bond payable to ensure that the assets are not run down?

The Hon. R.I. LUCAS: I can offer a bit more information which might be of use to members. I think it would be useful to look at our assets in a couple of categories: first, the distribution and transmission assets and, secondly, the generators. The greatest impact on the generators (and I should have mentioned it earlier), of course, will be if someone has leased the generation assets and run them down. They will go out of business pretty quickly. That is not the monopoly part of the market, that is the competitive part of the market. If a company runs down its assets, significant contracts are involved and the company then has down time during peak periods.

We have already seen some generators incurring significant losses in a short period of time. If a company has down time and it has locked itself into contracts the competitive market will work ruthlessly with the generation section of the business. In relation, however, to the natural monopolies, the distribution and transmission businesses involve two aspects. The first, as I have already mentioned, is that clearly the Independent Regulator will be establishing codes and standards in terms of performance and also issuing licences. The businesses will have to try to meet those codes and standards and, if they do not, potentially there will be financial penalties for those businesses. The Government has been working on a performance incentive scheme, and that will mean that if you are able to meet those particular standards you will be rewarded: if you do not, you will not be rewarded. I guess that is the same thing as saying 'financially penalised' in a relative fashion. The powers of the Regulator will impact on those businesses.

I am also advised that there will be a requirement in the documents for some form of guarantee or cash account, and that would come under 'adequate security' for the assets that are there for the duration of the lease, whether it happens to be 25 years or the longer period. Our commercial advisers have indicated that that would be the nature of a long-term lease such as this. There would have to be some form of guarantee or something akin to that, and that is why the phrase 'adequate security' has been used. It would be a part of the negotiations and the eventual resolution of the lease contract with the lessee.

The Hon. SANDRA KANCK: The Democrats will not oppose this amendment. It does not mean that we are absolutely overawed by it or anything like that. It is a bit like someone saying, 'We are going to chop off your leg. Would you like it done with a saw or an axe?' I would probably opt for the axe, because it might be a bit quicker. There appear to be a few provisions that marginally improve things given the structure that has been imposed, but I am not in any way excited by what is before us.

The Hon. P. HOLLOWAY: I indicate that, with the benefit of hindsight from this debate, it yet again illustrates that this structure of lease, with this notion of having to get parliamentary approval after the next election for an extension of the lease, really is a nonsense and does create all sorts of difficulties. The fact that it has proved so difficult to draft necessary amendments to cope with it surely proves the point.

The other thing that is even more concerning is that the nature of having all these moneys set aside in security bonds and so on must surely have a negative effect on reducing debt. We have been told throughout this whole debate that we had to lease or sell the assets to reduce debt. If that was the case, why are we doing it in such a way that money has to be put aside? The structure of this lease is a nonsense, and that is why we will oppose this clause.

The Hon. NICK XENOPHON: For the reasons articulately expressed by the Hon. Sandra Kanck, I will not oppose the amendment.

New clause inserted.

New clause 11F.

The Hon. SANDRA KANCK: I move:

New clause—After new clause 11E insert:

Terms of lease of powerlines

11F. (1) A prescribed lease in respect of powerlines or public lighting infrastructure must contain terms that reserve to the lessor, the Crown or a Minister the right to authorise access to and the use of—

(a) the powerlines or public lighting infrastructure; and

(b) other powerlines or public lighting infrastructure specified in the lease,

for telecommunications purposes or any purposes other than the transmission or distribution of electricity of the provision of public lighting

(2) In this section—

'powerline' has the same meaning as in the Electricity Act 1996;

'prescribed lease' has the same meaning as in section 11A;

'telecommunications' means the transmission of telephonic, radio, computer, television or other signals.

When we talk of the poles and wires, which we all know to be the most profitable part of electricity assets, we think of them as being just there to transmit electricity. However, they have many other uses, having the potential to be used for much more than simply transmitting power.

Since I decided yesterday that we needed an amendment such as this, I have been looking at Stobie poles to see what is on them and how they are used. I hope that the Minister for Transport is listening on her speaker in her room at present because, having looked at what is on Stobie and light poles in my travel between Parliament House and home in the past 20 hours, I have seen attached to them parking signs, no parking signs, no standing signs, length of stay for parking signs, bus stop signs, directional bus route signs, tourist destination signs, clearway signs, bike lane signs, advisory speed signs, aged pedestrian signs, no left turn signs, roundabout signs and main road route signs—and they are just the ones I have seen that come under the Minister for Transport's portfolio.

I was surprised to see on one Stobie pole a set of traffic lights. I was not expecting to see that, but the use of poles for these sorts of purposes is quite widespread. The Minister for Arts—who is also the Minister for Transport—would probably be aware that we use light poles for attaching banners that advertise the various cultural festivals in this State. The Minister for Emergency Services would be interested to know that signs are stuck onto Stobie poles or light poles to advertise Neighbourhood Watch and School Watch, and the Education Minister would also have an interest in that. The Minister for Human Services would be interested to know that, in my travels in the past 24 hours, I have seen a hospital sign stuck up on a pole and also one indicating the direction of CAFHS, although CAFHS does not technically exist any more.

If we allow the new owner of the poles and wires to have total control over their use, has the Government looked at the possibility that these entities—that is, the Ministers for Transport, the Arts, Emergency Services and Human Services, just to take into consideration the ones I have seen in the past 24 hours—might be paying a lot of money to put up these signs? While we still own them and have a say in relation to them, we should ensure that this is left entirely to the Government: we should not allow the new owners in any way to be able to set a fee for those uses. Not only the Government but all sorts of people use them. As members of political Parties, all of us are familiar with the way that they have been used at no cost to the taxpayer for the erection—

The Hon. Nick Xenophon interjecting:

The Hon. SANDRA KANCK: And the Independents, of course: I was going to get to the Independents in a minute, and I will. At present, they can be erected at no cost to the political Parties. Over the past 20 years, particularly since corflute posters became available, it has almost become part of our democratic tradition. The prospect that we could be

facing a fee for putting them up would be an incursion into free speech. For some people, the erection of posters and being able to perceive them as they travel along is one of their primary ways of finding out who is standing in their electorate. I know, for instance, at the Democrat's Party office during the elections we had complaints, because we had not had posters up and the electors had not known who the Democrats candidates were.

For smaller political Parties that do not have funding resources available, being able to put up the posters is probably one of the only ways of getting their message across. For instance, they are not likely to be able to put advertisements into newspapers, and their capacity to photocopy and produce large amounts of leaflets is much limited compared with the capacity of the Labor and Liberal Parties. They will not have the money to be able to post out those sorts of things. When you move away from political Parties and get down to Independents, their not being able to put up posters on Stobie and light poles could be a real restriction.

Again, another of the areas where one sees Stobie and light poles is at the local grass roots level where residents advertise a garage sale. I noted also that a service club had a sign up on one of the poles I saw this morning, and I have seen them used by someone to put up a series of paper posters to say 'Happy Birthday' to a partner. The use of poles is widespread and I would like to see any decision making about how the poles are used in this way remain with the Government. As well as the use for signs of various sorts, the poles and wires have been used for the cable roll-out, although it was a failed roll-out in the end a couple of years ago, but that is what can be attached to the poles.

I now want to turn to the wires because there are technological developments which are close to fruition and which will allow the wires soon to be used for transmitting not just power but high speed speech and data transmission. The German industrial giant WRE is gearing up to begin marketing this sort of technology by the end of next year. It is fairly obvious that faster transmission of Internet data would be fairly attractive and would guarantee lucrative returns if it could be provided via our poles and wires.

In these circumstances, given that I believe it is lucrative, it is important that the Government and therefore the taxpayers of South Australia should be able to reap the financial rewards for this. The new owners will be getting a guaranteed regulated rate of return and, since the Government has announced the intention to sell, there have always been buyers for the poles and wires because it is a no risk investment. Why do we need to give them more? Potentially, much money is to be made through the use of wires in these other areas, and I believe that any money that is made ought to be going to the citizens of this State.

The Hon. R.I. LUCAS: It will not surprise the honourable member to know that the Government opposes the amendment.

The Hon. Sandra Kanck: I am surprised, because I thought you would like the income.

The Hon. R.I. LUCAS: I will address the substantive issue first, which was the latter part of the honourable member's contribution, and towards the end I will return to her concern about signs being attached to poles. Proposed new clause 11F, as moved by the honourable member, would require any lease granted under the Bill, that is, not just a lease which may extend for more than 25 years and which relates to power lines or public lighting infrastructure, to

contain terms that reserve to the lessor, the Crown or the Minister, the right to authorise access to, and the use of, power lines or public lighting infrastructure for telecommunication purposes, etc.

It is the Government's commercial advice that this amendment, if successful, would have a very significant impact on the value of our assets. I think the honourable member conceded that in her contribution. She said these were valuable assets and she wanted to see the income coming to the people of South Australia. So, too, does the Government, but this is a valuable part of the business and, in the bidding for this, bidders will be bidding not just on what they see as the current business but what they might see as the future business opportunities for distribution and transmission businesses.

I am sure that the electricity utilities of the world are reading the same documents and even spending their own money in some of the areas that the honourable member has referred to in her contribution on this amendment. Part of the bidding process will be that those bidders will be bidding and paying money to the people of South Australia by way of an up-front payment. They will be saying, 'We think it is worth this much as part of the asset and we will be bidding this much because we want to beat the other people who are bidding for it.' That will be an important part of the competitive tension for the bidding of some of our electricity assets. The people of South Australia will be benefiting through the process, in terms of the future income potential that might eventuate in some of these businesses.

I am also advised that under the Electricity (Miscellaneous) Amendment Bill it will be a term of the licence granted to a lessee of the transmission or distribution business that the lessee complies with the provisions of the code made by the Independent Industry Regulator that establishes a scheme for other bodies to have access to its poles and wires for telecommunication purposes and for the arbitration of disputes in relation to such access. Accordingly, the Bill provides a means whereby third parties can obtain access to the poles and wires for telecommunication purposes even though they are leased to the lessee. This is a preferable approach to the one proposed in the amendment and is consistent with the concept of access regimes which are being established in a whole range of areas, for example, under the Trade Practices Act 1974.

This is a very significant amendment. If it was successful, it could significantly impact on the value of our electricity businesses. In relation to the first issue raised by the honourable member, I am advised that the point is well made and understood by the Government team. As part of the lease contract negotiation, there would need to be an ongoing requirement or ability for the sorts of Government agency signs and the other signs to which the honourable member was referring in terms of Government agencies, road traffic or whatever that related to it.

The Hon. G. Weatherill: Election signs.

The Hon. R.I. LUCAS: Election signs, I am not sure; we can certainly have those discussions and it may well be that that can be a part of the negotiation as well for all Parties other than the Australian Democrats perhaps. Is that seconded?

Members interjecting:

The Hon. R.I. LUCAS: Okay, because it is an environmentally friendly Party and I am sure that it would not want to despoil the environment with visual pollution.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: Do they? That it is not my recollection from the last election. I must admit that we have not been driven by whether or not the Democrat signs can be erected on these poles, so I have to confess that it has not been pre-eminent in my thinking on this issue. However, it has been raised and in the negotiation stage we will look at it. I would have thought, given that we are talking about one month in every three years (or whatever it might be), that we might be able to negotiate something in terms of ensuring reasonable access under the same conditions that ETSA provides at the moment. Some of the other uses highlighted by the honourable member sound as if they are probably illegal under the current arrangements.

Having been the Minister for ETSA, I am aware of the ETSA policy in relation to signs on poles. They have to be at a certain height and they have to have permission. A whole variety of guidelines govern signs on poles. I suspect that 'Happy birthday' signs and a variety of other signs highlighted by the honourable member have not been through that process and are probably illegal. In the end, if someone puts up a 'Happy birthday' sign, I am not sure whether our new lessees will expend considerable resources chasing someone for placing a sign of a temporary nature on one of its poles. We will certainly take up the issue of the road traffic signs and the other issues in the negotiation process and we will also look at this issue in relation to election signs as well.

The Hon. T. CROTHERS: I listened to the contribution of the Hon. Sandra Kanck and there was much suasion in it in respect of voting for her amendment until I read her amendment in more depth. Of course, one of the problems I have is that, in respect of the Labor Party, the Liberal Party and the Democrats, there is no problems in their being able to have signs printed and placed on those locations that the amendment seeks to embrace without charge—

The Hon. R.I. Lucas: What about Independent Labor?

The Hon. T. CROTHERS: I had not thought of myself. In my usual selfless way I was thinking of SA First, the No Pokies Party and the Independents such as Mr Mitch Williams, Mr McEwen and Ms Maywald in another place.

Members interjecting:

The Hon. T. CROTHERS: Have they really? But what about leaving the poor trees alone, then: you have that problem. I refer to the cost of elections today and to the wish not to have to grovel for huge sums of money from a mega greedy multi corporate that has contributed—as is the case in France, for instance, under socialist Presidents—under whatever—and, indeed, as is the case in America under Republicans and the small 'l' liberal Democrats who occupy those offices. Whatever everyone thinks, the least bad thing about that is that there is a perception among the public that they owe: there is a perception among its owners—and it is sometimes delivered—that they owe; that there is a price to pay in the political processes up the track.

I have always, therefore, given my care for the Independents (which has perhaps become slightly more exacerbated now than was previously the case until several days ago), because of the difficulty you impose on them by even allowing telegraph poles and light poles (and I have used them myself, like everyone else has) to be used to their detriment, because their funds are limited in respect of promoting their own case. As a consequence of that, I have always held the view that the sooner this State Government, like its Federal counterpart, provides the bulk of the funds with respect to election campaign costs—my own Government, under John Bannon, certainly was not game to bite the

bullet and, thus far, we are still living in hope that the present Liberal Government will (I understand that we will be cashed up perhaps when, or if, this Bill goes through, and I might as well put in a pre-emptive strike, like Janet Giles and others)—the better. So, I think it is really a very narrow swig here, because it is really only the Democrats—ourselves and yourselves—who can be involved in that sort of a situation to take advantage of it, if it is going to be charged—and whether it is charged or not, the same thing still applies.

The other matter is that we have gone into the electronic area. I know that the Democrats always like to consider themselves as not being a Party of the left which has this radical approach with respect to new legislation—although, mind you, the lights there are somewhat dimmed, given Meg Lees' sudden conversion on her Damascus road in relation to the GST. So, I just think that it is too much for me to comprehend such a lengthy amendment, particularly when a quick look reveals that a lot of the clauses that refer to electronics can be read in such a wide way that they may well have impact, perhaps, on the capacity of the Electricity Trust to continue to supply electricity, as much as anything else. For those reasons, I unfortunately feel that I must, in the interests of safety and sanity, oppose the Hon. Miss Kanck's amendment.

The Hon. P. HOLLOWAY: I indicate that the Opposition will support the amendment moved by the Hon. Sandra Kanck. Unfortunately, there were two versions of it floating around and I did not get to see the final version until a few moments ago.

The Hon. T. CROTHERS: There are two versions floating around the Democrats—

The Hon. P. HOLLOWAY: Yes, there are, indeed—and in this State. But that is another story. I think the debate and the comments of the Treasurer, in particular, indicate one thing, and that is that the poles and wires business that we are about to lease is really a licence to print money. It is, of course, for that very reason that we need an Industry Regulator to limit the amount of profit that those assets can generate. I think it indicates that what we are really doing here almost is leasing to a private company the right to tax the public, and I think this clause illustrates that point.

At the moment there are existing rights for the use of Stobie poles and, because ETSA Corporation is a Government owned body, those rights exist in the public interest. Clearly, the Treasurer has told us that this is an important part of the sale process so, after the sale or lease, private corporations will be able to increase their profits over that which ETSA would be able to get, because they will be able to charge for something that has hitherto been provided to the public at no cost. That is the implication of what the Treasurer is saying. The point is that the public is benefiting now from access for such things as election signs. The Treasurer has said we will all benefit in that we will get a higher price because, when we lease it, the private buyers will want to charge for the right to the use of their poles. The fact is that the public is benefiting now. They will not benefit anywhere near as much if they have to pay for that right.

We must concede that it is a complex area and, clearly, during the negotiation of contracts, should this Bill proceed, these are the sorts of things that must be addressed. I am not sure that the Hon. Sandra Kanck's amendment impedes that, in the sense that it provides that the terms of the lease must contain terms that reserve to the lessor the right to use public lighting infrastructure. I would assume that, as a result of the lease negotiation processes that the Treasurer was talking

about a few moments ago, these sorts of things would have to be put in the lease somewhere along the line. So, at this stage, while acknowledging that the use of poles is a complex issue, I believe we should support the Hon. Sandra Kanck's amendment so that those public rights, such as the use for elections and other purposes that have been discussed, can continue.

The Hon. NICK XENOPHON: I indicate that I support the Hon. Sandra Kanck's amendment, for the reasons outlined by the Hons Paul Holloway and Sandra Kanck. In particular, I am concerned about the access regime for community issues, particularly election posters. I would like to ask the Treasurer a number of questions in relation to the whole issue of telecommunications access. The Treasurer has rightly indicated that there is an access regime under the Trade Practices Act but that (and I stand to be corrected) that access regime provides for the payment for that access in terms of infrastructure. The Treasurer has indicated that if this was passed it could significantly impact on the price of ETSA if the private operators do not have access and cannot earn an income from telecommunications purposes. Can the Treasurer give an approximate ballpark figure as to what is meant by significant? Is it 5, 10, or 20 per cent of the purchase price in terms of telecommunications?

The Hon. R.I. LUCAS: No, the nature of these things is that no-one can put a figure on it at this stage, because this is blue sky: this is the future. The Hon. Sandra Kanck referred to some of the recent research and there is much other recent research to which I am sure these firms would be privy, in terms of what may or may not be possible in the future. Part of the competitive tension in the bidding process will be those that have a bluer version of the blue sky; that is, they are prepared to bid higher because of what they see as the income earning potential of the assets that they are about to lease. So, it is not possible to say it is 2, 5, or 20 per cent or whatever it is. That will ultimately be determined by the bidding process and what the bidders are prepared to bid for our assets.

The Hon. NICK XENOPHON: I thank the Treasurer for his answer. Further to that, he has indicated that it is blue sky and that being able to use the poles and wires for telecommunications purposes is something that a private operator would be considering. Does the Treasurer stand by his previous statement that it is a significant or at least material part of the sale price in terms of the potential telecommunications usage?

The Hon. R.I. LUCAS: Yes, it potentially could be significant. At this stage, because of what I have just said, obviously I cannot say whether it will be 5 or 20 per cent or whatever it might be. That will ultimately be determined by the bidding process. Companies from around the world will be bidding for our assets, and we hope that a number of them have a view that will inflate the price they pay for our leased assets. From that viewpoint—and it is not mine because I am not a person with expertise to indicate what the commercial value might be—our commercial advisers say that this is a potentially significant issue and, in terms of this amendment, a number of members have said that they want to see the objective of maximising the value of our leased assets, and if members were true to that objective they would not support this amendment.

The Hon. NICK XENOPHON: I thank the Treasurer for his response as to the potential significance of the use of the poles and wires for telecommunications purposes. Can the Treasurer confirm whether, when the Government was giving

its projections as to the potential drop in revenue of ETSA in years to come under public ownership, the potential significance of the income from the poles and wires in respect of telecommunications purposes was taken into account?

The Hon. R.I. LUCAS: The answer is 'No' on both counts. On one side, we did not factor in potential income, and, on the other, we did not factor in what might be very significant capital investment that either the Government-owned business or a private business might have to invest to make that income. Income does not just materialise. Significant capital investment might be required. In this area, we could be talking about very large sums of money. On both sides of the balance sheet, the Government had not factored that in. At this stage, there is nothing concrete. These are ideas or concepts that businesses may well have for the future.

The Hon. T.G. CAMERON: I return to the question of posters on Stobie poles, because I am not sure that I understood either the question or the answer on this issue. At the moment, if a candidate wants to put a sign on a Stobie pole, they have to seek the permission of the Electricity Trust.

The Hon. T. Crothers: And some councils.

The Hon. T.G. CAMERON: And some councils, depending on whether they have moved by-laws. What would be the situation in relation to that matter if this amendment is not passed?

The Hon. R.I. LUCAS: There have been problems. Having been involved with the administrative wing of a political Party at one stage, as the Hon. Mr Cameron was, I can remember an election campaign in the late 1970s or early 1980s when, for some reason, the then Minister for Infrastructure seemed to take a different view from previous Ministers about the use of ETSA poles. It was soon changed but there have been problems in the past, having been on the other side of the equation.

The Hon. R.R. Roberts: Was he still a Minister after that?

The Hon. R.I. LUCAS: I will not comment on that. In relation to the honourable member's question, what I have indicated on behalf of the Government is two things. As part of the negotiation process with the particular lessees, the Government would ensure that there would be continued access for the sort of road traffic type signs that the Hon. Sandra Kanck was talking about, and we would not require payment for those signs. We had not contemplated the notion of Democrat concern about election signs, but it has now been raised. In the negotiation process, we would seek to achieve some sort of opportunity during the limited period of an election campaign, which might be four weeks, for continued access under the same guidelines and arrangements that ETSA currently uses for election signs, that is, no charge for election signs during an election period. The honourable member then moved onto questions of birthdays and a variety of other things. As I said then, I think a number of those aspects are probably illegal under the current arrangements.

The Hon. NICK XENOPHON: As this issue has now been raised in terms of election signs, will the Treasurer give an undertaking that the status quo will remain and that authorised uses of Stobie poles will continue?

The Hon. R.I. LUCAS: I have given as much of an undertaking as I think I can at this stage because of the fact that this issue has only just been raised. As I said, the Government will seek to organise an arrangement which will allow the continuance of that practice in the negotiations for the lease contracts. I cannot imagine a set of circumstances

where we could not achieve that, but the issue has only just been raised. I think I have given as full a response as I can at this stage. We will take up the issue along the lines I have suggested.

The Hon. M.J. ELLIOTT: Regarding the potential use of electricity infrastructure for telecommunications—I am not talking about just slinging up Optus or Telstra wires but the use of the electrical cables themselves—I have received correspondence from a couple of people stating that significant research is already happening overseas in this area and that there is a very real possibility of this happening. Will the Treasurer indicate whether the Government—

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: The use of the electricity cables themselves as a telecommunications device.

The Hon. R.I. Lucas interjecting:

The Hon. M.J. ELLIOTT: Yes, I know. I am aware of that: I heard it. What I want the Treasurer to indicate is what work the Government has done in looking at what stage that research has reached, because he has indicated that some bidders might have taken that into account in terms of offering a price. However, in terms of trying to establish what value has been kept by us, I want to know whether or not the Government—

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: I am asking the Treasurer what work has been done in that regard.

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: I am not for a moment suggesting that we ourselves would become the telecommunications company or that we would put in any additional infrastructure to make it happen, but it does mean that the value to us of the asset becomes significantly greater. I just want to know what work the Government has done on this.

The Hon. R.I. LUCAS: I am not sure that I can add too much more to my response to the Hon. Sandra Kanck when she asked this question earlier. The Government itself has not been actively involved in looking at the particular issue which the Hon. Sandra Kanck raised earlier this afternoon. It may well be that the electricity businesses might have, but I am not in a position this afternoon to share that information.

I am sure there are people in the electricity businesses who have kept abreast of worldwide research and development in these areas. Whether they are at the forefront or are just keeping abreast of it, as are the Hon. Sandra Kanck, the Hon. Mr Elliott and others, by reading journals and a variety of other things, I cannot indicate. I am sure that they would be in the same position as the Hon. Mr Elliott and the Hon. Ms Kanck in that they would be keeping abreast of what is going on around the world, and they would be well aware of these sorts of possibilities.

As to how the Government would seek to tackle this issue, clearly one of the advantages of having consultants with considerable expertise in terms of managing these processes is that we can look to see whether that expertise is available within the advisory team to inform us of what is occurring around the world. The Government's advisory team has considerable experience not just in Australia but around the world and in respect of not just electricity but all utilities and the trend in some parts of the world for merging utility businesses. That considerable expertise that is available through the Morgan Stanley group, in particular, will be an important part of this sort of process.

That is another reason why, whilst it is easy to criticise advisers who have worldwide experience, when one asks

these sorts of questions, the Government's having that sort of expertise available in managing the process makes it well placed to be able to get the sort of answers that it would hope to get. My advice is that no-one will be able to put a specific figure on it, but they are aware of these sorts of developments. Clearly, some bidding companies will also be aware of some of these developments and the future income generating potential, possibly, of some of these developments for their business.

The Hon. M.J. ELLIOTT: I take it then from the Treasurer's response that it has not been an issue of great moment and that, until now, no significant attention has been paid to it?

The Hon. R.I. LUCAS: No, the honourable member cannot take that from my response. I say exactly what I said before: that the Government has not been undertaking considerable research and development in this area. However, it is an important issue, and one reason why we are strenuously opposing this development is that our commercial advice, which has been provided through Morgan Stanley and the other advisory team, is that this is a significant part of the blue sky potential of these electricity businesses. Certainly one cannot, as the honourable member has indicated, take it that that is my position.

The Hon. T.G. CAMERON: I would be very interested in looking at the article to which the Hon. Mike Elliott refers, that is, if he would be kind enough to let me look at it. If one looks at the amendment that has been moved by the Hon. Sandra Kanck one can see that 'telecommunications' is defined as meaning the transmission of telephonic, radio, computer, television or other signals. Why on earth would South Australian ETSA have been conducting research to discover the value of the poles and wires for some of these technologies when they have not even been invented or the technology does not exist—

The Hon. Sandra Kanck interjecting:

The Hon. T.G. CAMERON: I have asked the Hon. Mr Elliott. He is the only person who has this article.

The Hon. M.J. Elliott: You are making claims without having seen it.

The Hon. T.G. CAMERON: What am I supposed to do if I have not seen it?

The Hon. M.J. Elliott: Well, don't say that it does not exist.

The Hon. T.G. CAMERON: Has ETSA seen it?

The Hon. M.J. Elliott interjecting:

The Hon. T.G. CAMERON: The honourable member might be the only person who has it. Does it talk about telephonic, radio, computer, television or other signals? I think the honourable member's question about whether ETSA has done research into this and can state quantifiably whether or not there is a value to it is just arrant nonsense. It really is, Michael. It is just a last desperate attempt to try to—

The Hon. M.J. Elliott: You are just defending your position. You won't hear anything at all. That is why you vote with them all the time. You haven't voted for a single amendment yet, I don't think, have you?

The Hon. T.G. CAMERON: Because it has all been rubbish.

The CHAIRMAN: Order!

Members interjecting:

The CHAIRMAN: Order! The Hon. Mr Cameron will come to order.

The Hon. SANDRA KANCK: I indicate my disappointment at the Treasurer's answers. First, he indicated that the

issue of election posters has just been raised. Certainly, it has just been raised by me today, but I would have thought that, in going about this process of sale, the Government would have thought about the assorted uses to which polls can be put. The Government announced the sale in February last year. We have had a Federal election in that time, during which time, I imagine, the Treasurer might have seen some posters displayed on Stobie poles—

The Hon. M.J. Elliott: He lives in Burnside.

The Hon. SANDRA KANCK: Oh, he lives in Burnside, does he?

The Hon. M.J. Elliott interjecting:

The Hon. SANDRA KANCK: Right; they do not see things as the rest of the world sees them. That aspect alone has disappointed me, and the way in which the Government has gone about this shows a lack of foresight. I am also not particularly satisfied by the Treasurer's saying that he will negotiate with the lessees. We have no guarantee of the success of that negotiation. We are simply put in the position of having to trust the Government, and I am finding it increasingly more difficult to trust it. I repeat what I said—

The Hon. T.G. Cameron interjecting:

The Hon. SANDRA KANCK: For the Hon. Mr Cameron's—

The Hon. T.G. Cameron: No way I'd trust you lot—

The CHAIRMAN: Order! The Hon. Sandra Kanck will go on with her explanation. We have already spent an hour or so on this.

The Hon. SANDRA KANCK: For the Hon. Mr Cameron's information, I actually mentioned when I was moving the motion that the large German company RWE is about to market the technology next year. So, we are not talking about pie in the sky stuff. The Treasurer's answer indicates that reserving the right so that the Government would have an ongoing revenue stream, particularly from the use of the wires for these other purposes, would not impact upon the price the Government hopes to get in this privatisation process. The corporation had operating revenues last year of more than \$1 billion, and that is the share of money for which the potential lessees are bidding. If the Treasurer is correct in saying that the blue sky stuff has been taken into account and is an essential part of the price that will be sought, I suggest that at the time of the negotiation the Treasurer ask them what will be the difference in price according to whether or not this opportunity to use the wires for whatever purpose is left for the buyer. On the basis of the difference of the two prices, the Treasurer ought to think very carefully about coming back to this Parliament and moving an amendment such as this at some time in the future because, unless he has properly quantified this, we will be sold a pup.

The Hon. NICK XENOPHON: Given the quite laudable work that this Government has done in terms of information technology and looking at a smart city approach—and I think the previous Labor Government did this in terms of a smart city, having access to technology and making Adelaide a world leader in this regard—is the Government concerned that not having governmental control over the use of the poles and wires for telecommunications purposes would be inconsistent with the previously stated objectives of this Government?

The Hon. R.I. LUCAS: As I indicated earlier, an access regime will be available. I remind the honourable member of my earlier response to the first question on this provision. There will be an access regime, and we believe that the sorts of things that the honourable member, the Minister for

Information Economy and the Government have been talking about are compatible with the proposed lease arrangement.

The Hon. SANDRA KANCK: I just want to make an observation again about my concerns. We know that the vegetation controls will be handed over to the lessees. In the light of the money that may be made through the use of the wires in this way, from an environmental point of view we face the possibility of enormous environmental destruction if the wires can be used for data transmission in this way and in a much quicker and cheaper way. All the incentives will be there to maximise return, and that will mean that more and more trees will be cut down in the process. The Government, by simply leaving this to the lessees, is ensuring more environmental destruction in this State.

The Committee divided on the new clause:

AYES (9)

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

NOES (10)

| | |
|-----------------------|----------------|
| Cameron, T. G. | Crothers, T. |
| 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. |

PAIR

| | |
|---------------|--------------|
| Gilfillan, I. | Davis, L. H. |
|---------------|--------------|

Majority of 1 for the Noes.

New clause thus negatived.

Clause 12.

The Hon. R.I. LUCAS: I move:

Page 8, lines 32 to 37—Leave out subclauses (1) and (2) and insert:

(1) Subject to subsection (2), a Government guarantee has no application in relation to—

(a) transferred liabilities (unless the liabilities are transferred to a public corporation and the guarantee under section 28 of the Public Corporations Act 1993 applies or the liabilities are transferred back to the electricity corporation to whose liabilities the guarantee originally applied); or

(b) liabilities of a company that was an electricity corporation or State-owned company before the shares in the company were transferred to a purchaser under a sale/lease agreement.

(2) If the Treasurer declares by order in writing that a Government guarantee continues to apply in relation to specified liabilities and a specified transferee or company, the Government guarantee will be taken to continue to apply (indefinitely or for a period specified in or determined in accordance with the order) to the liabilities as if the specified transferee or company were the electricity corporation to whose liabilities the guarantee originally applied.

New subclauses (1) and (2) expand the scope of existing clause 12. The effect of this amendment is that, unless the Treasurer declares by written order to the contrary, a guarantee under the Public Corporations Act, a guarantee or indemnity given by an electricity corporation or a guarantee or indemnity under the Public Finance and Audit Act will generally have no application to liabilities that are transferred by a transfer order or sale/lease agreement or that are liabilities for a company that was an electricity corporation or a State-owned company before the shares in that company were transferred under a sale/lease agreement. The written order of the Treasurer may provide for the guarantee to

continue to apply indefinitely or for a period specified in, or determined in, accordance with the order.

The Hon. P. HOLLOWAY: Can the Treasurer tell us what guarantees or indemnities the Government intends to continue? Is there a compilation of all those guarantees or indemnities in existence?

The Hon. R.I. LUCAS: I understand our advisory team has started some work in that area but there has not been that much progress yet made in this area, so there is a lot more work that has to be done.

The Hon. P. HOLLOWAY: Does the Treasurer have a ballpark figure, first, as to how many guarantees and indemnities might be involved and, perhaps more importantly, what sum might be attached to them?

The Hon. R.I. LUCAS: Someone in the advisory team might have some rough estimate but we do not have any statistically valid or reasonably representative estimate that we could share with the honourable member during this Committee stage.

Amendment carried.

The Hon. P. HOLLOWAY: I move:

Page 9, after line 2—Insert:

(3a) If a Government guarantee is continued by an order under this section, the Treasurer must cause a report to be laid before each House of Parliament not later than 14 sitting days after the making of the order, giving details of the guarantee and the liabilities to which the guarantee relates including the maximum amount that might become payable under the guarantee.

This is an accountability clause which just provides that if a Government guarantee is continued by an order under this section the Treasurer must cause a report to be laid before each House of Parliament within 14 sitting days of making the order. That report would give details of the guarantee and liability. It is simply so that the Parliament can be aware of what is happening in relation to these guarantees.

The Hon. R.I. LUCAS: I am advised that the Government has no problems with this amendment and, in the spirit of reasonableness that has been demonstrated, we are prepared to support it.

Amendment carried.

The Hon. P. HOLLOWAY: Can the Treasurer say how charges will be determined for the use of the guarantee under subclause (3)?

The Hon. R.I. LUCAS: No, at this stage I am told that we have no fixed idea of the charges that might apply under that provision.

The Hon. P. HOLLOWAY: Are we looking at cost recovery or are we looking at something beyond that? Are we looking at some significant amount for the State from the use of the Government guarantee to continue; or are we just looking at charges to cover the transfer of the guarantee? I think there is an important distinction.

The Hon. R.I. LUCAS: As with all things, we will endeavour to be reasonable in relation to these things, but my advice is that we really have not contemplated a level of charges for the particular guarantees that are laid out. There may well be some established precedence in terms of these sorts of charges that we might make but, at this stage of the Committee, I am afraid that I am not in a position to provide much more advice to the honourable member than that.

The Hon. P. HOLLOWAY: Are we talking about hundreds, thousands or millions in relation to what sort of charges might be involved, given that we have no idea exactly what guarantees are out there?

The Hon. R.I. LUCAS: I am afraid that I cannot offer anything more than I have said in relation to the first two answers. I move:

Page 9, after line 2—Insert

(4) In this section—

‘Government guarantee’ means—

- (a) a guarantee under section 28 of the Public Corporations Act 1993;
- (b) a guarantee or indemnity given by an electricity corporation;
- (c) a guarantee or indemnity under section 19 of the Public Finance and Audit Act 1987.

This amendment introduces a definition of Government guarantee for the purposes of new clauses 12(1) and 12(2).

Amendment carried; clause as amended passed.

Clause 13.

The Hon. R.I. LUCAS: In the interest of expediting the debate, I will move my four amendments in relation to clause 13. If members have problems with particular amendments, obviously we can vote on them sequentially. I move:

Page 9—

Line 10—Leave out ‘The’ and insert:

Subject to any contrary provision in a transfer order, sale/lease agreement or special order, the

Lines 30 and 31—Leave out ‘that is not transferred’.

Page 10—

Line 4—Leave out ‘subject to any contrary provision in a transfer order or sale/lease agreement,’.

After line 6—Insert:

(3) Subject to any contrary provision in a transfer order or sale/lease agreement, the following provisions apply in relation to leased assets:

- (a) if a security held by the lessor is referable to a leased asset, then, so far as it is referable to the leased asset—
 - (i) the security is available to the lessee as security for the discharge of the liabilities to which it relates including, where the security relates to future liabilities, liabilities incurred after the grant of the lease; and
 - (ii) the lessee is entitled to the same rights and priorities and is subject to the same liabilities under the security as those to which the lessor would have been entitled or subject if there had been no lease;
- (b) if the lease is derivative of another lease (the head lease), the lessor incurs no liability (nor does the head lease become liable to forfeiture) because the lessor has granted the derivative lease, or has parted with possession of property, or permitted the possession or use of property by another person, contrary to the terms of the head lease;
- (c) an instruction, order, authority or notice given to the lessor before the granting of the lease is, so far as it is referable to a leased asset, taken to have been given to the lessee;
- (d) the lessee is entitled to possession of all documents to which the lessor was entitled immediately before the granting of the lease that are entirely referable to a leased asset and is entitled to access to, and copies of, all documents that are referable to both a leased asset and any other asset or liability;
- (e) the lessee has the same right to ratify a contract or agreement relating to a leased asset as the lessor would have had if there had been no lease;
- (f) in legal proceedings about a leased asset, evidence that would have been admissible by or against the lessor if there had been no lease may be given in evidence by or against the lessee;
- (g) legal proceedings in respect of a leased asset that had commenced before the granting of the lease may be continued and completed by or against the lessee.

In relation to line 10, this amendment provides that the operation of any of the provisions of clause 13 may be excluded to the extent specified in the transfer order, sale/lease agreement or special order. In relation to lines 30 and 31, this amendment is made to ensure consistency with the corresponding provision in proposed new clause 13(3). In relation to line 4 on page 10, this amendment is a consequential amendment because of a previous amendment to

clause 13(2). The amendment after line 6 on page 10 inserts a new clause 13(3). Existing clause 13(2) relates to transferred assets and liabilities, and proposed new clause 13(3) provides for similar provisions to apply in relation to leased assets. Its insertion is intended to expressly accommodate the leasing of assets whether pursuant to a transfer order or sale/lease agreement.

The Hon. P. HOLLOWAY: I assume that many of these provisions apply to cross border leases. Is that correct? Have they been inserted in the legislation for the benefit of dealing with those cross border leases?

The Hon. R.I. LUCAS: I am advised that these provisions have not been inserted specifically to apply to cross border leases; they are general provisions, but they may well relate to cross border lease issues.

Amendments carried; clause as amended passed.

Clause 14.

The Hon. R.I. LUCAS: I move:

Page 10—

After line 10—Insert:

(ab) whether specified assets are or are not leased assets and the identity of the lessee;

Lines 11 and 12—Leave out 'and the identity of the transferee'.

The first amendment, after line 10, is intended to expressly accommodate the leasing of assets. It is consequential on earlier amendments. The amendment with respect to lines 11 and 12 is a consequence of previous amendments to differentiate between transferred assets and liabilities and leased assets.

Amendments carried; clause as amended passed.

Clause 15.

The Hon. R.I. LUCAS: I move:

Page 10, lines 20 and 21—Leave out paragraph (a) and insert:

(a) in payment of an amount equal to any payment made by an electricity corporation, or a body by which assets or liabilities have been acquired under a transfer order, on the termination or surrender of a lease entered into before 17 November 1998;

This amendment enables the proceeds of a sale/lease agreement to be applied in payment of any break costs that may be incurred in respect of existing leases. The existing provision is broader in that it permits the proceeds of a sale/lease agreement to be applied in discharging or recouping liabilities of electricity corporations.

As we move into this debate, we enter the area of how we will apply the proceeds of a sale/lease agreement. This first provision just highlights a point I raised last week, I think it was, that there might be some break cost. As I have indicated previously, the Government does not intend to make any public comment about what those break costs might be. Clearly, this will be a very sensitive issue for negotiation with third parties, and it will be the Government's intention, consistent with the objective of maximising the sale proceeds to go towards the repayment of debt, that we obviously minimise whatever the potential break costs might be for any of these leases.

The Hon. P. HOLLOWAY: This amendment replaces the provision in the Bill as it came from the House of Assembly, and that seemed to be a more general provision. The original provision stated that the sale proceeds could only be used for discharging or recouping liabilities of an electricity corporation, including liabilities transferred to a body by a transfer order. Why do we need this new wording? Is it, in fact, more restrictive than the original clause?

The Hon. R.I. LUCAS: The honourable member is quite right. This has occurred as a result of negotiations I had with the Hon. Mr Crothers, who made it quite clear that he wanted the overwhelming majority of the money to go to the repayment of the debt. He was only prepared to contemplate exceptions to that in very few circumstances, and one of those was this issue of the break costs. It is true to say that the provision we had passed through the Assembly was much broader and, therefore, this provision is more restrictive, but that is as a result of the negotiating position of the Hon. Mr Crothers, with which the Government has agreed, that, to the greatest extent possible, the overwhelming majority of this money will go towards the repayment of debt.

The Hon. P. HOLLOWAY: How does the Government deal with the liabilities of those electricity corporations that are transferred? How will they be discharged if they cannot be discharged through the application of the proceeds of the lease?

The Hon. R.I. LUCAS: It will depend on the nature of the liabilities. In some circumstances it might mean that the bidders will have to take that into account if they take over the liability, and that may or may not impact upon their bid price. It will be one of the many factors that they will have to take into consideration.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: Well, it might, but in the end they might then be bidding on the basis that they will work out what they see as a potential benefit. They know they are in competition with a number of other bidders and they will then have to bid to a degree that beats the other bidders. So, they will be bidding not just at a particular level but also in terms of how much blue sky they see in the business and the nature and structure of their existing business. A thousand variables will impact on their final bid decision, and this will just be one of those thousand variables that they will take into consideration. If it is a liability that remains with the Government, that will be a responsibility for the Government to handle in some way through its normal budget process.

The Hon. P. HOLLOWAY: It is an important point. It is my understanding that the electricity assets as a whole carry something between \$500 million and \$1 billion debt on their books. How will that be treated in the lease process?

The Hon. R.I. LUCAS: We need to clarify that. The electricity businesses' debt is part of the \$7.5 billion debt that the State carries. That debt includes the borrowings that have been taken out by the electricity businesses. This should not be read as meaning that we will not be repaying the debt of the borrowings of the Electricity Corporation. That will be managed in the process, and that will reduce the \$7.5 billion net debt that the State of South Australia has.

The Hon. P. HOLLOWAY: Exactly what liabilities are we talking about? What liabilities will be acquired under a transfer; or are we just talking about the usual accrued liabilities, accounts payable or whatever?

The Hon. R.I. LUCAS: The honourable member has just answered his own question. Accounts payable is a perfect example of something that these businesses might have at the time of the transfer. They will have to be managed in some way during the lease process.

Amendment carried.

The Hon. T. CROTHERS: I seek direction from you, Mr Chairman. I have a number of interrelated amendments on file.

The CHAIRMAN: How complicated are they?

The Hon. T. CROTHERS: Amendments coming from me with my simple soul are not complicated. I am not amending what is on file. I am in your hands, Sir: my preference is to deal with the amendments together as a package. However, you may wish me to deal with them one by one.

The CHAIRMAN: They are interspersed with other members' amendments. We will take one amendment at a time.

The Hon. R.I. LUCAS: Let me suggest a process. I understand that this is a package of amendments, but the problem is that the first part of the package is separated from the second part of the package by other members' amendments. I suggest that the honourable member move the first amendment, that is, to leave out paragraph (c), and use that as a test vote for his total package.

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: Can I suggest a process? If the Chairman and the Committee agrees, it would seem sensible for the Hon. Mr Crothers to move the first part of his amendment, lines 24 and 25, to leave out paragraph (c) but that he speak expansively to his whole package of amendments and that we use that as a test vote on his whole package. If it succeeds, then, when we get to the second part of his amendment, he moves that as a consequential amendment. I think that process would suit the table staff, members of the Government and members of the Committee.

The CHAIRMAN: If that is the wish of the Committee, it would be a good way to proceed. I have an amendment from Hon. Mr Crothers in front of me. I ask him to proceed.

The Hon. T. CROTHERS: I move:

Page 10, lines 24 and 25—Leave out paragraph (c).

This amendment deletes the paragraph currently existing in the Bill before me. I shall explain why that is necessary when it comes to moving the other amendment standing in my name.

Paragraph (c) is a much more wide-ranging amendment than that which I would seek to specifically tie in to that section of clause 15. This matter is most important to me because it does a number of things, and I come now to my second amendment which I will not move at this stage but which is as printed; that is, after the deletion of paragraph (c) in my first filed amendment, it is then followed by a further amendment which seeks to be much more specific as to how moneys would be spent relative to the amendment standing in my name.

My original thoughts, which I kept to myself—and this is my amendment—was for the sum of \$200 million. If one considers that the lease would sell for \$5 billion, it is some 4 per cent of the total moneys received. However, in discussions of more recent note that I had with the Treasurer, he then informed me that his Government was going to secure the services of an investment counsellor. I have a set against investment counsellors, but I was forced to concede that that would be so very necessary when dealing with the international money markets of this earth.

However, there is still in my psyche some iron as to how that \$50 million, which I understand will be the approximate cost of engaging this expert adviser—

An honourable member: You could ask Terry Cameron.

The Hon. T. CROTHERS: When ignorance is bliss, it is a folly to answer, isn't it? It was my view that the main name of the game should be, in so far as it is possible, to reduce the size of the principal to the extent that it all sorts

out at about \$200 million, given the \$50 million costs advised by the Treasurer. That reduced it to about \$150 million and I told the Treasurer that, if that was the case—and I reluctantly accepted what he said, given the size of the matter before us—I would reduce the quantum contained in my amendment by \$50 million. That would leave the sum involved in the reduction of the principal to be of the same order as I suggested before I found out about the cost of the investment counsellor.

In addition, the further part of my second amendment relates to specific matters as to how this \$150 million, should it pass this Chamber, would be used relative to what I see as being a necessary bridging amount. This Government is strapped for cash, given the economic woes of this State. If this Bill progresses, I perceive that, between the time that negotiations for the investment start and the time that interest rates savings start to flow into consolidated revenue, a period of nine or perhaps 12 months could elapse before the Government's parlous ready cash position will be ameliorated to some extent by the flowing into consolidated revenue of what I estimate to be not less than \$1.2 million a day from savings on interest rates currently paid, should the price received by the Government for the selling of the lease of the assets be about \$5 billion. If it is more, the Government will get a bigger saving and so forth.

The Adelaide to Darwin rail link, which I have touched on, is one such measure. I believe that it could have been helped to get under way before a little politically correct John Howard sided with the project in the Eastern States for political purposes, because he understands that Federal elections are generally won in the three most populous of our Eastern States, namely, Queensland, New South Wales and Victoria. It is not just happenstance that he threw his weight behind the Melbourne to Darwin rail link project. Again, time is of the essence if this State is to get the advantages of the selling of the lease of this asset. That is one way in which employment would be helped and mining industries could open up. Even now, but especially when the Asian and South-East Asian markets come good again, that rail link will provide a lifeline relative to the resuscitation in part of this State's economy and all that flows from that. I will not go into the details or bore the listener about the number of people who will be employed in building that rail link: suffice to say that Darwin has already enhanced its port handling capacity and provision is now in place in Darwin—

The Hon. Carolyn Pickles interjecting:

The Hon. T. CROTHERS: Don't interrupt! Listen and learn. That is your trouble: you never listened enough before. I will not go into the details except to say that the port at Darwin has been enhanced to the extent that it can handle any container traffic that might emanate out of Adelaide as a consequence of the rail link. In this day of containerisation, other spur feeder links might well be built into that line and Adelaide may also act as a service area for some aspects of imports into the other States. That is a possibility, as well.

The Arkaringa Basin project, which proposes a power station being built symbiotic with the steel smelter more than 1 000 kilometres north of Port Augusta, will receive an enormous boost relative to its future advancement given that there is an enormous source of coal in the Arkaringa Basin, and a large deposit of good quality iron ore has been found, from memory, some 85 kilometres distant from the mine.

Such is the proximity of these two assets that they remind me of that which started the Industrial Revolution in England: that is, they have coal and iron ore situated adjacent to each

other. I think that this rail link as a first and primary shot at the resuscitation of this State is absolutely essential. Moreover, it must be done before any public statements by John Howard, in terms of people being prepared to invest money in it and relative to whether it should succeed or fail, give the Melbourne project an enormous boost.

This proposed link goes up through the country areas of Victoria, New South Wales and Queensland and right across the top of the Atherton Tablelands into Darwin. It would have a certain attraction for all Federal politicians in assisting them to gain mileage out of it relative to future Federal elections. I believe that it is absolutely essential. It will put out a lifeline to a number of towns in the hinterland of our State, and it will lead to the development of at least one and possibly more towns within reach of that rail link.

I need not remind listeners that we are already linked with Alice Springs. Whilst it is true that some bridges may have to be strengthened and more maintenance work than is currently the case will have to be done to make way for heavier traffic, by and large the link is in place. I recall a statement by our effective and efficient Minister for Transport that the way—

The Hon. Diana Laidlaw interjecting:

The Hon. T. CROTHERS: I wouldn't say it if it wasn't true. If it was anything else, I would say that too.

The Hon. Diana Laidlaw interjecting:

The Hon. T. CROTHERS: Let's not get pushy.

The Hon. R.I. Lucas: What did you call her?

The Hon. T. CROTHERS: Nothing like what I am prepared to call you if you keep interjecting. I understand from the Minister that the way for the building of the rail link from Alice Springs to Darwin has been purchased and that negotiations have been undertaken successfully with indigenous and other owners of the land through which that link will pass.

The Hon. Diana Laidlaw: The whole corridor.

The Hon. T. CROTHERS: Yes, the whole corridor. Although we are \$95 million short, recently Premier Olsen confidently made a pronouncement of, I think, a contractor being appointed on the basis of what I am saying. That might be so if this Bill passes and with our capacity now to borrow at better interest rates, but it might have injected some hope into his heart to cause him to make the announcement several days or a week ago that the rail link would go ahead.

I have a further amendment which provides for contributing to the cost of an employment training program and other programs to assist the establishment, restructure and expansion of industry in this State. Our position in this State is unique. This State was unique 20 years ago in the sports that we played. The lesser known sports of this nation, such as lacrosse, table tennis and, at that time, men's hockey, were sports in which we excelled to the extent where we were always pretty well at the top of the tree relative to the welfare and advancement of the sporting interests of this State.

One could also draw a parallel relative to the type of technologies that are in place in this State in motor manufacturing. Whilst this is not the only State that has these technologies in place, it is certainly a major player in both the export of the total automobile and component parts of the automobile such as engines. I understand that Roc Wheels are very well known.

Other ancillary companies are making automotive parts and have developed a considerable niche in the world's export market. A direct link from this State to Darwin cannot help but ensure not only that companies continue to invest

and that their profit margins are in keeping with such investment (which the automotive industry is required to inject pretty regularly on a fairly massive scale to keep pace with technologies) but it will also assist them in expanding their export markets. South Australia enjoys the unique position of producing rare and vintage wines, along with all sorts of by-products that emanate from the wine industry. Many products come to mind, including cream of tartar, and so on. Small but important products.

The position of a number of major South Australian companies, such as Roc Wheels and Rib Loc—if it is still with us; it may have moved out of the State, but it is a South Australian company—in the global marketplace cannot fail to be enhanced by the connection of Alice Springs to Darwin via a rail corridor and the strengthening and upgrading of our current line from Adelaide to Alice Springs. To do that successive Governments, both Labor and Liberal, have recognised that we must, if you like, advance our retraining programs to meet the demands of industries that may well find South Australia a very attractive place in which to invest capital.

I particularly talk of sunrise industries. As a result of the emergence of the tigers of Asia, China and India many European nations are looking to Australia to establish industry bases because of the political instability that, unfortunately, is very rampant throughout that prosperous region to our far north. To that extent, again, the rail link will play a significant role in the minds of potential investors. It will also help to ensure that companies that are already established in South Australia assist us in being very competitively cost efficient in comparison with the other States and Territories of our nation.

I come now to the issue of retraining. Those new companies and other new developments in South Australia will, of course, require significant retraining of a higher technical value than the previous Government and this Government have been able to provide, simply because we are cash strapped to the extent that only limited amounts of funds have been available relative to that type of re-education. As well as that, a company might consider expanding in this State because of the Adelaide to Darwin rail link, and we know what a cutthroat market it is for States to attract industries. But to be able to undertake that expansion companies may need, in the short term (nine or 12 months hence), some additional cash to fund that expansion given that international markets may well have increased.

We have already seen the advantage, I think, in respect of the capacity to transfer goods from this State to any part of the world by the opening up of Adelaide Airport to international air traffic and, again, all Governments had that idea in mind. When I was an organiser with the Liquor Trades Union I recall that, when a former Transport Minister, Geoff Virgo, heard me speak in favour of that idea at an ALP convention, he accused me of having a vested interest in respect of tourism, and he said that that was why we wanted to internationalise Adelaide Airport.

Fortunately, visions have changed since then. Again, I do not wish to be sycophantic when I place on record that, whilst many Ministers for Transport have given support for it, it was in the term, tenure and office of this present Minister (I do not know whether it actually happened in her term, but if it did not I note that there certainly have been inordinate expansions) that aircraft can now carry 10 tonnes of produce. So, we have already seen in a minor way the advantages of South

Australia's being interconnected in an expeditious way with our export markets.

Again, our fishing industry is the same. Refrigerated containers enable us to open up that vast food market for produce perhaps not grown in areas which have not been developed but which are capable of sustaining horticultural produce. I know that provisions to some extent have been made for that by delivery from Bolivar of extra gegalitres of purified water to the market gardeners in Two Wells and Virginia. In addition, there has been a considerable opening up of the very fertile and heavily watered south-eastern parts of our State to very large commercial horticultural projects. Our stone fruit and everything else that grows in the Riverland is yet another example. No doubt there are many other examples, but I cite those four or five to illustrate why I have included special training programs. Members will note that the amendment provides:

... to assist the establishment, restructuring or expansion of industry in the State.

For those reasons I have expressed—and perhaps many more that other members might understand—I have put that in. Subparagraph (ii) provides:

... for the purpose of retiring State debt.

To take up the cudgels that the Democrats have so recently vacated, 'To keep the bastards honest', I have added a placitum.

The Hon. T.G. Roberts: They've got a new lot of bastards, have they?

The Hon. T. CROTHERS: Speak for yourself. In respect of that subparagraph, I have inserted a sunset provision. I believe this is absolutely essential if we are to get the kick start and the immediacy that I think is required if we sell off the asset, and in the lead time it will take to get dollars flowing into consolidated—

Members interjecting:

The Hon. T. CROTHERS: I said 'lease', did I? Did I say 'sell'? Let me correct that. I meant to say 'lease'. I have been listening to all the propaganda of the debate around me and I became confused, coming from opponents of the Bill.

Members interjecting:

The Hon. T. CROTHERS: I could say something in reply to that but I will not as I do not want to be offensive to you.

Members interjecting:

The Hon. T. CROTHERS: He will not distract me: worry not. So, subparagraph (ii), for the purpose of retiring State debt, has a sunset provision attached to it. That sunset provision will be the 12 months that I envisage will be needed as a lead time in respect of the lease and the flowing into consolidated revenue of interest dollars saved daily. I suspect that—and I do not want to give any figures—that will be in the order of more than \$1 million a day.

I am now saying in paragraph (1aa) that subparagraph (i) of subsection 1(e) will expire 12 months after the sale/lease arrangements have been made after the disposal of all prescribed electricity assets of or available to an electricity corporation, State-owned company, Minister or any instrumentality of the Crown or statutory corporation (whether by the granting of a lease or the disposal of shares). For that purpose I have the retirement of State debt as part of my amendment. Because of the specific way in which I have tried to craft these amendments, so as to be tightly specific as to the utilisation of that \$150 million debt should that progress this Council, any moneys that are left from that \$150 million

and are not used by the Government will immediately be paid off the State debt. Those are the explanations. I want to stress that, despite the propaganda that exists and the statements of some other members, this is my sole idea. It is not the idea of the Treasurer or the Premier but it is one—rightly or wrongly—for which I must take full responsibility.

I would like to clarify a further point. At the first conference I was asked to give examples of how that money would be expended. I cited the Adelaide to Darwin rail link, and I stand by that. I then said that there are some major companies—and this has already occurred here over the past seven or eight years—that might wish to remove their premises to some other mainland State. I cited Mitsubishi as one example that had that potential, because statements had been made in respect of the global rationalisation of that company. I stressed again and again that that was an example I was using. I used Mitsubishi because there was a question mark over it. At no time did I ever say that Mitsubishi would be sold. I am not a speculative man, and I do not speculate about matters that are still speculatively in the minds of others. I only have to say this: I suspect that the journalists who reported it that way misheard me or they were using some journalistic licence.

On that note, I will conclude momentarily. I hope I do not have to speak further; I hope it speaks for itself. I hope, too, that this is one amendment that is not opposed by any member—although it probably will be—because it is to advance the interests of South Australia and its people. For different reasons I, like the Hon. Mr Cameron, am putting South Australia first. I commend the amendment. I understand that the Committee will deal with the amendments separately. I commend the package totally to the Committee. I shall not make any contribution. I am having some trouble with my voice. Sometimes this corner, because of its current inhabitants, can be known not only as poets' corner but also as amen corner. Let me assure that inhabitant that he can put his prayer mat away. I shall live to deliver some other oratorical observances if I must, although I do not particularly want to. I thank members for listening to me. I hope that you support what I believe is a very worthwhile one which is in the best interests of South Australia and which will complete the circle in respect of the sale/lease of ETSA.

The Hon. R.I. LUCAS: I thank the member for his explanation of his amendments. Again, this has been the subject of discussion with me and with the Government. I indicate the Government's support for the—

The Hon. Carolyn Pickles: Why wouldn't you?

The Hon. R.I. LUCAS: Why wouldn't anyone who wanted to protect South Australian workers' jobs? It is a pretty interesting question.

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: Exactly! The Hon. Mr Crothers, in all his discussions with me—not just on this issue but on the total Bill—has been driven almost solely by his interest in workers' jobs, protecting the workers within the businesses, reducing State debt and creating the sort of employment situation so that the State might be able to offer additional jobs in the future for our young people. So, in all the issues there has been a constant and consistent theme from the honourable member in relation to jobs and the importance of jobs for South Australians. As the honourable member has indicated, he has placed some restrictions on this.

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: Yes. I indicate that the Government was happy with the way in which his amendment in the

end was finally crafted to put in the restrictions on 12 months after the sale and lease agreement.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: I am very disappointed in the Hon. Mr Holloway because, irrespective of when it might occur, should there be a set of circumstances where there was a significant need for industry restructure to try to protect the jobs—

The Hon. P. Holloway: You can do it now through the Industry Development Fund.

The Hon. R.I. LUCAS: I can assure you that there is not money in the fund of this size.

The Hon. P. Holloway: Why don't you just run up a deficit and then pay it off when you—

The Hon. R.I. LUCAS: Here we go: the answer from the Labor Party is, 'Why don't you just run up a deficit?' There it comes, out of the mouths of babes; the shadow Minister for Finance says, 'Why don't you just run up a deficit?' like they did in the 1980s and 1990s? 'Why don't you just run up the deficit?' Sadly, that comes from the shadow Minister for Finance's mouth. He is not a backbencher. The shadow Minister for Finance says, 'Why don't you just run up a deficit?' Potentially, there may well be some very significant industry restructure issues and I do not intend to canvass the individual possibilities, but all members will be aware that there might be, within this sort of timeframe being talked about, some very significant industry restructures.

If there is anyone who is interested in the welfare of the workers in those industries and their families, then they ought to be supporting this sort of amendment and not talking about the sort of proposal from the shadow Minister for Finance who says, 'Run up a deficit.' It is out of the mouths of babes and it is recorded in *Hansard*: the Labor Party's response is 'run up a deficit'. What is being done by the Hon. Mr Crothers in a carefully crafted way is to provide a modest amount of money which might be available to try to protect the jobs of workers. This Government shares the passion of the Hon. Mr Crothers to try to protect the jobs of workers in some of these industries. I shall be interested to see how those on the other side of the Chamber who profess to represent unions and working class South Australians will vote on this issue when they are required to do so.

Members interjecting:

The CHAIRMAN: Order! The Chair has called for order.

The Hon. R.I. LUCAS: Will they adopt the policy of the shadow Minister for Finance and say, 'Just run up a deficit and spend the money; don't worry about balancing a budget'?

Members interjecting:

The CHAIRMAN: Order! You'll have your chance later.

The Hon. R.I. LUCAS: Should this provision be successful both in this Chamber and another Chamber, the Government indicates that we are prepared to consult with the Hon. Mr Crothers and the Hon. Mr Cameron in relation to significant funding amounts that might be coming out of this fund in the particular industries. For their part, the Hon. Mr Crothers and the Hon. Mr Cameron have indicated in those circumstances they would treat all such discussions sensitively and confidentially, as they have done on a number of previous occasions in my experience in dealing with both gentlemen, not only on this issue but on other issues as well.

Secondly, both the Hon. Mr Crothers and the Hon. Mr Cameron have indicated that, whilst they acknowledge that there would be consultation, nevertheless, in the end, they accepted that Governments are there to make the final decisions and they will not be responsible for the final

decisions that Governments might take; and Governments, in the end, having listened to the advice, either may agree or disagree with the views that might be put to them. However, I indicated to both members in my discussions that I would put on the record the Government's commitment in relation to this and I happily do so.

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

The Hon. P. HOLLOWAY: I indicate that the Opposition resolutely opposes this amendment. Let us go back over the history of what we have here. When the Electricity Corporations (Restructuring and Disposal) Bill came into this Council, it had been amended by the Independents in another place to ensure that every last cent of the proceeds of a sale or lease of our electricity assets would be paid off our debt. So, that is the way in which the Bill came into this Council, and that is the way it has been standing on our Notice Paper now for 12 months: that has been the requirement.

When the Hon. Trevor Crothers made his speech on Tuesday 1 June, he said that he wanted some conditions, some guarantees, before he would support the lease of ETSA. The first of those was that the Treasurer should be, both now and in the future, prepared to guarantee suitable early retirement packages for existing ETSA employees who want it. He went on and said:

Also, will the Treasurer guarantee that all—and I stress 'all'—moneys received from the lease of ETSA and all associated instrumentalities be used solely and applied immediately on receipt of the same for reduction of the principal of this State's \$7.5 billion debt?

He then indicated that he may have a 'relatively minor amendment'. So, that was the position. We began with a Bill that had sat in this Parliament for 12 months that required every last cent to be paid off debt: that is the way in which it came to us from the House of Assembly. The Hon. Trevor Crothers said he wanted a written guarantee that, indeed, the Treasurer would require just such a thing to happen.

This afternoon, the Hon. Trevor Crothers, having asked for that guarantee, has now moved an amendment that removes it. The amendment goes away from that guarantee because it says, 'No, let us spend \$150 million of it. Let us not pay it all off debt; let us give the Government \$150 million.' What is worse, it provides that the Government must spend it within 12 months from the sale or lease—in other words, just before the next election. We all know what will happen. We are told that the lease—

The Hon. T.G. Cameron: They don't have to spend a penny of it. Read it carefully.

The Hon. P. HOLLOWAY: No; they don't have to. But really—

The Hon. T. Crothers interjecting:

The Hon. P. HOLLOWAY: Yes, indeed—and I will go into this. So, this relatively minor amendment provides for the expenditure of \$150 million—not a small amount. This \$150 million is not to come off the debt but is to be spent. In other words, the position that we are debating now is far worse than the original Bill; \$150 million will now not go off debt. At 6 per cent that means that \$9 million that could have been saved off interest will now not be, forever. So, the State will have to pay; it will incur a cost of \$9 million per annum in perpetuity.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: The Hon. Angus Redford has no credibility on anything. Why doesn't he just shut up?

Instead of his smart comments, he can come into the debate later and I am sure we can deal with it then, but just at the moment he would be well advised to be quiet. What we are doing is selling a rolled gold asset; we are selling the poles and wires of our electricity corporation. As a matter of fact, in July we will be debating putting an Industry Regulator in place so that he can stop a private owner of our poles and wires from exploiting them for profit. If we follow Victoria, we have to regulate about 7 per cent return on assets—7 per cent on whatever we get. We are selling that asset.

How often do you sell a private monopoly? The Treasurer has told us that throughout the world people are queuing up to get their hands on it. We are selling that, and we will then spend \$150 million. And what will we spend it on? We will spend it on contributing to the costs of employment training programs or to infrastructure costs associated with the railway link from this State to Darwin. We will not spend it on jobs here: we will spend it on jobs for people in the Northern Territory. What a joke! They will get the benefit from it. In this morning's *Advertiser*, the Chief Minister of the Northern Territory—

Members interjecting:

The CHAIRMAN: Order! The Hon. Mr Redford!

The Hon. P. HOLLOWAY: I am not supporting spending further money on it.

Members interjecting:

The CHAIRMAN: Order! I called order, the Hon. Mr Redford!

Members interjecting:

The Hon. P. HOLLOWAY: What is more, neither is the Chief Minister of the Northern Territory. I think the Hon. Terry Cameron should listen to this because, if he had read this morning's paper, he would have seen that Mr Denis Burke, the Northern Territory Chief Minister, all but ruled out the Northern Territory Government's matching a possible \$150 million top up payment from South Australia. The article states:

'I have said all along I won't speculate on dollars but certainly, yeah, I think that's too much,' Mr Burke said.

So \$150 million from the State is too much. The article continues:

On Monday, the South Australian and Northern Territory Governments said how much more was needed to fund the project would not be known until October.

Mr Burke will not spend extra money; he will not spend that much on a railway in his State, but we in another State say we are prepared to spend on it.

Members interjecting:

The Hon. P. HOLLOWAY: I tell you what, they get a lot more money from the Commonwealth, and that is who should be paying for this railway line. It should be the Commonwealth. I agree that this State should put up \$100 million; that is what we have done. The State should put up some money, but it is a national project.

Members interjecting:

The CHAIRMAN: Order!

The Hon. P. HOLLOWAY: It is a national project, and the Commonwealth Government should be the main Government putting into it. If we need more money, the Commonwealth should be putting it up, not us. If the Northern Territory says it is a bad deal and it will not put any more into it, why should we? That is the first nonsense; that is the first matter we must address. If the Hon. Angus Redford wants to know what Mike Rann said, he should read the press release

he put out on 7 June on our position. Of course the Commonwealth Government is the one that should be providing for a national project. The Alice Springs to Darwin railway is an important national project; its benefits are national.

Members interjecting:

The CHAIRMAN: Order!

The Hon. P. HOLLOWAY: I tell you what: it will be mayhem if this State puts up more than the Northern Territory does; it will be absurd. Let the Hon. Angus Redford get up afterwards and tell us all about the Alice Springs to Darwin railway if he wishes and tell us how spending \$150 million on that railway line will bring this State a better return than we would get by keeping the poles and wires for which we know we need an Industry Regulator.

Members interjecting:

The Hon. P. HOLLOWAY: Well, the Treasurer is way of all this, and well he might be. The other point I wish to make in relation to this nonsense is that if we were to—

Members interjecting:

The CHAIRMAN: Order!

The Hon. P. HOLLOWAY: I am sure it is hurting the Hon. Diana Laidlaw, because she has to try to protect this deal. She knows it is the only way the lease will get through, so the Government here has to stand up for this nonsense. It ought to be embarrassed by it.

The Hon. Diana Laidlaw interjecting:

The Hon. P. HOLLOWAY: That is what it is, Minister; that is why you are interjecting. That is why you are upset. You are upset, and you ought to be upset.

The Hon. Diana Laidlaw interjecting:

The CHAIRMAN: Order! Will the honourable member on his feet please make his remarks relevant to the Bill.

Members interjecting:

The Hon. P. HOLLOWAY: Not as much as the Minister ought to be embarrassed by this. The point which I was making, and which I made before the dinner adjournment by way of interjection, was that if we have an emergency situation, if there is some natural disaster or some contingency arises within the budget framework, is it not better that that contingency be dealt with in the budget framework? That is what happens now. It happens, for example, if there is a natural disaster; it is met out of the relevant budget program. At least, if it is done in the budget context—

The Hon. A.J. Redford interjecting:

The CHAIRMAN: Order! I will start warning people very soon.

The Hon. P. HOLLOWAY: I am pleased that members are showing so much interest in my speech, Mr Chairman. It is a pity, but not surprising, that they do not listen. If the Government has to deal with contingencies within the budget framework, it will have the budget discipline applied to it. The Hon. Trevor Crothers' proposal will put this \$150 million outside the budget framework. Let us look at the alternatives. If all the money went off debt, then the \$150 million would go off debt. That would provide the State with a saving, on interest at 6 per cent, of \$9 million a year. However, if some emergency came up, that would be looked at in the budget context and it would be dealt with in terms of the budget discipline.

But with \$150 million being put in a special fund, that discipline goes. It is there for 12 months: the Government can just run it up. That is the whole point about this, and the reason why the Treasurer is interjecting so hard. I have to put up with this nonsense because Government members do not want me to tell the truth about what will happen. They know

that the bottom line between putting \$150 million off debt and dealing with any contingency that might arise in the budget process will be more beneficial for the State than if it takes \$150 million outside the budget context without any of that discipline. That will be worse for this State, and that is the whole point. This deal is far worse for South Australia, and that is why everyone should oppose it and why, no doubt, all the Independents are opposed to it.

I bet the Treasurer was not laughing and joking when he was talking a few moments ago to Mitch Williams: I bet he was not joking to him. I bet he would not use that conversation that he has just used to Mitch Williams—of course he would not. I bet he was saying something completely different to Mitch Williams. I can only hope that, for the good of South Australia, Mitch Williams and the other Independents stick to their guns and keep the Bill that was brought into this Chamber. If this goes through and we have a \$150 million slush fund for the Government (and that is what it is, make no mistake; it is a \$150 million slush fund that we spend just before the election), the tragedy is that as a State we will be much worse off. It will reduce the benefits—

Members interjecting:

The Hon. P. HOLLOWAY: The point is that what we have, in terms of the poles and wires, is a natural monopoly—a rolled gold asset that is producing income for this State. But, having leased this, we can spend \$150 million on something that is almost certain not to give such a good rate of return. Perhaps the Hon. Trevor Crothers in this motion should have said, 'Okay, we will spend the \$150 million; we will let the Government do it, but it must have a greater rate of return than 7 per cent.' If that had been done—

Members interjecting:

The Hon. P. HOLLOWAY: Again, it comes back to the point that, if the Government wants to get the unemployment rate down, it should be doing it on budget. It should be changing its budget priorities and doing it. There is no difference. What the Government is doing is—

The Hon. Caroline Schaefer interjecting:

The Hon. P. HOLLOWAY: The Hon. Caroline Schaefer may not be capable of understanding the difference, but I will run through it again for her benefit. If the Government spends all the money off debt, if the Government has \$150 million given to it, it can either put it off debt and reduce its debt, or it can spend it in some way, for example, on the Alice Springs to Darwin rail line. As a result spending it on that, it will be \$9 million a year worse off. I am just reversing the arguments that the Treasurer has been giving to us for the past 12 months about why we needed to sell ETSA.

We were told that we needed to sell ETSA to reduce debt. Now we are told that we do not really need to reduce all of it. We can throw away a bit here and there; we can spend it in another State on job creation for them. Of course, that will run up a deficit—the Treasurer is quite right. The deficit under his budget with his strategy will be \$9 million a year more than it otherwise would be. That is the whole point of this matter.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: The Treasurer laughs, but I will enjoy him standing up and telling me how—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Again, we make the point. I am pleased that the Hon. Angus Redford is suitably embarrassed by the nonsense he is putting up here. I am pleased that he is; he deserves to be. They are putting on an act because they desperately know they are upset. Again, the

point that must be faced with all this nonsense is that the use of money in this way will not produce benefits to this State. That is inexcusable. I can only hope that when this measure gets back to the House of Assembly that the Independents do stick to their guns and end all this nonsense. If they do not—

The Hon. A.J. Redford: One last grab at a straw, that's—

The Hon. P. HOLLOWAY: I do not know that it is one last grab at a straw. No doubt spending \$150 million excites the Hon. Angus Redford because I am sure he could think of a lot of ways in which the money could be plundered. We get only one bite at this; we have only one ETSA. Once it is gone, there is nothing left. Once ETSA is sold, there are no more assets. That is gone. It is bad enough that we are selling it but it is even worse when the money is spent in that way—

Members interjecting:

The Hon. P. HOLLOWAY: I am pleased that with my contribution I have—

An honourable member interjecting:

The Hon. P. HOLLOWAY: I ask for that comment to be withdrawn.

The Hon. T.G. Cameron interjecting:

The Hon. P. HOLLOWAY: It is a sale/lease; the Government calls it a sale/lease. I am always prepared to admit when I make a verbal slip. It is referred to as a sale/lease. It is a lease, but it is an irreversible disposal of our assets. We have only one go at this. We have only one electricity asset. If we do sell it, we have only one chance to get rid of the debt. If we are getting rid of it, we are disposing of it; we will not control it again; it is gone. There is only one chance. If we throw away that chance, then I am sure future generations will condemn us. It is bad enough that we dispose of it at all; even worse that we misspend the proceeds.

The Hon. SANDRA KANCK: We are spending time discussing the foreshadowed amendment of the Hon. Trevor Crothers so we can decide whether or not we will leave out paragraph (c). I am unclear from reading that foreshadowed amendment as to the break-up of the \$150 million, and I ask the Hon. Trevor Crothers how he anticipates it to be split between the employment training programs and the infrastructure costs of the Adelaide to Darwin rail link. How much does he envisage will go on each of those items?

The Hon. T. CROTHERS: As I have come to expect during the course of this debate, that is a speculative question. I do not possess a crystal ball. I expect the money to be used by the Government of the day in any of the tied fashions that I have indicated, contingent upon what might arise over the next 12 months and what might be for the benefit of the worker or the unemployed in this State. I refer to the people of my class who come from the blue collar work force, not white collar academia, not the black frocks, as they were called in 1900. I am talking about people who, like me, went to school without shoes because we were so poor and who understand what it is to endeavour to lift the aspirations and the lifestyle of the ordinary majority of people in this State whom I rank as among underprivileged people.

I do not know whether the honourable member was present when I made my original contribution on this matter. I do not intend to repeat myself too much with respect to the smart wordsmithing non-entity questions that have been asked today, although I would not say that this is one; it is not. I would not know how to speculate far enough to be able to give the honourable member a speculative answer. I have no particular contingency plan in hand as to how or if that money should be spent but, over the next 12 months, should the necessity arise for an injection of funding for additional

higher technical training, so be it. I am not interested in Mr Burke, who is an outsider in this State with the vested interests of the Northern Territory to push the Territory's utilisation of the Adelaide to Darwin rail link.

Let me tell the Committee about the Northern Territory. I know of four mining propositions adjacent to the proposed path of the rail link which wait only for the completion of the rail link to go ahead. I have no doubt that if I was to speculate about outside interests I would say that South Australians will move into the Territory and find jobs there. The tradition in Darwin is for a lot of its new European population to emanate from South Australia and Western Australia.

That is a silly question to ask me and the honourable member should direct it to the Government. I merely set parameters that I have tried to make as tight as possible relative to \$150 million that I think is necessary bridging money to fill the vacuum brought about by the time it will take to sell the lease for maximum benefit and the length of time necessary for interest savings to flow back to consolidated revenue to give the State Government some cash to spend on things that are germane and important to this State. It will take between nine and 12 months to effect that. For that purpose, I inform the Hon. Ms Kanck that a sunset clause has been put in the Bill.

Relative to the speculation that abounds, I am so convinced of the rectitude of this that I am obdurate that it will go through or the Bill will perish. Let the Independents in the other place be judged by their electorate if they defeat the whole Bill for the sake of \$150 million which, if we get \$5 billion for the sale of the asset, will constitute 3 per cent of that sum. If we get more than \$5 billion, and I am not about to speculate about that, that will further reduce the percentage quantum that \$150 million represents when it is stood against the whole of the moneys received for the sale.

I thank the honourable member for the question because it has given me a way of getting that water off my chest. The honourable Mich—whatever his name is—was supposed to meet with me and Mr Cameron today. He said at different times that he would meet with us. Instead, I understand that he gave a press conference and said that he was obdurately opposed to this measure. I gave a press conference to the ABC—it was forced on me. I was very kind and I praised him for his courage. I said that I would not speculate on what the member for MacKillop in the South-East would do.

I am a kindly person, and I said that I did not want to speculate on what would be the outcome of the honourable member's peregrinations. He asked for a meeting with me and Terry Cameron. We have been available all day, give or take this debate. He was supposed to meet with us at half past seven tonight, but he did not. He was supposed to meet with us earlier, but that meeting was cancelled. He may have had other things to do, but what I said—.

The Hon. Carmel Zollo: He doesn't want to talk to you.

The Hon. T. CROTHERS: He can please himself, because there is some mutuality about that. If he wants to play hard heads with me, he has got me—we will see who blinks first. I was kind in the television interview with the ABC. I said what I thought was the honest rectitudinal thing to say. The honourable member asked for a meeting with me and my colleague. I will not speculate as to the likely outcome of such a meeting, but I said that I was prepared to speak to him if that meeting took place. I thought that was the right thing to do.

Shortly after that I found that Channel 9 had secured a press conference at which the honourable member, having not

followed through on his desire to have a meeting with us, made a finite pronouncement. I find that sort of behaviour—and I will be kind—somewhat strange.

The CHAIRMAN: Order! I remind the Committee that we are debating the Hon. Trevor Crothers' amendment. It is not a foreshadowed amendment.

The Hon. T. Crothers interjecting:

The CHAIRMAN: Order!

The Hon. SANDRA KANCK: I have now established that the Hon. Mr Crothers has not made up his own mind about how that money should be spent and is leaving it up to the Government—

The Hon. T. Crothers: You haven't established that at all. I have made up my mind. It is in front of me in black and white. Can't you read?

The CHAIRMAN: Order!

The Hon. SANDRA KANCK: —to decide how that \$150 million should be split. That then begs the question of how the Government will choose to use it. For instance, it could decide to spend \$1 million on the employment training program and \$149 million on the rail link, or it could do the reverse. Either way I see that as a lose-lose situation. If the Government puts the majority of the money into the Northern Territory because, morally, the Federal and not the State Government should put that money into that project. The Northern Territory will gain the greatest part of the value of that.

If, on the other hand, the bulk of the money is put into employment training programs, effectively, this amendment creates a slush fund at a critical time in the lead-up to a State election. I think this is rather sad, but it must be sadder still for members of the Labor Party to see the Hon. Mr Crothers giving a free kick to what was previously his opposing team.

The Hon. Diana Laidlaw: It is a free kick to South Australia.

The Hon. SANDRA KANCK: I don't think it is a free kick to South Australia if the bulk of it is to be used in the Northern Territory. That is hardly—

Members interjecting:

The Hon. SANDRA KANCK: But I find a contradiction in this in that—

Members interjecting:

The CHAIRMAN: Order! Members can make their contribution after the Hon. Sandra Kanck has finished.

The Hon. SANDRA KANCK: I find contradiction in the particular section of the foreshadowed amendment, which states that part of the funds will go towards contributing to the costs of employment training programs and programs to assist the establishment, restructuring or expansion of industry in the State. I find it particularly strange because, in agreeing to pass this legislation, the Hon. Trevor Crothers is assisting the Government to reduce the electricity industry in this State and to cause unemployment. It seems very strange to contract the industry and then say, 'Here is some money to expand industry.' It just does not make sense.

The Hon. NICK XENOPHON: I indicate that, whilst I have—

Members interjecting:

The CHAIRMAN: Order! We cannot hear the honourable member on his feet.

The Hon. NICK XENOPHON: —some sympathy for what the Hon. Mr Crothers is proposing in relation to employment creation programs and the Darwin to Adelaide rail link, I have been convinced by the cogent arguments put

by the Hon. Paul Holloway that this money ought to come off debt. Certainly, that is something about which the Government, through the Premier, has been quite adamant. In fact, it has been the Government's mantra. If there is to be some consistency at all, the Government ought to be kept to that principle—that it be simply for debt reduction. If there is a pressing need for job creation or, indeed, for the Darwin to Adelaide rail link, surely the approach suggested by the Hon. Paul Holloway is the appropriate one. I oppose the amendment.

The Hon. CAROLYN PICKLES: I have some questions I would like to put to the Treasurer. As the Hon. Mr Crothers has not deigned to stay in the Chamber while his amendment is being debated, I hope the Treasurer can answer my questions.

The Hon. Diana Laidlaw interjecting:

Members interjecting:

The Hon. CAROLYN PICKLES: We have been taking it all day; it is time you got a bit back.

The Hon. P. Holloway: What pitiful double standards!

The CHAIRMAN: Order! No honourable member should refer to other members if they are not in the Chamber.

The Hon. CAROLYN PICKLES: He should be here.

The CHAIRMAN: No members should do that—

Members interjecting:

The CHAIRMAN:—and interjections are out of order. The Leader of the Opposition.

The Hon. Diana Laidlaw: You should set an example.

The CHAIRMAN: Order!

The Hon. CAROLYN PICKLES: Mr Chairman—

The Hon. P. Holloway: This is the Minister who said 'bull' something or other on the radio the other day.

The Hon. CAROLYN PICKLES: She said 'bullshit'. Proposed new subparagraph (i)(A) of the Hon. Mr Crothers' amendment refers to 'contributing to the costs of employment training programs and programs to assist the establishment, restructuring or expansion of industry in the State'. On what basis would these moneys be provided, to whom would these payments be made and to what sectors of the economy would these payments be made?

The Hon. R.I. LUCAS: As the Hon. Mr Crothers and I have indicated previously, that will be a judgment ultimately made by the Government. There are a number of industry sectors and companies about which there has been some speculation in recent times. I do not intend to add to that public speculation during this debate. If a major South Australian employer or industry found itself in a significant degree of difficulty, and if the Government of the day, in the interests of working class South Australians—

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: If they cannot justify it they will be not able to get assistance, will they? If there must be a significant restructure of a particular industry, we know who will be the first group in the community jumping up and down and saying, 'The Government should do something about it.' It will be the Hon. Paul Holloways of this world, the Kevin Foleys—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: No, you do not need a fund because, as the Hon. Paul Holloway said before the dinner adjournment, 'Run up a deficit.' 'Run up a deficit' will be the Hon. Paul Holloway's epitaph for as long as he stays in this Chamber and for as long as I happen to be on the opposing side. It will be 'Run up a Deficit' Holloway. That is the solution: run up a deficit—

Members interjecting:

The CHAIRMAN: Order! Your Leader has called for order herself at times.

Members interjecting:

The CHAIRMAN: Please; I have called for order three times.

The Hon. R.I. LUCAS: I am sure that the Hon. Mr Holloway will be assiduously looking at the *Hansard* tomorrow to see how he might be able to correct it, but I can assure him that I will be watching every word of the *Hansard* correction tomorrow, because the honourable member quite explicitly said his solution was 'run up a deficit'. That is the sort of economic nonsense that the Bannon Government used for an economic policy in the 1980s and in the early part of the 1990s.

So, the answer to the Hon. Ms Pickles' question is that no decisions have been taken at this stage. We hope that there will not be significant industry restructures or problems within our South Australian economy during this period. I again also correct the claims made by the Hon. Mr Holloway that in any way anybody has suggested that \$150 million will be spent in the Northern Territory on the railway. The Hon. Mr Crothers has not said that. If Mr Denis Burke—

The Hon. P. Holloway: It's in the motion.

The Hon. R.I. LUCAS: Well, the Hon. Mr Holloway can't read the motion.

The Hon. Carolyn Pickles interjecting:

The CHAIRMAN: Order, the Leader of the Opposition!

The Hon. R.I. LUCAS: The Hon. Mr Holloway obviously cannot even read the motion. It refers to a lump of money for a number of different purposes, one of which might be in relation to the railway. It does not say, as the honourable member seeks to portray it, that \$150 million will be spent on the railway. That is quite misleading. It is quite misleading for the Deputy Leader, the shadow Minister for Finance, to try to—

The Hon. P. Holloway: That's the figure.

The Hon. R.I. LUCAS: 'That's the figure,' he says. Have a look at the amendment; it does not say that. The Hon. Mr Holloway, in this particular, deceptive fashion, can seek to mislead, but the amendment is quite clear. It does not say that \$150 million will be spent on the railway, a particular industry or anything: it says, 'Here is a sum of money which can be used only for specific purposes in relation to industry restructuring and helping working class South Australians—if they happen to find themselves unemployed and needing some retraining or assistance—and those particular industries that might need some assistance.'

We know who will be first to protest loudly and to say that there ought to be Government assistance or help for the workers in these industries. It will be the Kevin Foleys and the Mike Ranns. The alternative policy and what the Hon. Paul Holloway will say is, 'Run up a deficit. Don't worry about trying to balance your budget or about putting money aside for a particular purpose.' In response to the Leader's question, no specific allocations are being made. There is a fund of money, and it will have to be applied quite quickly and explicitly to something which qualifies within the terms of the law.

The Hon. CAROLYN PICKLES: Will the Treasurer say how the final decisions on the spending of this money will be made? For many years I was a member and, later, Chair of the IDC. Would that committee be used for the disbursement of those funds, or will it just be a ministerial directive?

The Hon. R.I. LUCAS: The Government will take a lot of advice. Obviously, within the Department of Industry and Trade in particular we have some very competent officers who do a lot of work in terms of industry restructure, providing advice to Government in relation to incentives, for example, for businesses and industries, and providing support packages for existing South Australian businesses. It may well be that some of the money will go through the IDC process. There are laws of the land which require certain forms of assistance to undergo the IDC process. But, for example, in relation to the railway, it is not my understanding that the \$100 million that the Government has committed to the railway underwent the IDC process. That was a decision of the Government, having received competent advice from its officers and any advisers who might have been involved. A range of options is available but all would be based on competent advice.

The Hon. CAROLYN PICKLES: During his contribution, the Hon. Mr Crothers indicated that an extra \$50 million was to be spent on a financial adviser or expert. In what way would that money be spent? Is \$50 million the correct sum of money?

The Hon. R.I. LUCAS: The Hon. Mr Crothers was referring to the Government's indicating that there would be transaction costs in terms of the commercial, financial, legal and accounting advice that we would require to conduct the lease process.

The Hon. T.G. Roberts: You'd have to do that, anyway.

The Hon. R.I. LUCAS: That's exactly right. That's the point I was making. You have to pay for it; it doesn't come free.

Members interjecting:

The Hon. R.I. LUCAS: The Hon. Mr Crothers did not have to calculate it at all. I had a conversation with the Hon. Mr Crothers. I indicated to him that clearly when you sell an asset for \$4 billion, \$5 billion or \$6 billion it costs you a lump of money to manage that process. That would be a cost that would obviously come off the sale proceeds. One of the other clauses that we have just voted on talks about the transaction cost. There is no specific estimate of \$50 million, but a success fee will be payable to—

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: I am not sure whether the Hon. Mr Roberts has been in the real world in recent times. However, if you employ commercial advisers, bankers, lawyers and accountants—

The Hon. T.G. Roberts: I know all that, but why does it have to come off Trev's package. That's what I wanted to know.

The Hon. R.I. LUCAS: It doesn't have to. The Hon. Mr Crothers made his own judgment.

Members interjecting:

The CHAIRMAN: Order! We do not carry out debate in this fashion. One member is on his feet.

The Hon. R.I. LUCAS: The Hon. Mr Crothers, having asked the question, made his own judgment on the quantum of money he was prepared to allocate. Because he found out that the cost of the deal might be \$30 million, \$40 million or \$50 million—whatever that sum of money might be—he then made his judgment that the quantum of money he was looking at for this was \$150 million. The quantum that was discussed before dinner was the transaction cost which was already in one of the earlier amendments, and I think it has been agreed to.

The Hon. CAROLYN PICKLES: There would be a budget allocation which I do not have before me for the cost of employment training programs and programs to assist the establishment, restructuring or expansion of industry in this State. What allocation is there in the 1999-2000 budget for that, and what was it in the past budget so we can compare and be sure? I am sure that he has given an undertaking to the Hon. Mr Crothers that he will not be cutting any other programs because we have had experience obviously in the past and since of his hypothecation. It is a very good trick of Treasury to use hypothecated funds up front and then to cut funding in other areas. Have you given a verbal or written undertaking to the Hon. Mr Crothers that you will not be cutting it, and will you bring back a reply to my question regarding how much you have allocated this year and last year?

The Hon. R.I. LUCAS: I am happy to take the question on notice. The hopelessness of the front bench of this alternative Government is exposed for everyone to see. On the one hand, the Deputy Leader is complaining—

An honourable member interjecting:

The Hon. R.I. LUCAS: —no—about additional expenditure. Now the Leader is complaining that the Government might not incur that additional expenditure but might offset it against an existing expenditure. The hopelessness of the strategy of the Opposition is exposed for all observers and readers of the *Hansard* to see. On the one hand the Deputy Leader is arguing one line, and then his Leader gets up and absolutely undermines his whole argument and credibility by way of a further question.

I am very happy to take that question on notice and refer it to the Ministers responsible for education, employment and training. It is not the first time we have the Leader undermining her own Deputy Leader's argument and it will not be the last.

The Hon. T.G. ROBERTS: I am not undermining the Deputy Leader's argument or the Leader's position and the questions she asked but I have similar misgivings about this package that seems to be a major part of the shift from one key member's position. I cannot see how Father Christmas's sleigh can be taken away from him after he has put his package together. He has lost \$50 million out of his package. He has gone to the South Australian people saying that he will redistribute part of the sales package proceeds into a jobs related program about which everyone agrees, that is, the Alice Springs to Darwin railway. We all agree that it should be built, for all different reasons.

Some are asking whether they will be the job creation programs that come directly off the building of the railway line or whether it will be the jobs that come after the railway line is built. It does not really matter because it is an important link that we all agree to here. In relation to the sale of the assets and the transfer of funds to build the railway, many people not only in this Chamber but in another Chamber have some misgivings about the way in which the funds are to be used. It now appears from questioning that the position put to the honourable member may have been different in terms of his understanding of what was going to trigger how that money was to be spent. The Leader asked whether it is to go through the IDC and the Minister said, 'Perhaps yes/no; there does not appear to be any urgency.'

The Hon. Trevor Crothers raised the question of funding and support and assistance for those companies which might want to relocate from interstate to here or which may have some funding problems in this State. In addition to the

questions of the Leader and the Deputy Leader, is it possible for the member himself, who I thought was going to be the golden spike in the railway line, to provide the financial link to allow the Darwin to Alice Springs railway line to be built? I agree with every word that the honourable member said: I know he is an honourable man and I trust him. There was some pathos in his speech and there were many other arguments in it but in the end I think there is a bit of tragedy in that the honourable member no longer holds the bag of goodies.

The goodies have been taken out of his hands. He has described them, drawn them up and is ready to deliver, but his sleigh has been stolen and 25 per cent of his package has gone. The emperor's clothes are now packed in someone else's bag. What role will the honourable member play in this? He genuinely believed he was assisting the State by apportioning those funds that he had allocated into his package into worthwhile job creation schemes. Will the honourable member have any role in triggering and directing those funds that he so eloquently put together on a very teary sort of day last Thursday in this Chamber? Will he have a role to play? Will it go to the IDC? Will it go to the Premier's Department, and when will we see that little package?

The Hon. R.I. LUCAS: I am not sure whether the honourable member was in the Chamber just before the dinner break, but I indicated the process then. I said that I had had a discussion with the Hon. Mr Crothers and I had given him an indication that, in relation to significant funding elements coming out of this proposed package, and clearly, if the Government was to make a decision in relation to the railway or a significant industry restructuring program, that would qualify. I also told him that the Government through one of its Ministers, possibly not me—it might be the Minister for Industry or the Premier—would consult with the Hon. Mr Crothers and the Hon. Mr Cameron. I indicated that, in the discussions that we had in recent days, both the Hon. Mr Cameron and the Hon. Mr Crothers understood that, obviously, any such discussion would remain confidential to them.

They also understood that, in the end, it was a consultation and that, ultimately, with such a fund the final decision would be taken by the Government of the day, obviously after having taken advice from its own departments and advisers. So, as I said, we had some consultations not only with the Hon. Mr Crothers but also the Hon. Mr Cameron.

The Hon. CARMEL ZOLLO: Can the Treasurer advise how he thinks proposed new clause 15(e)(i)(B) might effect the selection and tendering process for the rail link, given that perhaps the successful tenderer may have a bit of money that he had not assumed was there before?

The Hon. R.I. LUCAS: The Government announced (I think it was early this week or late last week) the bidder that will now engage in further negotiation with Australasia Rail Corporation (AARC). We are at that stage now and there will be further discussions. There is already a bid, or whatever the technical legal phrase for the document is. The parameters of that are known to AARC and the Government, and we are in its hands in terms of the further negotiation. I do not intend to speculate further publicly in relation to that negotiation process. It is not something with which I am directly involved, and I know not much more than is publicly made available at this stage.

The Hon. P. HOLLOWAY: If the \$150 million in this fund had been put off debt, it would reduce the State's debt interest bill by \$9 million a year. Will the Treasurer give an

assurance that, however this money is spent, the return to the State will exceed that \$9 million? If he cannot give that assurance, how does he justify the existence of such a fund?

The Hon. R.I. LUCAS: I am sure that the overall economic benefit to the State of \$150 million wisely spent will be greater than a sum of \$9 million. This would be the nature of such a significant investment. I will not stand here this evening giving guarantees or anything. I am happy to respond to the honourable member's questions but, if he is not interested in the impacted workers in potentially a number of significant South Australian companies and industries, that will be to his cost and his Party's cost in voting against this amendment.

The Hon. P. HOLLOWAY: In view of that, clearly what we have now established from the Treasurer is that there is a need, a need which has not been disclosed in the budget documents. Somewhere within our economy there is this need for a large amount of money for workers. Why is this not identified in this year's budget papers? Why do we not have evidence of this gaping need for this money? How much is it? Let the Treasurer say how much it is. He has told us it is there. It must be there because we need the money: that is why we have the fund. Let him tell us where it is identified. Let him tell us what the magnitude of this problem is so that we can solve it—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: Come on, tell us.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: The Treasurer did not answer the question, I think for fairly obvious reasons.

The Hon. R.I. LUCAS: I had already answered the question on a number of occasions.

The Committee divided on the Hon. Trevor Crothers' amendment:

AYES (10)

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

NOES (9)

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

PAIR

| | |
|--------------|----------------|
| Davis, L. H. | Elliott, M. J. |
|--------------|----------------|

Majority of 1 for the Ayes.

Amendment thus carried.

The Hon. SANDRA KANCK: I move:

Page 10, after line 25—Insert:

- (ca) in payment to an account at the Treasury to be used for the purpose of making contributions towards the costs of carrying out programs under the Electricity Act 1996 for the undergrounding of powerlines;
- (cb) in payment to an account at the Treasury to be used for the purpose of the operations of the South Australian Sustainable Energy Authority under the Sustainable Energy Act 1998;
- (cd) in payment to an account at the Treasury to be used for the purpose of planning and implementing energy efficiency measures in housing provided or managed by the South Australian Housing Trust;

This amendment is in three parts. I, too, am proposing that money be set aside—

The Hon. R.I. Lucas: What for? Job creation?

The Hon. SANDRA KANCK:—from this privatisation arrangement. The intention is not job creation, no. The first part is a response to the Local Government Association, which was in contact with the Treasurer and did not get a great deal of satisfaction from him. It wrote to members of Parliament last year and asked that money be set aside for the undergrounding of power lines.

The Hon. R.I. Lucas: Oh! Undergrounding is all right to spend money on, but not jobs for workers. Oh, what a surprise! You will spend money on putting a few power lines underground but won't provide for the workers. Where will you put the posters?

Members interjecting:

The CHAIRMAN: Order!

The Hon. SANDRA KANCK: That will take a bit of creative thinking. The difference between the amendments I am moving and those which the Hon. Trevor Crothers was intending to move is that the purpose of this money being put into funds is very specific, and it will certainly not be able to be used as a slush fund. The first part of this amendment is a response to the Local Government Association. It was concerned that, once ETSA has gone, the money that was going into the Power Lines Environment Committee would no longer be there.

The CHAIRMAN: Order! Will members allow the honourable member who is on her feet to be heard?

Members interjecting:

The CHAIRMAN: Order, the Hon. Paul Holloway!

The Hon. SANDRA KANCK: The Local Government Association was concerned that a private entity would not put money aside for undergrounding. That money has been put aside for quite a number of years or provided to PLEC, and I guess you would say it has been used fitfully, because the amount of money going into it has not been huge. I am not as opposed to the amendment that the Hon. Trevor Crothers moved, suggesting what that amount should be at all, and would leave it very much up to the Government to do that. However, the undergrounding of power lines is important, particularly in bushfire prone areas. Perhaps if something like this had been done some years ago to a greater extent than it currently has been done, we may not have had the emergency services levy.

The second part of the amendment is to assist the Government with the establishment of the Sustainable Energy Authority. Legislation was introduced at the same time as this sale Bill last July to set up the South Australian Sustainable Energy Authority, and for the past 10 months I have been indicating to the Treasurer that I have been willing to proceed on that Bill. His comment to me on a number of occasions has been that we could not proceed with the debate on that Bill because, in order to fund the Sustainable Energy Authority, we would need the money from the sale of our electricity utilities.

I became concerned when I heard talk that all money would be used for retirement of debt because, as the Treasurer knows, the Sustainable Energy Authority is very dear to my heart, and that Bill is almost verbatim the Bill that I introduced about three years ago to set up the Ecologically Sustainable Energy Authority. The second part of my amendment provides the money for that authority to be set up, so that is done for the Government's benefit.

The third part is an attempt to put energy efficiency measures into Housing Trust accommodation in this State. The term used in the industry is 'retrofitting', which means

things such as putting in insulation and solar hot water systems and making sure that you have such things as dual flush toilets and water saving shower heads, because most people do not seem to recognise that if you save on water you actually save on electricity. It is a very sensible measure, since it is one on which the Government will win in the end. It may not get the money back straight away but it is something it could win on.

The Hon. R.I. LUCAS: I am just amazed. We have listened for two hours to a diatribe against the Hon. Trevor Crothers about spending money out of the proceeds from the lease of our assets, and I might say—

The Hon. T.G. Cameron interjecting:

The Hon. R.I. LUCAS: No, I am talking about the Hon. Mr Holloway in particular. We have listened to a diatribe from Parties and individuals who oppose the lease of the assets but who are now quite happy to line up to try to spend a portion of that money. From the Hon. Mr Holloway we had two hours worth, off and on, of an attack on a member who wanted to use money from the lease proceeds to help protect workers' jobs in South Australia. What is more important than workers' jobs? To the Hon. Mr Holloway and the Hon. Ms Kanck it is putting powerlines underground. They have both moved amendments and are prepared to use the proceeds of the leasing of the assets to put powerlines underground, but they will attack a member of Parliament who actually wants to protect industries and protect workers jobs and to retrain them.

They are more interested in the 'greenies' and more interested in putting powerlines underground than they are in working class South Australians and doing something about protecting their jobs. What hypocrisy from the Hon. Mr Holloway to stand up and attack the Hon. Mr Crothers about wanting to spend a small portion of the proceeds from the lease of these assets on working class South Australians. He does that and within 30 seconds of having voted against it he puts up his hand and, together with the Hon. Sandra Kanck, moves an amendment to support something that is a greater priority for this money that might come, that is, to put powerlines underground. That is a greater priority for the Hon. Mr Holloway and the Hon. Sandra Kanck than the jobs of working class South Australians.

Thank goodness there are members in this Chamber like the Hon. Mr Crothers and members of the Government, who put a greater priority on the jobs of working class South Australians than on putting powerlines underground because the Democrats happen to have that as a policy, while the Hon. Mr Holloway wants to appeal to his trendy mates in the chardonnay set within the Machine of the Labor Party to support undergrounding of powerlines in South Australia. That is the sort of priority of the alternative Government in South Australia, and that is why this alternative Government is in so much trouble. It gives undergrounding of powerlines a greater priority for the spending of this money than working class South Australians and protecting their jobs.

That is the priority of run-up-the-deficit Holloway. 'No problems: if you want to help working class South Australians, don't use this money, just run up the deficit.' That is his response. But a greater priority for this money is to underground powerlines, and he is prepared to support that. The Hon. Mr Holloway and the Hon. Sandra Kanck stand condemned for placing the undergrounding of powerlines ahead of trying to protect the jobs of working class South Australians and industry in this State.

Let us look at this amendment or series of amendments that are being moved. What the Hon. Sandra Kanck, to be supported by the Hon. Mr Holloway, is suggesting is that they want out of the proceeds, which we will receive up front, moneys to be put aside for an indeterminate period, 10 or 20 years, to fund undergrounding of power lines. They want to put aside \$3 million a year, or whatever the sum of money is, for 10 or 15 years. They are saying, 'Take the money out of the proceeds, \$30 million, \$40 million or \$50 million, to fund the undergrounding for the next 10 or 15 years.'

The next amendment from the Hon. Sandra Kanck is funding of the Sustainable Energy Authority. The Hon. Sandra Kanck is saying, 'Take out the amount of money which it might cost to run that authority, \$5 million or \$7 million, whatever the amount of money might be.' If you want to run that authority for 10 or 15 years, somewhere between \$60 million and \$100 million will have to be set aside from the proceeds of the sale/lease.

The Hon. Sandra Kanck and the Hon. Mr Holloway and others are saying, 'Rip the money out of the lease proceeds; put it aside in a kitty to run a program for undergrounding of power lines in South Australia.' They say that that is more important than putting aside up to \$150 million to support workers and working class South Australians in retraining. I am just dismayed that supposed workers' representatives such as the Hon. Ron Roberts, the Hon. George Weatherill and the Hon. Terry Roberts could support a motion which says that they as individuals place greater priority on the trendy sort of policies of undergrounding power lines ahead of real jobs for working class South Australians and protecting them.

That is one of the problems that this Labor Party has in South Australia. As admirable as undergrounding of power lines might be, give me a choice between protecting the jobs of working class South Australians and undergrounding, and I would have to say that I will protect the jobs of working class South Australians before I will spend money on undergrounding power lines in South Australia. That is the sort of priority that the Hon. Mr Crothers has and I am sure that it will be the sort of priority that the Hon. Mr Cameron has in relation to these issues.

That is what the Hon. Sandra Kanck and the Hon. Paul Holloway are wanting us to do in the first amendment, which is the first in a series. When you add up the total cost and the lump of money that would have to be put aside, you will probably have \$150 million or more to be put aside for these three asks: to try to run the Sustainable Energy Authority, to run the PLEC program and to run the third whatever it is—spending initiative—that the Hon. Sandra Kanck wants for a period of 10 or 15 years out of the proceeds of the leasing of our assets. They stand up in this Chamber and attack the Hon. Trevor Crothers, who wants to help working class South Australians. They, and you, should be ashamed of yourselves.

The Hon. P. HOLLOWAY: I am certainly relaxed with the position of the Opposition in relation to the undergrounding issue. The Electricity Trust of South Australia pays for or contributes towards the undergrounding of power lines. It makes a contribution every year. Incidentally, to relate that back to the whole issue of whether or not we should lease the asset, that is one of the many hidden benefits from having a State-owned corporation that will be lost. Once we get rid of ETSA, once it is gone, once it is leased, how will the undergrounding be done?

The Power Line Environment Committee was established in 1990 and ETSA has provided funds on a two to one basis

with councils since that time. That is how we have coped with the undergrounding of power lines.

The Hon. Ian Gilfillan interjecting:

The Hon. P. HOLLOWAY: Yes, we are talking about the linesmen. We are told that, after the lease, the company which comes in could very easily get rid of, say, 50 or 60 linesmen: 'Take a TSP, your jobs are gone.' At the moment, one of the reasons why you need those linesmen or lineswomen is to do the undergrounding that is paid for by ETSA. It is not done just for the chardonnay set in the eastern suburbs. There are some good reasons for that work. It is a pity that the Minister for Transport, who was interjecting so much earlier, is not present now because I am sure that she could list the number of dangerous intersections which have Stobie poles and which are a real hazard to our society. We need to put them under ground for safety reasons, to save people's lives.

An honourable member interjecting:

The Hon. P. HOLLOWAY: There is some of that where new roads such as the South-Eastern Freeway are constructed. Whenever intersections are upgraded, money is needed for undergrounding. The budgetary impact is this: if that work is not paid for from ETSA, if ETSA is leased and no provision is made for that money to come from the new electricity entities towards it, the work will still have to be done at these intersections, and the money will come off budget. It will put pressure on the Government's budget. The money will still have to be found. Instead of coming from ETSA's pot, it will have to come out of the budget and it will mean a cut in some other area of the budget. That is the economic reality.

Undergrounding is the only exception that the Opposition has made in respect of using the proceeds of an ETSA lease apart from paying off debt; and, incidentally, I do not support the other uses that the Hon. Sandra Kanck is advocating. In relation to powerlines, because the Government will lose this source of funding for undergrounding, if it wishes to put money aside for that purpose—and it does not have to because we are not specifying a figure like the Hon. Trevor Crothers has—we believe that the Government should be allowed to do so.

The Hon. T.G. Roberts: Don't specify, because they won't take any notice of you.

The Hon. P. HOLLOWAY: That is right. It was purely to deal with that contingency. It is not a major matter, but the Local Government Association has asked us to support this measure because it is rightly concerned that, if ETSA is leased, this source of funds will no longer be available for important undergrounding work, especially that which is done for safety reasons. The impact will be simply to shift the funding from ETSA back on to the budget if this work is to be done. The Treasurer can talk all he likes about whether we support workers, real jobs and so on, but the fact is that, when ETSA is leased, money will no longer be there from ETSA. If it is to be done at all, it will have to come from somewhere else.

The Treasurer may want to cease undergrounding when, for safety reasons, major roads and intersections are upgraded. It is a pity that the Minister for Transport is not here at the moment, because she has lectured me about my supposed lack of interest in road safety on other occasions. Is she prepared to go quiet on this issue and say, 'We will leave those Stobie poles at those intersections when we upgrade them, even if they are dangerous'? If it is to be done, the Government will have to get the money out of the budget.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: It is probably not surprising that the Treasurer would seek in his usual way to distort the position—

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: I am not in the least uncomfortable. I am quite relaxed about it. The fact is that the Local Government Association has genuine reasons for being concerned that, once ETSA is leased, no money will be left in the pot to do this essential work. The question is: who will pick it up? I invite the Treasurer in his response, as I am sure he will, to explain exactly what arrangements will now be put in place for the undergrounding and how it will be funded. Perhaps he can talk about the lease.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: No, we have not. Again, the Treasurer tries to distort my position because the amendment that I support would simply permit the Government, if it wished, once it loses this source of revenue, to provide money from that source, because it represents a loss of income that was formerly available. If the Government wishes to bring it on budget, I guess it can do so, but it will have an impact elsewhere in job creation areas. That is the point.

The Hon. R.I. LUCAS: I have a question for the Hon. Mr Holloway, who has a similar amendment. If the estimated costs for a single year of undergrounding are \$3 million, how many years out of the lease proceeds does he recommend should be set aside, because we will have to make a decision to set aside money from the lease proceeds for undergrounding if his similar amendment is successful. How many years of undergrounding—given his amendment and that of the Hon. Sandra Kanck—does he believe the Government should set aside?

The Hon. P. HOLLOWAY: Unlike this Government, I believe that when local government is involved in these matters you should go out and talk to the people. This Minister has not spoken to the Local Government Association. It has written all sorts of letters to him but he will not talk to the association. Perhaps if he talked to local government, the unions and everyone else he might get some better results. I would talk to the people who are at the front line to determine what is required in this area.

The Hon. R.I. Lucas: How many years?

The Hon. P. HOLLOWAY: There is nothing specified in the amendment. It is up to the Government to talk to the people concerned and resolve it.

The Hon. R.I. LUCAS: The Hon. Mr Holloway has an amendment on file which he will move. How many years for undergrounding does he believe should be put aside out of the lease proceeds?

The Hon. P. HOLLOWAY: I repeat: this Minister should talk to local government about its requirements.

The Hon. R.I. Lucas: So, you don't know how many years?

The Hon. P. HOLLOWAY: No, I don't know. I think the Minister should talk to local government. What I am absolutely certain of is that local government, together with ETSA, used to contribute to the cost of essential powerline undergrounding. Of that I am certain, and I am also certain that, once ETSA is leased, that money will dry up. It must be funded somewhere. If the Treasurer will not tell me what he intends to make available, if he will not say in answer to a question that I asked earlier what the requirements are, if the Treasurer cannot provide that information, who can?

The Hon. SANDRA KANCK: The Treasurer indicates that he will oppose my amendment. Given that previously in private conversations he said that we would not get the Sustainable Energy Authority until we received the proceeds from privatisation to set it up, is he now suggesting that we will not have the Sustainable Energy Authority?

The Hon. R.I. LUCAS: I am disappointed. Clearly, the Hon. Mr Holloway is mightily embarrassed by the corner he has painted himself into on this issue and the other amendment. *Hansard* will clearly show that twice he refused to answer my question as to how many years at \$3 million a year should be set aside to support undergrounding. If it makes any sense at all, it would have to be a significant period of time—say, 10 or 20 years—and he would have to require of the Government \$30 million or \$60 million to be set aside out of the lease proceeds for undergrounding.

The Government has a much more viable and sensible proposition. As I said, the Government believes that the undergrounding of power lines at the rate and level that it has been undertaking is reasonable.

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: Well, the Government intends, as it has indicated to the LGA, that, under its lease contracts with new buyers, they will be required to expend the same amount of money that the Government has been spending through ETSA Utilities in recent years on improved undergrounding programs. The Government will make that a requirement of its lease contract with the new lessees. It does not want to spend large lumps of money out of the lease proceeds, as do the Labor Party and the Democrats: it would rather spend that money on either debt reduction or jobs for South Australians.

The Government has a viable alternative. It has put that proposition to the LGA. It is not true that the Government has not responded to the LGA: it has indicated to the LGA that it sees the existing PLEC scheme continuing in broadly the same fashion as it is at the moment with contributions from councils and the new lessees or operators of ETSA Utilities.

If the Government of the day or councils want to make judgments out of budget in relation to additional sums, again, that will be judgement calls for Governments of the day and individual councils. The Government believes that its proposal in relation to undergrounding makes much more sense than this hair-brained scheme that is being concocted by the Hon. Paul Holloway and supported by the Hon. Sandra Kanck. We believe that ours is a sensible proposal which will see a continuation of a reasonable and sensible level of undergrounding, which this Government supports.

The point which I made in my earlier contribution, and which I make again very strongly, is that it is the height of hypocrisy of the Hon. Mr Paul Holloway to stand up and attack the Hon. Mr Crothers because he wants to spend some of the lease proceeds on jobs for working-class South Australians. The Hon. Paul Holloway opposes that and attacks the Hon. Mr Crothers for it and then, within 30 seconds, says that he is quite happy to put \$30 million or \$60 million aside from the lease proceeds to fund undergrounding for 10 or 20 years as a greater priority than jobs for working-class South Australians.

The Government will be happy to debate the Sustainable Energy Authority in the July session. The Government's preferred option (and we will be further considering our position in the lead up to July) would be to try to fund the Sustainable Energy Authority out of licence fees for participants in industry rather than—

The Hon. Sandra Kanck: We could have dealt with the legislation last year, then.

The Hon. R.I. LUCAS: The Hon. Sandra Kanck again does not understand her own position. The licence holders within industry at the moment are Government-owned businesses. The Government's proposal for sale of our assets would have meant that privately-owned operators would be paying a licence fee, out of which would come some contribution to the Sustainable Energy Authority. In terms of a Government-owned industry, the Government's own money would then be going into the authority.

The Hon. Sandra Kanck: We could have still debated and passed it.

The Hon. R.I. LUCAS: Of course we could have, but that would have meant we would have had to pay for it. That is terrific: the Hon. Sandra Kanck gets what she wants, the budget must support it but the sale process does not go through. As I said to the Hon. Sandra Kanck, she cannot have her cake and eat it too, much as that is a favourite Democrat policy in South Australia. The honourable member must take some responsibility and be accountable in some way for the decisions she takes. The Hon. Sandra Kanck cannot oppose the sale of electricity assets and then say, 'Well, I am opposing the sale of the assets but, nevertheless, you can find a bit of extra money to support this particular authority which I happen to support and which is consistent with Democrat policy.' The real world does not operate that way. The Democrat world might but the real world does not.

The Hon. P. HOLLOWAY: If I heard correctly, the Treasurer indicated that he will make it part of the lease of the electricity assets that the new lessee will have to provide for the undergrounding of power in place of ETSA. If I am correct in that matter then, okay, that replicates the current situation. I indicate that if that happens that is, quite clearly, reflected in the price. As any person who has looked at economics would know, that means that the price for the lease of electricity assets will be discounted to whatever would go into a fund, anyway. In a sense, therefore, what I am proposing and what the Treasurer appears to be suggesting are exactly the same in revenue terms.

If the Government wishes to go down that path, that is fine by me. My amendment has been on file since last November when, of course, that matter had not been resolved. My amendment was intended purely to try to get the Government to address this issue of the funding of underground powerlines because, at that stage, that matter was unresolved. That amendment has been lying on the Notice Paper now for over six months. If the Treasurer says that he intends to make that part of the lease then, as I say, in revenue terms that is the same as I would propose and I am therefore happy with that. My point is that the question of undergrounding had to be addressed and paid for in some way. How you do it is not that important: the important thing is that it is addressed. I hope that I have interpreted the Treasurer's statement correctly and, if it is, that is a matter solved.

The Hon. SANDRA KANCK: When I moved my amendment the Treasurer jumped up and delivered the most extraordinary diatribe—

The Hon. Carolyn Pickles: As is his wont.

The Hon. SANDRA KANCK: —yes—which was a little bit light on fact and very good on rhetoric. In making a decision that some of the proceeds of this privatisation should be used, I have deliberately chosen areas that at least are in the energy field. The sorts of things which the Hon. Trevor Crothers's amendment did and which the Hon. Mr Lucas was

only too pleased to support had nothing to do with energy: they were about nameless job creation and about the Adelaide to Darwin rail link where the Northern Territory gets most of the benefit. What I propose in all three parts of my amendment would have an impact specifically in South Australia. It does surprise me that the Treasurer seems to think that you can underground powerlines without creating jobs and that you can retrofit houses without creating jobs. It seems that the jobs in which the Treasurer is interested are the ones that will help the Government with the slush fund closer to the election.

The Hon. NICK XENOPHON: In relation to the current process of undergrounding, will the Treasurer give an undertaking that with the private operators there will at least be a continued commitment and funding of undergrounding that will be incorporated in the lease document to be prepared, with a guarantee that there will not be any diminished commitment to the current and planned level of undergrounding of powerlines?

The Hon. R.I. LUCAS: In relation to an ongoing commitment to undergrounding at approximately the same level as exists at the moment, I have already given that commitment, so I do not have to give it again. I am advised that, rather than it being in the lease contracts, it might well be as one of the licensed conditions in terms of issuing a licence to a distribution company to run the distribution business in South Australia.

The Hon. NICK XENOPHON: I apologise if the Treasurer has already answered this question, but is it proposed that revenue be set aside for the Sustainable Energy Authority? What plans does the Government have in terms of funding, and to what extent?

The Hon. R.I. LUCAS: I had answered that, but being a gracious person I am always happy to answer it again. I indicated to the Hon. Sandra Kanck that we will debate this issue again in July. The Government hopes that we can fund the Sustainable Energy Authority through licence fees on industry participants. The issue we will have to resolve is how significant a licence fee we can have when a small number of industry participants will have to help fund the Industry Regulator, the Technical Regulator—because they already fund the Technical Regulator as that is required for safety reasons—and, potentially, the Sustainable Energy Authority as well. Clearly, we cannot load on to our electricity businesses in South Australia costs and charges significantly greater than competing businesses in other States and Territories. So, it is an issue on which we are taking further advice in terms of the quantum of money that might be achievable. When we next debate this in July we will probably be in a better position to indicate what might be possible.

The Hon. NICK XENOPHON: I thank the Treasurer for his response. Whilst I am sympathetic to the Hon. Sandra Kanck's amendments, for the same reasons that I could not support the Hon. Trevor Crothers's amendments I cannot support her amendments, even though there is a distinction between the purposes to which they are applied. I believe that any proceeds should be used solely for the purpose of debt reduction.

Amendment negatived.

The Hon. R.I. LUCAS: I move:

Page 10, line 26—Leave out 'special deposit account'.

This is merely a consequential amendment on earlier amendments.

Amendment carried.

The Hon. P. HOLLOWAY: I will not proceed with my amendment for the reasons I explained earlier. My amendment was there from last December. The Treasurer explained that he has another solution for it. I concede that, if he intends to put it in the contract, that is potentially a better way of going if it is done correctly.

The ACTING CHAIRMAN (The Hon. J.S.L. Dawkins): I understand that that amendment has already been incorporated in the previous amendment.

The Hon. R.I. LUCAS: On behalf of the Hon. T. Crothers, I move:

Page 10, after line 29—Insert:

(e) in payment to an account at the Treasury to be used—

(i) to the extent of an amount not exceeding \$150 million for the purposes of—

(A) contributing to the costs of employment training programs and programs to assist the establishment, restructuring or expansion of industry in the State;

(B) contributing to infrastructure costs associated with a railway line from the State to Darwin; and

(ii) for the purpose of retiring State debt.

(1aa) Subparagraph (i) of subsection (1)(e) expires 12 months after sale/lease agreements have been made providing for the disposal of all prescribed electricity assets of or available to an electricity corporation, State-owned company, Minister or any instrumentality of the Crown or statutory corporation (whether by the granting of a lease or the disposal of shares).

This amendment deals with the second part of the package. We have already had a test vote on this.

Amendment carried.

The Hon. R.I. LUCAS: I move:

Page 10, after line 29—Insert:

(1a) Any income from investment of money paid into an account at the Treasury under subsection (1) must be applied for the purposes of retiring State debt.

(1b) An amount paid by way of security will not be regarded as proceeds of a sale/lease agreement for the purpose of this section.

This amendment provides that any income derived from the investment proceeds of the sale/lease agreement, pending the application of those proceeds, is to be applied to the retirement of State debt. It also provides that an amount paid by way of security is not to be treated as the proceeds of the sale/lease agreement.

The Hon. P. HOLLOWAY: Is this amendment in the 56 pages of amendments or is this a separately circulated amendment?

The Hon. R.I. LUCAS: The 56 pages of amendments contain an amendment to clause 15, page 10, after line 29, but an alternative amendment has been circulated. In the first amendment income from the investment of moneys was to be paid into an account as may be applied as the Treasurer considers appropriate, which provided a much broader scope of where the money could be spent. We are now saying that any investment income earned from the proceeds ought to be paid into the retirement of State debt as well. It is more targeted and specific in terms of retiring State debt.

The Hon. P. HOLLOWAY: Because there is reference to this mongrel lease in the amendment, the Opposition will oppose it.

Amendment carried.

The Committee divided on the clause as amended:

AYES (10)

| | |
|-------------------|----------------|
| Cameron, T. G. | Crothers, T. |
| Dawkins, J. S. L. | Griffin, K. T. |
| Laidlaw, D. V. | Lawson, R. D. |

AYES (cont.)

| | |
|-----------------------|----------------|
| Lucas, R. I. (teller) | Redford, A. J. |
| Schaefer, C. V. | Stefani, J. F. |

NOES (9)

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

PAIR

| | |
|--------------|----------------|
| Davis, L. H. | Elliott, M. J. |
|--------------|----------------|

Majority of 1 for the Ayes.

Clause as amended thus passed.

New clause 15AA.

The Hon. NICK XENOPHON: I move:

In Part 3 after clause 15 insert:

Auditor-General's report on relevant long term leases

15AA. (1) The Auditor-General must be provided with a copy of each relevant long term lease within seven days after its execution.

(2) The Auditor-General must examine each relevant long term lease and any related transactions and prepare a prescribed report within—

(a) if sale/lease agreements have been made providing for the disposal of all prescribed electricity assets of or available to an electricity corporation, State-owned company, Minister or any instrumentality of the Crown or statutory corporation (whether by the granting of a lease or the disposal of shares)—three months after the date on which the last such sale/lease agreement was made; or

(b) two years from the date on which the first relevant long term lease was granted, whichever is the shorter period.

(3) Section 34 of the Public Finance and Audit Act 1987 applies to the examination of a lease and any related transactions by the Auditor-General under this section.

(4) The Auditor-General must deliver copies of a report prepared under this section to the President of the Legislative Council and the Speaker of the House of Assembly.

(5) The President of the Legislative Council and the Speaker of the House of Assembly must not later than the first sitting day after receiving a report under this section, lay copies of the report before their respective Houses of Parliament.

(6) If a report has been prepared under this section but copies have not been laid before both Houses of Parliament when a writ for a general election of the members of the House of Assembly is issued, the Auditor-General must cause the report to be published.

(7) In this section—

'prescribed electricity assets' has the same meaning as in section 11A;

'relevant lease' means—

(a) a lease granted by a sale/lease agreement; or

(b) a lease granted by a transfer order the lessee under which is a company that has been acquired by a purchaser under a sale/lease agreement;

'relevant long term lease' means a relevant lease in respect of prescribed electricity assets that confers a right to the use or possession of the assets for a term extending to a time, or commencing, more than 25 years after the making of the lease;

'prescribed report' means a report on—

(a) the proportion of the proceeds of leases examined under this section used to retire State debt; and

(b) the amount of interest on State debt saved as a result of the application of those proceeds;

'right' has the same meaning as in section 11A.

This clause provides for the Auditor-General to provide a report on relevant long-term leases. It requires that agreements be provided in relation to the transactions involved and that the Auditor-General provide a report within the auditable process ascertaining the proportion of the proceeds of leases as examined under the section used to retire State debt and,

secondly, the amount of interest and State debt saved as a result of the application of those proceeds. Given that the Government's entire legislative package seems to be predicated very much on the reduction of debt and that that appears to be a key aim of this legislation, it is important that there be a degree of accountability with respect to this transaction, the largest transaction in the State's history.

I do not have much more to say about this other than that this strengthens the whole issue of accountability, openness and transparency in the process, particularly on this crucial issue of debt reduction. I note that, notwithstanding my initial understanding that the Treasurer was not sympathetic to this amendment, he has moved an amendment to my amendment (and no doubt I will hear from him on that) which does not appear to be substantially different from the amendments I have moved with respect to subclauses (1) and (2). So, I am pleased that it appears that the Treasurer has come on board with the principles behind this clause.

The Hon. R.I. LUCAS: I move:

Leave out subclauses (1) and (2) and insert:

(1) The Auditor-General must be provided with a copy of each relevant long-term lease within the period of seven days after the prescribed date.

(2) The Auditor-General must, within the period of six months after the prescribed date, examine each relevant long-term lease that has been provided under subsection (1) and any related transactions and prepare a report on—

- (a) the proportion of the proceeds of the leases used to retire State debt; and
- (b) the amount of interest on State debt saved as a result of the application of those proceeds.

In subclause (7) insert:

'prescribed date' means the earlier of the following:

- (a) if sale/lease agreements have been made providing for the disposal of all prescribed electricity assets of or available to an electricity corporation, State-owned company, Minister or any instrumentality of the Crown or statutory corporation (whether by the granting of a lease or the disposal of shares)—the date on which the last such sale/lease agreement was made; or
- (b) the second anniversary of the date on which the first relevant long-term lease was granted;

Leave out the definition of 'prescribed report' from subclause (7).

As we have indicated, we are always prepared to listen to sensible, constructive amendments and suggestions during any debate and, where there are provisions or amendments to be moved, as I indicated earlier today and yesterday, we have accepted a small number of those amendments. From the Government's viewpoint, we have no objections at all to a high degree of public accountability in relation to this process. We have moved some small amendments, and the honourable member is correct: they do not significantly change the honourable member's intent. We wanted to ensure, as we have with the lease package, the tabling in Parliament of the lease contracts, and the probity auditor's tabling of the report, that this process is publicly accountable, but after the last lease contract has been signed. We certainly would not want anything to be publicly made available. The Auditor-General, right from the word go, has access to information, so it does not prevent the Auditor-General having access to information. However, in terms of public reporting, and those sorts of things, it obviously would not help the process if, for example, there was to be some public report which might influence the bidding behaviour of bidders for perhaps our fourth or fifth—

The Hon. Nick Xenophon interjecting:

The Hon. R.I. LUCAS: Our legal advice was that, in certain circumstances, it was possible that, before our final

lease contract, there might be an Auditor-General's report. So, as I said, it does not change significantly the intent of the honourable member's motion but, in certain circumstances, we are advised that we might have a situation where the Auditor-General is reporting prior to our completing the full lease process.

As I said, it does not prevent the Auditor-General getting information right from day one or, indeed, being involved, within his powers at the moment, all the way through the process, if that is his wish. That generally has not been the way he operates, but if he wanted to do that he certainly could. So, nothing prevents him getting information. We are saying that what would be a legislative process in terms of public reporting would be stipulated for a period at the end of our process.

Again, we cannot prevent him from bringing out a report should he so desire, because of the seriousness of the situation or because of the particular views that he might have at any stage. The Government is not in a position to dictate to the Auditor-General, and it would not seek to do so. However, in terms of what this Parliament is prepared to say, it would appear (and the honourable member is talking about public accountability in terms of repayment of debt, and so on) that the sort of timing that the Government has in its amendment to the amendment would fit with the processes that the honourable member is talking about.

The only other point I would make is that we did toy with amending slightly the terms of the prescribed report, I think it was, that the honourable member required. As the honourable member probably is aware from previous discussions we have had, the Auditor-General reports within six months after, say, some lease proceeds have been received. The Government will be managing an orderly repayment of its debt.

So, for a short period we will have a significant amount of debt coming through in the next two or three years, but the Government may well still be holding some of those proceeds from financial assets, waiting for the maturing of debt. Given the honourable member's time requirement, some of those lease proceeds in a technical form might not have been paid off against State debt; they would have been held, waiting for debt to mature. Nevertheless, in the public accounting of that, cash assets held in that way come off the net State debt, so the net State debt figure would be reported at the lower level, anyway. Even though the honourable member's strict legislative requirements do not mention that, we are sure that the Auditor-General would probably report that as well, together with a whole range of other information. We would not want him to report specifically just on the detail the honourable member has talked about: we would be looking at a more embracing report which would include that. That would report the level of net State debt has reduced from \$7.5 billion to whatever it is, even if we are waiting for another six months or so for that level of State debt to mature for the repayment to occur. We see that as a technicality and we decided in the end not to seek an amendment. We think it is a reasonable amendment and, if the honourable member is prepared to accept it in the amended form that the Government is suggesting, we would see it as a happy compromise and a worthwhile amendment.

The Hon. P. HOLLOWAY: We will support the Hon. Nick Xenophon's amendment.

The Hon. NICK XENOPHON: In the spirit of compromise I indicate I will accede to the Treasurer's amendments so that this matter can be resolved expeditiously.

The Hon. R.I. Lucas's amendment agreed to; proposed new clause as amended inserted.

The Hon. R.I. LUCAS: I move:

New Parts 3A and 3B, after Part 3—Insert:

PART 3A
STAFF

Transfer of staff

15A. (1) Action must be taken to ensure that all employees engaged in a business to which a sale/lease agreement relates are taken over as employees of the purchaser, a nominee of the purchaser or the company acquired by the purchaser under the sale/lease agreement.

(2) For the purposes of this section, the Minister may, by order in writing (an employee transfer order)—

- (a) transfer employees of an electricity corporation to positions in the employment of a State-owned company;
- (b) transfer back to an electricity corporation an employee transferred to the employment of a State-owned company;
- (c) transfer employees of an electricity corporation to positions in the employment of a purchaser under a sale/lease agreement or a nominee of the purchaser;
- (d) transfer employees of a State-owned company to positions in the employment of a purchaser under a sale/lease agreement or a nominee of the purchaser.

(3) An employee transfer order takes effect on the date of the order or on a later date specified in the order.

(4) An employee transfer order may be varied or revoked by the Minister by further order in writing made before the order takes effect.

(5) An employee transfer order has effect by force of this Act and despite the provisions of any other law or instrument.

(6) A transfer under this section does not—

- (a) affect the employee's remuneration; or
- (b) interrupt continuity of service; or
- (c) constitute a retrenchment or redundancy.

(7) Except with the employee's consent, a transfer under this section must not involve—

- (a) any reduction in the employee's status; or
- (b) any change in the employee's duties that would be unreasonable having regard to the employee's skills, ability and experience.

(8) However, an employee's status is not reduced by—

- (a) a reduction of the scope of the business operations for which the employee is responsible; or
- (b) a reduction in the number of employees under the employee's supervision or management,

if the employee's functions in their general nature remain the same as, or similar to, the employee's functions before the transfer.

(9) An employee's terms and conditions of employment are subject to variation after the transfer in the same way as before the transfer.

(10) A person whose employment is transferred from one body (the former employer) to another (the new employer) under this section is taken to have accrued as an employee of the new employer an entitlement to annual leave, sick leave and long service leave that is equivalent to the entitlements that the person had accrued, immediately before the transfer took effect, as an employee of the former employer.

(11) A transfer under this section does not give rise to any remedy or entitlement arising from the cessation or change of employment.

(12) For the purposes of construing a contract applicable to a person whose employment is transferred under this section, a reference to the former employer is to be construed as a reference to the new employer.

Separation packages and offers of alternative public sector employment

15B. (1) Subject to this section, any action that a private sector employer takes from time to time as a consequence of a transferred employee's position being identified as surplus to the employer's requirements must consist of or include an offer of a separation package that complies with this section.

(2) If a private sector employer makes an offer to a transferred employee under subsection (1) after the end of the employee's first two years after becoming a transferred employee, an offer must also be made to the employee of public sector employment with a rate of pay that is at least equivalent to the rate of pay of

the employee's position immediately before the employee's relocation to public sector employment.

(3) A transferred employee who is made an offer of a separation package under subsection (1) must be allowed—

- (a) if an offer of public sector employment is also made under subsection (2)—at least one month from the date of the offer of public sector employment to accept either of the offers;
- (b) in any other case—at least one month to accept the offer.

(4) If a transferred employee has been offered both a separation package and public sector employment under this section and has failed to accept either offer within the period allowed, the employee is taken to have accepted the offer of a separation package.

(5) The employment of a transferred employee may not be terminated as a consequence of the employee's position being identified, within the employee's first two years after becoming a transferred employee, as surplus to a private sector employer's requirements unless the employee has accepted (or is taken to have accepted) an offer under this section or otherwise agreed to the termination.

(6) A separation package offered to a transferred employee under this section must include an offer of a payment of an amount not less than the lesser of the following:

- (a) $(8 + 3CYS)WP$;
- (b) 104WP,

where—

CYS is the number of the employee's continuous years of service in relevant employment determined in the manner fixed by the Minister by order in writing; and

WP is the employee's weekly rate of pay determined in the manner fixed by the Minister by order in writing.

(7) An order of the Minister—

- (a) may make different provision in relation to the determination of an employee's continuous years of service or weekly rate of pay according to whether the relevant employment was full-time or part-time, included periods of leave without pay or was affected by other factors; and
- (b) may be varied by the Minister by further order in writing made before any employee becomes a transferred employee; and
- (c) must be published in the *Gazette*.

(8) A person who relocates to public sector employment as a result of acceptance of an offer under this section is taken to have accrued as an employee in public sector employment an entitlement to annual leave, sick leave and long service leave that is equivalent to the entitlements that the person had accrued, immediately before the relocation, as an employee of the private sector employer.

(9) It is a condition of an offer of a separation package or public sector employment under this section that the employee waives any right to compensation or any payment arising from the cessation or change of employment, other than the right to superannuation payments or other payments to which the employee would be entitled on resignation assuming that the employee were not surplus to the employer's requirements.

(10) If an employee is relocated to public sector employment as a result of acceptance of an offer under this section—

- (a) the employee may not be retrenched from public sector employment; and
- (b) the employee's rate of pay in public sector employment may not be reduced except for proper cause associated with the employee's conduct or physical or mental capacity.

(11) Subsection (1) does not apply if the action that a private sector employer takes as a consequence of an employee's position being identified as surplus to the employer's requirements consists only of steps to relocate the employee to another position in the employment of that employer or a related employer with—

- (a) functions that are in their general nature the same as, or similar to, the functions of the surplus position; and
- (b) a rate of pay that is at least equivalent to the rate of pay of the surplus position.

(12) For the purposes of subsection (5), the employment of a transferred employee is taken not to have been terminated by reason only of the fact that the employee has been relocated to

another position in the employment of the same employer or a related employer if the rate of pay of that position is at least equivalent to the rate of pay of the employee's previous position.

(13) In this section—

'award or agreement' means award or agreement under the Industrial and Employee Relations Act 1994 or the Workplace Relations Act 1996 of the Commonwealth as amended from time to time;

'private sector employer' means—

(a) a purchaser under a sale/lease agreement or a company that was an electricity corporation or State-owned company before the shares in the company were transferred to a purchaser under a sale/lease agreement; or

(b) an employer who is related to a purchaser or company referred to in paragraph (a);

'public sector employment' means employment in the Public Service of the State, or by an instrumentality of the Crown or a statutory corporation;

'rate of pay' includes an amount paid to an employee to maintain the employee's rate of pay in a position at the same level as the rate of pay of a position previously occupied by the employee;

'relevant employment' means—

(a) employment by The Electricity Trust of South Australia, an electricity corporation or a State-owned company; or

(b) employment by a private sector employer;

'transferred employee' means an employee—

(a) who—

(i) was transferred by an employee transfer order to the employment of a purchaser under a sale/lease agreement; or

(ii) was in the employment of a company that was an electricity corporation or a State-owned company when the shares in the company were transferred to a purchaser under a sale/lease agreement; and

(b) who has remained continuously in the employment of that purchaser or company or in the employment of an employer related to that purchaser or company since the making of the relevant sale/lease agreement; and

(c) whose employment is subject to an award or agreement.

(14) Employers are related for the purposes of this section if—

(a) one takes over or otherwise acquires the business or part of the business of the other; or

(b) they are related bodies corporate within the meaning of the Corporations Law; or

(c) a series of relationships can be traced between them under paragraph (a) or (b).

PART 3B

LICENCES UNDER ELECTRICITY ACT

Licences under Electricity Act

15C. (1) The Minister may, by order in writing, require that a licence under the Electricity Act 1996 authorising specified operations be issued to a State-owned company, or to the purchaser under a sale/lease agreement, in accordance with specified requirements as to the term and conditions of the licence and rights conferred by the licence.

(2) The requirements of the Minister as to the conditions of a licence must be consistent with the provisions of the Electricity Act 1996 as to such conditions.

(3) The Minister may, by order in writing, require that a licence issued to a State-owned company in accordance with an order under subsection (1) be transferred to a purchaser under a sale/lease agreement.

(4) The Minister may, by order in writing, require that a licence issued to a purchaser in accordance with an order under subsection (1), or transferred to a purchaser in accordance with an order under subsection (3), be transferred to the transferee under a special order.

(5) An order under this section must be given effect to without the need for the State-owned company, or the purchaser, to apply for the licence or agreement to the transfer of the licence and despite the provisions of the Electricity Act 1996 and section 7 of the Independent Industry Regulator Act 1998.

(6) An order may not be made more than once under this section for the issue of a licence in respect of the same electricity generating plant.

(7) An order may not be made more than once under this section for the issue of a licence in respect of the same electricity retailing business.

(8) A licence issued to a State-owned company in accordance with an order under this section may not be suspended or cancelled under the Electricity Act 1996 on the ground of any change that has occurred in the officers or shareholders of the company associated with the company's ceasing to be a State-owned company.

This series of amendments is one of the more important aspects of the proposed Government legislation. In the discussions that I conducted with the Hon. Mr Crothers over a period of time it was one of the two driving influences behind his decision as to whether or not to support the legislation. If we were to lease the assets he wanted to see the overwhelming bulk of the money go to the repayment of the State's debt, and we have had that debate in a number of clauses. The honourable member's second requirement was that he needed to be satisfied that the provisions relating to the protection of the staff within the electricity businesses were as watertight as he required them to be.

When he spoke in this Chamber last week he put down a series of questions on the Tuesday and, as members will be aware, the Government responded formally to the honourable member on that Wednesday evening. The honourable member then spoke in this House after further meetings that I conducted with him and the Hon. Mr Cameron in relation to the drafting. The Hon. Mr Crothers and I share a number of similar views on some issues, one of them being our shared amazement that what was a two paragraph letter of agreement to his simple three questions put to the Government on the Tuesday, when it came to the very difficult task conducted by Parliamentary Counsel, in particular, of trying to ensure that all the i's are dotted, the t's are crossed and the loopholes closed off, became quite a complicated piece of legislative amendment that extends over some three or four pages.

I pay tribute to Parliamentary Counsel, not just on this issue but to Parliamentary Counsel's work on this whole Bill. The Government is indebted to the many hours that Parliamentary Counsel has put in above and beyond the call of duty, way beyond normal office hours, in the not inconsiderable task of the original drafting of the Bill, then the considerable amendments and changes that have eventuated over the 16 months in which we have been debating this measure and the past 12 months during which it has been before the Council in one form or another.

This was a difficult provision. The Government said, 'Here are the requirements of the Hon. Mr Crothers. It is your task, difficult though it may be, to ensure that it is exactly, absolutely replicated in the legislation.' The Hon. Mr Crothers, as he indicated, based on advice from the Hon. Mr Roberts not to accept just a letter of offer from the Premier and the Treasurer, took that up with me by way of further discussion after the Tuesday and we readily agreed in that letter that we would have Parliamentary Counsel draft, as water tight as possible, a legislative provision to ensure that the honourable member's requirements were met in the legislation.

During those subsequent couple of days, I had a number of discussions with the Hon. Mr Crothers, the Hon. Mr Cameron, Parliamentary Counsel and our legal advisers in terms of trying to ensure that those requirements are

reflected in the legislation. I believe that the package we have before us accurately reflects the requirements that the Hon. Mr Crothers placed on the Government.

In speaking to the amendment, I will trace what is the situation within our electricity businesses at the moment before we look at the significance of the changes that are now being proposed to be implemented by this package of amendments. At the moment, there is no ongoing guarantee forever and a day of no forced redundancies within the electricity businesses. Each two years an enterprise agreement has to be negotiated with the employee representatives through the unions, and in recent years no forced redundancies has been the result of those negotiations. Similarly, in the public sector generally, there is nothing that absolutely requires no forced redundancies to be an outcome of enterprise agreement negotiations.

The reality is that, if we did not have leasing of our assets and if we were not going through this debate, at some stage in the future a Liberal Government, or indeed a Labor Government, perhaps because of the national electricity market, perhaps because of the impact on a particular business as a result of the extraordinarily risky nature of competing interstate generators and transmission lines that might come into our State, would be faced with a different situation. I understand that it was originally a Liberal Government (rather than, as many people understand, a Labor Government) which between 1979 and 1982 introduced the no forced redundancy provision. So, it is possible under the current arrangements that, without the lease arrangement we are going through, employees within our electricity businesses could confront a set of circumstances in the future where the no forced redundancy provision is not a part of their ongoing employment package. No-one within the unions, this current Government or current management can guarantee what a future Government might do—no-one. They might like to describe what they would like to see happen, but no-one can guarantee that a future Government might not take a position.

When we look at the magnificence of the Crothers amendment, if I can put it that way, in terms of protecting workers' rights, we have to look at what exists at the moment, that is, there is no guarantee and there can be no guarantee by anyone that no forced redundancies will always be part of an enterprise agreement for workers within the electricity businesses.

Without going into all the details, members in this Chamber know that one or two of our electricity businesses are already feeling the heat of competition from the national electricity market. When National Power with 500 megawatts of capacity comes on stream at the end of next year and the start of the following year, a plant which is state-of-the-art, which operates in the mid 50 per cent range in terms of gas efficiency compared with Torrens Island which is in the low 30 per cent range in terms of efficiency, the heat of competition not only from that generator but also from other generators that might be constructed in the foreseeable future and maybe from a new transmission line from New South Wales connecting to South Australia will be turned full bore on some of our Government owned electricity businesses. I can only repeat that this is critical when one compares what exists now and how it might be improved for workers in the future, but in this environment there can be no guarantee from anybody that some Government at some stage in the future will not have to make a decision in relation to no forced redundancies. That is the first point.

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: No, it would not. That issue would have to be negotiated with the employees and their representatives. I am not talking about that set of circumstances, anyway, because I am talking about a leasehold arrangement and the deal that has been negotiated with the Hon. Mr Crothers. The other aspect of the current situation, as the Hon. Mr Crothers mentioned, is that we have already seen in our electricity businesses over the last eight years a significant decline in employment from 5 500 to 2 500. How has that occurred within those businesses and how has it been managed? There has been some natural attrition but clearly a significant number of voluntary separation packages have been taken during that time.

Within our electricity businesses, whilst there have been no forced redundancies and the reduction in numbers has been as a result of voluntary separations or natural attrition, there is no guarantee that a worker's specific job will be protected for ever and a day. A worker might be the world's best specialist in a particular technical area, whatever that might be but, in the end, if for technology or a variety of other reasons that job no longer exists within the electricity business and that position has been declared surplus to requirements, and if the worker has not taken a package or left for any other reason, that worker is kept on within the electricity business.

I am advised that there are requirements on ETSA with respect to best endeavour in terms of retraining and trying to find alternative employment within the electricity businesses, and by and large over the years management has endeavoured to follow that. I understand that on occasions there have been complaints from workers and their union representatives about how that was managed, but that is broadly the situation. I am also advised that the worker whose job no longer exists and who may well have alternative employment within ETSA, not in his or her specialist area but some alternative employment, can be kept on at that same pay rate for a period of five years. Within the existing arrangements, at the end of that period of five years, that worker, having been maintained at an equivalent pay rate of, say, \$50 000 in alternative employment, can have their pay rate reduced.

That is the existing situation for workers in the electricity businesses. After a period of time, they can have their pay rate reduced. At some stage in the future, it is possible that a Government might remove the no forced redundancy provision from an enterprise agreement. That is the current set of circumstances that confronts electricity workers within our businesses. By and large, that is not that much different from the position of many public sector workers. I understand that, in the State public sector, the pay rate of someone who is in a position that is declared surplus can be maintained at the same level for a period of 12 months, and then it can be reduced. I think that under a Federal award it is for two years, and then it can be reduced. The electricity arrangements are more generous to the workers and maintain pay rates for a period of five years. Nevertheless, in all those cases there is a scheme of arrangement which means that that worker, after a five year period in the electricity business, could receive a reduced pay rate.

It is absolutely critical in this debate, in order to understand the deal which the Hon. Mr Crothers has negotiated for workers, also to understand what exists at the moment for those workers. Under the package which the Hon. Mr Crothers has negotiated, there is a series of stages that would be followed. At the time of the actual lease, the

employees would be transferred from the Government owned business to the newly leased business.

During the first two years of operation of those businesses by the new operator and lessee, the businesses can, if they declare a particular position to be surplus, operate in much the same way as do all electricity businesses: that is, they can offer a voluntary separation package to a worker, and if that worker takes that package that resolves the situation.

If the worker does not want to accept a voluntary separation package in those first two years, they can be moved to alternative employment within the electricity business. That is exactly the same arrangement that exists at the moment: the pay rate is protected and the same requirements are placed upon the new lessee as currently exist for that two year period. In many situations, as is the case at the moment, people might be successfully redeployed to a new area of alternative employment which might require some retraining or reskilling. That could well be a successful transition into a new job within the electricity business.

Two years after the new lessee takes over the operation of the business, we move into the second stage of the Crothers' package. At that point, if a person is in a surplus position and the electricity business has not been able to absorb that person into an alternative ongoing permanent position within the business, and is still surplus to the requirements of the business, that worker would be offered some options. Again, the first option would be a voluntary separation package. Alternatively, the worker would be offered a transfer back into public sector employment—again, with the pay rate being protected.

I have heard criticism to the effect that, under this option, a specialist linesperson might be required to transfer back into the public sector to undertake work which had nothing to do with being a specialist linesperson. That is the case at present within electricity businesses. If a job is declared to be surplus and it is in a specialist area, a worker can be transferred to alternative employment that is not as a specialist linesperson or technician within that person's area of expertise. That has occurred on a number of occasions during the past eight or nine years and, in the full heat of the national electricity market, if the businesses were Government owned, it would obviously be likely to happen in the future also.

When that person is transferred back into the public sector, their current pay rate would be protected from that time onwards. I invite members to compare that with the current situation within electricity businesses where, after five years, an employee could have their pay rate reduced. Under the package negotiated by the Hon. Mr Crothers, an employee's pay rate is protected at that level for the remainder of their employment. That is a significant improvement in terms of an employee's conditions.

Secondly, all other persons in the public sector are subject to the same issue that I raised earlier in relation to the electricity businesses, namely, that within the public sector no forced redundancies exist from enterprise agreement to enterprise agreement. There is no-one from the unions, this Government or from the businesses who can guarantee that, at some stage in the future, a Government, Liberal or Labor, will not abolish the no forced redundancy provision in enterprise agreements in the public sector. No-one can guarantee that for ever and a day.

The particular workers who will be transferred out of the electricity businesses will be the only workers in the public sector guaranteed no forced redundancies for the remainder of their working lives. They will be the only workers in the

public sector with that rolled gold benefit. All other workers in the public sector are subject to the whim or policy decision of future Governments, Labor or Liberal, to remove the no forced redundancy provision from enterprise agreements. If, at some stage in the future—and we believe it will be a relatively small number—they did transfer workers back into the public sector they will not be subject to that. They will be the only workers in our public sector with that rolled gold guarantee of continued employment, at least at the level at which they had been transferred back into the public sector.

That is the shape and nature of the package that has been negotiated by the Hon. Mr Crothers. For the life of me I cannot understand some of the public comment I have heard about the package negotiated by the Hon. Mr Crothers. One must seriously look at what confronts the workers of the electricity businesses at the moment, which is no absolute guarantee for ever and a day of no forced redundancies and no guarantee that, after a period of five years, their pay rate will not be reduced. That is what they face at the moment, yet under this package of amendments negotiated by the Hon. Mr Crothers we see no possibility of a reduction in salary after five years if their position is declared surplus and a guarantee of some employment, whether it be in the electricity business or back in the public sector somewhere, from that day on. Again, they are the only people in our public sector who will have that provision in terms of ongoing protection.

I want to address one further issue. Parliamentary Counsel quite rightly raised the issue that when one reaches the situation of offering the worker who occupies a surplus position in the electricity business the option of either a voluntary separation package or a transfer at the same salary rate back into the public sector and that worker says, 'I am not prepared to take either of those options: I am not prepared to take the voluntary package and I am not prepared to take an ongoing job within the public sector at the same salary rate.'

The Hon. Diana Laidlaw interjecting:

The Hon. R.I. LUCAS: In this case, if the job was surplus and the lessee had to reduce the work force because, for example, the full heat of competition meant that it was struggling in terms of being able to maintain the ongoing viability of the business (and Parliamentary Counsel raised the question) and if a worker in those circumstances says, 'I am not prepared to take either,' what happens? Something must occur to break the impasse. The advice I have received from management of the electricity businesses and from those who have worked within this particular area is that the take-up rate of voluntary packages within the electricity business has been pretty good. In fact, we have the problem that too many people whom we do not want to see leave the businesses actually want packages. I have had a continuing series of letters from people who say that they would like to take a package but that management has said, 'No, you are not in a surplus position and we cannot afford to let you go.' So, they are generous packages, and there has not been, and I am advised that there is unlikely to be—significantly anyway—any problem in the future if voluntary separation packages are offered in most areas.

In those circumstances there needs to be some way to break the impasse. You cannot force somebody to drag them from their business and plonk them into a Government department somewhere if they absolutely refuse to go or refuse to move to that new employment. In those limited circumstances there needs to be an impasse breaker, and this makes it clear that those workers will be deemed to have

taken the separation package. In my discussion with the Hon. Mr Crothers I provided an undertaking that the Government will report on a regular basis to the Parliament the number of workers who might find themselves in that position. It is the Government's advice that we do not believe in the end that there will be a significant number of workers who will not take either the option of continuing employment in the public sector or a voluntary separation package under these arrangements. But, in the end, there does need to be a way of breaking that impasse if a particular individual refuses to accept one of the two options.

The Hon. T.G. Roberts: You could cancel all those volunteers and retrain them.

The Hon. R.I. Lucas: Well, there may be other ways that the business might be able to manage that, as the honourable member has raised. I am sure the businesses would do their best to manage these difficult circumstances obviously in the best interests of the employee and also the business. We have to bear in mind that, if a particular business is struggling to be competitive in the cutthroat national electricity market that currently prevails, any requirement which says in the end after this two year period—which they will have to factor into their cost structure—that they have to keep on additional employees who are surplus to their requirements is only a recipe, potentially for some of these businesses anyway, to make them less and less viable in terms of their competitive position in the national market. In the end, as we have seen in a number of other businesses, there may well be catastrophic circumstances as a result of those requirements.

Further, in the discussions I had with the unions through the middle part of last year, one issue the unions put to me was that the Government's offer at the time meant that in a certain set of circumstances someone who had worked within ETSA for 40 years, who had taken a voluntary package and who might have been entitled to 104 weeks' salary payout would have ended up with only 13 weeks' payout. That is the position the union representatives put to me forcefully around the boardroom table of the State Administration Centre. They said that it was unacceptable to them as union representatives and to the workers that, in those circumstances the union outlined, someone who might otherwise have been entitled to a 104 week payout would get only a 13 week payout. The amendment in the package before us this evening ensures that the workers will not get a 13 week payout. If they are entitled to 104 weeks' payout, they will get the 104 week pay out—guaranteed.

With regard to the issue that the unions raised—and I hasten to say that the Government acknowledged that issue last year and sought to do something about it—in the end we were unsuccessful with the package that was going through the Parliament at the time, and it was not proceeded with.

In summary, in all of those areas, this package is second to none in terms of providing protection to employees within the electricity businesses. I hasten to say that it is not the Government's preferred position. Union representatives have been consulting with members. As Treasurer and as Minister responsible for the electricity businesses I argued my preferred position forcefully, face-to-face with them on a number of occasions, on behalf of the Government as to what we believed was a fair and reasonable package for employees. However, in the negotiations with the Hon. Mr Crothers he was not prepared to be moved or swayed in terms of his commitment to workers and employees to provide this package of benefits to them.

In the end, the Government has made the decision that, whilst it was not our preferred option in this area, we believe that it was a price worth paying in the interests of ensuring the passage of the Government's legislation. Therefore, I very warmly endorse the package that the Hon. Mr Crothers has moved, and I defy anybody to indicate how this package does not have a significant number of benefits when compared to the existing employee arrangements within the electricity businesses.

The Hon. R.R. Roberts: I rise to enter the debate after we have dealt with some 15 clauses. I pride myself as being somewhat of a horse trader over the years. One of the things I learnt a long time ago is that, when the deal is done, there is not much use in keeping on talking. I have resisted the debate so far about the lease. The trade unions, the single bargaining unit of the UTLC and I have now accepted that the numbers are there for the lease. So, at the end of the day, honourable members have engaged in long and heated debate. It has been proper debate, because those people who have a different point of view from that of the Government have constituencies to whom they must answer, and they have a right to put their concerns on the record and have them answered. I am a pragmatist. I understand all that, and I encourage them to do that.

The single bargaining unit is greatly disappointed that the majority of members have indicated that the lease is on, and that also brings much disappointment to the trade unions. However, we are prepared to put those aside. I want to concentrate my remarks on the package that we are talking about today. I indicate that basically we oppose this proposition. The Treasurer has commented on his package and highlighted some of the points he sees as being of advantage. What he has not highlighted is some of the pitfalls that are in there; he has not explained the whole picture.

We must remember how this provision came about. The Treasurer tried to outline how it came about. I know probably better than most how it came about. This was all going to be done by proper negotiation between the Government's negotiators on the one hand, led by Rob Lucas, and the single bargaining unit on the other hand. That process was well down the track. I will go through some of the history of that negotiation and what that achieved. Our progress and why it was stopped are matters I wish to touch on. In the past week the Hon. Trevor Crothers put his proposition before the Government that he wanted some conditions for the workers in the industry. That was probably well intentioned.

The problem is, as I pointed out last week, that, whilst they might well have been well intentioned, they were not necessarily well informed. When we balance what the trade union movement and the negotiating team had done, if the Hon. Trevor Crothers was fully aware of those negotiations and what had been achieved and had then sought to build upon that or compare it with his proposition, I would have been fully in support of the proposition. Unfortunately, despite calls from me, despite my best efforts and those of the trade union movement—and it is understandable that the Hon. Trevor Crothers was under enormous pressure at the time—and despite all the efforts to engage him in dialogue about what the trade union movement had negotiated on behalf of the workers of ETSA, it fell on deaf ears. We were unable to say, 'These are the problems with your proposition.' I told the Chamber of the matter last week, as reported in *Hansard* (page 1325), after I was invited by the Treasurer to explain why I thought the package was inferior. I quote the Hon. Mr Crothers in that debate, who said:

I am concerned about some of the assertions made by the Hon. Ron Roberts.

They are some of the matters I have just covered, and he continued:

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 responded:

I will gladly respond to the Hon. Mr Crothers' question. The claims made by the Hon. Ron Roberts are not true. . .

I intend to go through them in a moment. Further on the Treasurer stated:

The Government has only responded to the questions put to us by the honourable member.

That reinforces the point I made previously. The Hon. Trevor Crothers, being unaware of what the unions had achieved, asked questions and he did not know the answers. However, I put it to the Committee that the Government did and it could have easily said, 'We have given a commitment of no redundancies up to the point of sale and no forced redundancies beyond that point.' A number of pieces of correspondence are relevant. As to the first issue of no forced redundancies up to the point of lease, there has been no issue with that, and the single bargaining unit and the Government have agreed. There has never been a problem and there is nothing new in that.

As to the ongoing no forced redundancies issue with the new owners, it was not limited by time in the first proposition. As to the first letter, a meeting took place with Premier Olsen in his office on 17 February 1998 and assurances were given to the single bargaining unit that there would be no forced redundancies. I believe that on the 17th or the 19th a letter signed by Michael Armitage was sent to every employee, as follows:

As you will be aware, the State Government has made a decision to sell ETSA and Optima in order to remove the risk of potential financial disaster for the South Australian taxpayer. However, I am writing to reassure you that in this process there will be no forced redundancies.

That is underlined. It continues:

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

That letter was signed by the Hon. Michael Armitage on the 17th and delivered to the whole ETSA work force. It was a clear, unequivocal guarantee that, in the event of a private operator taking over, implicit in what they are saying is that the contractual arrangements would specifically require that a private operator who eventually decided it required a smaller staff could achieve that only through natural attrition and voluntary separation packages.

In his submission tonight the Treasurer has put a different spin. Promises were also made on a number of occasions. I have some correspondence under the hand of the Treasurer. Again, it is a letter to every employee. Paragraph 5 says:

We have already guaranteed that there will be no forced redundancies during the sale process. Our next step will be to require as a condition of sale, that prospective owners agree to provide employment for all those employed at the time of sale, including those with outstanding workers' compensation claims and those subject to income maintenance. We will then lock in our commitment to no forced redundancies after the sale through a certified agreement which will be signed with your union prior to sale.

So there is a clear, unequivocal intention by the Government under the hand of the Treasurer (Hon. Rob Lucas) that they will be locking into the commitment for no forced redundancies after the sale through certified agreements which would be signed prior to the sale.

The Hon. R.I. Lucas interjecting:

The Hon. R.R. ROBERTS: No, it does not say that at all. That is not what you said. It continues:

This agreement will operate under the Federal Workplace Relations Act, which means that any changes to it could only occur after negotiations between you and your unions and the new owners.

During the negotiation process the Government's explanation was, 'Well, you will never agree to take that out.' So, the Government actually has a commitment to no redundancies. By way of interjection, the Treasurer has said that they made it two years. Later on, they did renege and came back to the two years. However, that is not what they said to all the employees in writing.

I asked the Hon. Trevor Crothers and the Hon. Terry Cameron to take note of these matters. The important point is that they were the agreed conditions. The proper way in which to get agreements about the conditions and the rights of workers is by sitting down with the Government's negotiating team, and to its credit it did that up until 9 December last year. Two matters were being discussed: first, the conditions for workers or staff of the new employer; and, secondly, the superannuation arrangements. Particular arrangements and agreements were made in relation to superannuation.

I am happy to report that my advice is that, as far as superannuation is concerned, one or two issues basically of an administrative nature are involved. One issue related to the composition of the Superannuation Board—and I will be moving an amendment in relation to this issue. The single bargaining unions were now saying that they wanted to appoint their members rather than have a long process of election on the basis, I am advised, that the fund about which we are talking and of which these people were members has been under performing. It was the considered view of all the unions that they ought to maximise the benefits for the workers.

I should have thought that would be applauded by the Hon. Rob Lucas in his new found admiration and love of the working class. Now that he loves workers, I thought he would have wanted to get the best conditions for them. Well, there is the opportunity for him to do that.

I also refer to another letter that was sent to the single bargaining union, Bob Donnelly and John Fleetwood on 20 November 1998. Again, it came to 'certified agreement'—life and no forced redundancy commitment. The letter states:

I reiterate the Government position outlined in my letter of 8 September 1998, in that the Government will lock in its commitment to no forced redundancies after the sale through a certified agreement which will be signed with the unions prior to sale. This agreement will operate under the Federal Workplace Relations Act and will have a nominal life of two years.

That was the first time that the Government made its position clear that it was talking about a two year agreement. But do not forget that we have to put that alongside the commitments which were given not necessarily in writing but which were given, one assumes, openly and honestly, that it was the expectation that that would go on forever. Members can compare that with the offer outlined in new clauses 15A and 15B—and I want to say more about those in a moment. The letter from the Hon. Rob Lucas continues:

Legal advice that I have received since our meeting on 30 October 1998 confirms your position that the Federal Workplace Relations Act provides for a termination of such agreement if the commission considers, on the application of a party to the agreement, that it is not contrary to the public interest to terminate the agreement. My advice is that the probability of such a termination of the agreement in these circumstances is remote and that it does not appear to have ever been used.

To provide for the unlikely circumstance that the agreement is terminated by the Industrial Relations Commission, I have asked that the Electricity Corporations (Restructuring and Disposal) Bill 1998 be amended to provide for retrenchment payments that would apply to transferring employees to be similar to the formula that currently applies for VSP recipients.

In the example that you gave me at our last meeting a long-standing ETSA employee would be guaranteed a payment of 104 weeks rather than the eight weeks referred to by you.

That is a figure that has been confused by the Treasurer. He used to mention 13; the figure was possibly eight. But the agreement about the 104 weeks was clearly established on 20 November 1998.

I think the important thing was that these proper negotiations were taking place in full light of the fact that it was the Government's intention to dispose of the assets and dispose of its employees, and it was properly negotiating with those employees to come to an agreed arrangement. However, on I think 8 December the Hon. Nick Xenophon decided that he would not support the Government's position. It was agreed that a meeting take place on 9 December, which would probably have honed these things right up and we would have had some sort of agreement. I am advised that the unions were looking for the meeting. They were told, 'Have a merry Christmas. It looks as though it is all over. We will get back to you at some time in the future if that is necessary.' I can understand the Government taking that position at that time, but now the cart has moved on: the decision to lease has been made. The proper thing to do was to conclude those negotiations with a certified representative of the trade union movement.

The Hon. Trevor Crothers' proposition—as I said, well intentioned and having some basis of merit—unfortunately does not reflect the wishes of the representatives of the trade union movement. The Treasurer said that the transferred employee who, after two years, wants to transfer to the public sector will have a rolled gold guarantee of universal employment for the rest of his working life. That is what the Treasurer said. He refers to it in a press statement that he put out today under his own name, which is headed 'Crothers secures unequivocal job security for power industry workers'. He goes through and mentions some of these things, but he does not tell the whole story. This was previously requested by the unions as an option—

The Hon. R.I. Lucas: They asked for it.

The Hon. R.R. ROBERTS: —to apply to the very few people who may have taken a philosophical or some other view that they wished to remain in public sector employment. They did ask for it, and I will tell you what your answer was. It was rejected strongly by the Government at its meetings. The Government said that there is no central Government redeployment pool and that agencies had to look after their own. The Government claimed that all agencies were downsizing; it was one way traffic—out. There was no future for anyone going there; it was better for them to stay in the electricity industry. The reality is that virtually everyone would then have had to take a VSP rather than head to the redevelopment process.

The Treasurer is saying what a great thing he is doing but, when you read clause 15B, subclauses (4) and (11), you will see that those people have to be offered a job of similar skill and similar payment. But, if that redeployed person in the Public Service was working at Mile End as a clerk—for the sake of argument, say, in the Department of Roads—and that position became surplus to requirement, this amendment provides that they can be given an opportunity to go to Andamooka, and do the same level of job. The Treasurer shakes his head, and I am glad he shakes his head, because what he has just indicated is one of the criticisms of the certified bargainers for the unions. They do not understand what this means; they have not been consulted. This measure provides that, if they do not take the job in Andamooka, they go out the door; it is 'Don't come Monday' and there is no VSP for those people. That is what this provides.

The Treasurer, safe in his No. 1 position in the Legislative Council, may think that is acceptable, but we are talking about the lives of not only employees but also families, and this is of grave concern to them. That is one among a whole range of other issues about which we want to ask some questions. Just in the first couple of lines of clause 15A we find provisions such as that, for the purposes of this section the Minister may, by order in writing (an employee transfer order), transfer employees of an electricity corporation to positions of employment of a State-owned company; transfer back by instrument in writing to an electricity corporation an employee transferred to the employment of a State-owned company; and transfer employees of an electricity corporation to positions in the employment of a purchaser under a sale/lease agreement or a nominee of the purchaser.

The question screams out: what is a nominee of a purchaser? The unions do not know what it is; they have been reconvened so they can pursue these proper questions on behalf of their members. This measure contains a whole range of other matters. I put this to the Hon. Trevor Crothers, given his statements that it was not his wish to undermine the conditions of the work force. He has given that commitment and that has been taken up by the trade union movement, and those people assure me that they appreciate that effort. What they are asking of the Hon. Trevor Crothers and the Government, and what I am suggesting, is that this clause 15A and its companion 15B not be proceeded with at this stage. If that means we have to defeat them I would encourage members to do so at this stage.

I have certain commitments from the trade union movement—which I am prepared to put on the record—if these two clauses can be parked to allow the union movement to represent their membership with the single bargaining unit in the next few days. I am given a commitment by the trade union movement to enter speedy and meaningful negotiations to conclude those discussions. The advantage of that procedure is that it gives the accredited representatives of the trade union movement the chance to compare the proposition constructed by the Hon. Trevor Crothers and the Treasurer and the propositions established through the proper forms of negotiation with the trade union movement. It gives them the chance to sit down with those accredited negotiators, given the assurances of good faith by the trade union movement, to have speedy and proper negotiations, and to avoid angst within their membership.

It gives them time to do that and to come up with a proper deal. If during those investigations and exchanges of information the unions are convinced that the Treasurer's package is better, they can indicate that. I am advised that the

trade union movement is happy to have those negotiations take place with the bargaining team, with the Hon. Trevor Crothers and with other members of the Council who want to participate in this, and it has this advantage—

The Hon. R.I. Lucas: You want the whole Parliament to negotiate?

The Hon. R.R. ROBERTS: No, only one or two. I think the critical person involved in this is the Hon. Trevor Crothers, the author of this proposition. I am only the person who suggested that it ought to go into the legislation. I do not resile from that, nor do I see any conflict between my proposition that it should go into the legislation and my saying ‘take it out at this present moment’, because it does not stop the processing of the Bill. As I said in my opening remarks—

The Hon. R.I. Lucas: It has to stop the processing of the Bill.

The Hon. R.R. ROBERTS: No, it does not have to stop the processing of the Bill.

The Hon. R.I. Lucas interjecting:

The Hon. R.R. ROBERTS: It is not a delaying tactic.

The Hon. R.I. Lucas interjecting:

The Hon. R.R. ROBERTS: If you keep your tongue still and your ears open, we will get to the point.

The Hon. R.I. Lucas interjecting:

The Hon. R.R. ROBERTS: I have not engaged in this debate at all: this is my first contribution. What I am suggesting is a process that is not critical to this Bill, because I point out to the Treasurer and the Hon. Trevor Crothers that it was never meant to be in the Bill

The Hon. R.I. Lucas: You suggested it!

The Hon. R.R. ROBERTS: It was never meant to be in the Bill until the Hon. Trevor Crothers accepted the advice that, for the insurance of the trade union movement, it was preferable for it to be in the Bill. What we are now suggesting is that, if we want to conclude this properly, all we have to do is pass the Bill and agree to the lease. The numbers are there. We are not even arguing about the lease. The Hon. Trevor Crothers has made up his mind on the lease and I accept that. The deal has been done. It is an old horse trading principle that when the deal is done you do not need to worry about it.

The Hon. R.I. Lucas: This is the critical part.

The Hon. R.R. ROBERTS: This is not the critical part for the progression of the lease.

The Hon. R.I. Lucas: It is critical.

The Hon. R.R. ROBERTS: It is not critical to the progression of the lease. The Treasurer is a hypocrite if he says that, because it was never his intention to put it in. He had to be bludgeoned by the Hon. Trevor Crothers to put it in the Bill, in his concern to ensure that—

The Hon. R.I. Lucas: It was your idea.

The Hon. R.R. ROBERTS: Absolutely. And I stand by that. We are going to have a break and then Parliament will resume in July and consider the legislation dealing with the Industry Regulator. The proposition I am putting is fully endorsed by the single bargaining unit of the UTLC. All it requires is good faith on both sides. This Bill can be passed in this Chamber without this clause subject to the agreement that these negotiations be concluded. The Bill for the lease can be passed in this place and the House of Assembly. In three weeks we can insert the provision into the Bill by agreement—and remember this is going to be done hastily. What I am proposing is not new or unique. The Hon. Trevor Crothers was in this Parliament when we handled the

WorkCover Bill a couple of years ago and that was bogged down on a similar issue.

I made the suggestion to the Hon. Graham Ingerson that in order to progress the Bill the thing to do was to take out that issue and workshop it. The Hon. Mike Elliott, Ralph Clarke, members of the Employers Federation and the trade union were involved. They workshopped the issue, came back into this Parliament and, because it was an agreed position, it went through in about five minutes. That same proposition can be achieved here to provide a just and sensible outcome for the benefit of workers within the industry. We are not asking that you stop the progress of this Bill—

The Hon. R.I. Lucas: We can't.

The Hon. R.R. ROBERTS: Yes, you can; it is a simple matter if you address your mind to it. You do not proceed with these clauses; we pass the Bill without them; and in three weeks we amend the legislation to provide the circumstances. We meet the intention of the Hon. Trevor Crothers and we protect the interests of the workers within the industry.

The Hon. R.I. Lucas: We have done it.

The Hon. R.R. ROBERTS: No, you have not: you are a condescending negotiator. You believe that your view is the only view that is right. You do not have the magnanimity to believe that you may be wrong, and you actually believe that you know more than the negotiators and that you know more about what the trade union wants and its aspirations than it does. That is what you are revealing here tonight.

This is a simple proposition. All we have to do is allow those people, duly appointed by your predecessor and you, to agree to this process of negotiation between the unions. It was close to fruition and you gave agreements in writing. I have touched on those agreements and I am prepared to lay them on the table. They are under your signature and the guarantees were there. We are suggesting that you allow the participants in the industry to sit down and talk about the things that affect their day-to-day working lives. They have given you, through me, a commitment to progress those things properly and expeditiously to ensure that a bargain is reached.

I have pointed out to you that it does not have to stop this process. I know that the Hon. Trevor Crothers is anxious that the Bill not be held up. I have taken the decision, and I am sure my colleagues have come to the realisation, that the numbers are not there. We can count: we know that 11 beats 10. I am happy for that; let us get that agony over; and let us pass the legislation so that the lease is on. All I am saying is let us wait, let us meet the Hon. Trevor Crothers' expectations, but let us do it inclusively by taking in the trade union movement and the negotiating team to get a package which is acceptable. What more can you expect from the trade union movement than a commitment through me or, if you want it in writing, I am sure they will do that. They will sit down tomorrow morning with a negotiating team to go through these matters and clarify all their questions—which is another matter of concern to us.

The normal standard, the convention, that applies within this Parliament is that, if we introduce major changes to legislation, generally a week is allowed for the members of the Opposition, the Democrats, the Independents or anyone else to consult with their constituents to get their views. I understand that the Government is keen, having got the fish on the hook, to get it in the freezer. I understand that. I have accepted that will happen: no argument. I am saying that we can do that, but let us not throw away a credible position and

let the daily working lives of all those people in the industry go down the drain, because we have not had enough time to consult with them.

I have tried to consult with them. Representatives of the trade union movement have been here all day and they have made an approach to the Hon. Terry Cameron and the Hon. Trevor Crothers, with whom they have had brief conversations. Those trade union representatives realise that members have been required to attend here to handle all the other measures, but they have given a commitment to listen to the wishes of the trade union movement. I have tried to put that to them through the forums of the Parliament and on the record, and I ask them to make a commitment to those 2 500 workers that they will try to protect their best interests.

They have told the Hon. Trevor Crothers and the Hon. Terry Cameron what they see as the best way of doing it. The Opposition accepts that the lease will go through, so let us get it through. That meets the Hon. Trevor Crothers' desire not to hold up the Bill for the lease. It allows the Government to go through any processes it wants to—

An honourable member interjecting:

The Hon. R.R. ROBERTS: The Government would have had no idea had the Hon. Trevor Crothers not insisted that this measure be put into the legislation eventually. If he had not said anything, it would never have been put in the Bill: it would have been done by an exchange of letters and by agreement. It is not vital for the continuation of this process to have this agreement decided today. It is certainly important and it needs to be put in the legislation, for all the reasons that were explained previously. That can be achieved and justice, equity and a sensible negotiating process can be provided by leaving these two clauses aside. I will have more to say when we come to the provision dealing with superannuation. If that is not the desire of the Hon. Trevor Crothers—

The Hon. R.I. Lucas: You want that set aside, too?

The Hon. R.R. ROBERTS: That would be preferable, but we are not going to do that. All that needs to be done is a couple of administrative things.

The Hon. R.I. Lucas: Just a few things here and there.

The Hon. R.R. ROBERTS: The Treasurer might try to confuse the position by his constant interjections, but clauses 15A and 15B are not crucial for the progression of this Bill through the Parliament, as the majority view of the members of this Parliament is that the lease is on. I accept that. All my colleagues accept that.

The Hon. R.I. Lucas: They have been fighting it for two days.

The Hon. R.R. ROBERTS: They have put their positions on the record. I have not entered the debate because I realised that, the day the Hon. Trevor Crothers walked across the floor of the Chamber, the lease was on. Other members exercise their parliamentary duty as they see fit. I do not tell members whether they can or cannot speak. However, I can tell them that 11 will beat 10 every time there is a vote. I want those 11 votes now to give justice to the people who have given long and faithful service to the electricity industry in South Australia and who do not want to be clerks or get a job in the Public Service. They are highly trained—

The Hon. R.I. Lucas: The unions asked for it, you said.

The Hon. R.R. ROBERTS: No, you told them they couldn't do it.

The Hon. R.I. Lucas: You said they asked for it.

The Hon. R.R. ROBERTS: They put a proposition to the Treasurer during the negotiation phase. The Treasurer has

never put a proposition in a negotiation, and he told them that it was not possible and could never be done.

The Hon. R.I. Lucas: It has been now.

The Hon. R.R. ROBERTS: The Treasurer has a piece of paper that says that it might be done. They were asking the Minister whether, at the time of sale, three or four people who wanted to be in public employment could go into the Public Service, and the Treasurer told them that it was not possible and that it could not be done.

The Hon. R.I. Lucas: It is now done, thanks to Mr Crothers.

The Hon. R.R. ROBERTS: Well, we are yet to see—

The Hon. R.I. Lucas: It's there.

The Hon. R.R. ROBERTS: The transfer is available, but what if there is no job? You haven't explained that to the trade union movement.

The Hon. R.I. Lucas interjecting:

The Hon. R.R. ROBERTS: Well, what if there's no job?

The Hon. R.I. Lucas: It's there.

The Hon. R.R. ROBERTS: Where will you put them?

The Hon. R.I. Lucas interjecting:

The Hon. R.R. ROBERTS: Where will they go? If there is no job within the Public Service, as you told them during the negotiations, where will they go? There is no transit lounge; there is no card room—that is the situation. All the Treasurer is being asked to do is the honourable thing. If that is too hard for him to do or to contemplate, that is his problem. I am putting this proposition to the Hon. Trevor Crothers and the Hon. Terry Cameron—

The Hon. T. Crothers interjecting:

The Hon. R.R. ROBERTS: I am asking those members to give the trade union movement a window of opportunity to sit down and negotiate, because once this Bill passes I know what will happen: there will be no further negotiations. The Treasurer will say, 'That's the deal', despite the fact that this deal is inferior to the deal which the Treasurer negotiated. He broke off the negotiations on 9 December last year.

All the trade unions want is to have those discussions reconvened, get the package in place, and allow the members of this Parliament to introduce an amended Bill in three weeks' time to cover the new arrangement. That is not an unreasonable proposition. I ask all members—the Democrats, the Hon. Nick Xenophon, the Hon. Terry Cameron and the Hon. Trevor Crothers—to give these 2 500 industry workers who want to work in the electricity industry a chance. They do not want to be clerks. They like their job, and they are very good at it.

They have participated in every downsizing exercise that the Government has introduced. They have restructured, retrained and redesigned. Their number has been reduced from about 13 000 workers 10 or 15 years ago to 5 000 and then to 2 450. They have cooperated *ad infinitum*. They have done everything possible. They have been told 'You must become more competitive or your job will go and we will have to get in contractors.' They have borne all this, retrained themselves and redesigned their whole industry, and they are now being rewarded by being sold. We cannot stop that, but we can provide an opportunity for them to get a just result from these negotiations.

I ask all members of this Chamber to join me in rejecting proposed new clauses 15A and 15B at this stage, because those provisions will take them out. I give a commitment on behalf of the Labor Party—and I have the endorsement of Mike Rann for this proposition—that it will cooperate when the Parliament resumes after Estimates and the proper

negotiations between the trade union movement and the bargaining team conclude to make sure that this amendment Bill goes through this Parliament. That will allow—

The Hon. T.G. Cameron: Will Rann give that guarantee to me and Trevor in person?

The Hon. R.R. ROBERTS: Mike Rann will give you that agreement in writing.

The Hon. T.G. Cameron: In person would be better.

The Hon. R.R. ROBERTS: Well, we have a real problem with that. I am prepared to give this commitment to the Parliament on behalf of the Labor Party.

The Hon. T.G. Cameron interjecting:

The Hon. R.R. ROBERTS: If we want to construct an argument of convenience to dud the workers of South Australia, we will find it one way or another. That is the proposition. I am sure there will be further debate, that the Hon. Trevor Crothers and the Hon. Terry Cameron will have something to say. I just ask on behalf of those members of the trade union who have had this rammed down their neck over the past two days that they be given a little time. Their record shows that they are cooperative, they are prepared to negotiate in good faith, and they just want that window of opportunity to represent their members as they have been properly elected to do and to come up with a fair deal. It is not a big ask. I ask all members to support the proposition.

The Hon. R.I. LUCAS: I will respond to two or three issues. First, this suggestion is unacceptable to the Government or to anyone who wants to see these assets put through a bidding process and into the marketplace expeditiously. The Hon. Mr Roberts is suggesting that a key part of the Bill be removed subject to another process, and that we would have to come back in July. He does not mention what would happen if the negotiations did not reach an agreement. He makes no mention of that in terms of having to go through a whole process with another Bill which would have to be introduced. We would have to go through all the processes within the Parliament throughout the month of July, given the political filibuster performance in the last two days by the Labor Party in this Chamber, asking me questions such as, 'What is the difference between a sale and a lease?', and a whole variety of other questions like that, just to string out the debate for two days.

The honourable member suggests that we then take out the 25 pages of superannuation amendments, which is again a critical part of the Bill. How do members opposite expect us to commence preparing these assets for the bidding process and to start talking to people—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: No, we have had 25 pages of superannuation amendments there for nearly six months. How do they expect us, with a significant issue like the funded or unfunded liabilities of the superannuation fund to be all taken out together with the key provisions of this legislation, to be able to get on with the process of talking to people about our particular assets, and to interest them in the shape and structure of the particular lease deal? It is just another example of the tag team being run here.

The Hon. Mr Holloway is being used for all the other detail. The Hon. Mr Ron Roberts is then rolled in to take up the issues of clause 15 and superannuation, and in each case with the intention to try to string out and delay the attempt to get these particular assets into the marketplace so that we can get on with the business. If we are interested in the decisions being taken for the lease, if we are interested in maximising the value of the lease, these issues—our staff commitments

and also the superannuation—are critical parts of the legislation.

The honourable member has indicated that he will respond in another stage of the debate, but one of the issues he has not addressed is the first point I raised in my earlier contribution, namely, that under the arrangements which exist under the electricity businesses and which were suggested in the initial letters to the employees there was still the provision that a worker in a specialist position in an electricity business could be redeployed within that business to another position and after a passage of five years their salary could be reduced. The Hon. Mr Crothers removed the possibility of that negotiated package. After five years, workers in the circumstances under the original provisions from which the honourable member quoted in the Premier's letter could have faced reductions in their salary, even if they were kept on within those particular electricity businesses. The honourable member chose not to address that particular issue, and I can understand why, because the package negotiated by the Hon. Mr Crothers actually corrects that; it fixes it. They are protected, wherever they happen to be—in the business, in the public sector or whatever—at those salary levels and conditions.

The honourable member also raises an issue that I was not immediately aware of, and that is that the package negotiated by the Hon. Mr Crothers in relation to transfer into the public sector was actually something requested by the unions, according to the Hon. Mr Ron Roberts. They asked the Government to provide that as an option of transfer into the public sector. The Hon. Mr Ron Roberts indicates that the Government's position was to say 'No'. According to the Hon. Mr Ron Roberts, the Hon. Mr Crothers has negotiated a package which actually delivers what the unions wanted. He has delivered it. It is in this Bill—

The Hon. T.G. Cameron: And more!

The Hon. R.I. LUCAS: And more. He has protected their salary and he has delivered what they wanted.

The Hon. T. Crothers: And conditions.

The Hon. R.I. LUCAS: And conditions.

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: Yes, all of that. According to the Hon. Mr Ron Roberts—and I am indebted to him for indicating that during the Committee stage of the debate, because I was not immediately aware of it—the important part of the package is exactly what the unions asked for. We said 'No', and in all of the discussions last year we continued to say 'No'. We said, 'No, we will not provide it to you.' The Hon. Mr Crothers, in his negotiations over the most recent period, has extracted from the Government what the unions were after. I am indebted to the Hon. Mr Ron Roberts for that, as indeed—

The Hon. R.R. Roberts: I would be indebted to you if you did not tell lies. I would be really indebted. I never told you that at all.

The Hon. R.I. LUCAS: The honourable member did. He indicated that in the debate. The *Hansard* record will show that the Hon. Mr Ron Roberts said in the debate that this was an issue that had been raised, first, by the unions, asked for by the unions—

The Hon. T. Crothers: I was not aware of it.

The Hon. R.I. LUCAS: I was not either, and I am indebted to the Hon. Ron Roberts for putting that on the record. The unions asked for it—

An honourable member interjecting:

The Hon. R.I. LUCAS: The honourable member has helped out twice during this debate and we are indebted to him. He indicated that the unions wanted it and we said 'No.' All through that period, through our Government negotiators, evidently we said 'No.' The Hon. Mr Crothers, in a short space of time, delivered on the union package. That is why, in the past two days, I have been a bit surprised to hear union representatives attacking this package and saying that specialist linespeople, or whatever, in ETSA do not want to go across to the public sector. The Hon. Mr Roberts indicated that that is what they asked for as an option in terms of where they might head. In addition, the Hon. Mr Crothers has protected their salary level. He has protected that—

The Hon. T. Crothers: And conditions.

The Hon. R.I. LUCAS: And conditions. The Hon. Mr Crothers has provided them with options. As I said, if that was not enough, if these workers go into the public sector—and they are the only workers to which this applies in the public sector—the Hon. Mr Crothers has also negotiated a guarantee of continuing employment for the rest of their working lives. Even if a future Government were to abolish no forced redundancy provisions in the public sector generally, these particular workers, in the deal negotiated by the Hon. Mr Crothers, have that guarantee within the public sector.

I listened to a long 40 minute contribution from the Hon. Mr Roberts and, on those three critical issues where the Hon. Mr Crothers has negotiated and, as the Hon. Mr Roberts said, bludgeoned out of the Treasurer and the Government these concessions that we were evidently not offering last year, he has accomplished much in a very short space of time that the unions and the others were asking for. I do not intend to repeat all of the debate and go back over all of the negotiations.

I will say that I attended the first meeting with the Premier and the unions and I have—and the unions know this; I have indicated my view—a very different view of the nature of those discussions. My notes of that meeting are different to the union's notes, but that is the past. We are in the present now in terms of negotiating a package. In those three critical areas, the Hon. Mr Crothers, in the words of the Hon. Ron Roberts, bludgeoned out of the Government some significant concessions.

The Hon. T.G. CAMERON: I listened carefully to the contribution which was made by the Hon. Ron Roberts and which necessitates my asking a number of questions. There has been some discussion about whether or not the removal of clauses 15A and 15B from the Bill would in any way complicate or delay the negotiations as far as the lease is concerned. Can the Treasurer outline to the Committee in more detail than he did previously what the impact would be if we removed these clauses from the Bill and they were dealt with at a later date? Principally I am trying to determine from the Treasurer why it would delay the lease and what else would contribute towards that delay.

The Hon. R.I. LUCAS: Obviously a critical aspect for future bidders for our assets will be—and should be—issues that relate to the staff they are about to take on. Let me give one example. The package before us that we have negotiated actually caters for a situation where one of our businesses, for example, which might, because of the heat of the national electricity market, be suffering significant losses—if it is in a position where it has to downsize so that it can remain competitive within the national electricity market—will obviously have to be in a position to know that it has the

capacity to do so. The businesses, under the Crothers package, will obviously have the requirement under the first period for a certain process, and after that they have the option of reducing their staff either through voluntary separation or transfer back to the public sector.

One point I did not make is that one requirement of the leasing arrangement will be that, if, for example, a worker offered that particular option chose to transfer back to the public sector, the calculated amount of the voluntary separation package payout that would have been paid to the worker if they had taken a voluntary separation package would be paid across to the Government. In terms of a choice between a voluntary separation package and a transfer back to the public sector, the net cost of that separation for the business would still be incurred by the particular business: they would have to transfer back to the public sector and still pay that amount. I had not mentioned that previously.

In all the discussions that our advisory teams will be having in a preliminary way, and in all the preparation work we are talking about, critical issues will be in terms of the cost structure of our businesses. What will be the cost structure of those businesses? Clearly, a key part of that is the work force, the salaries and the associated liabilities of employment of significant numbers of workers. If we went through the process suggested by the Hon. Ron Roberts, we would have a situation where the earliest we could return to this Bill would be the first week of July after the Estimates Committees. In that period the honourable member has indicated that there will be a period of negotiation. I accept—

The Hon. T. Crothers: Interest rates could go up.

The Hon. R.I. LUCAS: Well, a whole range of things could go up. Let me refer to this time frame. In my negotiations and discussions with Mr John Fleetwood and Mr Bob Donnelly, having had previous experience negotiating with the union leaders, I found them very forceful but reasonable representatives of their unions and their work force. We disagreed on a number of issues, but I found them much more agreeable to work with than some previous union leaders with whom I might have had experience in another portfolio.

I acknowledge that the unions at least will commence the negotiations with the best intentions in the world, but through all those negotiations the Hon. Mr Roberts cannot indicate that any form of agreement will be reached. Frankly, I cannot see what else can be offered to the work force other than the rolled gold package negotiated by the Hon. Mr Crothers. Nevertheless, if there is no agreement, we will return in the first week of July and introduce, as the honourable member has suggested, a completely new Bill to amend. We will have to go through the whole process again—between the House of Assembly and the Legislative Council. If the unions are still unhappy at that stage, the Labor Party, through the Hon. Ron Roberts, will drag out the debate in this Chamber for days on end, from 11 a.m. to midnight. The Labor Party will run a tag team to delay the passage of the Bill, and the Bill will not be passed. I point out that there are only three or four sitting weeks from July to the first week of August.

We will have no guarantee of seeing the final legislation come out of this Council until the end of July or our last sitting week, which is the first week in August. We are talking about a potential delay of some six to eight weeks, because the Hon. Mr Roberts is now suggesting that the superannuation provisions be similarly taken out for further discussion and negotiation. If we want to maximise the proceeds from the leasing of our assets, we cannot afford to leave ourselves exposed to a further delay of six to eight

weeks. The Hon. Mr Crothers talked about the prospects of interest rate increases. A whole range of things could occur if we continue to lose a month here or two months there in terms of these debates. It is not as though—

An honourable member interjecting:

The Hon. R.I. LUCAS: Yes, we have lost time; I agree with that. That may well be at a cost to the value of our proceeds. We have already lost 12 months, and that is another reason why the Government does not want to continue to lose another couple of months—possibly through the sort of process suggested by the honourable member. In response to the Hon. Mr Cameron, from the Government's viewpoint, given all the other issues we have talked about in trying expeditiously to get this Bill through this week so that we know the shape and structure of the deal that we are about to work on and when we talk about it with interested parties, when our consultants are working on it, we know what it is that we are in the process of trying to lease. Another couple of months is too valuable a period to lose in terms of the valuation of our electricity assets.

The Hon. T.G. CAMERON: By way of reminder, during the first set of discussions which we had and in which I participated with the Hon. Nick Xenophon, the Treasurer might recall that I recounted some of the problems that I had run into over the years from people who had found themselves terminated and had picked up a pretty good retirement package. However, 12 months or two years down the track someone who has had no experience at handling, dealing with or investing large sums of money has allowed the money to just fritter away. The Treasurer will recall that I put it on him at the time that, in the event that any workers were subsequently terminated, I would be seeking that they receive financial counselling free of charge. Will any employee who declines employment with the Public Service and voluntarily accepts a termination package be provided with financial counselling free of charge—a measure which the Treasurer has indicated in the past he would consider?

The Hon. R.I. LUCAS: I thank the honourable member for reminding of our previous discussion at the end of last year. On behalf of the Government, I indicate that the answer is 'Yes' to the honourable member's question: the Government will organise financial counselling on the conditions that he has outlined. We will need to look at what process we adopt for that—whether we make that a requirement of the new lessees, which is probably what we would do. We would look at how we might do that in terms of providing advice. I, too, am perhaps more limited in terms of the number of examples that I can cite of people who are placed in a situation such as that to which the honourable member has referred. I understand the point he has made and can agree with it. On behalf of the Government, I indicate our commitment to ensuring that that occurs.

The Hon. T.G. CAMERON: I have one final point of clarification in relation to the processes and procedures that would apply to an employee finding themselves in a position where they may be looking at a voluntary termination package. I will take the Treasurer through an example. The Treasurer might recall my whingeing on one occasion about the situation in which my younger brother Barry Cameron found himself. He was a meter reader with the South Australian Gas Company. One of the most difficult things I have ever had to do in my life was go out and get the numbers for John Bannon in the Cabinet for the sale of SAGASCO when we discovered that there was only 38 per cent support for it in the Party. It was a reasonably short contest. The

Hon. Terry Roberts was involved in that exercise where we turned a 38 per cent 'Yes' vote for the sale of the South Australian Gas Company into 62 or 63 per cent.

The Hon. R.I. Lucas: Did the Hon. Terry Roberts—

The Hon. T.G. CAMERON: The Hon. Terry Roberts and I were on opposite sides on that occasion as we were on every other occasion when we ever got involved in a dispute. My brother retained his employment with SAGASCO after Boral became the new owners. He was a meter reader and you did not have to be too bright to work out that meter readers at some stage or other were headed for the chop because Boral would outsource them. My brother found himself in the position of not being terribly skilled: he had been a meter reader for the gas company for some 20 years.

I do not know what skills you pick up as a meter reader that you might be able to take out into the general work force, but my brother subsequently applied for employment with the contractors who were offered the outsourcing of the meter reading. He was one of three meter readers who applied to work for the contractors and, despite the fact that all he wanted to do was work and have a job and that he was prepared to work for these contractors—rotten mongrels that they are—he was offered a salary package 20 to 25 per cent less than he had been earning at the gas company.

The Hon. Carmel Zollo interjecting:

The Hon. T.G. CAMERON: I will not bother to respond to that inane interjection; I will not dignify it with a response. Anyway, my brother just wanted to work and, despite being a good trade unionist and being at the forefront of industrial campaigns to try to stop what Boral wanted to do to meter readers, he had to swallow his pride, he capitulated, went cap in hand and said, 'I will work as a meter reader for 25 per cent less than I was getting.' He never heard from the contractors again; neither did the other two meter readers who had permanent employment with the gas company.

I recount that story because it is obvious to me that the sorts of protections that the Hon. Terry Crothers has sought to have inserted in the Bill were not put into any arrangement entered into by the Labor Government at the time. SAGASCO workers were left high and dry and that happened about six or seven years ago and my brother has not worked again, as has been the case for most meter readers at the gas company. Whilst it is now too late to do anything about my brother, I just want to place on record my appreciation to the Hon. Trevor Crothers for ensuring that, unlike those poor bastards at SAGASCO, who were sold out by the Labor Government and badly treated by the new owners of SAGASCO, ETSA workers will not be treated in a similar cavalier fashion. History will record the thanks for that should go to the Hon. Trevor Crothers.

As members would know, I worked as an industrial advocate for the Australian Workers Union for some nine years. I have been doing a bit of digging over the past few days and have had discussions with a few people. Honestly, I could not find such a package anywhere in South Australia when you look at the totality and the employment guarantees. Sure, you could look at the number of weeks they get paid for each year of service, and they are at the top of community standards. However, members need to look at the totality of the package. As a former trade union industrial advocate—I am not game to call myself an official because you cannot do that if you were never formally elected or appointed—

The Hon. T. Crothers: Correct.

The Hon. T.G. CAMERON: See, the honourable member says, 'Correct.' However, history will record that the

Hon. Trevor Crothers secured a good package. No-one will suggest that it is the best deal ever, and I am sure that somewhere, some time down the track someone might come up with a better deal. That is the nature of industrial relations: things will continue to improve. But in its totality, when members look at the package and particularly the guarantees around security of employment, I would ask anyone in this Chamber to show me a package which is better than the one negotiated by the Hon. Trevor Crothers. What I would say to this Chamber is that when I became aware of the package that the Hon. Trevor Crothers had negotiated—

The Hon. T. Crothers interjecting:

The Hon. T.G. CAMERON:—I am sorry, but I told the honourable member this privately—I went down (and I will probably embarrass my family) and told my mother and my brother what had happened, what was going on and what the workers at ETSA were going to receive compared with the shabby way in which he was dealt with as a former employee of the South Australian Gas Company. It brought tears to his eyes. He told me that he felt better about what had happened to him and that, if the workers at ETSA were not to be treated in the way in which he was, then, in some small way, he felt better about it all. Now I will get a kick in the butt from both him and my mother when I go home if they hear about this. Can the Treasurer take me step by step through the process of what would have happened to someone in the situation that my brother was in if he was an employee at ETSA?

The Hon. R.I. LUCAS: I thank the Hon. Mr Cameron for his comments. I will respond to his question obviously, but I cannot add to the comments. Having had a number of previous discussions over the past six to 12 months with the honourable member, I know the particular story he has now recounted to the Chamber. He has shared that with me on one or two previous occasions and I think for all those who have strongly felt views about this particular issue it could not be any more eloquently or passionately put as to the quality of the package the Hon. Mr Crothers has negotiated. I will respond to the honourable member's question then.

What we would have in the position of the honourable member's brother's set of circumstances is that a person working within our electricity business who was in a position which either was declared surplus or was to be a position which was to be wound down over a period, if it occurred in the first two years of the new private lessee's operation of the business, they would have to be kept on within that business either doing their existing job or doing some other job, hopefully using their skills. However, if it is a specialist area such as meter reading, then clearly that might not be possible: it would have to be some other job. They would have to be protected at their existing rate of salary and conditions. They could be offered a package but, in the circumstances of the honourable member's brother, he wanted work; he did not want a package. They would be protected for the first two years with work within the electricity business.

At the end of that two years, with the package the Hon. Mr Crothers has negotiated, again they would have the option of the package or further work within the public sector. Again, in the circumstances that the honourable member has recounted, his brother would not have been interested in a package at that stage. Still, what he wanted was a job. He did not want a package, and he did not want to be out on the employment scrap heap at whatever age he might be: he wanted a job. Clearly, if you were a specialist meter reader within the existing business, it may not have been able to

provide a job as a specialist meter reader. They would have had to find a different job and try to retrain him.

With respect to the public sector, he would come across and there would be a process of some re-training and re-skilling. Clearly, he could not continue with the job of meter reader within the public sector, but he would have a job, he would have work, he would have the status of being employed—the integrity that that brings to an individual—and he would have his salary and conditions protected forever and a day within the public sector. Within the old ETSA, even, after five years he could have had his salary and conditions reduced because he was no longer a specialist meter reader. He might have been a clerk: he would then be paid as a clerk. Under the Crothers package, whatever his position and salary was as a specialist meter reader would be protected, as he stays within the public sector.

The other advantage that the honourable member's brother would have had is that, if at some stage in the future the Government (Liberal or Labor) decided that it could no longer continue with a no forced redundancy policy, and in some areas of the public sector people were declared surplus and not just given voluntary packages but forcibly retrenched from the public sector, he would have continued to have work as one of a select group within the public sector who would continue to have work within the public sector, whilst colleagues to the left and to the right of him perhaps doing clerical work might be forcibly retrenched because there are too many clerks within the public sector. So, in the context of someone such as the honourable member's brother, who wants to work, he will have guaranteed work of some form or another and he will have a guarantee that his salary and conditions will be protected at that level. I think that responds to the honourable member's question in some detail. As I said, I can understand the response from the honourable member's family when he recounted what the Hon. Mr Crothers has been able to negotiate successfully with the Government as a most critical part of this package.

The Hon. R.R. ROBERTS: I want to clear up one misconception in respect of the proposition about employees being transferred to the public sector—and the Treasurer jumped around and made great play of it. As I said, I want to make this very clear—it is very simple, really. The unions asked the Government whether, at the point of sale and as part of the negotiation, if two or three people within ETSA wished to exercise their option and work within the public sector, it would be possible for them to be relocated in the public sector. Aimed specifically at the point of sale, if they had a philosophical desire to stay with the Public Service, the unions asked, as part of their responsibility as negotiator, whether that was possible. They were told unequivocally that that was not possible: there were no jobs; all the traffic was the other way; there was no transit lounge; and that, in fact, it was not possible. From that point on, the Government was accepted at its word by the unions that, at the point of sale, if someone wanted to transfer to the public sector they could not do so. So, let us clear that one up first. There are a number of questions that I would like to ask with respect to new clauses 15A(1), 15A(2)(c) and 15A(2)(d). What does the 'nominee of the purchaser' mean, and how will it affect the work force?

The Hon. R.I. LUCAS: I am advised that in these leasing arrangements it is common practice for the company to have potentially two companies within the structure: one company may hold the assets and the other may employ the workers. It is the one business, but the corporate structure is such that

one part of it might employ the employees while the other part might hold the assets. It covers that sort of corporate structure.

The Hon. R.R. ROBERTS: Regarding new clause 15B, the Government talks about someone being transferred to a Government position or public sector job. However, given the response to the unions' question about whether at point of sale some employees would be able to go into the public sector, when they were told categorically that there were no jobs, where now does the Government see the possibility of public employment in two years for those members who may wish not to accept a separation package if their job is deemed to be surplus to requirements? Where do you see the opportunities in the Public Service at the point of sale for those jobs which do not exist now? Where would you see those opportunities developing in the future given that, as I understand it, each department looks after its own staff and redeploys only internally? Given that you advised the single bargaining unit that there was no transit lounge, where would you see the opportunities opening up for transfer to the public sector?

The Hon. R.I. LUCAS: The Government would have to make arrangements within the various public sector agencies to accommodate the workers who might be coming back from the electricity businesses. The Government would have to make a budget allocation for whatever the number happens to be. The Government's advice is that we are probably talking about a relatively small number of people in the totality of things. The Government acknowledges the significant reduction in employment in the electricity businesses in the past eight years under both Labor and Liberal Governments, and it is obviously not possible to continue to reduce at that rate when we are down to 2 400 employees within the businesses. The simple process would be that the Government would have to make budget allocations available. You have to bear in mind that what we are talking about here is a set of circumstances that is probably almost three years or so down the track.

The Hon. R.R. Roberts: It's going to be our problem.

The Hon. R.I. LUCAS: It is highly unlikely to be your problem, I can assure the Hon. Mr Roberts. The lease process will take up to 12 months or so and for two years after that the employees must be kept on within the electricity businesses or offered a VSP (voluntary separation package).

The Hon. T. Crothers: There must be no coercion and I would be very disturbed if relocation from this State to the Agent-General's office in London was contemplated as a way of coercing people to accept a 'VSOP'.

The Hon. R.I. LUCAS: Mr Chairman—

An honourable member interjecting:

The Hon. R.I. LUCAS: The honourable member was asking where we saw the opportunities. In three years the Government would have to make a budget allocation to a department or series of departments. Clearly, their coming back within the public sector would depend on the nature of the employees and their skills base. Nevertheless, a budget allocation would have to be made available to a number of public sector agencies, and they would then employ those people for the period of their public sector employment. That is the sort of process that would need to be adopted. I understand that the honourable member has a series of questions. If he does, we are sitting again at 11 o'clock in the morning.

The Hon. R.R. ROBERTS: I want to finish this before we do anything else. The Treasurer is really saying to me that

we will create a transit lounge. He made the point that, with a budget allocation of taxpayers' money, we are going to create a job that does not exist to take up the slack for a private employer's downsizing. Is that what we are saying? We are creating a transit lounge. We are going to create jobs that do not really exist using taxpayers' money to take up the slack of a privatised entity, so we are giving corporate welfare to a private entity by taking on their employees at no cost to them.

The Hon. R.I. LUCAS: I indicated earlier that if a particular employee is separated from an electricity business the cost of the voluntary separation package (if they do not take it) will be paid by the private sector operator to the Government, and the Government in part can use that money at least to employ. It will go into Consolidated Account, obviously, but it can be used to commence the employment of that worker within the public sector. It is not beyond the wit and wisdom of the honourable member, should he ever aspire to be in government again, to know that the issue of employment within the public sector is not that jobs do not necessarily exist; rather, it is a question whether the money exists to employ the people to undertake the tasks. There is a big difference.

One knows of the demand within various Government agencies for an ever increasing range of services, and many of our agencies, we hear from shadow Ministers and others, are not able to meet that ever growing demand because they do not have any more money to employ any more people to provide any more services to meet that demand. This sort of doomsday scenario that people will be employed to sit on their backsides and do nothing within the public sector is but a figment of the honourable member's imagination. If the funding is provided—and, indeed, under this arrangement the Government would have to provide that funding—people will be gainfully employed within the public sector on a range of tasks, because the funding would have to be made available to them.

The Hon. R.R. ROBERTS: So, they will not actually have a gold card situation where they will be given priority for employment in public services, maybe to the detriment of someone else who wanted to transfer within the Public Service. Positions will be created for those transferring employees rather than priority being given at their expense. That is the only way I can see in which the Treasurer can fulfil his promise of redeployment in the public sector.

The Hon. R.I. LUCAS: In the ways that I have described, these people will be special employees in the public sector. They will have benefits that other employees will not have. That just confirms what I have already placed on the public record.

The Hon. R.R. ROBERTS: No, I am not talking so much about the jobs we are going to create. If there is a job in the Public Service and two people want it, one a public servant within the system and the other a person who needs to be redeployed, will the redeployee from the electricity organisation automatically get priority?

The Hon. R.I. LUCAS: Those sorts of decisions will be taken on a case by case basis within the public sector. If in three years time we still have no forced redundancies within the public sector, existing employees already in the public sector have rights and guarantees in relation to continuing employment. As the electricity worker is transferred back into the public sector, they will also have some rights and guarantees. The Government of the day will need to organise gainful employment for those who exist and those who will

be transferred within the public sector. When you are talking about the tens of thousands we have within the public sector and the relatively small number that the Government believes would take up this provision—as long as funding is made available; that is, clearly, the key determinate—there are clearly a number of agencies that will very willingly provide employment to more people within their agency to provide a range of services.

The Hon. R.R. ROBERTS: Would you make available your negotiating team from ETSA, or the people who have constructed what you have called the ‘Crothers amendment’, to have discussions with the single bargaining unit to provide explanation of some of these clauses tomorrow morning. That may discount half the questions I have to ask. I make no apology for it: I am asking for explanation to the trade union movement about some of these things. We probably could shortcircuit our deliberations from 11 o’clock tomorrow if some questions could be cleared up with the single bargaining unit prior to our sitting. That would take out probably an hour of my asking questions. If they have their answers and they are satisfied, we may shorten proceedings dramatically. Is that accommodation available?

The Hon. R.I. LUCAS: I am happy to indicate that we can make time available for Mr Paul Case, who the union people would know well, to explore those issues first thing in the morning. However, given that we have had almost 2½ hours on this provision this evening, should the majority of the Committee agree, the Government’s clear intention is to push ahead at 11 o’clock in the morning in relation to this key provision to see some early resolution of it. I also indicate that should the majority decision of this Parliament be that these provisions remain part of the Bill, then clearly there will continue to be discussions. A whole range of things are not in legislation and are part of the ongoing practice of the businesses. There might be other issues that the unions want to discuss with the Government negotiators. There will be the opportunity for those further discussions to continue, but the Government is obviously very keen, as I have indicated—and we trust the Parliament will support the proposition—to get through the Council this week a package which includes these provisions within them.

Progress reported; Committee to sit again.

ADJOURNMENT

At 12.15 a.m. the Council adjourned until Thursday 10 June at 11 a.m.