LEGISLATIVE COUNCIL

Wednesday 17 November 1999

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

PAPERS TABLED

The following papers were laid on the table:

By the President (Hon. J.C. Irwin)—

South Australian Ombudsman Report, 1998-99

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

Reports, 1998-99—

Chiropractors Board of South Australia

Nurses Board of South Australia

Occupational Therapists Registration Board of South Australia

Pharmacy Board of South Australia

South Australian Psychological Board

The Physiotherapists Board of South Australia.

LEGISLATIVE REVIEW COMMITTEE

The Hon. A.J. REDFORD: I lay upon the table the eighth report of the committee 1999-2000 and move:

That the report be read.

Motion carried.

The Hon. A.J. REDFORD: I lay upon the table the ninth report of the committee 1999-2000; and I lay upon the table the report of the committee concerning a by-law made under the Local Government Act 1934 by the Adelaide Hills Council, being by-law No. 16 regarding bird scarers.

The PRESIDENT: Order! Will members please resume their seats. There are about four different committee meetings going on.

ELECTRICITY, PRIVATISATION

The Hon. R.I. LUCAS (Treasurer): I seek leave to make a ministerial statement on the subject of the ETSA leasing process.

Leave granted.

The Hon. R.I. LUCAS: I wish to make a statement regarding the ETSA leasing process and the response by the government to the parliamentary Economic and Finance Committee regarding matters raised by the Auditor-General during an in camera session of the committee on Wednesday 10 November concerning the leasing of the state's electricity assets. As members would be aware, on 10 November 1999 the Economic and Finance Committee requested a response from the government to confidential matters which had been discussed with the committee by the Auditor-General. I now advise the Council that, on behalf of the government, I provided to the committee a comprehensive response to all the matters raised by the Auditor-General during his appearance before it.

As all members are aware, it was at the request of the Auditor-General that the Economic and Finance Committee conducted a significant part of its meeting in camera. Consequently, as the Auditor-General sought to raise certain matters of concern in confidence, it is not appropriate for me or other members of the parliament to break this confidence by commenting directly on his evidence to the committee.

Sadly, it would appear that some information, albeit inaccurate, has started to find its way into the public arena. However, during a meeting I held with the Auditor-General on Monday of this week, he discussed with me the significant issues which he believed needed to be addressed by the government. As a result, I believe that I am in a position to outline in broad terms the government's response to those issues while continuing to respect the confidentiality which the Auditor-General has requested.

As I made clear in my statement to the Council yesterday concerning the contract of the probity auditor, the government respects the authority and independence of the office of the Auditor-General and will continue to do so. I believe it is important that I repeat that the government will work cooperatively with the Auditor-General and his staff and attempt to resolve all the major concerns he has raised. As I also said yesterday, the Auditor-General understands that, while at all times we work cooperatively, occasionally the government and the Auditor-General might not always agree. However, in saying that I stress that in managing the lease process the government is proceeding on the basis of comprehensive legal advice from leading national and South Australian legal firms, as well as that of the Crown Solicitor and his officers.

I would also remind the Council that the Auditor-General has acknowledged that many of the issues he raised with the committee have not previously been raised with me or members of the Electricity Reform and Sale Unit (ERSU). For example, while still in open session of the committee last week, the Auditor-General said:

> There is nothing which I believe at this point in time is not correctable but again, because I have not shared some of those concerns with the people in ERSU, the Attorney-General's Department and Treasury, it would be fair if I related those to you in camera.

The Auditor-General has, of course, the right to raise any matter as he sees fit. However, I would stress that, in dealing with the issues that have been raised, there is no suggestion of recalcitrance or tardiness on the part of the government. On the contrary, as my statement yesterday on the expansion of the probity auditor's role demonstrated, our intention is to give urgent and proper consideration to any concern of the Auditor-General and respond promptly where appropriate.

Whilst the Auditor-General has raised a number of concerns, it is important to place them in the appropriate context. Most of the issues raised by the Auditor-General relate to matters of process which the Auditor-General believes should be resolved to prevent any problems occurring later in the process. I would also stress that the Auditor-General did not raise with me any issue about the disposal process which had been shown to cause detriment to the state. The Auditor-General made no allegations of breach of confidence, inequitable or unfair treatment of bidders, or any suggestion of unlawful practices. It is against that background that I would like to address the key issues which have been raised by the Auditor-General.

During the open session of the committee last week, the Auditor-General noted that, whilst he believed all his concerns were correctable, he believed that, if the government continued with the process we currently have in place, the government could seriously prejudice the price we might get and that there might be endless litigation. When asked by me what the single most important issue is to resolve this key concern, the Auditor-General is clear that it requires the

government to have an appropriate evaluation procedure in place when the final bids are received on 6 December.

The Auditor-General believes the most critical issue is to ensure that the process next month for deciding which is the best bid, particularly as regards the assessment of price and risk, is appropriate and defensible. It is clear from some of the wild and unsubstantiated stories being spread in political and media circles on this issue that some people might be surprised and disappointed by this revelation.

Having had an extensive discussion with the Auditor-General, I believe there is considerable agreement between the Auditor-General and the government on what is required in respect of this critical issue. Before commenting in detail, I will summarise from the government's view where we believe we are in agreement with the Auditor-General. The government agrees with the Auditor-General about the need for an appropriate evaluation procedure and will work with the Auditor-General to try to resolve all aspects of this issue. The government agrees with the Auditor-General and will issue further supplementary bidding rules to bidders. Any suggested changes from the Auditor-General will be given proper consideration.

The government agrees with the Auditor-General that the method of evaluating the final bids next month must be different from the process used for evaluating the indicative bids as they are different processes with different objectives. The government agrees with the Auditor-General that there needs to be a complex evaluation matrix which rates bidders against criteria and allows the government to determine which one is offering the best price. I think that does demonstrate that there is a significant level of agreement with the Auditor-General on this critical issue.

I again repeat the government's willingness to work with the Auditor-General on any remaining concerns he has in this area. I have also indicated to the Auditor-General the government's willingness to improve communication levels between government officers and the Auditor-General's officers. If I had been aware of the extent of the Auditor-General's significant concerns on this issue, I would have ensured even more information on the government's proposed plans in this area was provided to the Auditor-General. On the other hand, I do believe that, in one or two important areas, information provided to the Auditor-General's staff about the government's plans might not have been passed onto the Auditor-General himself.

In order to fully understand the evaluation procedure it is necessary to understand the key elements of the bid structure, including the structure and purpose of the indicative bids and the structure and basis of evaluation of final bids. Parties lodging an acceptable expression of interest received an information memorandum. Indicative bids were subsequently received from a number of those parties. Those bids were not binding and were obtained in order to allow the government to identify a short list of bidders to proceed in the disposal process. Parties who lodged indicative bids were not bound to lodge final bids. This distinction between indicative and final bids is important in addressing several of the concerns that have been raised.

Final, binding bids, capable of contractual acceptance by the government, are due to be lodged on 6 December 1999. The existing bidding rules require a final bid to contain a substantial amount of information, including: particulars of the acquisition structure; particulars of consideration; particulars of security for future rent payments; the apportionment of total consideration between rent and security for rent under the lease; the purchase price for non-prescribed assets; details as to the source and availability of funding; details of authorisations required; and proposals to fund unfunded superannuation obligations. Details of the bidders' operational experience have already been provided with indicative bids.

For the final bid stage, supplementary bidding rules will be issued and will contain a list of the information that bidders will be required to include in their final bids. Minutes of a meeting with the Auditor-General's staff on 20 August 1999 confirmed that they were told that those supplementary bidding rules would be issued for the final bid stage. Those issues can only be finalised once all issues have been brought forth through due diligence, management interviews and negotiation of the bid documents. Settling the list of information required before that time would risk not properly considering issues or solutions that may be raised by bidders.

The supplementary bidding rules, final bid template and marked up copies of legal documents, combined with the information already received from bidders and required by the bidding rules, will ensure that bids contain all information required by the government to make a proper evaluation of the consideration offered and the risks to the state arising from the terms of each bid. The government, through ERSU and its advisers, has been developing a methodology for applying the evaluation criteria by which final bids for the electricity distribution and retail businesses will be assessed against the key objectives of ensuring that maximum proceeds are received by the state, while all risks are minimised and managed appropriately.

It was always intended, when the final bid stage was reached, to finalise and adopt the methodology and the final bid template. The government has also developed procedures by which the negotiation of documents will be conducted with short-listed bidders before final bids are lodged. The evaluation methodology will be finalised prior to the date for lodgement of final bids. Details of the proposed evaluation procedure and the evaluation matrix have now been provided to the Auditor-General. The Government believes that all this information should demonstrate that there are substantial areas of agreement between the Auditor-General and the government on the proposed evaluation procedure.

In his meetings with me the Auditor-General has also queried whether or not it is necessary to have a process contract for a privatisation process and the extent of the government's liability under the contract. The government has acted on advice from experienced legal advisers and adopted bidding rules as an explicit process contract for the following reasons. An explicit process contract clarifies expectations between the Treasurer and the bidders. A process contract may have been implied in any event, as occurred in the Hughes Aircraft case. An implied process contract is undesirable, because it will result from a court finding made after the event. Therefore, uncertainty as to the existence of a process contract and as to its terms would prevail through the bidding process.

A process contract engages all parties who express interest, not just those who lodge final bids. A process contract can be used to limit liability, as recognised by the Auditor-General in his supplementary report. A process contract may be used to obtain an indemnity from bidders which would not otherwise be obtainable, and a process contract enables the Treasurer to maintain a clear right to amend the process by the exercise of discretions.

The government has noted that the sale of Bank SA proceeded in accordance with the process contract implemented by a steering committee which included the current Solicitor-General who at that time held the office of Crown Solicitor. That contract reserved extensive discretions to the state in the conduct of the sale process. The government has had available to it extensive legal advice on this matter and believes that the terms of the process contract represent current best practice in transactions of this type and serve to limit the possible liability of the government.

Attention has also focused on the late lodgement of expressions of interest. I would like to refute at once the suggestion in some media reports that the acceptance of these expressions of interest has resulted in any disadvantage to any bidder. Expressions of interest are simply just that: an expression of interest in receiving documents and proceeding to the next step; they are not bids; they contain no commitments; and lodging them confers no rights. Four expressions of interest were lodged after 30 August. One was received on 31 August and rejected as not demonstrating sufficient financial capability. Two expressions of interest were lodged and accepted before the date for indicative bids by parties who did not subsequently lodge an indicative bid. A fourth expression of interest was received after the date for indicative bids from a party which stated it had no intention of bidding but which was seeking information to enable it to offer finance to other bidders. This expression of interest was not accepted.

It is important to note that none of the four expressions of interest continued in the process to the indicative bid stage. No-one has been disadvantaged by this process as none of the parties lodged an indicative bid nor would anyone have been disadvantaged even if a party that lodged a late expression of interest proceeded to lodge an indicative bid. The government is of the view that in order to maximise value for the state it should be able to consider an expression of interest from a well qualified bidder after the release of the information memoranda and certainly before the time for lodgement of indicative bids. That practice was adopted in this case.

In recent days there have been some wild, unsubstantiated stories about supposed problems with the receipt of indicative bids. I want to reject those stories today. I have been advised the probity auditor was in attendance throughout the entire opening of the indicative bids process and that two cameras also filmed the process. While one bid arrived 54 minutes late due to a delay in an interstate plane flight (caused by engine problems, I understand), it was accepted in accordance with the bidding rules and with the approval of the probity auditor. I have been advised by the probity auditor that all bids were received before any bids were opened; that they were opened under his observation; and that he had no concerns at all with the total process.

Finally, there is the matter of dealing with potential conflicts of interest. In complex commercial transactions such as these, there is always potential for conflicts. The government has retained advisers on the basis of their experience, particularly in relation to similar transactions. The government's advisers will, therefore, as a result of that experience, have acted for other clients in the electricity industry which leads to the potential for conflicts. It is doubtful whether the government could have retained experienced advisers on any other basis.

The government has dealt with a number of potential conflict issues in this process to date, almost all of which have been insignificant and in some cases absurd. For example, it has been pointed out that advisers might operate personal bank accounts with a particular trading bank which might also be providing finance to one or more of the bidding consortia. That obviously is not a matter of concern. In other instances, given the nature of the legal system, it often arises that one partner in a legal firm, while not involved in advising the government or any of the bidders, may have at some earlier stage been involved in a matter in which a bidder was involved.

Taken to extremes, it might be argued that the Australian Government Solicitor, who was advising the Auditor-General, might have a conflict as they also provide advice to the Australian Tax Office, which has a significant interest in this transaction. However, the Auditor-General has advised that he has taken appropriate action to ensure that there are no conflicts of interest that would cause a problem. These examples highlight the point that the key issue is therefore the manner in which potential conflict issues are managed when they arise.

One particular issue that had to be managed concerned an adviser who was also a director of an investment fund manager and an entity managed by that fund manager. The adviser wrote to the Treasurer on 9 August 1999 (after advising ERSU in late July 1999) stating that he believed that the investment fund manager was proposing to lodge an expression of interest in anticipation of joining a bidding consortium. He advised the Treasurer as follows:

· he had declared his interest to the investment fund manager and the related entity;

· he would be absent from any discussion at board meetings concerning the electricity disposal program; and

· he would not receive board papers relating to the participation of the investment fund manager and the related entity in the disposal program.

Letters from the investment fund and the related entity confirming those matters were subsequently provided to the Treasurer. In addition, the adviser obtained an opinion from a leading QC that, by his action, he had 'properly complied with the fiduciary obligation owed by him to the state of South Australia'.

Nevertheless, on 23 September 1999, prior to the lodgment of indicative bids for the ETSA businesses, I acted to exclude the adviser from all aspects of the disposal process for ETSA Utilities and ETSA Power. I decided to adopt a cautious approach on this issue after discussion with the probity auditor to ensure that there would be no perception of conflict of interest. I also sought and obtained acknowledgments from other officers and employees associated with the adviser that they would not discuss matters concerning the disposal process with him. In addition, the adviser undertook not to seek that information from those officers and employees.

I would make it clear that this is not a case of a potential conflict being hidden and then discovered. It was a potential conflict that was fully disclosed by the adviser and then properly dealt with. Furthermore, the probity auditor was actively involved in resolving this matter, and ERSU has provided a full copy of correspondence on this matter to the Auditor-General.

It is important to note that the adviser was excluded from the disposal process before the receipt of indicative bids and well before discussions or negotiations with short-listed bidders commenced. Accordingly, the adviser had no information as to the amount or terms of the indicative bids and had no effect on who was selected as a short-listed

bidder. Equally, it would be impossible for that adviser to have any effect on the submission of final bids or the selection of a preferred bidder.

In conclusion, the government is absolutely committed to ensuring that the leasing process achieves maximum benefit for South Australia and that it is conducted under strict probity guidelines. The government again commits itself to working with the Auditor-General and his staff to ensure that these objectives are achieved.

QUESTION TIME

ETSA, PRIVATISATION

The Hon. CAROLYN PICKLES (Leader of the Opposition): My question is to the Treasurer. Given the fact that the Treasurer has now completed two overseas missions promoting the privatisation of ETSA, and the Auditor-General's statement that the probity auditor had not vetted information provided to bidders in at least the first of these missions, why did he fail to comply with his own undertaking to parliament on 9 June that the probity auditor would approve the release of all information to bidders? It is in *Hansard*.

The Hon. R.I. LUCAS (Treasurer): I would need to check the particular statement to which the honourable member refers and I will be happy to bring back a response. In relation to the probity auditor, the extension to the contract that was announced and outlined to the Council by me yesterday makes it quite clear that the probity auditor has the capacity to look at any document, any matter, dating back to February 1998. The probity auditor therefore has the capacity to look at all materials which go to bidders, has the capacity to look at all documents which exist dating back to February 1998. It really is an issue for the probity auditor, since the amendment of that contract some two or three weeks ago, as to whether he has availed himself of the opportunity to look at the particular documents to which the honourable member refers. He has that capacity. We have given him that capacity. It is his right. It is a question of whether or not he sees it as appropriate for him to do so.

PROBITY AUDITOR

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Treasurer a question on the subject of probity.

Leave granted.

The Hon. P. HOLLOWAY: During debate on the Electricity Corporations (Restructuring and Disposal) Bill the Treasurer stated:

> 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 conflicts of interest with advisers or various people working for particular bidders.

The Auditor-General states in his supplementary report:

> There was no requirement on the probity auditor to undertake any review of the appointment of disposal advisers or to conduct or to review probity checks undertaken in respect of those advisers. In fact, the appointment of the disposal advisers occurred some months before the probity auditor's appointment.

So, my questions to the Treasurer are, first, why was the probity auditor not required to conduct or review probity checks in respect of the Treasurer's advisers? Have probity checks on the Treasurer's advisers subsequently been undertaken? Finally, have any probity checks on the Treasurer's advisers revealed any potential conflicts of interest, other than the case to which the Treasurer just referred in his ministerial statement?

The Hon. R.I. LUCAS (Treasurer): In my ministerial statement I have indicated that there is a series of issues in relation to conflicts of interest.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: I have just said that. I have said, in relation to the honourable member's question, my ministerial statement makes it plain that in a deal of this size, where virtually every banking institution, legal firm, accounting firm, and probably the majority of public relations and communications firms in the state and in the nation in some way or another, where there may well be a role for either bidders or for the government, there are inevitably many, many conflicts which have to be resolved.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: The Hon. Mr Holloway has never been in charge of the particular program, and we can only hope that he never has the opportunity because, as I have highlighted to him, there is a whole series of issues for potential conflict. The issue is about not the actual conflicts but how you manage them and whether or not they are material. They are the issues which the government has worked its way through. I have indicated in my ministerial statement that there have been many examples of potential conflicts. The government has worked its way through all those processes and, where required, there has been involvement.

The Hon. P. Holloway: The probity auditor didn't even look for them: that is what the Auditor-General says.

The Hon. R.I. LUCAS: The Hon. Mr Holloway should think through the nature of conflicts. By way of another question perhaps, can the honourable member indicate to me how in February last year, when we had no bidders at all, you could actually check whether there was a conflict of interest between an adviser and bidders? There is stunned silence from the Deputy Leader of the Opposition.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: Well, there is stunned silence from the Deputy Leader of the Opposition. How do you actually measure for conflicts—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: But how do you measure for conflicts—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: No, you asked the question. You want to know why a check was not done at the time of the appointment of the advisers. How do you check for conflicts when at that stage in February last year we did not even have—

Members interjecting:

The PRESIDENT: Order!

An honourable member interjecting:

The Hon. R.I. LUCAS: Yes—we did not even have bidders?

Members interjecting:

The PRESIDENT: Order!

The Hon. P. Holloway interjecting:

The PRESIDENT: Order! I remind the Hon. Paul Holloway that this is not the time for debate. The honourable member has asked his question.

The Hon. R.I. LUCAS: The Hon. Mr Holloway greeted my out-of-order question to him with stunned silence,

because he had not thought through what he was asking. You can only investigate conflicts when you actually have a situation—

The Hon. P. Holloway: But you hadn't declared them.

The Hon. R.I. LUCAS: Well, as an adviser you can't declare a conflict when there are no bidders.

The Hon. L.H. Davis: It's a bit like saying, 'I own Boral shares', but I buy them six months later.

The PRESIDENT: Order!

The Hon. R.I. LUCAS: You are not in a position to be able to declare a conflict of interest until you are in a position to know what that potential conflict might be. What you must have is a requirement that as soon as your advisers become aware of a potential conflict they must advise you, the government or your officers of that conflict. It then needs to be managed. In the case that I highlighted to the Hon. Mr Holloway, it was the adviser himself who advised us of the potential conflict, and then we worked our way through the process. No-one can suggest that the conflict was discovered by the probity auditor or the Auditor-General or a third party and that someone was forced to reveal that conflict. As soon as the adviser became aware of the possible expression of interest by an investment firm of which he was a director (not his own company), he instituted the procedures which I have outlined in the ministerial statement.

So, the answer to the honourable member's question is that there are many conflicts which we have to resolve, and we have worked our way through those issues. The probity auditor has the capacity to look at all those issues. If he has any concerns he can come back and ask us to do something more or to review the matter even further. The Auditor-General has the capacity to look at all these issues.

I do not intend to play the game with the Deputy Leader of the Opposition, because it is obviously grist for the opposition mill to try to beat up in the media that there are these huge conflicts of interest which are, in some way, affecting the probity of this particular—

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: No, the Auditor-General has not said that. When I asked him the question about his major concern, he spoke about the evaluation of the bids which we will receive next month. I am not denying that he has raised concerns in a number of other areas, but his major concern and the reason he is warning about the possible reduction in the value of the bid price or problems with respect to liabilities relates to how next month—not in the past—the government will evaluate the final bids.

ETSA ROAD SHOW

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Treasurer a question about the ETSA road show.

Leave granted.

The Hon. P. HOLLOWAY: The Auditor-General has stated that the probity auditor should review all promotional materials used in overseas marketing exercises to 'assess the risk for bidders to be unfairly treated' and the 'potential for government liability to bidders'. Given that the Auditor-General's supplementary report on the ETSA privatisation was tabled three weeks ago, has the probity auditor now reviewed all marketing material, including information provided to prospective bidders in the Treasurer's first overseas road show undertaken earlier this year? Further, has the probity auditor also advised on information presented by the Treasurer on his latest overseas trip promoting the sale of the generators?

The Hon. R.I. LUCAS (Treasurer): I would need to check with the probity auditor. He has the capacity to look at all that information. It is not something that the government or I as Treasurer agreed with but, as a result of a request from the Auditor-General, for the first time ever on the recent road show all the discussions with the interested parties had to be tape recorded, so the probity auditor will have 30 hours of—

An honourable member: Who requested that?

The Hon. R.I. LUCAS: The Auditor-General requested that the road show proceedings be tape recorded. That is not a position that I supported but, in the interests of resolving these issues, the government nevertheless agreed to the taping of all the road show events. So, the probity auditor not only has the capacity to look at all the promotional materials but he also has the opportunity of listening to many hours of discussions with potentially interested parties.

TAFE FUNDING

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Education, Children's Services and Training, a question on TAFE funding.

Leave granted.

The Hon. T.G. ROBERTS: In the *Age* of Monday 15 November an editorial with the heading 'Working through the TAFE crisis' states:

> Funding for technical and further education has placed the sector at risk of collapse. Technical and further education has never been the glamour end of the higher education sector. While the state's TAFE institutes may have little of the cachet accorded to the universities, they have traditionally provided an accessible means for many people to continue their education.

It is the same in South Australia. For those people who have not pursued tertiary education it is one of the few ways that people from lower income areas in the state are able to keep up their qualifications and keep themselves competitive in today's job market. Particularly for those disadvantaged groups from single income or unemployed families or Aboriginal people in this state, it is the only avenue they have to pick up any opportunity for education to enter the work force. In today's *Australian* under the headline 'Warning on crisis at TAFE' an article states:

> A financial crisis facing half of Victoria's TAFE institutes should be a warning to TAFE colleges nationwide, according to the Australian Education Union.

It goes on to describe what is happening in Victoria, as follows:

> The Victorian government this week announced a $10 million rescue package after revealing four TAFE institutes were on the brink of insolvency. Most of the money will go towards meeting the cost of apprenticeship courses for key industries.

There is a lot of other detailed information which I will not read into *Hansard*.

My questions relate to a comparison with the Victorian circumstance, and drawing a parallel with the attitude that Jeff Kennett had in relation to TAFE budget financing. My concerns are that South Australia may be going down the same path. A document has been presented to me headed 'Department of Education, Training and Employment, proposed savings/targets' for the financial years 1998-99, 1999-2000, 2000-01. To keep it as brief as I can, I point out that under the heading 'Reduced fundings to institutes' it reads '$7.9 million, 1999-2000; $9.5 million, 2000-01'. You can see that, if those proposals—and that is all they are in the

document—relate to funding cuts to institutions in this state, they will have an impact on those low income families, and those people who would like to head into TAFE courses would be affected. My questions are:

1. Is the government following through with the proposals as I detailed in the leaked document to cut funding to TAFE institutions in South Australia?

2. What impact will this have on the spending program for metropolitan regional TAFEs this financial year?

3. What impact will those proposed spending programs have on indigenous educational and strategic initiative programs that have been set up?

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

ADELAIDE INTERNATIONAL HORSE TRIALS

The Hon. A.J. REDFORD: I seek leave to make an explanation before asking the Treasurer, representing the Minister for Tourism, a question about the Adelaide International Horse Trials.

Leave granted.

The Hon. A.J. REDFORD: The Adelaide International Horse Trials recently staged in Adelaide again proved to be a major success for this state. This event, the very first as a four star accredited trial, took place in the east parklands early this month and boasted both record crowds and record entries. The success of the event, with over 50 000 in attendance, proved that the move to upgrade the event from its recent three star level to the Olympic standard four star was a correct decision, according to many media reports. It also gave individual riders a chance to shine in the lead-up to the Sydney 2000 Olympics. South Australians, I know, were particularly thrilled and justifiably proud with the performance of local home grown rider Tara Trebilcock on her horse *Lewis*.

I have been told that events such as the horse trials are very important for a number of reasons, including the generation of economic benefits, the colour and excitement they bring to Adelaide, the improved infrastructure in terms of new stables in Victoria Park which the state government assisted in funding through the South Australian Tourism Commission's Australian Major Events Group, the media coverage of the event, and the one hour highlight package from the horse trials which was screened on the ABC on 13 November and will continue to be screened on 20 November, with coverage expected to be sold to stations in the UK, Europe and Asia.

Unfortunately, there was a down side—the sad incident involving the horse *Wayfarer*. The death of a horse is always a major concern, I am sure everyone would agree. However, the international technical delegate responsible for overseeing the regulations reaffirmed that the entire cross country course had met all the required standards for a four star event. The rider, Shane Rose, said in subsequent media interviews that the horse misjudged how it needed to jump the obstacle. It was the one regretful aspect of an otherwise extraordinary event.

Adelaide is the only place in the world with a four star event in the heart of the city. Indeed, many international visitors commented to me and to many others about that particular fact. I recall walking past one English woman who was talking on a mobile phone and who was particularly extolling the virtues of holding this event in the centre of the city. The atmosphere—

The Hon. M.J. Elliott interjecting:

The Hon. A.J. REDFORD: She said it was a wonderful place and a wonderful event. In fact—

The PRESIDENT: Order! This is not a wonderful debate. Get on with the explanation, the Hon. Mr Redford.

The Hon. M.J. Elliott interjecting:

The Hon. A.J. REDFORD: I didn't stay around; I kept moving on. I just happened to be walking past. But it was terrific to hear overseas people praising it.

The Hon. M.J. Elliott interjecting:

The Hon. A.J. REDFORD: I am sure you would join in the praise.

The PRESIDENT: Order!

The Hon. A.J. REDFORD: Sorry, Mr President; I was tempted. I also note that there was a high level and quality of media reporting, by—

Members interjecting:

The PRESIDENT: Order! I will ask the honourable member to resume his seat if he does not get on with the explanation.

The Hon. A.J. REDFORD: —television, radio and press, both locally and interstate. The trials have joined a long list of South Australian hosted events. My questions are:

1. What improvements has the minister in mind in relation to this event?

2. Has the minister received any reactions to the event from participants and organisers and, if so, what were those reactions?

The Hon. R.I. LUCAS (Treasurer): I will refer that question to my colleague in another place and bring back a reply.

EDUCATION, CIVICS

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Education, a question about the Constitution and civics education.

Leave granted.

The Hon. M.J. ELLIOTT: The recent referendum in relation to the Australian Constitution undoubtedly played a useful role in terms of getting Australians thinking more generally about the Constitution—although I think it doubtful that many Australians even today know that the Australian Constitution is in fact an act of the British parliament, and probably not too many Australians are aware that, so far as any form of preamble is concerned at this stage, again it is part of a British act of parliament.

Without wanting to reflect on the two appalling outcomes of the referendum, it is clear that there is not a great deal of knowledge about the Australian Constitution overall. The state government—

The Hon. A.J. Redford interjecting:

The Hon. M.J. ELLIOTT: It is also true that it is a British act of parliament. Regardless of what one thinks of the outcome of the referendum vote, it is fair to say that the debate was held in somewhat of a void in terms of knowledge of the Australian Constitution more generally. The government has been talking about civics education in schools, and my questions to the minister are:

1. Precisely what is the Government doing at this stage to have civics introduced into the school curriculum?

2. What part of that civics education will include a study and knowledge of the Australian Constitution?

The Hon. R.I. LUCAS (Treasurer): I will refer that question to my colleague in another place and bring back a reply.

The Hon. CAROLYN PICKLES: Will the minister indicate whether the civics program in schools will be compulsory?

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

RETIREMENT VILLAGES

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief explanation before asking the Minister for the Ageing a question about retirement villages.

Leave granted.

The Hon. CAROLINE SCHAEFER: A recent newsletter from the South Australian Retirement Villages Residents Association has referred to proposals to amend relative legislation in other states, including New South Wales and Queensland. The association has also made some criticisms, in particular of retirement village operators, both in this state and in others, and has been suggesting some amendments to legislation here. My questions to the minister are:

1. Is the government planning to introduce any changes to the Retirement Villages Act?

2. Is the minister satisfied that complaints about retirement villages are being handled appropriately?

3. What action is being taken to ensure that both the letter and the spirit of the Retirement Villages Act are being complied with?

The Hon. R.D. LAWSON (Minister for the Ageing): The government is committed to ensuring that we have in this state a retirement villages regime that operates to the benefit of the South Australian community and, in particular, that residents and potential residents of retirement villages receive appropriate information and statutory protections. By and large, both for-profit operators and charitable operators of retirement villages in this state have been providing an exemplary service much appreciated by residents.

One does find in many retirement villages an attitude of mutual respect and cooperation which leads to satisfactory outcomes for elderly people. Unfortunately, a couple of retirement villages give rise to a number of complaints and, also, to very grave concerns by residents. Whether by reason of financial incapacity or inability to comprehend the needs of the residents, or whether from a want of diplomacy and a want of a preparedness to listen to others, some village authorities are not doing the right thing and instructions have been given to the Office for the Ageing, which handles complaints under the Retirement Villages Act, to ensure through the appropriate quarters that the letter of the Retirement Villages Act is firmly applied and legal proceedings taken where appropriate.

The Retirement Villages Association has been very active in this state in promoting the interests of its members. For some time it has been urging amendments to the retirement villages legislation, and the government believes that it is appropriate that any such amendments take into account not only the interests of residents but also the interests of the entire sector. There is a balance between the interests of operators, the overall interests of the sector and, also, the interests of residents. For example, the requirements about the reletting of units which are vacated are difficult in some circumstances to apply and it is difficult in some circumstances to ensure that units are relet ahead of, for example, new units that might be built by the same operator on the same site.

In New South Wales and Queensland, draft bills have been produced for circulation. Those draft bills, I think in both cases, have been circulating for a couple of years now and the respective governments in those states have not yet indicated, so far as I am aware, when the bills will be prosecuted through the relevant parliaments. In the year 2000 our regulations under the Retirement Villages Act will expire and will, therefore, require examination. At the same time the government proposes to look at amendments which have been suggested from a number of quarters in relation to retirement villages. I can assure the Council and the honourable member that there will be a full consultation process before any legislative proposals are introduced, so that those with an interest in this subject will have an opportunity to comment upon any proposals.

In response to the honourable member's final question about both the letter and the spirit of the Retirement Villages Act being observed, the Office for the Ageing has taken over from Business and Consumer Affairs the handling of complaints. As I mentioned previously, there are not very many complaints and most of them relate to a couple of operators but, as I indicated, appropriate action is to be taken to ensure that those operators do observe the letter of the law. Also, the spirit of the legislation is being promoted by the office to ensure that mediation, discussion and other mechanisms short of formal tribunal hearings are adopted.

ELECTRICITY, PRIVATISATION

The Hon. P. HOLLOWAY: My question is directed to the Treasurer. Who was the adviser who wrote to the Treasurer on 9 August stating that he had a conflict of interest, and what was his role in the ETSA privatisation process? Is the adviser still working for the government in any capacity and, if so, what is that capacity? If not, was his contract terminated and, if so, was he paid any benefits in relation to that termination?

The Hon. R.I. LUCAS (Treasurer): I do not intend at this stage to name individuals. The issues have been raised. The Hon. Mr Holloway might have a particular interest in knowing the individual's name and pursuing him for other reasons but, as I said, the Auditor-General and the probity auditor have access to all the documentation in relation to the issue and I do not intend at this stage to name the individual. I have explained the details of the potential conflict, how the government approached it—

The Hon. P. Holloway: Is he still working for the government?

The Hon. R.I. LUCAS: I will need to check whether he has any jobs with other ministers or other elements of government. I am not aware that he has, but obviously I will not give a blanket response without checking those issues. He was not paid a termination payout in relation to this. We have a contract with his company to provide services, and he was one of a number of employees in the company that provides services. The company still has a contractual arrangement with the government.

ARTS, DISCUSSION PAPER

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Minister for the Arts questions regarding a recent arts discussion paper.

Leave granted.

The Hon. T.G. CAMERON: The federal government recently commissioned Dr Helen Nugent to write an important discussion paper on the future of the major performing arts companies in Australia. This resulted in a negative prediction of the ability of companies in the smaller states to survive in their present form. Dr Nugent argues that smaller states such as South Australia are inefficient, their audiences are too small, they are artistically constrained and they should be looking elsewhere for the supply of product.

The discussion paper is good news for the larger states such as New South Wales and, to a lesser extent, Victoria, but it is terrible news for South Australians. The states on the eastern seaboard have scale, efficiency and product. The clear inference is that, by diverting federal funding to Sydney and making the smaller states' companies more subservient to Sydney, better outcomes will result for everyone.

Cities the size of Adelaide are as capable as any community of providing leadership and reaping economic benefits from the arts in a globalised world. One only needs to look at our outstanding arts record to see what innovators we have in this area. This is just another example of the needs of South Australia being overlooked or ignored by the federal government.

The Hon. Carolyn Pickles interjecting:

The Hon. T.G. CAMERON: About the only saving grace on this arts matter is that you will not end up being arts minister one day. Anyway, my questions to the minister are—

The Hon. Carolyn Pickles interjecting:

The Hon. T.G. CAMERON: I'm not interested in being arts minister.

Members interjecting:

The Hon. T.G. CAMERON: Are you finished?

The Hon. Carolyn Pickles interjecting:

The Hon. T.G. CAMERON: Is that right? My questions are:

1. Has the minister held discussions with her federal counterpart over the content and recommendations of the Nugent discussion paper?

2. What steps has or will the state government be taking to ensure that South Australians are not the losers from this paper?

The Hon. DIANA LAIDLAW (Minister for the Arts): There is no suggestion in the paper that South Australia will be a loser. I do not know whether the honourable member has had an opportunity to read it, but the paper puts up propositions and argues options regarding how to realise those propositions and how to address a whole range of issues. I think it is a particularly useful document in promoting debate. I would never suggest that it necessarily disadvantages South Australia.

What is critical is that we have our house in order financially in order to promote the greatest number of opportunities for work by our artists and technicians, and that is the approach that the state government has taken. I do not find in the paper difficulties in terms of the future of arts activity in South Australia.

I have held meetings in both Canberra and in Adelaide with the Minister for the Arts. I have written about the South Australian position in response to various issues in the paper. I cannot confirm whether this time frame was met, but my understanding is that the follow-up report from Helen Nugent as chair would have been presented to the federal government early this month, but I will have to seek confirmation on that matter. Certainly, my biggest disappointment to date is that the time frames for decisions arising from the report have been extended far beyond original expectations and therefore will not be known until the next federal budget discussion. But I have had, and I say without qualification here, some very productive discussions with Helen Nugent as chair, and with the executive officer and the minister.

In relation to the argument that the honourable member just presented about the small states, in particular South Australia, being able to excel, in fact South Australia's size, the number of creative people, the networking that goes on and the will to succeed are all recognised strongly by the federal government and the author of the reports. That gives me considerable confidence for the outcome of this study. The trouble is that the outcome is just taking too long, and that is the biggest frustration at the present time.

DISTINGUISHED VISITORS

The PRESIDENT: I draw the attention of honourable members to the distinguished guests that we have in the gallery this afternoon and recognise them as people who are senior staff of the National Assembly of Vietnam. They are on a United Nations Development Program, I understand, studying with the Adelaide Institute of TAFE and the Institute of Justice Studies here in South Australia. May I on behalf of the honourable members in this chamber welcome you to South Australia and to the Legislative Council and I hope you have a very interesting and informative month here with us.

Honourable members: Hear, hear!

PASSENGER TRANSPORT INDUSTRY

The Hon. CAROLYN PICKLES (Leader of the Opposition): I seek leave to make a brief explanation before asking the Minister for Transport a question on the subject of the competition policy review of the Passenger Transport Act.

Leave granted.

The Hon. CAROLYN PICKLES: I refer to a letter sent by the South Australian Taxi Association to the Premier dated 2 November, as follows:

Dear Premier,

The taxi industry, as with many other small businesses in South Australia, is disappointed with your government's commitment to small business. In particular, the Competition Policy Report relating to the Passenger Transport Act was supposed to be released in June this year. When we inquire of the Passenger Transport Board as to the date of the release, we are told it is with Premier and Cabinet. The delay in releasing the report has impacted significantly on the taxi industry, with a dramatic reduction in licence values and lease payments.

We have to continue to cope with ever increasing government fees and charges and to constantly improve service delivery to clients. Will you ensure that the long overdue report is released before the end of November 1999?

My question to the minister is: can she explain why the report has not been released, five months after its due date, and will she ensure that it is released before the end of November this year, this millennium?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I cannot confirm that there was ever a due date for release of the report. I made reference to some of the initial findings in a report that was passed to me through the PTB in relation to the national competition study

when I addressed the Taxi Industry Association annual meeting some months ago. The process is complex. It went from me to the Department of the Premier and Cabinet, because all these reports must be seen to meet competition policy guidelines. There is no point in releasing a report or acting on it unless we see that those guidelines have been met.

I received a letter just last week—or perhaps it was a little earlier than that—from the head of the section in the Department of the Premier and Cabinet which deals with this report to apologise for the delay in assessing it. There has been a backlog of assessments, and the department has asked for some further work to be done in some areas to meet what it knows to be the standard of the arguments at the national level in terms of competition policy.

I think the honourable member would understand that it is important that we get these reports right and that they withstand the scrutiny of national competition policy interstate because, if they do not, that will influence the payments that come to this state. We must make sure that these reports are ticked off in every regard. I understand the caution of the Department of the Premier and Cabinet. I have accepted the apology for the backlog. I cannot guarantee that the report will be released at the end of November, but further information—

The Hon. Carolyn Pickles: This millennium or some time this year would be nice.

The Hon. DIANA LAIDLAW: I have outlined some of the issues to the industry. If the industry listened properly at the annual meeting—certainly those who lead the association appreciate this—it would know that there is no cause for alarm in respect of this issue of industry regulation and payments for the transfer of licences and plates. I suspect that other factors may affect plate value, but I think it would be difficult to argue that this report is one such factor.

I also think that the industry would understand that it is important that we get this right because, if we do not and the competition council does not accept the arguments, the industry may have a lot to lose. So, it is in the industry's interests that we proceed with caution.

WOMEN'S STUDIES RESOURCE CENTRE

The Hon. SANDRA KANCK: I seek leave to make an explanation before asking the Minister for the Status of Women a question about funding for the Women's Studies Resource Centre.

Leave granted.

The Hon. SANDRA KANCK: In 1975, the Women's Studies Resource Centre began operation. It received government funding despite fears that the centre was, in the words of Jennifer Cashmore, '. . . of radical feminist bent and therefore slightly dangerous.'

The Hon. Carolyn Pickles: She changed her mind.

The Hon. SANDRA KANCK: She did change her mind. The year 1975 was special for women all around the world. It was International Women's Year, and women were challenging the boundaries which had previously marginalised them from employment and educational opportunities. Much new written and recorded material was being generated at this time. Women were now being attributed roles in written works beyond that of wife, mother or prostitute.

A group of South Australian women realised that such new written material and records needed to be protected and collated to preserve a permanent record of women's achievements. So, when the government allocated a corner of the teachers' resource centre to the collection, the Women's Studies Resource Centre was born. The centre provides all people with access to a comprehensive and unparalleled collection of resources concerning the achievements of women around the world and across time. It has brought issues such as feminism, sexism, sexual harassment and equal opportunity into schools, tertiary institutions and workplaces. There is nothing else like it in South Australia—and, arguably, Australia or even the world.

The twentieth anniversary newsletter of the Women's Studies Resource Centre remarks on these achievements but also on the centre's vulnerability. It states:

> These two major threats—loss of on-going funding both for the collection, maintenance and growth and salaries for workers and establishing a central location—have been the twin Damoclean swords hanging over the WSRC for its entire 20 years.

Not much has changed. In fact, things have got worse. The past few years have seen a gradual attrition of funding and support from the government. The Women's Studies Resource Centre has now been told that there will be no more funding beyond the end of the current financial year. This will mean the end of a collection that belongs to the women of South Australia.

The government has said that it will relocate the collection to new premises at Hindmarsh, but there is no guarantee that people will be able to access it or whether it will remain a separate collection. Ironically, the cost of relocating such a collection is estimated at $80 000, a sum which would guarantee the continued operation of the centre. Funding for the Women's Studies Resource Centre is currently through the Department for Education, Training and Employment. Will the minister:

1.Acknowledge the important role of the Women's Studies Resource Centre in South Australia?

2. Support the centre by allocating funding from her budget for the status of women portfolio to maintain the collection and staff?

3. Guarantee that the centre's collection will always be available to the women of South Australia?

The Hon. DIANA LAIDLAW (Minister for the Status of Women): I cannot and will not be able to fund this initiative through the Office for the Status of Women portfolio because it does not have anywhere near those resources and also it does not see itself funding such specialised activities. The Office for the Status of Women has sought to devolve that responsibility to other portfolios. The office sees itself as working more with the wider community on general issues and coordinating issues across government. In line with those roles, the Office for the Status of Women has been involved in coordinating meetings with the funder of the Women's Studies Resource Centre (the Department for Education, Training and Employment), and it is my understanding that those discussions are proceeding well. I will have to obtain an update on those matters.

The honourable member mentioned that the Women's Studies Resource Centre has now been advised that it will no longer be provided with funds. It is my understanding that, last year, it was advised by the Department for Education, Training and Employment that the position of coordinator would no longer be funded and that the centre should seek alternative funding sources. It appears that the centre has not been able to do that.

The offer that has been made to the centre is that the collection be relocated at the Hindmarsh Information

Technology and Training Centre, which has been designed specifically for DETE. That centre has at least 20 librarians on its staff. So, it is my understanding that, if the collection is relocated there, it will be accessible and that the librarians who operate the Information Technology and Training Centre will be responsible for ensuring access to the collection.

I understand that this offer is being considered by the collective and that there is a proposal to draw up a memorandum of understanding between the collective and the department. That is my latest information, but it might not be the most recent information on the subject. Therefore, I will promptly follow up the questions which the honourable member has raised in this place. I have visited the centre many times in my own right and supported its activities publicly and privately. I certainly wish to see the collection remain accessible to those who wish to use it in the future.

GAMBLERS' REHABILITATION FUND

The Hon. NICK XENOPHON: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Human Services, a question about the Gamblers' Rehabilitation Fund (GRF).

Leave granted.

The Hon. NICK XENOPHON: In October 1998, Elliott Stanford and Associates prepared an evaluation of the Gamblers' Rehabilitation Fund for the Department of Human Services. The report made 26 recommendations with respect to the GRF including that the GRF should have a three year funding agreement, that there should be a funding commitment from other gambling codes, and that there should be research into the needs of problem gamblers and the justice system, and it raised concerns over the inherent conflicts of interest of the government's role as 'tax collector and protector' (page 65 of that report). My questions are:

1. What steps has the minister taken to implement any and which of the recommendations of the report?

2. What communications and responses have there been from other government departments in relation to the recommendations in so far as those other government departments including Treasury need to be involved?

3. Does the minister concede that the delay in acting on the recommendations of this report, released in October 1998, is almost as tardy and as neglectful as the Treasurer's responding to the findings of the Social Development Committee's inquiry into gambling released in August 1998?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): That is a rather cheap comment at the end of the question, but I assume it was meant to be humorous. I will take it in that vein and I am sure the minister will, too. I will pass it onto the minister and I am sure that he will look forward to responding to the questions.

NATIONAL ROAD RULES

In reply to **Hon. CAROLINE SCHAEFER** (28 October).

The Hon. DIANA LAIDLAW: The following information is in response to the second question asked by the honourable member:

The use of the left turn on red provision is included in the Australian standard 'Manual of Uniform Traffic Control Devices'. As such it represents 'best practice' traffic engineering that has been based upon significant research and experience from around Australia. The standard very specifically states that drivers may proceed through a red traffic light, after first stopping at the stop line, provided it is safe to do so. This will only be permitted where a sign has been installed.

The standard very clearly defines where this feature may be used and the factors that must be considered. It states that it shall only be considered for use on side roads at their junction with arterial roads, where pedestrian activity is generally light and side road traffic volumes are light for most of the day. The standard includes sight distance requirements such that a driver can clearly see all approaching traffic and any pedestrians.

It specifically requires consideration of cyclist and pedestrian safety and particularly the safety of pedestrians crossing the side road in front of potential left turn on red vehicles.

It is expected that this initiative will not be widely used in South Australia. It is used in many other Australian States and as such, South Australian motorists need to be aware of this provision.

PETROL SNIFFING

In reply to **Hon. T.G. ROBERTS** (19 October).

The Hon. DIANA LAIDLAW: The Minister for Aboriginal Affairs has provided the following information:

The State government is aware of the issue of petrol sniffing in the north-west of South Australia on the Anangu Pitjantjatjara lands.

The State Government, through the Drug and Alcohol Services Council, provided

$65 000 in 1998-99 to the Nganampa Health Council for the express purpose of addressing the issue of petrol sniffing in the region, and a similar amount will be provided in 1999-2000.

With regard to cross-jurisdictional programs, communities in Central Australia are being supported through initiatives being undertaken by the Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) Women's Council which has received $800 000 from the Commonwealth Government.

At a petrol sniffing conference held in Alice Springs on 28 and 29 July 1999 the NPY moved to have a program developed that evaluates the short and long term impacts of interventions, including counselling, that have been used with petrol sniffers in Central Australia. The conference also moved to have local police support community and homeland initiatives and that magistrates and JPs take into account those initiatives when sentencing petrol sniffers.

At a meeting held in Adelaide on 21 September 1999 the NPY representatives and agencies attending identified methods that would help address the petrol sniffing problem including diversionary and rehabilitation programs which involve young people of the region taking care and responsibility for local sites.

The Commonwealth has further provided funding of $855 000 to the Aboriginal Drug and Alcohol Council over a four year period to undertake substance abuse rehabilitation work, including addressing solvent abuse issues. The council will be focussing on both the urban and country regions as well as the AP Lands. One of the proposed initiatives is the development of a manual which outlines the strengths and shortcomings of previous programs to inform and arm communities on strategies they may wish to adopt.

The State is keen to participate in discussions with the commonwealth and NPY on the development of new programs and projects to ensure improved coordination and best possible outcomes in the area of substance abuse. Tri-state arrangements have previously been proposed and such discussions have taken place and have our continued support.

DOCTORS, RURAL

In reply to **Hon. T. CROTHERS** (29 September).

The Hon. DIANA LAIDLAW: The Minister for Human Services has provided the following information:

1. It is readily agreed there is some difficulty experienced in attracting medical practitioners to work in rural areas. That situation has been in evidence for a number of years. It is not a phenomenon peculiar to South Australia, nor to Australia generally. It is a worldwide situation.

2. The state is undertaking and supporting a number of initiatives:

In association with the South Australian Rural and Remote Medical Support Agency (SARRMSA) and the commonwealth government, a salaried locum service is available to rural general practitioners to enable them to take leave to further their continuing medical education or to take recreation leave without the expense of employing a locum.

Much of the expense associated with attendance at continuing medical education initiatives can be recouped by rural medical practitioners; both general practitioners and specialists.

Funds have also been made available to support continuing medical education workshops and courses in rural locations throughout the state.

A scholarship scheme supports rural origin undergraduates, through their last three years at university.

Funds are provided to assist both Medical Schools to send 4th and 6th year students to gain several weeks experience of rural medical practice with rural general practitioners.

Support is provided to all three universities for the rural clubs, which encourage and assist all health profession students to seriously consider working in rural areas.

Promotion of the health professions as a career is undertaken in country high schools.

The Rural Health Enhancement Program provides an additional loading on the fees for service paid by public, rural hospitals to medical practitioners, who reside in the country, for the provision of surgical, anaesthetic, and obstetric services to public patients, and doctors participating in the accident and emergency roster of those hospitals receive a payment for each day on the roster. In addition, there are special arrangements to provide some support to those few country GPs who reside too far from a public hospital to participate in the after hours accident and emergency roster but who do provide an after-hours service in their own rooms.

SARRMSA carries out a variety of functions to assist and support rural medical practitioners, including coordinating the rural divisions of general practice, and administration of the above-mentioned continuing medical education schemes and the joint rural locum service. The agency is also funded by the Department of Human Services (DHS) to carry out a number of projects concerned with the recruitment and retention of rural doctors. Significantly, one of those projects is the running of a campaign to recruit overseas-trained doctors who are suitable to undertake medical practice in rural South Australia.

The recruitment of overseas-trained doctors has had encouraging results. As a result, there are currently 20 OTDs working in SA. Recruits have mainly come from South Africa and the UK. This has had a significant effect, noticeable both in the number of vacancies being advertised, and in the pressure on the locum service.

There are now about 23 practices with advertised vacancies compared with about 35 at the beginning of the year.

As a result, the Government has extended the initial program for a further year.

In addition, the commonwealth government, through its Rural and Remote General Practitioner Program provides significant financial incentives to rural workforce agencies for general practitioners to relocate to rural and remote practices, and to undertake any necessary additional or refresher training. Financial support is also provided for a support network for the spouses of rural medical practitioners. The commonwealth government is also prepared to provide short to medium term exemption from its statutory requirements in relation to the provision of provider numbers and immigration for rural and remote areas of need.

The steps outlined above have been in operation for some time. However, it takes approximately 10 years for a student to progress from the first year in medical school to graduating and undergoing further training before being sufficiently practised to undertake rural practice. Consequently, some of the above steps will require a number of years to elapse before results will be achieved and other short-term measures, such as the importation of overseas-trained doctors have also been implemented.

The government has obtained commonwealth funds to support the placement of three advanced trainee specialists in rural regional hospitals (two at Whyalla and one at Mount Gambier). DHS funding supports one obstetrics and gynaecology advanced trainee at Mount Gambier.

The number of positions available for trainee medical practitioners to undertake the Royal Australian College of General Practitioners (RACGP) Training Program, is inadequate for the needs in this State. This matter has been taken up with the commonwealth government which sets the overall number and with the RACGP which allocates the positions between the states in an effort to redress the situation. The initial reaction has been to increase the number for SA marginally. Further discussions are proceeding.

CONTAINER DEPOSIT LEGISLATION

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I seek leave to table a ministerial statement on the subject of commitment to container deposit legislation made today by the Hon. Dorothy Kotz.

Leave granted.

GENETICALLY MODIFIED FOOD

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General (having dragged him away from the opposition's back bench), representing the Minister for Primary Industries, a question relating to biotechnology and genetically modified foods.

Leave granted.

The Hon. IAN GILFILLAN: In the *Stock Journal* of 23 September, the Minister for Primary Industries, the Hon. Rob Kerin, was reported as saying that he held productive talks with US-based biotechnology company Monsanto and the British-based biotechnology company Zeneca Agrochemicals. According to the article, the aim of these talks was to open the door to future investment in biotechnology in Australia by securing some foreign investment for the plant and food biotechnology centre at the Waite Institute. The State Government has already allocated $2 million for the biotechnology centre from the 1999 budget and it has also committed a further $4 million to take the centre's developments to the commercial market.

According to the article, the centre was to be the driving force behind the major technological advances in crop improvement. In the article, the minister is reported as saying:

Biotechnology had enormous potential to improve and develop the food industry worldwide with significant benefits to consumers.

The minister was then reported as saying:

The blight on the rosy future of the biotechnology industry was the spread of misinformation about genetically modified foods through a high profile scare campaign in the media in the UK.

Then he added:

There was also a need to ensure that Australians had a better understanding of genetically modified food and the potential benefits biotechnology could offer.

He certainly expressed his confidence in biotechnology being a boon to humanity. Given the need for open debate about biotechnology, I will refrain from drawing the implication of these remarks about how he sees those who do not share his enthusiasm for the biotech marriage of science and big business. These implications are that critics of biotechnology in Australia are engaged in a scare campaign about 'Franken' foods, or genetic pollution, ushering in a new dark age, and that the critics of biotechnology lack understanding because they are not informed by science, hence the need for a public relations offensive. We can put this method of setting up debate to one side.

My concern is with the minister's claim that consumers will derive significant benefits from the new products of the plant biotechnology industry and, if consumers resist genetically modified foods in Australia's primary food chain because they see no benefits and shift to organic foods, then a long dark shadow falls over the sunlit fields of the biotech crops. So, in the spirit of open public debate about a pressing public issue, I would like to provide the Minister for Primary Industries with an opportunity to help Australians to become more enlightened in what is involved in living in a genetically modified world by asking the following questions:

1. How do consumers benefit from genetically modified food when the two most common genetic modifications involve herbicide and pest resistant genes? Are not these genes inserted for the benefit of agribusiness and not consumers?

2. In the light of the failure of Monsanto's Roundup Ready Soya Bean to find ready acceptance in Europe, will the minister be ensuring that agricultural biotechnology will segregate genetically modified crops from ordinary ones?

3. How do consumers benefit when the work of the British researcher, Arpad Pustai, indicated that rats fed on genetically modified potatoes for 100 days (the equivalent to 10 years in human terms) showed signs of stunted growth and increased vulnerability to disease?

4. Will the minister put in place regulations that ensure that each new genetically modified product coming to the market has to be considered for safety as a novel food and undergo rigorous tests to determine that the genetically modified products are safe?

5. Is the minister committed to a prompt, full and honest public sharing of information and data from the research conducted at the plant and food biotechnology centre in the Waite Institute?

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

INTRODUCTION AGENCY

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Treasurer, representing the Premier and the Minister for Education, a question about an alleged introduction agency being run from government offices.

Leave granted.

The Hon. CARMEL ZOLLO: Earlier this year I had brought to my attention some allegations of impropriety at a government workplace. Before I had the opportunity to raise the issue, a media article reported the same matter of an alleged introduction and dating service being run from within an agency of the Education Department based at Newton. Apparently, a temporary secretary had received suspicious correspondence and discovered the so-called dating agency. The allegation included the use of departmental telephones and other government equipment and stationery. It was not revealed in these reports how long the agency had been conducting these activities or whether there was evidence of any criminal activity.

I understand that the Education Department was to conduct an independent investigation centred on two staff. The media reported that officers from the office of the Commissioner for Public Employment were heading investigations which, at that time, were expected to be completed within a short time. The article also stated that, if there was any evidence of criminal activity, the staff would be asked to resign. In addition, it was reported that, in a separate move, police had launched investigations into allegations of theft from the same office. As some time has now elapsed since these allegations were first raised, I ask the minister representing the Premier and the Minister for Education:

1. Have the departmental investigations been completed?

2. What were the findings of these investigations?

3. What were the findings of the police investigations?

4. What action has been taken against the staff allegedly involved?

5. Have any findings of these investigations been referred to the DPP for possible further prosecution?

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

AUDITOR-GENERAL'S REPORT

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Treasurer a question about the Auditor-General's report.

Leave granted.

The Hon. R.R. ROBERTS: On page 12 of the Auditor-General's report into the civil proceedings for defamation against ministers of the Crown, the Auditor-General makes some observations, one being the following:

> In his advice, the then Acting Crown Solicitor made no final determination on this issue [whether this was part of the minister's duties]. Nonetheless, he did state it was 'strongly arguable' that the defamation did arise from the performance of ministerial duties.

He sustained that by saying that it was published on the Minister's letterhead (that is a great defence in future), that the material was directed at vigorous defence of government policy (and we all do that) and, thirdly, that the material was directed to an attack on a parliamentary opponent. Basically, according to that, you can say almost anything about anyone, as long as it is a parliamentary opponent. Given that he had just said that it was strongly arguable that it was ministerial, he states:

> The Acting Crown Solicitor advised the Attorney-General that consent to judgment (for the sum of $20 000, as claimed by the plaintiff) should be entered without a defence being filed. A payment of $20 000 plus legal fees of $900 was paid subsequently by a cheque drawn on the South Australian Captive Insurance Corporation from a Special Deposit Account established under section 8 of the Public Finance and Audit Act. This was confirmed by Mr Lucas' solicitors as being in full settlement of Mr Xenophon's claims against both Mr Lucas and Mr Ingerson. In addition, legal fees on behalf of the Treasurer of $1 476 were also paid.

Further in the report, the Auditor-General commented on the question of fringe benefits tax. This is an interesting concept, because it was raised vigorously by the then opposition during the time of the famous John Cornwall case. My questions to the Treasurer are:

1. How much of the $20 000 plus the $900 was paid on behalf of the Hon. Mr Lucas and how much was paid on behalf of Mr Ingerson?

2. What were the total fees paid, including fringe benefits tax, if any?

The Hon. R.I. LUCAS (Treasurer): I have not yet had the pleasure of reading the Auditor-General's report on this issue, having been overseas for the past couple of weeks. When time permits, I hope to have the opportunity to read it from cover to cover. I will need to take advice on the honourable member's questions and will be happy to bring back a reply.

MATTERS OF INTEREST

TASTING AUSTRALIA

The Hon. CAROLINE SCHAEFER: I note from today's *Advertiser* that Ian Parmenter, the chef who is largely responsible for bringing Tasting Australia to Adelaide, has indicated that that event will take place in Adelaide for the foreseeable future. I am very pleased to speak today about Tasting Australia, the food and wine event which has now become part of our tourism culture and which has been such an outstanding success, not only this year but in the two previous two years. If members did not participate last time in what was a gourmet extravaganza, let me encourage them to do so in 2001 (this is a biennial event).

Tasting Australia took place this year from 3 October to 10 October and provided something for everyone. In excess of 30 000 people tasted the best of Australian regional produce at the City of Adelaide's Feast for the Senses on Saturday 9 October and Sunday 10 October. Food for the Future, the committee with which I am involved, organised for up to 20 trade delegates from the USA, the UK and Asia to travel to our state to experience first hand our fabulous food, wine and regional produce, and I understand that some significant orders have been generated from those buyers.

Five conferences were held pre- and post-Tasting Australia, which involved over a thousand delegates, who were in Adelaide for a minimum of three nights. Sixteen associated events were promoted for the general public, including exhibitions, dinners, wine appreciation courses, food producers' tours and even fish filleting courses. At the Oddbins wine auction, part of the Tasting Australia festival, a complete set of Penfold's Grange Hermitage sold for the astonishing record price of $112 000.

Tasting Australia attracted the largest media contingent to converge on Adelaide since the Australian Formula One Grand Prix, with over 150 national and international food and wine journalists visiting our state. As a result, the event has been widely touted by the visiting international media as a world class food and wine festival. The regional day touring for the invited media covered some of the most beautiful and spectacular areas of South Australia, such as the Fleurieu Peninsula, the Adelaide Hills, the Barossa Valley, the Clare Valley, the South-East, Kangaroo Island and, of course, Adelaide.

The two Food for the Future lunches, one on the Adelaide Plains and one at Robe, were also a huge success. It is estimated that the publicity value alone of this year's event will exceed $60 million—but how can you really put a price on worldwide media exposure such as this? International media crews included Chef Wan from Malaysia TV, who filmed 13 half-hour programs in McLaren Vale, the Adelaide Hills, Port Adelaide, the Murray River and Burra. Chef Wan enjoys a viewing audience in excess of 100 million people and has already pre-sold his programs to the majority of Asian countries.

Other international crews included CNN and *Now Weir Cooking* by Carole Weir of the USA. This is the kind of media coverage that money cannot buy, and it highlights Adelaide and regional South Australia to our best advantage to the rest of the world. The Lifestyle Channel Australian Regional Culinary Competition attracted a total of 18 teams from all over Australia, the only exception being Victoria. The first two placings went to teams from the Adelaide Hills and the Barossa Valley, with the third going to a team from Cowra, Mudgee in New South Wales.

Given the proven capacity of events such as Tasting Australia to attract tourists and generate economic growth, I congratulate the South Australian government which, through the Tourism Commission's group Australian Major Events, organised this 'fantastic food fest' for all of us who enjoy the pleasures of the table—and there are many. I would also like to thank Ian Parmenter and his partners David Evans and Marina Livia for the hard work and promotion they have put into our state and to this outstanding event.

HINDMARSH ISLAND BRIDGE

The Hon. T.G. ROBERTS: In this contribution I will elaborate a little on a contribution I made last night in relation to some of the support and assistance that can be provided to Aboriginal people in the Goolwa area while the debate and conflict is raging around the building of the Hindmarsh Island bridge. I commented that one way of metaphorically building bridges is to outline to Aboriginal people in that area (mainly the Ngarrindjeri and the people in the Point McLeay, Narrung, Ralkon, Murray Bridge and Meningie area) a future that holds something for them. The frustration that many Aboriginal people in that area have is the fact that there are few jobs available for young Aboriginal people.

What governments can do is look at developing a curriculum within the primary and high school area that has a direct interest to young Aboriginal people in relation to learning subjects that will fit into what can best be described as the potential for jobs in the future. Aboriginal people have a lot to offer in relation to passive recreational activities and uses of the national parks in and around the Coorong. The Murray Mouth is a unique geographical area with a lot of tourist potential, given that it has a natural environment that is unique, along with the Coorong and its environs.

A number of Aboriginal national parks rangers are employed, but I am sure that, if the number of visitations warranted it, the state could easily train and employ more national parks rangers, thereby creating some expectation for young people that at the end of their school lives some of those jobs may be available for them. There are other areas in which young Aboriginal people can be employed. Recently, there was a corroboree at the Ralkon settlement in and around Narrung, with thousands of visitors who wanted to learn more about Aboriginal culture being attracted to that area for the whole of a weekend.

Those sorts of interchanges add to the reconciliation process; they add benefits in relation to building up bridges, as I said, and relationships between Aboriginal people and local people; and they certainly give some hope to those young people who are at school studying, hopefully for employment in jobs that really matter at the end of the day. There is a view that, if you stitch curriculum development into future job expansion and planning, you will hold the interest of those young people so that at the end of the day there will be a job for them in which they will be interested.

The other way that young people can be involved in a joint venture program between the state and the Aboriginal communities in that area is to educate the general population in what it means to be Aboriginal and what their culture means in relation to the geography in which they live. I am sure that, from the Boandik area in the south, from Beachport to Robe, through to the Murray Mouth along the sand dunes

nd through the Coorong areas, there are enough areas that hold an interest to interstate and overseas visitors where the dreamtime stories can be passed on through passive recreational and ecotourism trails with the support and assistance of Aboriginal people in those areas to hold an interest that could be sold both internationally and nationally without any trouble at all. The only thing it needs is the will to do it.

TELSTRA

The Hon. L.H. DAVIS: Telstra is the largest company listed on the Australian Stock Exchange. It is in fact capitalised at over $100 billion. In 1999, it had revenue of $18.2 billion. In 1999, it recorded a record profit of $3.5 billion. The commonwealth government retains 50.1 per cent ownership of Telstra following recent privatisation of a further 16.6 per cent of Telstra, which raised $40 billion for the commonwealth government and was used to retire commonwealth debt.

Telstra is an exceptional company, and I must say that I have been most impressed with the way in which it has addressed its privatisation and, also, the quality of the service that it offers. It is a remarkable fact that two million Australians are shareholders of Telstra, including 90 per cent of Telstra's 50 000 plus staff members. There are many more Australians who own Telstra indirectly through superannuation funds.

I was fortunate enough to go to a recent address in Adelaide by Dr Ziggy Switkowski, who is the CEO of Telstra, and he related to this luncheon group the fact that some time next year 1 000 million conventional phones will be used around the world; at the same time there will be 1 000 million mobile phones (or wireless devices as they are called) in use around the world; and at the same time there will be 1 000 million people around the world using the internet. He made the point that it took 100 years for that 1 000 million conventional telephones figure to be reached; it took 25 years for the world to achieve that figure of 1 000 million mobile phones; and it took only 10 years for 1 000 million people to use the internet.

At an address to the National Press Club on 3 November 1999, Dr Switkowski gave some insight into the rapidity and extent of change in information and communication technologies. He said:

> Let me give you one perspective of the communications industry value chain as I expect it to evolve over the next few years. It will have four basic components: access devices or appliances, infrastructure, gateways and content. In appliances, the major continuing shift will be to lightweight, wireless devices which will permit a variety of text, voice and data transactions. Mobile phones are absolutely integral to this picture and will be a huge growth area, both in usage and applications.
>
> Five years from now we will still have desktop PCs and large distributed servers, but increasingly we will be using these laptop, palm top and hand-held devices and mobile phones for both voice and data, but also on-line access. As well as this, most ordinary domestic devices will have embedded computers, which will allow us to control things or to interact remotely. It is not a question of where the computers will be. It is easier to ask where they will not be. More importantly, these wireless devices will be increasingly voice activated and will synchronise immediately: what you load into your hand-held device remotely by phone or directly by voice or scribble will be translated into text on file in your home or work desktop.
>
> Already, according to estimates by *The Economist* magazine, there are nearly 400 million mobile phone subscribers worldwide against only 180 million with PCs. By 2004 the number of wireless phones is likely to hit one billion, exceeding the number of wired phones globally. . . Today one in four Australian families are on-line. Telstra forecasts that, by 2005, 60 per cent will be active internet users. This is a faster rate of adoption by any generation than for any other technology.

Time expired.

MURRAY-DARLING BASIN

The Hon. CARMEL ZOLLO: The most important environmental issue facing Australia in the next millennium is no doubt the manner in which our water resources are managed and, in particular, the viability of the Murray-Darling Basin and the salinity problems. Several weeks ago, along with you, Mr Acting President, I attended the Region 7 meeting of the Murray-Darling Association. The evening was most informative and well presented, and it was hosted by the Mayor of Playford, Marilyn Baker. Part of the meeting included a visit to the Bolivar Treatment Works, which is treating effluent for the recently opened Virginia irrigation scheme. I was pleased to hear your contribution, Mr Acting President, in relation to the Virginia irrigation scheme. Any scheme that reduces environmental impact, increases production and exports, as well as reusing and preserving our scarce water resources, much of which of course originates from the Murray-Darling basin, is very welcome.

The Murray-Darling Ministerial Council has recently produced an audit in relation to the current and future threats of salinity to the Murray-Darling Basin and has taken an important long-term step forward in addressing this major natural resource management issue. There certainly is general agreement that, after several hundred years of human change to the Murray-Darling system, there is a need for many years of concerted effort to more effectively manage salinity. Australia is a very fragile continent and the damage inflicted from past practices has already had many dire consequences.

Besides providing a much better basis for developing public policy to address salinity, the audit provides us with much better information. It recognises that there is a need for an integrated approach because, while salinity is a basin wide issue, it will increasingly link river valleys, irrigation and dry land areas because of its off-site impacts. The audit identified that the potential impacts are far reaching, not only for agriculture and the regional economy but also for urban areas and the environment. The Murray-Darling Association has and will continue to play an important role in the management of the basin.

The audit found that the river will be too salty to drink in South Australia two days in five in the year 2020 if appropriate action is not taken. The consequences for agriculture, wildlife, industry and our towns along the river would be catastrophic. For Adelaide itself, which relies on the river for up to 90 per cent of its water in dry times, the outcome would be disastrous. It was good to hear Mr Leon Broster, the General Manager of the Murray-Darling Association, stress that there is the political will and commitment to ensure that the salinity problem is addressed and, more importantly, time is on our side as the research and commitment enables us to be both aware and to take preventative action. However, the time for action is now. We need to quickly identify and adopt appropriate management strategies to deal with this critical problem if the river and our communities are to survive.

It is also important for us to remember that we have in the CSIRO world leaders in research, including in the area of salinity, as well as many other research institutions. The audit is an important document for discussion and subsequent action when the salinity management strategy is prepared by June 2000. It will build on the 10 years of achievement under

the salinity and drainage strategy that is being reviewed by the Murray Darling Basin Commission. It will enable both dry land and irrigation salinity to be tackled within the ministerial council's existing integrated catchment management approach.

From South Australia's point of view, our commitment and involvement must be paramount, because we are at the end of the system. It is an issue with strong bipartisan support for action. I was pleased to hear the Premier call on the Prime Minister to make the health of the river an issue of national importance. I urge all members to support the work of the Murray Darling association. It facilitates public policy that is focused on results and is accountable. I was also pleased to note that the shadow minister for environment, heritage and resources yesterday moved for a major parliamentary inquiry into the state of the Murray River. I am certain that it, too, will receive strong bipartisan support.

SA FIRST

The Hon. T.G. CAMERON: The emergence of a new political party in South Australia is a rare event indeed. Since February this year, SA First has become the fastest growing political party in this state, and the reasons for that, I submit, are simple.

The Hon. L.H. Davis: If not the nation!

The Hon. T.G. CAMERON: Well, if not the nation. We seek to rekindle a sense of purpose and pride that the citizens of South Australia once shared in this state's radical heritage and achievements. South Australians are demanding that their needs should come before the private ambitions, personal squabbles, past rivalries and petty jealousies of politicians.

SA First has attracted a diverse range of people from all walks of life and all sides of politics, many of whom have never been involved in politics before. The membership is a microcosm of society working together to find solutions that work. SA First acts as a conduit for the aspirations and concerns of both young and old alike. I have been overwhelmed by the calibre of people who have been attracted to SA First.

Since its launch, SA First has brought together more than 280 people who believe that there has to be a new and better way to conduct the politics of this state. SA First proposes a radical reform agenda for the conduct of politics in South Australia. This is the voice of the ordinary citizen from the centre ground of politics. This is not the ranting of the old left or the xenophobic madness of the extreme right: this is a genuine attempt to grasp the political factor group that we rely upon—sound, fair and compassionate economic management, and the equitable application of the rule of law to provide an economic and legal basis for a civilised society.

SA First believes that cooperation, partnership, negotiation, consultation and dialogue are at the heart of a cohesive community and are fundamental to our future. We believe that South Australia needs leaders who possess vision and can be trusted to communicate that dream to the ordinary citizens, whether they live in the city or the country.

One thing my decision over ETSA has taught me is that it is never too late to realise things must change and to see things in a new way. Having three sons experiencing their heartache as they try to find their way in the job market and watching them try to find an education focused on their needs has sharpened my focus about what is really important.

SA First has already taken strong positions on reform. We have already drafted policy in relation to domestic violence, education, drugs and rehabilitation, and we are currently drafting water, health, transport, unemployment and economic policy. Every member of SA First is encouraged to be involved in the policy development process. Currently, we have a team of 40 people working towards the articulation of a dynamic and relevant set of policies to take to the people of South Australia. Instead of using the tired methods of trying to cut policy that fits the cloth of left and right ideology, SA First is committed to policies that will put South Australia to work and put the needs of the people of this state first.

As a new party, SA First is in a unique position to develop policies from the ground up. We believe that it is important for people to have a genuine say in the decision making process, that is, in the decisions which affect their daily lives. After all, people have practical knowledge about what works, what does not work and what needs to be done.

This is an exciting time to be involved in South Australian politics. The current level of disaffection with the political process is endemic. That has to change, but it will require a new approach and a new way of seeing and doing things—one that is free from old and outdated ideologies and rhetoric.

I wish to place on record my thanks to the people who have had the courage to join and participate in SA First. Our members have worked tirelessly over the past eight months to help build the party and begin our policy process, and they have unselfishly committed themselves to making South Australia a better place to live for us all. I look forward with relish to the challenges that lie ahead and to SA First's continued growth in the year 2000.

OVINE JOHNE'S DISEASE

The Hon. IAN GILFILLAN: I want to focus on Ovine Johne's disease in my contribution this afternoon. It is a baffling sheep disease that has tortured sheep breeders on Kangaroo Island, largely because of mismanagement in its identification and follow-up treatment which I consider to be a dereliction of any coherent, caring policy from the minister and the department. This disease is not confined to South Australia but is prevalent in both New South Wales and Victoria, where there is also frustration about mismanagement in identification and treatment. An article on the front page of the 21 October *Stock Journal* shows the seriousness with which the rural press views it. Under the heading, 'OJD social cost fears', the article states:

> A 'Johne's genocide' meeting was held at Seymour, Victoria yesterday for growers to voice their anger over its mismanagement.

The prevalence of this condition has been known in the eastern states, and positive tests on sheep on Kangaroo Island devastated sheep breeders there. In my opinion, we on the island were victimised and portrayed as being the lepers of the industry in South Australia, being isolated with large numbers of privately owned stock—

The Hon. A.J. Redford interjecting:

The Hon. IAN GILFILLAN: I appreciate that expression of sympathy. It should be extended to anyone who has discovered OJD in their flocks. This disease is very difficult to identify, and it is also very difficult to determine when a flock becomes clear from it. The following paragraph in the article causes me considerable concern:

> SA primary industries minister Rob Kerin said the decision on what to do about OJD was the 'industry's call', because the industry would have to fund any compensation.

A little further on, the article—to which I refer any member who takes more than a passing interest in the matter—states:

> SA's OJD campaign has been delayed as scientists debate the best way to conduct PFC tests [pooled faecal culture tests] which are more accurate and less expensive than existing blood tests.

The inevitable conclusion is that inadequate research has been done. There is no coordinated plan in the department or for South Australia as a whole. Regarding the 26 allegedly infected properties on Kangaroo Island, virtually no action has been taken in relation to the original promise of elimination of the flocks and compensation to the stock owners. With the alleged discovery of OJD on the mainland, the cat has well and truly been put amongst the pigeons. On page 3 in the same edition of the *Stock Journal*, there is an article headed 'Studs "edgy" over OJD controls'. Mr Neal Weichert, a stud breeder, stated:

> . . . the Ovine Johne's disease market assurance program is asking sheep studs to risk taking a voluntary redundancy without a compensation package.

What he means by that is that there is this generous invitation by the department to come in and take part in a market assurance program and be tested and, having accepted that invitation, either through conscience or because they are misled into going ahead on the basis that everything would be fine, if they are discovered to have OJD, even one positive test of OJD, they are virtually quarantined, isolated, with no compensation. For stud breeders with stud stock that is virtually a death sentence to their industry, to their particular practice of sheep production. A further paragraph in this article, which again reflects on the quality of this particular work, states:

> Instead, the national eradication program is under threat and studs are having to base business decisions on 'a nod and a wink' from state officials.

And I quote further:

> There is also a fear that national OJD eradication will eventually prove impossible and the entire program will be scrapped.

This is a torture of these Kangaroo Island farmers, which must not be allowed to continue.

Time expired.

LOXTON IRRIGATION AREA

The Hon. J.S.L. DAWKINS: In recent weeks I attended the celebrations to mark the fiftieth anniversary of the launch of the Loxton War Service Land Settlement Scheme. It is indeed 50 years since the first soldier settlers arrived in Loxton to commence the development of some 8 000 acres of bare land. It was the biggest irrigation area in Australia at that time, and a real challenge to the soldier settlers who came from all the towns on the river in South Australia, and some from Mildura and Curlwa in Victoria.

The scheme was settled from 1948 to 1955. It was not easy, but to their credit they built the beautiful area into a viable, thriving industry of vines, citrus and stone fruit. That area today is a living memorial to those who, having fought a war, then had to rebuild their lives and be successful in shaping their destiny.

Part of the celebrations that day involved the launch of a book about the land settlement at Loxton. The book is called *A Place of Their Own*, and it was written by Dr Karen George, who is a daughter of soldier settlers at Loxton. It is worth putting on the record that the book could not have been completed without the financial assistance of the Loxton Waikerie District Council, which covered part of the cost of research, writing and publication. The book is a history of the irrigation settlement at Loxton, in the period after the Second World War, but it is a story through the eyes and words of the settlers themselves. The book blends oral evidence taken from interviews with the men and women of the settlement with material gleaned from surviving written records, to develop an insight into the background and character of settlers. By following this reconstruction of the settlement experience, the readers discover who these people are and were, how they came to be at Loxton and how the story of their lives unfolded in that district.

In July 1948 the first settlers took up their land. Dust, desolation, wood and iron, farmers and horse troughs, these are some of the first sights and impressions of Loxton, the township and irrigation area. As men and women arrived upon the places that were to be their own they were occupied with immediate concerns. The latter part of the book, as I discovered, looks at how settlers through the eight years of occupation and beyond planted and watered their blocks and established their homes and at how they managed to survive domestically and financially.

The social lives of settlers are explored, their relationships with each other, with the town, and with their overseer, the Department of Lands. The conclusion of the book turns the focus on to the settlers past and present. Decisions to sell or pass on the land, to remain in Loxton or to move away are still being made. Whether such decisions were made easily or with difficulty, they gave settlers an opportunity to reflect on what they had gained or lost through the settlement experience.

It was interesting to be at the celebration of that fiftieth anniversary of the launch. The launch in 1949 was undertaken by the then Premier Sir Thomas Playford and the then Minister for Lands, who later became Sir Cecil Hincks. It was interesting that both Dr Margaret Fereday, the daughter of Sir Thomas Playford, and Mrs Cecily Wilkinson, the daughter of Sir Cecil Hincks, were in attendance at the anniversary celebration.

I was also pleased about eight days after that event to again be in Loxton for the launching of the first stage of the rehabilitated Loxton Irrigation Scheme by the Premier of South Australia, the Hon. John Olsen. It was fitting that only a few days after the fiftieth anniversary of the first irrigation scheme this $20 million development was brought on line, in addition to the private investment by the Century Orchards organisation. The state government's commitment of $16 million towards the $41 million rehabilitation project is to be commended.

Time expired.

AUDITOR-GENERAL, SUPPLEMENTARY REPORT

The Hon. R.R. ROBERTS: I move:

> That the Supplementary Report of the Auditor-General, 1998-99, on Civil Proceedings for Defamation against Ministers of the Crown (Payment of Damages and Costs from Public Funds), be noted.

The purpose of the motion before the Council is to consider the findings of the Auditor-General into the incident known now colloquially as the Xenophon matter, where he was looking at the question of civil proceedings for defamation against ministers of the crown and payment of damages and costs from public funds.

It is a fairly extensive report and it covers a whole range of matters and raises questions of where we go in the future.

It raised questions about whether fringe benefits tax ought to be paid. It suggests strongly that the guidelines ought to be reviewed. It suggested also that, indeed, the whole circumstances in actually making the decision with respect to the granting of costs to the minister ought to be reviewed. It also talked about a review by the courts, and, in fact, suggested that these matters could be subject to judicial review.

I have asked some questions of the Attorney-General about this matter, part of which he has taken on notice and he has responded to the effect that he will bring back some replies. Because we have a very extensive program, it has been agreed, following discussions, that some of the matters of government business need to be concluded. On that basis, I intend today to only introduce this matter, and I seek leave to conclude my remarks on the next Wednesday of sitting.

Leave granted; debate adjourned.

LEGISLATIVE REVIEW COMMITTEE: BIRD SCARERS

The Hon. A.J. REDFORD: I move:

That the report of the committee on by-law No. 16 of the District Council of Adelaide Hills in relation to bird scarers be noted.

In commenting on this motion, I advise the Council that the Legislative Review Committee considered by-law No. 16 made by the Adelaide hills council relating to the use of bird scaring devices in the Adelaide hills council area. The committee received extensive and detailed submissions from a substantial number of people. Having considered the matter, the committee resolved to recommend not to disallow the by-law.

The purpose for which I move the motion to note the report is to provide some explanation to all those people who took considerable time, trouble and effort to make submissions to the committee. Bird scarers are gas powered or electronic devices that make loud noises at regular intervals and are designed to scare away birds that eat fruit and grapes grown by orchardists and vignerons. These by-laws concern the use of these devices in the Adelaide hills.

The Adelaide hills council passed a by-law regulating the use of bird scarers and, in particular, the times that they could be used, the distances that they could be placed from houses, and the size of properties on which they could be used. The council undertook an extensive community consultation process throughout the council area over many months and passed the by-law at its meeting on 27 July 1999. The by-law was tabled in parliament on 18 September 1999 and was first considered by the Legislative Review Committee as part of its functions under the Parliamentary Committees Act and the Subordinate Legislation Act at its meeting on 28 September 1999.

It became clear that the use of these guns was an emotional and divisive issue within the Adelaide hills council area, and I suspect that it will become an increasingly emotional and divisive issue in other areas. Gas guns and bird scarers are seen by orchardists and vignerons as necessary to protect their crops from attack by birds and, as such, they are very important to the economic well-being of their businesses. The grape growing, apple and pear and cherry growing industries in the Adelaide hills contribute significantly to the economy of South Australia and provide a substantial number of jobs in the hills area. On the other hand, there are people who have lived in the hills for generations or moved there recently and enjoyed a peaceful and tranquil lifestyle in the absence of these guns.

As I said, the Adelaide hills council conducted an extensive consultation process, which involved ratepayers, growers, groups and organisations such as Get Rid of Gas Guns (GROGG) and bodies associated with the responsible use of bird scarers. The consultations were widely advertised and attracted 14 submissions.

After the consultations, the Adelaide hills council advertised a draft by-law which attracted a further 11 submissions. All the submissions and the details of the consultations were included in the council's submission to the Legislative Review Committee. I must go on record congratulating the Adelaide hills council for the extensive body of material that it provided to the committee to enable it to consider its position. Indeed, if any minister is in any doubt as to how to go about a consultation process or making representations to the Legislative Review Committee, I would merely refer them to the Adelaide hills council.

When it first considered the by-law, the committee had received six submissions from growers groups and members of organisations that opposed the by-law. The by-law straddled both extremes advocated by both groups and, as such, I suspect that it made no-one happy. As members would be aware, the committee has a set of detailed policies which have been tabled in and generally accepted without criticism by this parliament. Those policies are consistent with guidelines of equivalent committees throughout Australia and the commonwealth and are usually accepted without criticism.

The committee considered the initial submissions. It believed that it ought to provide a copy of its policies and the basis upon which it makes decisions to all those people who made submissions so that, in turn, their submissions could be directly related to those policies. The committee took the view that it should write to all persons and organisations that had forwarded submissions to the committee and ask them to respond in terms of the committee's policies.

That letter was sent on 15 October and stated that the closing date for submissions was 5 November 1999. The committee accepted two late submissions. I do not think we will get into trouble for this as do some committees in other quarters. In response to this letter, the committee received five further submissions. The by-law and all submissions were considered by the committee at its meetings of 10 November and 17 November.

All the submissions were closely scrutinised by the committee and its staff. The committee noted the following: first, the Adelaide hills council in its exhaustive submissions had covered similar ground to the submissions received separately and directly by the committee; secondly, few of the matters contained in the submissions received by the committee could be described as matters which offended or even came close to being affected by the matters within which the committee considers by-laws; thirdly, the issue was clearly a matter in which the community held deep and divided views; and, finally, the submissions received by the committee had, without exception, already been considered in some detail by the council, first, in promulgating the by-law and, secondly, in its report to the committee.

The committee considered in detail the issues raised in the submissions, but in the final analysis it felt that the submissions did not raise issues that were relevant to the policies and the role of the Legislative Review Committee. In that regard, I urge members, if they are interested in this matter, to consider this report. Many of the submissions raised issues such as the type of devices to be used, the enforcement of the

by-law, and the review of the by-law. I go on record as saying that these are important and relevant issues. However, they do not fall within the scope of matters which the committee within its normal course of action would consider.

Indeed, it is less likely that it would consider matters outside the purview of the committee's policies, particularly having regard to the extensive consultation process adopted by the council. The committee was also conscious of the fact that council elections will be held in May 2000. Obviously, this issue will be canvassed during that election process and, ultimately, the ratepayers and voters within that council area will be able to have their say through the ballot box. I have no doubt that the Adelaide hills council will revisit the issue following the elections.

The committee also became aware that the Environment, Resources and Development Committee is currently engaged in an inquiry into both the Environmental Protection Authority and 'Interaction of native animals and, in particular, current proposals and/or approvals to shoot native birds'. Regarding the purview of that inquiry, it was felt by the members of the committee that it would be most appropriate to have these inquiries conducted by one and the same committee rather than have two separate committees of parliament produce reports.

The committee passed the following unanimous resolutions: first, to recommend that no action be taken in relation to the Adelaide Hills Council by-law no. 16 in relation to bird scarers; secondly, to recommend that the submissions of material received by the Legislative Review Committee be forwarded to the Environment, Resources and Development Committee for inclusion and consideration by that committee in relation to inquiries that it is currently undertaking; and, thirdly, to write to all persons and organisations who made submissions to the Legislative Review Committee and request their consent and approval to forward their submissions to the Environment, Resources and Development Committee.

I stress, and I must say I cannot emphasise enough, that the Legislative Review Committee is acting within the proper and appropriate structures of parliament. It has acted in accord with the role of the Legislative Review Committee or its counterparts throughout Australia. I also must say that, whilst members may have views about what is the most appropriate policy in relation to this area, the decision to move no action might in some cases not reflect the personally held views of individual members of the committee. At the end of the day, the committee acknowledged that the council does have responsibility in this area and it would be inappropriate for us in the context of this to unduly interfere with the council's discretion. I commend the motion.

The Hon. R.R. ROBERTS: My contribution will be relatively short, because most of the issues have been covered by the Hon. Angus Redford, who has put an enormous amount of work into this motion. What we are looking at here is something that is becoming more and more important with changing technology and the move to the growing of grapes right across South Australia. This problem will manifest itself to a lesser or greater extent, depending basically on the areas involved.

It has proved to be a problem in the Adelaide Hills because of two conflicting issues. First, the farmers who have been in the Hills for many years claim that they should have a right to farm, and it is fairly hard to deny farmers who have been farmers for four or five generations the right to farm. Secondly, there has been a growing number of people leaving the city and going to live in what were farming areas because of the lifestyle of the area and the quality of life.

We have two changing systems whereby the farmers in many cases were probably dairy farmers or otherwise but have now moved into grapes. As that industry is emerging, there are different sorts of technologies involved. Because of the proliferation of grapes, there is also a proliferation of birds. This has become a problem. It is very easy to take one side or the other of the argument, but there are not too many people living anywhere who would put up with a barking dog, whereas some people are expected to put up with gas guns going off at regular intervals.

The council in its wisdom has tried a number of variations on the by-law by allowing the gas guns to start at different times of the day, perhaps 7 a.m. or 8 a.m. However, none of the starlings are wearing wrist watches, so they do not actually know when they are supposed to be scared! You can laugh about the principle but, if you are to be effective with a gas gun, you have to start at daylight and close down in the evening.

This is a very important issue, which I understand has been referred to the Environment, Resources and Development Committee. I understand that its presiding member, Ivan Venning, will take on this matter. It is very brave of him, and very responsible, because there are acres and acres of grape vines in his own electorate. I am sure that that committee will work its way through these issues and it is hoped that we can get some standard regulations or by-laws across the state to allow a happy medium, and hopefully other technologies will be developed in the next few months whereby we can keep the birds off the grapes and keep the noise to a minimum. I support the resolution.

The Hon. IAN GILFILLAN: I support the motion. The social impact of gas guns on people who are living within audible range is a vexed issue, and it does not necessarily have to be close audible range because of the nature of the noise, particularly if two or more such instruments are going off at different times. Let it be clear that the decision of the Legislative Review Committee in no way reflects a lack of concern or indifference to the impact of gas guns on people who are living in the areas where they are used. There is also considerable sympathy for those who are attempting to make a living from the produce and are convinced that the use of gas guns is essential for them to make a profit.

From my personal point of view, I am not convinced that the gas guns are irreplaceably essential for profit for the various enterprises that use them. I think there is scope for testing and comparing the consequences of alternatives. However, there is the question of how one views an activity which has been in place for some years, maybe some decades, and which has been using these devices for sometime or has latterly found it is important to use them to be able to harvest crops. I have less sympathy for the complainants who have come to live in an area in latter years and then complain of that noise than with those who have been living in a situation free from the noise and free from any expectation that the gas guns would be used but are suddenly confronted with the impact of the noise of gas guns.

The staff of the Legislative Review Committee obtained from the Environment Protection Agency an information pamphlet (IS No. 9, April 1998) which stipulates the decibel levels for certain locations. For rural or predominantly rural—what I would consider the bulk of the areas to which

these by-laws apply—between 7 a.m. and 10 p.m. it is 47 decibels; between 10 p.m. and 7 a.m. it is 40 decibels, measured at any place where a person lives or works other than the premises from which the noise emanates.

In other words, if a complainant were able to get an EPA officer with the right equipment to measure the actual decibel level at the place at which they are living—and I note that it also includes where they are working, but for my purposes I would say where the person lives—and the measurement is significantly above the stipulated levels of 47 and 40 decibels, then there is the avenue for taking legislative measures to modify it, if not eliminate it entirely. However, as the Hon. Angus Redford indicated, it is not the task and in fact it is improper for the Legislative Review Committee to assess the actual value of by-laws in a subjective way.

We are strictly confined to assessing whether they comply with the head powers of legislation and the other formalities that are required to be observed in the promulgation of regulations or by-laws, and under those circumstances this committee is limited in how far it could investigate or report on the social impact of gas guns on communities where they are being used. I think the proper course has been taken: the matter has been referred to the Environment, Resources and Development Committee for a wider social impact and economic assessment compared to the environmental values or otherwise. I have no doubt that the report that we are noting is the appropriate course to take, and I therefore indicate my support for it.

The Hon. A.J. REDFORD: In closing the debate, I first thank my colleagues on the committee (Steve Condous, Robyn Geraghty, the Hon. Ian Gilfillan, John Meier and the Hon. Ron Roberts) for their support and assistance, and also thank the Hon. Ron Roberts and the Hon. Ian Gilfillan for their considered contribution to the motion. Finally, I thank the staff of the committee (Messrs Blencowe, Calcraft and Dodds) for their diligent attendance to the matters that were before us.

Motion carried.

ENVIRONMENT, RESOURCES AND DEVELOPMENT COMMITTEE: LEIGH CREEK OIL SHALE

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

That the report of the committee on mining of oil shale at Leigh Creek be noted.

The committee received this reference earlier this year via the Public Works Committee as a result of one of that committee's inquiries. The Environment, Resources and Development Committee was asked to examine the possible commercial benefits and environmental impacts of mining oil shale at Leigh Creek. The inquiry took place over three months; 14 submissions were received, and eight witnesses appeared before the committee during this time.

Leigh Creek is well known for its coal deposits, which are mined to provide fuel for the Northern Power Station of Flinders Power. The existence of an oil shale deposit in close proximity to the coal is not well known and has been disregarded by some. The development of a pilot plant to process oil shale at Gladstone in Queensland is a timely reminder that oil shale at Leigh Creek is a potential energy source that may be beneficial to South Australia. Whilst I understand that the situation in Gladstone is somewhat different from that of Leigh Creek, there are other examples in other parts of the world.

The committee heard evidence from the relevant government officers, Flinders Power staff and two companies interested in mining the oil shale, and concluded that there is a low grade deposit of oil shale at Leigh Creek, which should be further investigated. The committee learned that the oil shale was discovered at the end of last century, and there have been several small-scale attempts to characterise the deposit, but its extent has never been fully investigated. We heard conflicting evidence as to the apparent extent of the oil shale resource.

A study commissioned by the Department of Mines and Energy in 1997 to determine the economic possibilities of oil shale mining at Leigh Creek concluded that at today's oil prices it would not be feasible. However, the lack of knowledge of the true nature and extent of the oil shale hindered the reliability of the study's conclusions. Therefore, it is not yet known whether mining of the oil shale is economically or environmentally viable.

In relation to the future lease of Flinders Power, the committee believes that it is essential that the existence of this potential resource be widely publicised and the possibly of utilising it further investigated. The committee believes that the commercial value of the oil shale deposit should be taken into account when considering the lease of Flinders Power. Therefore, the committee recommends that the government conduct a commercial feasibility study to investigate issues, including: the conditions under which concurrent mining of coal and oil shale could successfully occur; and the coal mining practices that should be used to ensure that the oil shale could be mined in the future if it was not deemed viable at present.

Should this feasibility study indicate the successful resolution of these issues, the committee recommends that the way should be made clear for a mineral exploration company to further investigate the oil shale resource at Leigh Creek, with the possibility that it may take the project on to full commercial production if that potential is found to be economically and environmentally viable. The committee recognises that the recovery of oil from shale is an energy-intensive process that can result in the production of a great amount of greenhouse gases. This would need to be considered as part of an environmental impact assessment should there be a decision for mining to go ahead.

As a result of this inquiry, the committee has made four recommendations and looks forward to a positive response to them. On behalf of the Presiding Member and the other members of the committee, including my colleagues from this Chamber (the Hon. Michael Elliott and the Hon. Terry Roberts), I would like to thank all those who contributed to the inquiry and also extend my thanks to the staff, our secretary Mr Knut Cudarans and our research officer Ms Heather Hill, who ensured the smooth running of this inquiry.

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

HINDMARSH SOCCER STADIUM

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

I. That, in the opinion of this Council, a joint committee be appointed to inquire into and report on all matters relating to the Hindmarsh Soccer Stadium Redevelopment Project, and in particular—

(a) Whether there was due diligence by government representatives prior to the signing of agreements for construction of stages 1 and 2 of the project;

(b) Whether due diligence was applied subsequent to the commitment to stages 1 and 2, including whether the Crown Solicitor's advice as described on page 12 of the thirty-third report of the Public Works Committee, August 1996, was adhered to;

(c) (i) Whether undue pressure was placed on individuals leading to legal commitment by them on behalf of sporting clubs or associations; and

(ii) The present status of all relevant deeds of guarantee or other legal documents, the financial status of the signatories and whether the legal agreements have created financial difficulty for any non-government persons or organisations;

(d) Whether there were any conflicts of interest or other imprudent or improper behaviour by any person or persons, government or non-government, involved with the project and whether the appropriate processes were followed in relation to the—

(i) planning stages of the project;
(ii) awarding and monitoring of consultancies;
(iii) tendering process;
(iv) letting of contracts;
(v) construction of the stadium; and
(vi) ongoing management of the stadium; and

(e) Any other related matters.

II. The committee be requested to include in its report, recommendations for government and the parliament where appropriate.

III. That in the event of the joint committee being appointed, the Legislative Council be represented thereon by three members, of whom two shall form a quorum of Council members necessary to be present at all sittings of the committee.

IV. That the joint committee be authorised to disclose or publish, as it thinks fit, any evidence or documents presented to the joint committee prior to such evidence and documents being reported to the parliament.

V. That Standing Order No. 396 be suspended to enable strangers to be admitted when the joint committee is examining witnesses unless the joint committee otherwise resolves, but they shall be excluded when the joint committee is deliberating.

VI. That a message be sent to the House of Assembly transmitting parts I, II, III and IV and requesting its concurrence thereto and advising the House of Assembly of part V of this motion.

I will make this brief, because this motion covers exactly the same territory as Orders of the Day: Private Business—No. 2, the only difference being that this motion calls for a joint committee of the two Houses to examine the issues, whereas the later motion refers the issues to the Auditor-General. I made quite plain when I spoke earlier that I preferred that the inquiry be carried out by the Auditor-General, and I gave a number of reasons for that. I would insist on this motion being passed only if I fail to succeed in getting the motion in relation to the Auditor-General passed, first, and, secondly, with a clear understanding from the government that it will act on the advice of this Chamber and that the Treasurer will request that the Auditor-General carry out the inquiry as requested. As long as those things happen, I will not persist further with this motion but at this stage, if it is adjourned, I will move to adjourn it on motion while awaiting the fate of the later motion.

The Hon. P. HOLLOWAY: I indicate the opposition's support for the motion and for the procedure that the Hon. Mike Elliott has just set out. I spoke on the subject of the Hindmarsh Soccer Stadium last week and indicated how the opposition was greatly concerned about exactly what had happened in relation to that project. I think all South Australians, including the Auditor-General, would be concerned about this matter. Whereas our preferred position would be that the Auditor-General conduct a full inquiry into this matter, if that is not to be—and I guess we will test that later—we support this matter.

Debate adjourned.

G.C. GROWDEN PTY LTD

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

I. That a select committee of the Legislative Council be appointed to investigate and report upon the financial activities which led to the collapse of G.C. Growden Pty Ltd (Mortgage Investments), the financial and legal implications for the investors involved and any other related matter.

II. That the committee shall consist of six members and that the quorum of members necessary to be present at all meetings of the committee be fixed at four members and that standing order 389 be so far suspended as to enable the chairperson of the committee to have a deliberative vote only.

III. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence or documents presented to the committee prior to such evidence being reported to the Council.

IV. That standing order 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

I am pleased to move this motion today as it will at long last give the people who invested their money in good faith in G.C. Growden the opportunity for their story to be heard. This is a long and sad affair in which millions of dollars has been lost. At least half of the 3 500 small, and mainly elderly, investors lost their life savings following the collapse of Adelaide based G.C. Growden Pty Ltd (Mortgage Investments). The Australian Securities Commission, the South Australian fraud squad and three receiver managers have picked through the debris, and a Supreme Court action has been launched, but still the reasons for its demise and the impact this has had on thousands of South Australian investors is unresolved.

I will give a brief history of the Growden affair. Just five years ago, Graeme Growden and his company featured in *BRW's* list of Australia's 100 fastest growing private companies. It had averaged 30 per cent growth for many years and it was handling almost $60 million a year in funds. Throughout 15 years in the industry, Growden had been known for his ethical zeal. Growdens attracted thousands of people looking for a safe investment with better than bank interest. It offered returns as high as 12.5 per cent on first mortgage investments even when mortgage lending rates across the country had fallen below 8 per cent.

The company put the funds of many of its investors into syndicates to lend on large commercial developments such as hotels, retirement villages or factories. Growden's reputation was solid. Friends told friends. A former Australian Rules Footballer, Growden was involved with Adelaide's first AFL team, the Crows. He was a popular Adelaide identity and his company achieved similar status. Each of the estimated 3 500 investors in mortgages brokered by Growden provided money to be loaned for about 450 projects, mainly housing and other construction developments. Depending upon the value of the project, Growdens would then recommend how much his investors should provide, with the average amount in the vicinity of $15 000 to $25 000. In that way, each of the loans issued would comprise funds provided by numerous people—for example, a $100 000 loan could involve 10 people each of whom provided $10 000.

Many investors would have money tied up in several loans and in some cases would make a tidy return. However, what went horribly wrong was the nature of the projects to which money was lent in the company's final months. Companies or individuals who sought loans from the mortgage brokers were often high risk—people to whom a traditional financier

generally would not lend. By the middle of 1996, some investors found their monthly interest payments from Growden becoming sporadic. This was a big problem for many as these cheques were often the main source of their retirement income. They say that they were reassured by Growden and his staff that it was only a hiccup. Because of the company's many successful years and the fact that they trusted its owner, they accepted the excuses. Company documents now show that fewer than a dozen investors acted to retrieve their funds.

In February 1997 a receiver manager was appointed to the main company, G.C. Growden. At that time Growden fronted a public meeting of investors to deliver an angry statement denying his company had major problems. He said that it could easily trade out of small difficulties if it were left alone by the ASC. This denial by Growden was a delusion which continues to confuse those who have the task of cleaning up a massive mess, let alone the thousands of investors, some of whom lost their life savings.

The receiver manager appointed to G.C. Growden, Russell Heywood-Smith of BDO Nelson Parkhill, found that, of the 549 loans on the Growden books, 177 were non-performing and that these non-performing loans added up to almost two-thirds of the value of the company's total loan portfolio. This was not to be the only shock. When investors whose money had disappeared into non-performing loans were contacted, their loan documentation contained statements that stunned the receiver. Further investigations then found that money in some of the loans had not been used for the investment listed on the investor's documentation. In one example, $935 000 was lent for a retirement village in Adelaide's northern suburbs. The village was never built yet the total mortgage loan funds had been handed over to the borrower as a lump sum. In addition to this, the land on which the village was supposed to be constructed was listed as contaminated and is next to a main rail corridor. I believe that there are also problems with valuations, but as this matter is sub judice I will not go into those details.

Other investors have insisted that they believed they were lending on first mortgages but have since discovered that they were involved in second mortgage loans and there was no hope of recovering any of their money. Documents show 'first' replaced with 'second', and 'first' either scored out or erased with liquid paper. Investors claim, through their lawyers, that this change was made after they had signed the documentation. There was further confusion over a so-called indemnity policy to protect investors against loan defaults. This was to pay investors their interest cheques in full for six months in such cases.

I have received many letters from people who have been financially and emotionally devastated as a result of the Growden collapse. On many occasions I have spoken to a number of individuals, including Mr Alan Samm and Mr Brian Dixon. I think it is appropriate that I include in my contribution some comments that were contained in a letter that I received from Mr Alan Samm: it puts the personal cost of the Growden collapse into perspective. Mr Samm's letter states:

> . . . we, and I speak for very many, as investors in this state are very deeply concerned. We are being systematically robbed by Growden. I speak of land valued at $50 000 and sold for $15 000. I speak of unit building with a loan of $186 000 and sold for $83 000. I have widows who ring me in tears, not rich people, just people who have always known that an investment in 1st Mortgage helped South Australia grow and should be extremely secure.
>
> Today they are broken. One lady is old—she has a deeply sick husband—she has all her money gone bad at Growden, and she said, 'Alan, I don't want to go on living.' I didn't even know her—but it makes me feel sick. I have written to the Premier, nothing. I have contacted my local MP and was told, 'Sorry, Alan, you're on your own.' Mr Cameron, it may be irrelevant and not worth mentioning but I fought a war for six years of my life to impose rule of law and to try to stop this present generation from being overrun by Hitler, Mussolini and Tojo. With the help I'm getting from government agencies I wonder if the death of all the mates I helped to bury from Africa to Arnhem was really too heavy a price to pay.

I have other letters and comments from investors in Growden that echo similar sentiments.

One matter I would like to place on the record is that, notwithstanding what Mr Alan Samm has said about the lack of attention that has been paid to this issue by members of parliament, Mr Samm is not referring to Joe Scalzi in another place. I know from my own personal experience that Joe Scalzi has worked long and hard on the Growden issue. I have had many conversations with him about how we could get this matter into a public arena so that the investors could at least feel that the truth had finally come out. Therefore, I place on the record Mr Scalzi's involvement with Growden investors and the assistance and cooperation that I have received from him as we have tried to bring this matter to a head. I have no doubt that if he were a member of the Legislative Council he would gladly support my call for a select committee.

At the end of the day, Mr Samm is right. The investors in Growden have been on their own; their treatment has been shabby and shameful. What has occurred is an utter disgrace, and the lack of action by state and federal governments is nothing short of reprehensible. That is the view that has been expressed to me by these aggrieved investors. By supporting this motion, members will at long last allow the full story to be told and will give people caught up in this mess a chance to submit evidence on the matter. It is without doubt the biggest fraudulent mess in decades perpetrated on the people of this state.

The Hon. A.J. REDFORD: On a point of order, Mr President, this matter is very difficult, and in taking a point of order I state that I have every sympathy for the investors and the people who have lost money. But there is to be a matter before the courts, and it would cause great distress—even greater distress—to these people if these things were aired, particularly with the language and words used by the honourable member, when the matter was before a court and it had to be adjourned because it had been raised in this place and had attracted publicity. That would cause distress not only to the people who might be before the courts and who have every right to the presumption of innocence but also to those whom the honourable member seeks to protect in relation to this motion.

The honourable member is on thin ice. I understand that there is to be a matter before the courts within the next couple of weeks. The courts do not hesitate to adjourn these sorts of matters if there has been inappropriate publicity at an inappropriate time. I know that there is no standing order directly prohibiting us from discussing matters that are sub judice. However, I would ask you, Mr President, if the honourable member wants to continue down this path, to rule his comments out of order.

The PRESIDENT: In response to the Hon. Mr Redford's comments, I would like to say to the Hon. Mr Cameron and the Council that the Council has a fundamental right and a duty to consider any matter if it is thought to be in the public

interest. However, in the case of a matter awaiting or under adjudication in a court of law, the Council imposes a restriction upon itself to avoid setting itself up as an alternative forum to the court and to ensure that its proceedings are not permitted to interfere with the course of justice. The rule is clear that the application of the sub judice rule is subject always to the discretion of the chair and the right of the Council to legislate on any matter.

In exercising the discretion to which I refer, the chair must make a decision that takes into account the inherent right of the Council to inquire into and debate a matter of public importance that is within the responsibility of ministers and also the need to ensure that proceedings before a court are not prejudiced by comment in the Council which might influence a jury or prejudice the position of parties and witnesses. I therefore ask that the honourable member does not unwittingly risk injustice by comments he makes that might have an influence on the case before the courts.

The Hon. T.G. CAMERON: I can only assume that the point of order that has been taken against me is in reference to my comments that 'it is the biggest fraudulent mess in decades perpetrated on the people of this state'. So, I will withdraw that statement, if that is appropriate.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: Well, they got their money back: they got their $8.5 million back. Mercantile Mutual supported them. I am more than happy to withdraw the comment that I made. I thank the Hon. Angus Redford for drawing this matter to my attention. He knows only too well that I am a bush lawyer at best. I am nearly at the end of my speech, and I can assure both you, Mr President, and the Council that I will not err again.

Having withdrawn my comment, I take on board the Hon. Legh Davis's interjection. I did not intend to use RetireInvest as the other example: I use the State Bank as an example of the biggest mess that has ever been perpetrated on the people of this state. We need to make sure that financial disasters such as this are never allowed to occur again. I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

MEMBERS OF PARLIAMENT (REGISTER OF INTERESTS) (RETURNS) AMENDMENT BILL

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

That the Members of Parliament (Register of Interests) (Returns) Amendment Bill be restored to the *Notice Paper* as a lapsed bill, pursuant to section 57 of the Constitution Act 1934.

Motion carried.

HINDMARSH SOCCER STADIUM

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

That the Legislative Council requests that the Treasurer, under section 32 of the Public Finance and Audit Act 1987, requests that the Auditor-General examines and reports on dealings related to the Hindmarsh Soccer Stadium Redevelopment Project and, in particular—

I. Whether there was due diligence by government representatives prior to the signing of agreements for construction of stages 1 and 2 of the project.

II. Whether due diligence was applied subsequent to the commitment to stages 1 and 2, including whether the Crown Solicitor's advice as described on page 12 of the thirty-third report of the Public Works Committee, August 1996, was adhered to.

III. (a) Whether undue pressure was placed on individuals leading to legal commitment by them on behalf of sporting clubs or associations.

(b) The present status of all relevant deeds of guarantee or other legal documents, the financial status of the signatories and whether the legal agreements have created financial difficulty for any non-government persons or organisations.

IV. Whether there were any conflicts of interest or other imprudent or improper behaviour by any person or persons, government or non-government, involved with the project, and whether the appropriate processes were followed in relation to—

(a) the planning stages of the project;
(b) the awarding and monitoring of consultancies;
(c) the tendering process;
(d) the letting of contracts;
(e) the construction of the stadium; and
(f) the ongoing management of the stadium.

V. The Auditor-General be requested to include in his report recommendations for government and the parliament where appropriate.

(Continued from 10 November. Page 351.)

The Hon. NICK XENOPHON: In relation to the motion moved by the Hon. Mike Elliott that this Council requests the Treasurer, under section 32 of the Public Finance and Audit Act, to request that the Auditor-General examine and report on the dealings related to the Hindmarsh Soccer Stadium redevelopment project, I can indicate that I support the motion for a number of reasons. Before I set those out I should indicate that earlier today I spoke to the minister concerned, the Hon. Iain Evans, and, whilst the minister did put a number of salient points to me, I am not persuaded ultimately that this motion should not be supported.

This is an issue that has caused a great deal of concern in the community in terms of the expenditure of public funds, the mode of expenditure, and the whole process involved in this particular project. It seems to me that, notwithstanding the minister's view that these matters have been dealt with sufficiently, it would be imprudent if there were not a recommendation that the Auditor-General look into these matters. My concern is that, if there have been issues of process that have not been followed, if there have been issues where a significant amount of public expenditure was committed, when that expenditure was—

The Hon. T.G. Cameron interjecting:

The Hon. NICK XENOPHON: The Hon. Terry Cameron makes the point about the Auditor-General's expenditure. Clearly, that is why honourable members like the Hon. Mr Cameron can always scrutinise issues of expenditure and raise that in this forum because, after all, the Auditor-General is accountable to this parliament. I can understand the Hon. Terry Cameron's concerns, but, on balance, it seems that there is a greater level of concern with respect to the expenditure of this particular project and the implications that it has for future major public works of this and a similar nature. On balance, it seems that the motion ought to be supported.

I hasten to add that, notwithstanding the minister's representations to me, there is no suggestion that the minister is in any way responsible for what could loosely be described as a mess in relation to the Hindmarsh Soccer Stadium. Clearly, it is something that he has inherited and obviously he is doing his best to deal with the matter. So I ascribe no blame or fault on the part of the current minister. It may well be that following an inquiry by the Auditor-General it comes to nought, but on the basis of the information provided, and the basis of the concerns raised, particularly by the Hon. Julian Stefani in this Council and the persistent questioning on his part, I think this is a matter of sufficient magnitude to

deserve a referral to the Auditor-General by the Treasurer. I can appreciate the concerns of the Hon. Terry Cameron. I think he made a number of points in relation to another matter, and obviously the Hon. Terry Cameron will be keeping an eagle eye on any expenditure incurred in this matter.

The Hon. T.G. Cameron interjecting:

The Hon. NICK XENOPHON: The Hon. Terry Cameron will be asking for the bill, and so he should.

The Hon. T.G. Cameron interjecting:

The Hon. NICK XENOPHON: The issue of the flower farm is another matter. But if I can address these concerns of the Hon. Terry Cameron. It seems to me that we are dealing with a significant amount of public expenditure, in the tens of million of dollars. I would have thought that in this case, even looking at it as a cost benefit analysis, for the Auditor-General to look at this matter and to address a number of issues that are of significant concern in the community, I think it could be money well spent. If it is not money well spent, obviously that is an issue that the Hon. Terry Cameron and others may wish to take up with the Auditor-General. I would like to think that taxpayers will ultimately see value for money if this motion is successful. So, for those reasons, on balance it appears appropriate, it appears prudent and sensible that this motion be supported.

The Hon. K.T. GRIFFIN (Attorney-General): The government opposes the motion. If I had spoken I would also have opposed the establishment of a joint committee, under Notices of Motion: Private Business No. 7.

The Hon. Sandra Kanck interjecting:

The Hon. K.T. GRIFFIN: Ultimately, it will be a matter for the Council to determine what happens. But the government does not believe that it is necessary to have either a separate joint committee inquiry into the issue of the Hindmarsh Soccer Stadium or an inquiry by the Auditor-General. The motion before us, though, raises a number of important questions, and they may be questions of definition, but I would like the Hon. Mr Elliott to give attention to them as he replies.

If one looks at the motion, if it is passed and the Treasurer makes the request, under section 32 of the Public Finance and Audit Act, the Auditor-General is to report on dealings related to the Hindmarsh Soccer Stadium redevelopment and, in particular, whether there was due diligence by the government representatives prior to the signing of agreements. I am not sure whether the honourable member has in mind some technical issues being addressed under due diligence. Normally when you talk about a due diligence it means that you send in persons who might be acting for you to examine all the documents, the papers, and a variety of other matters, so that you know what you are letting yourself in for, if you sign a contract for example.

For example, those who might undertake the work under an outsourcing contract, before they enter into the contract, will go through the whole organisation and examine every aspect of the operation. That is called a due diligence study. I am not sure whether that is what the honourable member has in mind or whether it is the more colloquial understanding of 'acting with proper diligence' in dealing with this issue. The same issue arises under paragraph 2.

Paragraph 3(a) raises the question of 'whether undue pressure was placed on individuals leading to legal commitment by them on behalf of sporting clubs or associations.' Again, what is 'undue pressure'? Is it something which is intended to have some legal connotation or is it something else? It is very broad, or it can be a very narrow description. Most likely it is in the broader sense. However, I raise the question: what is the Auditor-General to interpret by 'undue pressure'? Does it mean something in the legal sense or something else? In any event, how do you determine what is so-called undue pressure which might lead to a legal commitment?

What sort of a legal commitment? Is it in relation to the management of the stadium, the payment of levies, or the agreement to pay levies, or is it the commitment by the government to give guarantees which has led to a legal commitment by sporting clubs or associations? Subparagraph (b) of paragraph 3 raises the question of 'whether the legal agreements have created financial difficulty for any non-government persons or organisations.' I am not sure how that will be identified. Maybe this is designed to take into account other aspects of their management which may well have caused them to get into financial difficulty. This is a very vague task which the Auditor-General is required to undertake.

Paragraph 4 raises the issue of conflicts of interest, but, more importantly, it raises the issue of any so-called imprudent or improper behaviour. I am not sure whether that suggests some form of criminality but, if it does, the Auditor-General is not the person to deal with that. That is an issue for the anti-corruption branch or other sections of the police. It is easy to assert improper behaviour; it is another thing to prove it. One should not assert improper behaviour lightly—only if there is some evidence which suggests that that may have occurred.

I suggest that in the context of the Hindmarsh Soccer Stadium there is no evidence of improper behaviour which might either be or border on the criminal side of the equation. I do not believe that such an inquiry falls properly within the purview of the Auditor-General's responsibilities. In any event, the Auditor-General has adequate powers under the Public Finance and Audit Act to do a variety of things relating to the accounts of the relevant government department and also to focus upon the expenditure of government funds such that a special reference under section 32 would not in my view be necessary, least of all at the request of the Legislative Council.

It is acknowledged that there are difficulties relating to the Hindmarsh Soccer Stadium. That is obvious from the reports of the Auditor-General—no-one is running away from that—and there are issues of title to the land, all of which the government is seeking to resolve, if possible, by consultation before it embarks upon any other course of conduct.

The 1998-99 Auditor-General's Report in dealing with this issue indicated—and there is no reason to believe that any other response has been made subsequently—that, in relation to the sporting stadium management arrangements—and that encompassed other stadia in addition to the Hindmarsh Soccer Stadium—when the issues were raised the department responded in a quick and positive manner, indicating that action was being taken to address the specific issues raised by audit.

As I have said, the government has sought to cooperate with the Auditor-General in every respect where issues have been raised. There has been that cooperation, which has been acknowledged by the Auditor-General, and there is nothing to suggest that the government is not now acting with proper expedition to endeavour to resolve a difficult legal and practical situation. It may not be moving as quickly as some

people want, but I think that is a necessary consequence of dealing with a variety of organisations and individuals whether in a sporting or other community context. However, I indicate to the Council that, as far as I am aware—and I do have some knowledge of some of these issues—the government is endeavouring to deal with these diligently and competently.

As I have said, the speed with which this is happening may not satisfy everyone and there may be some issues with which some people disagree but, from all that I have seen as Attorney-General and having some involvement in trying to have the issue satisfactorily resolved, I think a genuine attempt is being made by the government to move as expeditiously as possible to resolve this issue.

In that context, I do not think it is necessary to embark upon either a joint committee or a request to the Auditor-General to do more than he is doing at the moment. It is obvious that he knows about this issue and that he will not leave it unscrutinised in the future. Why give him a special reference to do the same things that he is doing now?

An honourable member: He has the power to do it now.

The Hon. K.T. GRIFFIN: That's right, he has the power to do it now. I would have thought that the sensible thing would be to allow the government and the sporting organisations to get on with the job of trying to sort out the outstanding issues. If they are not satisfactorily sorted out, inevitably the Auditor-General will become involved. However, we should encourage members subsequently to raise the issues in the parliament if we cannot satisfactorily resolve them. Ultimately, that is their right even though we may disagree with it. I suggest that it is premature either to have a joint committee or to now pass this resolution to request the Treasurer to request the Auditor-General to do something perhaps more than he is doing at the moment, because his interests are the state's interests.

The Hon. J.F. STEFANI: I wish to indicate my support for the motion on the basis that I do not favour this Council's embarking on a joint select committee into the Hindmarsh stadium debacle, but I do feel that the Council has complete confidence in the one officer of this parliament, and that is the Auditor-General.

The Hon. T.G. Cameron: Not complete confidence. Haven't you been listening—

The Hon. J.F. STEFANI: I have been listening to the somewhat slanderous comments made about the Auditor-General and the conduct of the Auditor-General, when the Auditor-General has always—

Members interjecting:

The PRESIDENT: Order!

The Hon. J.F. STEFANI: —acted under the charter of this parliament and reported to parliament—not, as the honourable member who interjected suggested, responsible to a minister but always to parliament.

The Hon. T.G. Cameron: You can't even hear the interjections correctly. I didn't mention—

The Hon. J.F. STEFANI: Yes, you did. In your speech, you did. As I said, in his speech, the member who was interjecting suggested that the Auditor-General was responsible to a minister.

The Hon. T.G. Cameron interjecting:

The PRESIDENT: Order! The Hon. Mr Cameron will cease interjecting.

The Hon. J.F. STEFANI: I wish to refer to what I was about to say. We have before us a motion that I strongly endorse because I have faith in the Auditor-General. He is a person who has the utmost respect from all sides of politics. In fact, we had the Auditor-General, under instructions and with the support of this chamber, investigate the flower farm: it was under the direction of this parliament that the Auditor-General embarked on that investigation. I think that we as a parliament had the confidence to give him the task, knowing that the farm had lost millions of dollars, and we all endorsed his approach to the matter.

In this instance, I feel very strongly that the Auditor-General be given the task, because he will conduct an inquiry which will be less disruptive to the game of soccer, and it will be conducted in a professional and very quiet manner. The Auditor-General will have access to documents that a select committee would not have. The Auditor-General will be able to give an independent—

The Hon. T.G. Cameron interjecting:

The Hon. J.F. STEFANI: He will have access to cabinet documents that the select committee will not have.

The Hon. T.G. Cameron interjecting:

The Hon. J.F. STEFANI: I said documents, and that includes cabinet documents. Quite frankly, I think it is high time that this whole debacle be investigated and put to bed, because the soccer fraternity has been suffering under enormous pressure from the mismanagement of the stadium and the actions of certain parties which quite clearly have not complied with the conditions of the funding deed. In an answer that I have received from a minister, I have been told that the South Australian Soccer Federation was requested to formulate a management committee on 4 September 1997, 19 December 1997, 7 July 1998, and 3 September 1998, and the committee was not formulated until January 1999.

So, I guess what I am saying is that we need a clear indication, a full investigation into the whole issue, and we need to know the facts so that the parliament is satisfied that the matter has been properly scrutinised and that the decisions that have been made are in fact decisions based on a report from an officer of the parliament who will give us an unbiased and accurate assessment. I could go on and speak for hours, because I have been working on the soccer stadium issue for 11 months, and the files of documents that I have contain some rather interesting information. But I will not detain the Council to spell out all the information that I have researched, read and obtained through questions raised in this chamber. Suffice to say that, as far as I am concerned, I have the utmost confidence in the Auditor-General to do a very good job in leading an inquiry that will hopefully put the whole thing to bed.

I do not have a problem with the government at this point in time, because I think the government is finally taking some action. I have been urging the government to take action for some time, and I understand equally the difficulties of the legalities that are involved, to which the Attorney-General has referred. However, those legal documents are not of my making. They were of the making of the parties involved in the process. One of those parties was the government. If the legalities of those documents are difficult to resolve now, they were difficult to resolve in the first instance, because they were formulated in such a way. I have no sympathy because, if the legalities are complicated and convoluted, they were created right at the beginning of the agreement.

With those few words, I indicate my support and trust that we can get on with the business of putting the matter to bed and allowing the government to take its action, which will probably resolve some of the issues among the only soccer

team that we now have in South Australia, the South Australian Soccer Federation and the government. For the peace of mind of all the people who have been involved, including the soccer fraternity, those who allayed their fears very early in the piece, others who have been subjected to enormous financial pressure, such as the Sharks, and all other people who, particularly now, are trying to survive and make a go of the game of soccer as well as their financial circumstances, we should know the precise information that the Auditor-General can prepare and obtain for the parliament.

The Hon. M.J. ELLIOTT: I note that two members in this place actually spoke against this motion. First, the Hon. Terry Cameron, who I do not think disagreed with the issues that were being raised within the motion but disagreed with the fact that this motion was requesting an inquiry by the Auditor-General rather than a parliamentary inquiry. I said in introducing this motion that I believed that an Auditor-General's inquiry had a number of advantages. First, the Auditor-General already has looked at the matter to some extent, so he would not be starting from base one, which he would have done with respect to the flower farm, where he had no prior involvement at all with the issue. In this case he should understand the broad parameters of what is going on, if not the detail, as I understand the evidence he gave in public session indicated when he appeared before the Public Works Committee.

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: I think the taxpayers also need to be protected when governments get things horribly wrong, and sometimes you have to spend a penny to save a penny, and more. The likelihood here is that we are not talking about pennies going west but about millions of dollars going west, and it is only when you have proper scrutiny of these sorts of processes that eventually you will get the sort of diligence that we would hope and expect. So, the question in my mind was between the Auditor-General and a committee.

A committee has a couple of disadvantages. In public session a number of people who have information would not speak up. There would be senior public servants whose very jobs would be at risk if they spoke up, and I saw that—

The Hon. K.T. Griffin interjecting:

The Hon. M.J. ELLIOTT: I am sorry, but I know of public servants who have gone before parliamentary committees and had instruction before going, so I can only say that government departments do interfere with the processes of committees, and I have had plenty of direct evidence of that and spoken with people—

The Hon. K.T. Griffin: That's rubbish. It really is rubbish. Committees don't honour the protocols that have been in place for the last 20 years; that is the problem.

The Hon. M.J. ELLIOTT: It will not be just those. I suspect that there may be people involved in the Soccer Federation, with a lot of sensitivities within that organisation and linked organisations that are not likely to be aired in the public arena. If they are, they may prove to be terribly destructive. Of course, the committee inevitably would be rather political by its nature. Sometimes you cannot help that, but there is an option available in this case, and that option is the use of the Auditor-General.

It had been suggested to me at one stage that we should be seeking some sort of judicial or quasi-judicial inquiry. Frankly, having looked at some of those that have been carried out, that is likely to be more expensive than the Auditor-General, and you would have more QCs than you could poke a stick at hanging around something like that, so that was dismissed fairly quickly. The other voice of dissent was that of the Attorney-General. Of course, as Christine Keeler said, 'He would say that, wouldn't he.' One would always expect that the government would have protested against such an inquiry, whether it was justified or not. The government would have said that it was not, and there is no surprise. But there is clearly enough evidence on the public record to justify such an inquiry.

In relation to specific issues raised as to the meaning of due diligence and also as to questions of undue pressure, I expect that the Auditor-General can and should read that in both the broad and narrow senses of those words and, indeed, make comment in both senses. On matters of criminal or improper behaviour, it may be that the Auditor-General will identify places where criminal or other improper behaviour may occur but would clearly make a decision that he would report that there are matters that may need further investigation. I do not expect him to carry out a criminal investigation, but he may identify areas in which such things may have occurred. I see no problem there.

The final issue raised by the Attorney-General was: why give a specific instruction to the Auditor-General when he can do this anyway? I suppose the fact is that the Auditor-General, given enough resources, could chase a lot of rabbits down a lot of burrows in a lot of directions. Frankly, the Auditor-General and his department would be stretched to the absolute limit now. He raises matters in reports and he has raised matters about this, and I think that the parliament is now responding by saying, 'Yes, we would like you to take a further look at this, because we think that there are matters of sufficient significance for you to do so.'

That is really the effect of this motion, and I urge members to support it. With the passage of this motion, we will not need to establish a select committee, which does have a number of disadvantages, which I identified.

The Council divided on the motion:

AYES (11)

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

NOES (9)

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

Majority of 2 for the Ayes.

Motion thus carried.

NUCLEAR WASTE STORAGE FACILITY (PROHIBITION) BILL

The Hon. SANDRA KANCK obtained leave and introduced a bill for an act to prohibit the establishment of a nuclear waste storage facility in South Australia, and for other purposes. Read a first time.

The Hon. SANDRA KANCK: I move:

That this bill be now read a second time.

Almost 12 months ago a leaked promotional video from a company named Pangea Resources Pty Ltd hit the headlines.

It hit the headlines because it promoted Australia as the dumping ground for the world's nuclear waste; in particular, it promoted the idea that locations in Western Australia and South Australia were just what the doctor ordered because of our stable geology and stable political systems. This repository is needed because so many of the countries which produce nuclear power have not taken responsibility for the associated waste they have produced.

Aside from one Australian director, the directors of Pangea Resources Pty Ltd have home addresses in Canada and the United States and, with the exception of that same Australian, the directors of Pangea Resources Australia Pty Ltd have their home bases in England, Switzerland and the United States. Pangea Resources Pty Ltd has offices in Canada and, once again, the United States. It is not surprising that the United States connection keeps coming up. The US is one of the more irresponsible producers of nuclear waste, having been at the forefront of the development of nuclear power with its 'atoms for peace' program. It might have called it 'atoms for pollution', given the amount of waste it produced and that the US now wants to dump in South Australia.

That atoms for peace program, which began soon after the Second World War, was very much a subterfuge to cover the real agenda of producing nuclear weaponry. So, here is a country which has developed nuclear waste, from the production of both energy and weapons, yet it wants us to accept its waste on the basis that the area under consideration meets Pangea's criteria of 'high isolation characteristics including extremely low relief topography, very low rainfall, very high evaporation, stable geology and hydrogeology, absence of important mineral resources.' But geological stability does not last forever, as evidenced by the earth tremors in South Australia already this year, at least one of which has occurred reasonably close to the South Australian area proposed by Pangea.

The other criteria of importance for it is 'based on the technology capabilities, the societal stability, the political and legal system, and the economic status of potential host countries'. The notorious promotional video puts it this way:

> Before any responsible country would send their waste for disposal, they must be certain not only that the repository is safe but also that its safety must be seen to be clearly and rigorously regulated. International agreements on standards exist and any host country would have to honour these. This will clearly be more credible where the host country has a stable democratic government and the technical, legal and economic infrastructure to both finance and regulate such a major project.

I cannot resist observing that any responsible country would either look after its own waste or stop producing it.

[Sitting suspended from 6.00 to 7.45 p.m.]

The Hon. SANDRA KANCK: Before the break I was talking about the reasons why Pangea particularly wants to locate in Australia, either in South Australia or Western Australia, and these reasons are the geological and the political stability of this particular area. Just as I have observed that geological stability does not last forever, neither does political stability. Has any human culture lasted more than a thousand years? I simply cannot bring to mind a single example. Yet the levels of radioactivity of the waste proposed to be shipped to Australia will last many hundreds and thousands of years beyond that.

Pangea itself acknowledges that there will be toxicity levels of some of the waste remaining beyond 100 000 years. Pangea representatives recently told a conference in Darwin that we are talking about 250 000 tonnes of that stuff looking for a home by the year 2015. I believe that this exposes the real motives of those countries seeking to dump their nuclear waste in Australia.

Earlier this year when we dealt with the Wingfield Waste Depot Closure Bill, I referred to the OOSOOM factor. People who often oppose things close to their homes and their cities are often accused of the NIMBY (not in my backyard) syndrome, but I advocate that there is another syndrome that we should talk about, and that is OOSOOM, which is out of sight out of mind. When we were talking about Wingfield, I argued that it would allow the people of Adelaide to think that their waste management problem was solved by virtue of the fact that they could no longer see it.

The OOSOOM factor applies with even more dangerous implications when we are talking about high level nuclear waste. It is clearly a potential danger for us and it would lead those who are creating the waste to consider that the problem is solved, so any in-built feedback systems to reduce the production of nuclear waste are broken down in the process. The users of nuclear power would continue to use still more power in the mistaken belief that the problem had been solved. That is what is being proposed and Australians, and in particular South Australians, are the fall guys.

Late last year Pangea's representatives claimed that they had been having discussions with the government. Ministers at the federal level all ducked for cover, denying that they had anything to do with it, and they did not support such a facility being located anywhere in Australia. Subsequently, one government member came forward to reveal that he had had talks with Pangea. On 25 May this year, I placed questions on notice in this parliament regarding any contacts that might have been made by Pangea in South Australia. I remind members what those questions were:

1. Has Pangea Resources made direct contact with the Premier, any minister or any backbencher of the government?

2. Has any South Australian government department received any mail, e-mail or faxes or logged any telephone calls from Pangea Resources?

Almost six months later, those questions remain unanswered. Why is the South Australian government reluctant to provide this information? Do we assume from that that the South Australian government or representatives or agencies have been having talks with Pangea?

Since the initial revelation last year of the Pangea video, its preferred location has focused on Western Australia, to the relief of most sane South Australians, given that South Australia was already being targeted by the federal government to be the dumping ground for low to medium level radioactive waste generated principally in the Eastern States of Australia. Some weeks ago legislation was introduced by the opposition in the Western Australian parliament to prevent the location in that state of a nuclear waste dump of the type being envisaged by Pangea. That legislation is being supported by all parties in Western Australia.

So, whilst for a short time at least South Australians might have felt slightly less anxious about the location of Pangea's proposal, the imminent passage of this legislation in Western Australia puts the focus back on us. If the avenues are closed in Western Australia, then Pangea's next most preferred location (that is, a site in South Australia) would become its target.

In pressuring Australia to take US nuclear waste, the politicians and citizens of the United States are copping out.

But it is not just the United States that desperately wants a dumping ground: the United Kingdom would also be vitally interested. For the most part, these countries are not being up-front about their intentions, leaving Pangea to take the running, and any flak, on the issue. The stuff is produced in other countries, and there is no good reason why they should transfer their problems to our backyard.

The bill itself prohibits the construction of a nuclear waste facility for storage of nuclear waste from an overseas origin. The Western Australian bill, on which I have modelled mine, has a penalty of a mere $500 000 for contravening this, but, although I have used the Western Australian bill as a model, at this point I have departed company from it and upped the penalty to $5 million.

The bill also prevents the use of any taxpayers' money for the development, construction or operation of a nuclear waste storage facility. Members will note that this bill is about the Pangea proposal and targets, specifically, imported nuclear waste. I have excluded nuclear waste of Australian origin as I believe that we need to keep the international proposal separate from the proposal of the federal government which has most recently been associated with the Billa Kalina region to the dismay of the locals. I will refrain from referring to that proposal in terms of that geographical name.

The state government's response to the federal government's proposal has been one of grudging acceptance, and there is at least one backbencher who has been candid in suggesting that it is a good idea. I suspect that there may be ministers who are privately quite enthusiastic about that proposal because of the carrot that is being offered of job creation. Certainly, a South Australian Liberal senator and minister, Nick Minchin, has pushed that view, and I recognise the political reality that state Liberal MPs might not wish to be seen to be disloyal to their federal colleagues.

Under those circumstances, bringing the federal government's proposal into the ambit of this legislation might be counterproductive. I must indicate, therefore, that I would be more than happy at a later stage to introduce separate legislation to deal with the federal government's proposal.

Some opposition members criticised me a few weeks ago by saying that my bill would not go far enough but, in its current form, unencumbered by the federal government's proposal for a low to medium level dump, there is a chance that this bill might have a chance of passing.

The Hon. T.G. Cameron: Which opposition members are you talking about?

The Hon. SANDRA KANCK: John Hill, in particular, criticised me. However, I fear that some government members who would support this legislation in the form in which I introduce it might feel obliged to vote against it if we were to bring the federal government proposal into the ambit. When I indicated some weeks ago that I intended to introduce this legislation, resource minister and Deputy Premier Rob Kerin claimed on radio that it was not necessary because the federal government had stated that it was not supportive of such a dump being located in Australia.

The Hon. T.G. Cameron: That should make it easy for them to support your resolution.

The Hon. SANDRA KANCK: Absolutely, yes. I encourage members opposite to remember that, despite protestations from the federal government that it had not been involved in talks about a high level international nuclear waste dump, at least one of its number was subsequently found to have been talking to Pangea and, despite those protestations, 11½ months later Pangea is still hanging about. Clearly the 'No' that the federal government claims to have given was not loud enough to encourage Pangea to depart our shores. Pangea is still here and it has even placed on the record its view that the leaking of the video last year was not such a bad thing after all because it made it easier for the company to conduct its business 'more publicly and begin open communications at an earlier date'.

Greenpeace, in an *Advertiser* article of 27 October this year, stated that a survey it had commissioned showed that 85 per cent of Australians want legislation to prevent foreign nuclear waste entering Australia. Why would any South Australian MP not support this legislation? Relying on a statement from a federal minister that they are not talking with Pangea may well not be good enough protection for us in the end. Members of this parliament owe it to their constituents—many of whom are already concerned about the prospect of a low to medium level waste dump—to support legislation that will prevent this state being used as a dumping ground for high level nuclear waste. I commend the bill to the Council.

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

STATUTES AMENDMENT (ELECTRICITY) BILL

Adjourned debate on second reading.

(Continued from 28 October. Page 281.)

The Hon. P. HOLLOWAY: On 10 June this year, a majority of members in this parliament passed the Electricity Corporations (Restructuring and Disposal) Bill which permitted the Olsen government to dispose of our electricity assets by means of a long-term lease. It is a matter of record that the Labor opposition strenuously opposed that bill. In subsequent debates that related to the privatisation of our electricity generation, distribution and transmission assets, I made it clear that the opposition now regards the long-term lease of ETSA as irreversible. However, I must say that, along with most South Australians, when the Auditor-General brought down his report recently I was rather shocked to find that this government had made an appalling mess of the lease process. Following what had happened previously with the water contract, it is almost unbelievable that this government could have made another mess of the probity processes. I will have more to say about that later.

First, I would like to address the provisions of the bill before us today. The bill contains a number of amendments to electricity legislation which essentially have arisen out of the due diligence process associated with the lease of ETSA's distribution and retail assets. Consistent with the comments I made in August, the opposition will support the second reading of the bill and its passage through both Houses before we adjourn for the summer recess. However, notwithstanding that undertaking, we would like some matters clarified on several clauses of the bill.

In particular, the opposition wants assurances as to the impact of clause 17 of the bill as it relates to liability issues, and I will have more to say on that matter shortly. We also believe that this bill provides an appropriate opportunity to accede to the request of the Auditor-General in a supplementary report to amend the disposal legislation to enable him to report to members of parliament on the lease process during the long summer break, should the need arise. The opposition is deeply concerned at the matters that the Auditor-General

has raised in his annual and supplementary reports in relation to the electricity businesses disposal process.

The probity audit process was a matter raised by the opposition during debate on the disposal bill. In fact, when we debated that bill in June this year, I moved an amendment to the bill which would have required the probity auditor appointed by the government to appear before the Economic and Finance Committee of parliament, should he be requested to do so.

The Treasurer's arguments during that debate are worth recalling. During the debate, the Hon. Nick Xenophon asked the Treasurer whether he could indicate to the chamber in broad terms the functions and authorities of the probity auditor. This was the Treasurer's response on Wednesday 9 June (page 1 390 of *Hansard*):

> I cannot speak with any great authority on how the probity auditor worked with previous processes—

and I might say as an aside that I do not think he can speak with too much authority about what has happened in this process either, but that is another story—

> 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. . . 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.

We now know that the probity auditor was not so much riding shotgun as riding popgun. Within days of the Treasurer's assurances—on 22 June to be precise—the probity auditor contacted the government to inform it that it would be inappropriate for him to continue as probity auditor because of a potential conflict of interest.

As I mentioned in question time yesterday, I find it very disturbing that the Treasurer did not announce the resignation of the first probity auditor nor the appointment of a second probity auditor. He did not indicate that the probity auditor had been replaced when answering questions in parliament—and we have asked many questions on this matter over recent months—on the progress of the ETSA lease. So, the public and this parliament only became aware that there had been a change in the probity auditor on 28 October when the Auditor-General's supplementary report was tabled. Is it any wonder that the Auditor-General told the Economic and Finance Committee in its public session:

> At the moment the process is such that if as Auditor-General I identify a concern that I believe could be prejudicial to the interests of the state I need some mechanism to be able to communicate that and not be locked into some sort of conspiracy of silence which locks me into not being able to say anything.

Now that the Kennett government has fallen, the Olsen government has taken over as the secret state.

There are a number of questions that I and other members of this parliament have asked of the Treasurer in recent days about that process. It is rather disturbing that the Treasurer had very little to say in answer to those detailed questions. He finally came up today with his rather glib ministerial statement. But many of the questions that he had been asked in relation to that process have not been answered.

An honourable member interjecting:

The Hon. P. HOLLOWAY: As my colleague says, they are not likely to be, either. We will have a number of other opportunities in this parliament to debate what has happened in relation to the probity audit process. There are other motions on the *Notice Paper* this evening and I will have more to say on those occasions. However, in relation to this bill, I want to indicate our disgust at what has happened with respect to this matter.

In relation to the features of this bill before us there is, first, an amendment to the Electricity Act, which enables the Treasurer's electricity pricing order of 11 October 1999 to be amended. This provision was placed in the bill to retrospectively allow any adjustments to the order that may have been required by the Australian Competition and Consumer Commission. It is my understanding that the ACCC has now authorised South Australia's applications under the national electricity code and that no amendments to the electricity pricing order were required. While discussing this matter, I ask the Treasurer to indicate whether any changes to the government's plans for the lease of ETSA, as they were announced before and during the passage of the disposal legislation, have been necessary as a result of the recent determination by the ACCC. Has the ACCC now completed its determination on all matters before it in relation to the South Australian electricity industry? Further, has the contract between National Power and ETSA—

The Hon. Carolyn Pickles interjecting:

The Hon. P. HOLLOWAY: I am sure his adviser is taking note. Has the contract between National Power and ETSA (which the Treasurer describes as a purchase contract) been subject to ACCC scrutiny and, if so, what was the outcome of that scrutiny? It was reported in the *Advertiser* recently that AGL had reached an agreement with National Power to distribute the output—

The Hon. R.R. ROBERTS: Mr President, I draw your attention to the state of the Council.

A quorum having been formed:

The Hon. P. HOLLOWAY: It was reported in the *Advertiser* recently that AGL had reached an agreement with National Power to distribute the output from Pelican Point. I would like the Treasurer to answer the question: how does this arrangement relate to the agreement between ETSA and National Power?

The second feature of the bill is an amendment to the Electricity Corporations Act to change the name of ETSA Corporation, and I assume that RESI Corporation is to be the new name of ETSA Corporation. ETSA Corporation is the holding company for the state's electricity distribution, transmission and system control functions. As some of the assets and liabilities held by the holding company will not be part of the lease process—for example, the transmission assets are to be leased at a later stage—this will enable the purchaser of this state's privatised electricity retail assets to exclusively use the name ETSA.

The opposition accepts that the ETSA name has substantial goodwill associated with it, and this measure will enable the state to maximise its price for the assets by including the ETSA name with the lease. However, I am not sure that we will ever become comfortable with the name 'RESI' for our newest statutory electricity authority. Will the Treasurer say exactly what assets and liabilities he expects will remain with

RESI Corporation when all stages of the lease process are complete? How many employees will ultimately remain with RESI and what is its likely budget?

The next part of the bill relates to clause 16, which seeks to amend section 35 of the Electricity Corporations (Restructuring and Disposal) Act. Section 35 states that, where a lease is granted in respect of assets by a sale/lease agreement, the lessor and the Crown will be immune from civil or criminal liability other than the liability under the lease to the lessee, notwithstanding any other act or law.

The Hon. T.G. Cameron: You wouldn't have done that?

The Hon. P. HOLLOWAY: We are supporting most of these provisions. There is only one clause we have some problems with, and I will point those out in a moment; we are quite happy with the rest of the bill. Clause 16 extends the principle to ensure that the provisions also apply to assets that are leased to a state-owned company that is subsequently sold or leased to a purchaser under a sale/lease agreement. Clause 16 also allows for the revocation or variation of a proclamation excluding the Crown's liability.

The only question I would have in relation to that clause is how that exclusion of liability may affect matters such as workers' compensation. I would hope that the work force involved with the transfer of ETSA would not come under the provisions of this clause, but I would like that clarified during the Treasurer's response. The opposition does have some concerns with clause 17, which relates in part to the exercise of easements and the authority to impose rights arising under an easement. Clause 17(c) strikes out—

The Hon. T.G. Cameron: This is not the LGA argument?

The Hon. P. HOLLOWAY: No, it is not that. Clause 17(c) strikes out clause 7 of schedule 1 of the Electricity Corporations (Restructuring and Disposal) Act. Where the original clause allowed for the specified body (that is, a body specified by proclamation) to limit rights or impose conditions on the exercise of rights arising under an easement, the new clause allows rights under an easement to be suspended or surrendered in addition to limiting or imposing conditions. It is my understanding that this is to enable the sale of certain assets.

I understand that the original provisions might have been unnecessarily restrictive, and the example that was provided in our briefing on the bill was the ETSA headquarters at 1 Anzac Highway. We do not have any problem with that provision, but we do have some more concerns in relation to clause 17(d), which deems that all building work carried out on substations and transformers prior to 13 September 1999 will be deemed to have complied with statutory and regulatory requirements applicable at the time the work was carried out.

The government has stated that this is necessary because at least one-fifth of electricity substations have not been granted the necessary development approval for their land use, and some substations and transformers may not have been granted development approval for their construction. From speaking to those unions that have workers in this industry, they are concerned that this clause does not take into account safety issues and that, by validating work done on substations and transformers, there is a question of liability if injury occurs because of a fault in work carried out.

Even if work does not meet safety standards, there is the fear that it would be deemed to have complied with regulatory requirements, according to this clause. So, it is important that the full impact of this clause be carefully considered and that the issue of liability for future injury be resolved before this bill becomes law. In particular, it is my understanding that there is a fear that some of the powerlines that come into the substations may be too low and, if workers are using ladders in the area, there is a risk.

I understand that an electricity worker was electrocuted at one of these places some time ago. The opposition has raised this matter with the Treasurer and I know that he has responded. I hope that he will put on record his response to those issues that we have raised. We have not yet had the opportunity to discuss this further with our affiliates so, until we are able to do that, we will be opposing that part of clause 17. The final part of this bill relates to some amendments to the superannuation provisions for employees in the new gas trading company. We would certainly support those amendments. That is our position on the bill. While the opposition did not support the privatisation of ETSA, we have not—

The Hon. T.G. Cameron: Yes, you did; you voted with me.

The Hon. P. HOLLOWAY: While the opposition opposed the privatisation of ETSA, following the passage of that bill we gave an undertaking that we would accept the decision of the parliament. So, we will support any measures that are tidying up or correcting anomalies. As I said, our one concern relates to clause 17(d) and the issues of liability. We would need to consider that further. As far as the rest of the bill is concerned, while we do not like what is happening we will not stand in the way of the passage of the bill.

The Hon. T.G. CAMERON: SA First will be supporting the passage of this legislation through the parliament. I have listened very carefully and attentively to the Hon. Paul Holloway. I believe that the honourable member would be the first to acknowledge that I have a high regard for his ability on economic and financial matters—it is only a pity that so few members in the Labor Party have his ability. Notwithstanding that, I place on the record and acknowledge the undertaking that the Hon. Paul Holloway has given. It is consistent with the undertaking he gave when this bill was carried by this Council: that now that the legislation had been carried with its support, the Australian Labor Party would not stand in the way of any necessary legislation.

We passed those very complicated bills, in a technical and legal sense, through the Council on a previous occasion and I think we have all been around this place long enough to appreciate that the lawyers do not get it all right and that, down the track, there would be a need for some revision of these bills. That has occurred with the ETSA bills and I have seen it occur with a number of other bills. I am particularly gratified by the Hon. Paul Holloway's remarks. I can only suggest that some of his colleagues follow his lead on this matter.

The Hon. Paul Holloway appreciates more than any other member of the Labor Party caucus the real damage that could be done to the price of the leasing of our ETSA assets if unnecessary—and I will use this term to describe them—political hurdles are placed in the way of a process that has been approved by both houses of parliament. As I indicated, SA First will be supporting this legislation and, on any reasonable examination, will support any legislation that is necessary for the expeditious passage of amending legislation through this Council to ensure that the lease of ETSA, a bill that was supported by every member of this chamber, other than the Democrats and the Hon. Nick Xenophon, can proceed.

Another reason why I am gratified by the speech made by the Hon. Paul Holloway tonight is that I think that, because of his financial expertise, he more than most others appreciates, now that parliament has made a decision to lease the ETSA assets, that we should get on with the job. I am not so convinced that others involved with this ETSA issue, particularly bearing in mind the call for the setting up of a select committee, are motivated by the same reasons as those involving the Hon. Paul Holloway. I hope he does not think I am being mischievous: I am not. It is essential that this legislation pass.

The Hon. P. Holloway interjecting:

The Hon. T.G. CAMERON: I am pleased that the Hon. Paul Holloway acknowledges and agrees with me that I have not been mischievous. I am not so sure I agree with him that there are not occasions in the past when I have not been mischievous, but I can assure members that this issue is too important an issue with which to play politics or create mischief. We need to appreciate that the only way we are going to get rid of our debt—and get rid of it quickly—is to act in a manner which will ensure that these bills pass through the House.

I take on board the Hon. Paul Holloway's concerns in relation to clause 17, but I would indicate that, while I listened attentively to his arguments, at the end of the day I was not persuaded that in any way we should hold up this legislation to deal with that amendment. The primary concern of any Treasurer, whether it be the Hon. Robert Lucas or whether it ends up one day being Kevin Foley or the Hon. Paul Holloway, as I think everyone appreciates, is to recognise the need to reduce our debt and the need to bring our debt repayments into line with the other states. In relation to this particular issue, it disappoints me that there are times when it is quite obvious—patently obvious—that the only objective that is being employed or worked towards is to disrupt the process and to hold up the sale process to ensure the moneys do not flow into the government coffers as early as they will if we are able to proceed with the sale of the first tranche of the ETSA assets according to the scheduled timetable.

I do not believe that the Australian Labor Party is motivated by any other reason, other than that it is playing politics, and that its primary concern is that if this money flows into the state treasury coffers too early then it might give the government an opportunity to attend to some of the more pressing problems such as health, education, transport, and so on, that are all crying out for more money, but of course we know that—

The Hon. T.G. Roberts: It could do that now if it didn't waste it on other projects.

The Hon. T.G. CAMERON: But, of course, we know—and I am sure the Hon. Paul Holloway realises—the parlous nature of the state's finances. Quite simply, if you start spending money that you do not already have in the bank, then you will go further into debt. I read a newspaper article today which indicated that not only is our debt in the vicinity of $7.9 billion but, apart from Northern Territorians, we are paying more per head for each man, woman and child in this state to pay off our debt than any other mainland state in Australia. I know that the Hon. Paul Holloway would appreciate that if South Australia is to compete with the other states in the ever more urgent quest for jobs, industry, and so on, then the more even the playing field is and the more our debt is similar to the debt of other states, the more our state government will be able to work towards that end.

I say that irrespective of whether it is a Labor or Liberal government. SA First will support the government's position on the legislation. I appreciate the Hon. Paul Holloway's candour; he is an honourable person. I respect his word when he says that he will work towards ensuring that the undertaking that was given will be maintained. I hope that it will be maintained. I support the legislation in its current form.

The Hon. SANDRA KANCK: The Statutes Amendment (Electricity) Bill is the latest instalment in the Olsen government's ideologically driven, on-the-run electricity privatisation program. With the Auditor-General detailing his concerns regarding the leasing process, it is opportune to remind the Council that the original Electricity Corporations (Restructuring and Disposal) Bill was dwarfed by subsequent Government amendments; in fact, more pages of government amendments than were in the original bill. So, we seem to be following a bit of a pattern here.

I wonder what role the ferociously expensive consultants have played in this particular ongoing debacle. Will Alex Kennedy again be burning the midnight oil with taxpayers' money in an attempt to explain away the pall of incompetence that has hung over the leasing process to date? In the *Australian* on Monday there was an article about the payments that have been made to this person for the 1998-99 financial year. Those figures indicate that with a former business partner she managed to get $400 000 for consultancy services, and in addition, in the same period, the Premier's department paid Ms Kennedy's private company, The Right Connection, $55 721 for speech writing services. Quite clearly it is a part-time job, because she was involved in the power privatisation consultancies. That must have been where most of her time went, but she also had time to write some speeches.

I wonder what sort of speeches the taxpayer got for $55 721. I wonder how long they were? I wonder how many speeches we got? I am willing to bet that we did not get value for money. I consider it quite obscene that this person gets $55 721 for speech writing services on a part-time basis when most people in the population do not earn that much in a year. It really is obscene.

The Hon. T.G. Cameron: We might have a right of reply coming here on this.

The Hon. SANDRA KANCK: I am not maligning her at all: I am questioning the equity in here and also the government decision making with the reliance that it has on consultancies.

The Hon. T.G. Cameron interjecting:

The Hon. SANDRA KANCK: You do not think that that is a high income? Of course, we are all aware that the Treasurer was away last week looking for some more buyers for the utilities. Again, that is another cost that the taxpayer will have to bear. I wonder whether any running tally is being kept on all these sorts of costs. For instance, will the Treasurer's trip appear on any balance sheet of outgoings against any money that might be made on the privatisation, or is it something that will appear somewhere else in the Treasury budget in its balance sheet?

At any rate, this bill proposes amendments affecting three acts: the Electricity Act 1996, the Electricity Corporations Act 1994 and naturally the Electricity Corporations (Restructuring and Disposal) Act that we passed earlier this year. Of the proposed amendments, probably the most dominant is the provision relating to electricity pricing orders. I would like to know what this actually means for the government's

commitment to cap at 1.7 per cent any variation between regional and metropolitan electricity prices. Is the government's commitment through to the year 2013 still in place?

In regard to the Electricity Corporations Act, I note from the Treasurer's speech that some assets and liabilities will not be transferred to purchasers—and I specifically note the word 'purchasers'—because the government has finally given up on the pretence and is actually admitting that effectively ETSA is being sold. What is the government's intention with the transfer of shares held by SA Generation once transferred to the Treasurer? Almost comically we are also legislating to allow the purchaser of the retail business to have exclusive use of the ETSA name, and that such a valuable component of the business was not initially on offer is surely an elementary error.

The value of the ETSA name is interesting. A company using that name will probably be able to con domestic customers into thinking that it is the same entity with which they have been dealing for the past 50 years. I would be very interested to know what extra amount we will get in the price for handing over the name as well. I know the government will tell us it is not prepared to put a price on it, but now that the government is willing to sell the name could it please indicate what sort of percentage difference this is likely to make to the sale price?

The rewards go both ways for the private company and the government, although not for the taxpayers of this state. The private company, as I have said, gets to take over that name and have all the benefits that go with that—

The Hon. T.G. Roberts: It's to give the impression that nothing has changed.

The Hon. SANDRA KANCK: It certainly is. For the government, it gets to have a new entity called the RESI Corporation, and when the public has to deal with something called the RESI Corporation, they will not know what it is and they will not feel the same degree of anger about the privatisation. So, it is a pretty clever move. However, I would be interested to know what the acronym 'RESI' stands for. I looked through the bill, and perhaps did not look carefully enough, but I could not see it expanded in the bill.

The Hon. R.I. Lucas: We will name it after you 'Skancki Corporation'.

The Hon. SANDRA KANCK: No, that will not work: I would not be very happy with that. Fortuitously, because this bill also amends the Electricity Corporations (Restructuring and Disposal) Act, it presents the opportunity for parliament to rectify a glaring deficiency in the capacity of the Auditor-General effectively to monitor the electricity utilities leasing process and communicate this information to members of parliament. As a consequence, I have placed on file amendments to allow the Auditor-General to publish any concerns that he has with the leasing process.

With the notice of motion given by the Treasurer this afternoon, I am pleased that the government has followed my lead in this matter and is willing to provide the opportunity for the Auditor-General to publish any concerns that he may have relating to the leasing process. It was the obvious solution to the problems created by the fact that parliament will be on an extended summer break when the government privatises the most valuable economic asset the people of this state own.

I have also proposed a further amendment to provide protection from criminal and/or civil proceedings resulting from the publishing of an extract or abstract from the Auditor-General's Report, provided that it was published in good faith and without malice. Given that the parliament will not be sitting during the crucial leasing period, this amendment is important to encourage robust debate on any concerns that the Auditor-General might raise. I suspect the parliament will not be sitting because so much of the government's bureaucracy will be involved in this process of privatisation. The government was clearly hoping that a four month break, while this was happening, would prevent any scrutiny and accountability of that process. Like the Hon. Paul Holloway, I express my concern about what has happened with the first probity auditor departing and a second probity auditor being appointed without any advice to the parliament.

The government can prove me wrong by supporting this amendment. If not, I urge all non-government members in this parliament to support this most democratic of all provisions. This amendment would give courage to the media, the public and members of parliament to vigorously debate any concerns that the Auditor-General might publish. We will support the second reading knowing that the earlier majority vote of this parliament to allow privatisation makes it inevitable. However, we do so noting that this continues the saga of the sell off of our electricity assets and the sell out of the South Australian people.

The Hon. R.I. LUCAS (Treasurer): I did not realise how much I had missed electricity debates! Having listened to the contributions of the Hon. Sandra Kanck and the Hon. Paul Holloway I note that nothing has changed since we last debated these issues. It might be best to address the individual issues raised by the Hon. Sandra Kanck in committee. The Hon. Paul Holloway spent some time talking about issues other than the bill and took the opportunity to comment on matters relating to the Auditor-General. I think that there are more than enough opportunities during question time and other times for me to respond to those issues. I do not want to delay the proceedings of the Council by getting into a debate about the Auditor-General's Report because we can do that on other occasions.

The Hon. Mr Holloway previously raised some issues concerning the bill, and I have a response to read into the public record. The honourable member referred to matters under section 17, which relates to building and development work. I have been advised that the section provides as follows:

All building and development work carried out before 30 September 1999 in relation to substations or transformers owned or operated by an electricity corporation or state-owned company at that date will be regarded as complying with the statutory and regulatory requirements applicable at the time the work was carried out.

My response continues:

The effect of this clause is to deem work carried out on such substations and transformers to have complied with the relevant statutory and regulatory requirements that existed at the time the work was undertaken. This does not mean that these substations and transformers are exempt from complying with ongoing requirements as to safety.

For example, if mandatory fire standards are introduced which apply to all structures (irrespective of when they were built), this provision would not have the effect of exempting these substations and transformers from the requirement to comply with those standards even though this may require substantial rectification work. Moreover, the operator of any substation or transformer is required to take reasonable steps to ensure that the relevant infrastructure is (at all times) safe and safely operated [under the Electricity Act].

A subsequent issue that I understand the honourable member also raised concerned ground clearances at substations. I am advised as follows:

The issue of ground clearances in substations was identified by the investigation committee as one of the contributing factors to the

fatal accident at Playford A Power Station switch yard on 2 March 1996. Substation standards require that: a minimum clearance must be maintained from ground to electrical equipment, which varies depending on the voltage level; physical barriers must be installed within the substation to prevent inappropriate vehicle access to live areas; and fencing of substations must be erected to a height and design to discourage public access.

Following the 1996 incident, a program was devised that included: correcting conductors with below-standard clearance to the ground applicable at the time the substation was constructed; installing new vehicle access barriers where required; modifying perimeter fences where there is a need to increase the clearances to live assets; modifying vehicle access barriers where there is a need to increase clearances to live assets; and ensuring the required clearance between line electrical assets and vehicles within a substation.

All of the above initiatives have been completed at a cost of $1.3 million with the exception of the Lyndoch substation which does not meet the standards applicable when it was constructed in the 1960s. This is planned to be rectified this month at a cost of less than $100 000. All ETSA Utilities substations, with the exception of Lyndoch, meet the standards applicable when each substation was constructed. The costs of ensuring that all substations meet the current day standards, rather than standards applicable at the time of construction, would be prohibitive ($100 million or more) [and therefore] not practical and inconsistent with industry practice.

Work practices have been introduced which remove any safety risk with conductor ground clearances in substations not complying with current day standards. We understand that regulation 15 under the Electricity Act 1996 is proposed to be changed to ensure that today's regulations only apply to substations 'installed after 1 July 1997'. All ETSA Utilities substations constructed after 1 July 1997 comply with current standards.

That is a detailed response to the two issues that the Hon. Mr Holloway raised. As I indicated to the Hon. Sandra Kanck, if either member wishes to address other issues by way of a question in the committee stage of the bill, I will be pleased to respond.

Bill read a second time.

In committee.

Clause 1.

The Hon. SANDRA KANCK: In the light of the fact that this bill seeks to amend three acts, it has crossed my mind that there is the possibility that, as the government proceeds still further into this privatisation, it may find that there are other deficiencies in these acts. Given that we are not supposed to be sitting for four months, has the government considered the possibility that the parliament might need to be recalled in order to further amend any of these acts?

The Hon. R.I. LUCAS: No. The bill contains a hidden amendment which allows me to amend these bills whenever I feel like it.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: No. I said that tongue in cheek. The government has no intention of budgeting for an additional session to further amend the electricity legislation. We are hopeful that this will be the last of the required amendments. As the honourable member and others have indicated, when these bills were first introduced it was likely that further amendments would be required. That has been the case, and I am faithfully advised that, at this stage, we are not aware of any other provisions that need to be amended.

The Hon. P. HOLLOWAY: I take this opportunity to repeat a question that I asked earlier. This piece of legislation provides the first opportunity since June to raise matters regarding the lease. The question I asked earlier was: will the Treasurer indicate whether any changes to the government's plans for the lease of ETSA have been necessary as a result of the recent determination by the ACCC? I believe that it has completed its determination on the matters that were before it?

The Hon. R.I. LUCAS: The honourable member might have to be a little more specific. We are not aware of any changes in the lease contract—if that is his question—as a result the recent activities of the ACCC. Clearly, in our negotiations with the bidders, the attitude of the ACCC to our vesting contracts and some derogations to the national electricity code we were required to achieve were obviously important. We remain hopeful that the ACCC will complete its work by the end of this month or no later than early next month in relation to the vesting contracts and the derogations. It might have perhaps disappointed him and the Hon. Mr Xenophon, but the ACCC has given a pretty favourable report in the draft determination on the vesting contracts in South Australia, contrary to a lot of the scare tactics that were being used around town for the past six months about the government's use of vesting contracts and what would happen if and when the ACCC considered them. I will not count my chickens before they hatch. We will wait and see, with the ACCC's determination due within a matter of weeks. At this stage, the government is hopeful that we will see the vesting contracts authorised without amendment.

The Hon. P. HOLLOWAY: During the debate on the sale bill, I remember asking the Treasurer a question about the contract between National Power and ETSA. In response, the Treasurer said that that was not a vesting contract; he described that as a purchase contract. Has that contract been subject to ACCC scrutiny? Will the Treasurer explain what has happened recently? It was reported that AGL has reached an agreement with National Power to distribute the output from the Pelican Point Power Station. It was my understanding that there originally was an arrangement between National Power and ETSA for the purchase of electricity. How did that reported arrangement affect the agreement between ETSA and National Power?

The Hon. R.I. LUCAS: I am not sure how much the honourable member knows about the industry, but it is relatively simple. I do not have responsibility for AGL; it is a big private company, as I would hope the honourable member would know. According to the business pages reports, it has just struck a commercial deal to sell gas to National Power. It is a pretty simple story.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: The press reports were that it had sold gas to National Power. National Power is a power station which runs on gas. It needs gas. Therefore, it has negotiated with a company that supplies gas, which happens to be AGL. It is not too complicated. With regard to the honourable member's first question, again, it is just a simple power purchase agreement of some 20 months duration between ETSA Power and National Power. The honourable member is right: it was not a vesting contract. Therefore, it does not have to be authorised by the ACCC in terms of its authorisation of vesting contracts. I am not sure whether the ACCC has looked at it. I know at one stage the Hon. Nick Xenophon was trying to or did refer all things off to the ACCC. I must admit that my memory is a bit hazy. The Hon. Mr Holloway might like to ask the Hon. Mr Xenophon what the outcome of that might have been.

The Hon. P. HOLLOWAY: The *Advertiser* article of 4 November stated:

National energy supplier, the Australian Gas Light Company, yesterday said it planned to capture up to 25 per cent of the state's electricity market after entering into a deal with National Power's new $400 million power station at Pelican Point. The company said it would buy the Pelican Point electricity and on sell it to the local market from the power station's 2001 start-up date. Initially it will

compete with ETSA to supply the big commercial and industrial users, but from 2003 private households will be able to choose their electricity supplier.

That suggests to me that it is entering into the electricity retail business. When I first saw AGL, I thought it would be selling gas. From that article, it appears to be entering into the retail business. It could well be that that press article is incorrect. Does the Treasurer have some comment on that?

The Hon. R.I. LUCAS: I do not recall seeing that article, I must confess. It was while I was away. I must admit I was referring to an earlier story, so I apologise to the honourable member. I was referring to a story where AGL had struck a deal to supply gas, as I understood it, to National Power.

If that is correct—and I only rely on what the honourable member has just read from the *Advertiser*—there may well be another deal between National Power and AGL. AGL is an energy retailer, that is, selling gas and electricity. We are seeing a coming together of the utilities companies around the world and throughout Australia—in particular, gas and electricity; in some parts of the world, telecommunications and water—where the one company is actually supplying products in and across those particular service areas.

AGL is an energy retailer and they do sell gas and electricity in other states. The honourable member's quote would appear to indicate that ETSA Power is the pre-eminent retailer here in South Australia. We have registered something like 12 or 15 other retailers in South Australia. AGL is saying—and this is one of the reasons it was steadily disputed by the Hon. Mr Holloway and the Hon. Sandra Kanck—that competitors would come and take part of the ETSA Power market. From the honourable member's quote, it appears that AGL would like to take 25 per cent of the ETSA Power market in South Australia.

As I said, I had not seen that particular article that was obviously published whilst I was away. I guess it just gives further evidence of one of the reasons why the government indicated that the risks involved in this particular electricity market were such that we were better off ensuring that these are battles between privately operated companies, and I thank the honourable member for that particular quote. I will obviously look at this article much more closely now. I might be able to use it in question time, when he talks about electricity businesses, and use the fact that the Hon. Mr Holloway raised the issue that ETSA Power may well be losing up to 25 per cent of its market to one competitor, being potentially AGL. As I said, I think that there are 12 to 15 other competitors who, if they are going to stay in South Australia, I assume will have some section of the marketplace as well.

It is an indication of what the national electricity market will hold. Further down the track, we will have much more competition. It will head down the path of the sort of competition that we have seen in terms of telecommunications, and mobile phones in particular. I think that is a few years down the track, because we do not start competition for households until 1 January 2003, and we need to see additional supply and capacity in the South Australian marketplace to help ensure that that can occur. With those sorts of changes in our marketplace, we will see some of those sorts of changes occurring.

The Hon. P. HOLLOWAY: This is my last attempt at this. The point I was really making is that it was my understanding that ETSA was going to purchase all the power output of Pelican Point from 2001. This suggests that AGL has purchased it. That is really why I was a bit puzzled as to how AGL could purchase Pelican Point's output if it was already part of a contract with ETSA. At some later stage I wonder whether the Treasurer could correspond with me and explain exactly what has happened in relation to that matter, because it seems a little puzzling to me, to say the least.

The Hon. R.I. LUCAS: The honourable member might be delighted: I think I can answer that question now. As I have explained before, the power purchase agreement for 20 months was only for about 200 megawatts of the capacity of the National Power plant. National Power has indicated that it will build a 487 megawatt capacity plant. So, if one does the sums, if there is—

The Hon. P. HOLLOWAY: That will not be ready before 2001, will it? Is that not coming on stream later?

The Hon. R.I. LUCAS: No. It is contractually required to have (and I forget the exact number) 150 or 200 megawatts on by the end of the year 2000. Its current plans indicate that, by the start of 2001, it will have its full 487 megawatts on line. So, I think the simple explanation is that the government's arrangement with National Power is for a small percentage of that capacity—200 megawatts for 20 months, or it might be 250 megawatts for 20 months. That would mean that National Power could do a deal with AGL—or, indeed, anyone else—for the remaining 250 or 300 megawatts of capacity.

The Hon. SANDRA KANCK: Yesterday in this chamber, the Environment, Resources and Development Committee tabled its 37th report on the topic of mining oil shale at Leigh Creek. One of the committee's findings was as follows:

> The committee finds there is a large low grade oil shale deposit at Leigh Creek and finds that this deposit has the potential for commercial realisation and should be taken into consideration when Flinders Power is to be leased.

That then appears as a solid recommendation, recommendation 1, as follows:

> The committee recommends that the commercial value of the oil shale deposit must be taken into account when considering the lease of Flinders Power and before a decision is made whether to include it as an asset covered by the lease.

I know that at the moment the government's intentions are all around the poles and wires, but I wonder what regard, if any, the government has yet had to that recommendation and what action is likely to result.

The Hon. R.I. LUCAS: I must confess that I have not had an opportunity to read the report. Over the coming weeks, as I put my feet up and do nothing else, I will take the opportunity to read the report. Certainly, from the government's viewpoint, we will give proper consideration to the recommendations of the committee and see whether or not we can agree with its recommendations. Certainly, I think in the broad sense, the answer is that, as we look at Flinders Power, we will consider what value there is in all the assets that relate to Flinders Power, including the particular asset to which the honourable member has referred. So, we will take that question on notice and, certainly, before we come to the privatisation process—which includes Flinders Power—we will determine a final position on that matter.

The Hon. T.G. ROBERTS: Can the Treasurer also (before the finalisation of the fifth test) look at the converse position of an asset, and that is perhaps a liability that may also go with the transfer. The report also recommends that the potential health problems of some of the workers at Leigh Creek may be a compensation liability at some future date. Can the Treasurer also consider that question?

The Hon. R.I. LUCAS: Certainly, as the government moves through the Flinders Power stage of the privatisation program, the issues of any residual liabilities and who is responsible for them will be for potential purchasers—lessees of our electricity—to pay close attention to, and so will we.

We need to sort our way through these sorts of issues as to who has legal liability for what might occur down the track as a result of what has already occurred within a particular electricity business. As we move through the program, there are many issues such as this—perhaps not of the potential size—that we need to consider as part of the leasing program. We will certainly look at the committee's report, and it will be part of the government's consideration.

The Hon. SANDRA KANCK: I observed in one of the newspapers yesterday (the *Age*, the *Australian*, or it may even have been the *Financial Review*; I am getting confused with the amount of reading that I am doing) an article that referred to the $4 billion privatisation process being at risk because of what was happening with the Auditor-General and probity. I am focusing at the moment on that figure of $4 billion. Throughout the long argument we had about whether or not we should privatise, the most common figures given were $5 billion to $6 billion, and suddenly we see an article stating $4 billion.

It might be that some assiduous journalist has worked out that poles and wires are 80 per cent of the asset and therefore has done some calculations of the expected total and come up with $4 billion. However, it does cause me to ask whether or not the Treasurer has established a break-even point which would be the minimum necessary to recover costs of the privatisation process and below which the government would not be prepared to sell.

The Hon. R.I. LUCAS: Every time we debate this bill we go through the same questions, and I am happy to do so again. The government is not going to play the game of putting on the public record the government's commercial valuations of its businesses. It does not serve the interests of the taxpayers of South Australia for us publicly to speculate about what we believe we might achieve through the leasing of our assets.

Secondly, I cannot really be held responsible for the estimates of individual journalists in newspapers that the honourable member cannot recall. I suspect it might have been the Melbourne *Age* and Penny Debelle. However, I really cannot be held responsible for how they come to their calculations. I can only assure the honourable member, as I have before, that they are certainly not the government's calculations: we do not provide them to journalists. They either make up the figures themselves or talk to people in the industry who say what the figure is; someone in their own newspaper might have an estimate for it; or I guess they pick it out of a hat. I am not sure. It is really an issue for individual journalists in terms of what figures they happen to use.

The honourable member's explanation may well be quite plausible. Certainly, when we are talking about this part of the privatisation process we are talking about only two of the seven businesses that will be part of the privatisation program, albeit the most valuable section of the privatisation program. So, a journalist may well have done a calculation to come up with a figure that is different from a figure that he or she has used before.

In relation to issues of breaking even, all I can say is the same as I have said before. The government is not going to place on record those sorts of views. I have said before that we believe, based on the advice that we have received and assuming that we can proceed with the program within the time frame about which we are talking, that we are comfortably above any notion of break-even. We see a significant net financial benefit—

The Hon. Sandra Kanck: You do have a figure in your own mind somewhere? I am not asking what the figure is, but you do have one at which you would have to say we need to get this?

The Hon. R.I. LUCAS: If one takes it to extremes, the government is not going to privatise our businesses for $1. I am not going to say—

The Hon. T.G. Roberts: I was in the ring there for a while!

The Hon. R.I. LUCAS: Peppercorn rental!

The Hon. Sandra Kanck: Bob Downe said this morning at the Fringe poster launch that he was going to ring you up and see whether he could get it on EFTPOS.

The Hon. R.I. LUCAS: On EFTPOS? I would love to talk to him. The government, based on all of its commercial advice and on the basis that it can proceed with the program within the time frame about which we are talking, is confident that it can comfortably exceed any notion of a break-even. The break-even analysis, as I have previously talked about, is an issue about which the honourable member has been interested. The honourable member has raised the issue on a number of occasions. The government will not speculate publicly about what a particular figure might or might not be.

Clause passed.

Clauses 2 to 4 passed.

Clause 5.

The Hon. P. HOLLOWAY: I asked questions earlier about the new statutory electricity authority, which I presume will be called RESI. I asked earlier what assets and liabilities will remain with RESI when all stages of the lease process are complete? How many employees are likely to remain with RESI and what is the likely budget, in order of magnitude, of this remaining electricity statutory authority?

The Hon. R.I. LUCAS: There will be virtually no employees. As an example of the sort of residual liabilities that might be kept there, the Ash Wednesday litigation, I understand, continues in some form or another. That will be a residual liability that remains with RESI Corporation. I understand that workers' compensation claims for people who have left the industry already, and who therefore cannot be transferred to the new employers, will also remain with the residual corporation. They are just a couple of examples of some of the residual liabilities that will remain with the government in the form of the residual corporation, RESI Corp.

The Hon. P. HOLLOWAY: What will be the management structure? Will it have a board? Who will be involved?

The Hon. R.I. LUCAS: I am advised that it must have a board but it will be the smallest possible board we can get away with. It will have virtually no—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: Sometimes that sounds very good, actually.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: If it is the Premier and I there will be no sitting fees. There will be virtually no employees. As Treasurer, I have another organisation which, I think, works on the basis of less than one employee and which has a very small board. It maintains some residual responsibilities from South Australia's State Bank debacle. There are some precedents in this and other states for this sort of residual

corporation. It is not, the honourable member will be pleased to know, a huge bureaucracy wasting money: it is really a device to hold on to residual liabilities and perhaps some residual assets.

The Hon. P. HOLLOWAY: The Hon. Sandra Kanck was wondering from where the name came, but I presume that when the Treasurer talks about 'residual' that 'RESI' comes from that.

The Hon. R.I. LUCAS: Do you want an answer to that?

The Hon. P. HOLLOWAY: No.

Clause passed.

Clauses 6 to 15 passed.

New clause 15A.

The Hon. P. HOLLOWAY: There has been some discussion with Parliamentary Counsel, the Clerk, the government's adviser and the Hon. Sandra Kanck in relation to my proposed amendment. It is my understanding that the Treasurer intends to move a motion tomorrow which would require the Auditor-General's report to be published.

Members interjecting:

The Hon. P. HOLLOWAY: It has already been passed. It is my understanding that that particular resolution may be a neater way of achieving the objectives that we sought with the amendment, so I will not move it.

Clause 16.

The Hon. P. HOLLOWAY: During the second reading speech, I raised the question of the exclusion of Crown liability as owner. Some concern had been expressed to the opposition that the government could be passing liability for matters such as people on workers' compensation and other matters. Could the Treasurer indicate whether or not that is part of this clause or whether people on workers' compensation are excluded from this provision?

The Hon. R.I. LUCAS: I am advised that is not the case in relation to this provision.

Clause passed.

Clause 17.

The Hon. P. HOLLOWAY: I indicated during my second reading contribution that the opposition had some concerns about clause 17. I appreciate the answer that the Treasurer provided—and he was a bit more forthcoming than in the information he had provided earlier—but the opposition has not had the opportunity to speak to its affiliates, so I indicate at this stage the opposition opposes this clause. That is our position until we have a chance to further analyse the Treasurer's answer.

The Hon. R.I. LUCAS: Obviously, the government needs to see this provision remain within the legislation in terms of the leasing process. I am not sure how far the Hon. Mr Holloway wants to push it in this chamber. This bill will go before the House of Assembly either tomorrow or Friday for debate. I accept the fact that the honourable member and his party may want to consult with some of the affiliates, but from the government's viewpoint we are hopeful that the committee will be able to support the bill as it stands. It would allow the Labor Party to consult with its affiliates before the bill is debated in the House of Assembly and to put a point of view. There is a very strong argument about why this provision needs to remain within the bill. The fact that, going back 35 years, some substations in country areas may not at those particular times have received the appropriate development approval—

The Hon. T.G. Roberts: Some are on parklands.

The Hon. R.I. LUCAS: Are they? I am not sure where they are. Some of them might not have received the appropriate development approval. The issue is that some have been there for up to 35 years. Obviously, communities have become used to the substation being wherever it is. Potentially, opposition to this provision would mean that the new owners and operators would, in certain circumstances, have to move the substation, at great cost, ultimately, to the consumers, because I am assuming that the cost of this will be met in some way by the electricity-paying public.

I am not sure exactly what might be the mechanism, but the cost of moving a substation from where it might have been for 35 years would seem not to make too much sense at all. Obviously, these were potentially issues overlooked at the time 20 or 30 years ago. It really is an issue not of doing any further building work or anything like that: it is an issue of recognising what has already occurred, where they exist—as I said, it is mainly in country areas—and ensuring that the assets of the particular electricity business can properly be leased with proper understandings of the legal controls that relate to the new lessees.

The Hon. P. HOLLOWAY: During his response the Treasurer indicated that only one substation required upgrading—

The Hon. R.I. Lucas: Lyndoch.

The Hon. P. HOLLOWAY: Was it? Will the Treasurer give an assurance that that will be concluded by the time the sale process is completed?

The Hon. R.I. LUCAS: Hansard has pinched my answers, but I read out a response from ETSA which I think said that there would be expenditure of up to $100 000 on the Lyndoch substation either in the next month, the next couple of months or very soon. I assume that it will be done prior to transfer of operation to the new private sector lessee.

The Hon. R.R. ROBERTS: I draw to the committee's attention that these matters concerning the building of substations and various other matters associated with substations' electrical systems are also before the Legislative Review Committee at present. Indeed, I recognise in the chamber some people who gave evidence before the Legislative Review Committee in respect of these matters. There is an argument with the substations about previous use. Surely there are two questions: one is the efficiency; one is the previous use.

It seems to me that there are two aspects to consider. First, do the buildings comply on a safety basis for employees working in the area and, secondly, are they safe for members of the public? That may mean that there necessarily must be some upgrading of those substations for compliance with modern building requirements but, more specifically, for safety purposes.

I do not care who owns it, but what if there is a question of public liability? It is not just a question of the building code. The building code is set against standards of public safety in respect of buildings so that they do not fall down. There are two aspects to this. We are not talking just about the buildings. There are other problems encompassed in this legislation which are also being addressed by regulation. I refer to earthing. Those matters are subject to the purview of the Legislative Review Committee which took evidence last week and this week. It is not just a question of the building: is it not also a question of public liability?

Because ETSA is a government utility, at the moment there are certain in-built safeguards for the community and, by and large, one can always feel confident that, if the government owns it and there is a question of liability, the resources are there—the government. It seems to me that, in

one sense, we are actually offsetting the liability of a private electricity company, although I know that they will be government owned companies until such time as the leasing takes place. We are giving the same exemptions to a private electricity company whereby, if it started up somewhere else, it would not have that accommodation. Is that not the case?

The Hon. R.I. LUCAS: I am advised that there is an overriding obligation in the legislation in relation to safety that applies to the operator, whether they are public sector or private sector, and again I do not have the—

The Hon. R.R. Roberts: They have to operate safely.

The Hon. R.I. LUCAS: Yes, whether they are public or private. Whatever those particular guidelines are, they apply to the new operators as they would to the government owned monopoly operator. Again, I read into the public record some sentences covering that and it does highlight the fact that what is occurring here is not seeking to prevent proper operation of safe substations. I do not have the phrases with me, but they are on the public record because the questions have been raised by the Hon. Mr Holloway.

The Hon. SANDRA KANCK: I rise to respond to the concerns raised initially by the Hon. Mr Holloway. This is not a matter that has been drawn to the attention of the Democrats. The unions have not been in touch with me, unless there has been a phone call today, because I have not checked my message book to see, for instance, if they are seeking to speak to me. Given that, at least to the best of my knowledge, no attempt has been made by the unions to contact me, it does not strike me as if it is something that we need to go to the barriers on. Under those circumstances, I think that I am probably content to accept what the Treasurer is saying.

Clause passed.

Remaining clauses (18 to 20) and title passed.

Bill read a third time and passed.

QUEEN ELIZABETH HOSPITAL

Adjourned debate on motion of Hon. Sandra Kanck:

1. That a select committee be appointed to inquire into the future of the Queen Elizabeth Hospital with particular reference to—
   - (a) the demographic pressures for removing, reducing or expanding services;
   - (b) the financial constraints on retaining or expanding services, including past and present levels of capital and recurrent funding;
   - (c) the current availability of obstetric and gynaecological, cardiac, renal and accident and emergency services, and the impact on residents of the north-western suburbs of reducing such services;
   - (d) transport from the north-western suburbs to Lyell McEwin Hospital;
   - (e) methods of consultation used by the Health Commission in relation to determining the future of services; and
   - (f) for any other related matter.
2. That Standing Order No. 389 be suspended as to enable the chairperson to have a deliberative vote only.
3. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any such evidence or documents presented to the committee prior to such evidence being reported to Council.
4. That Standing Order No. 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

(Continued from 10 November. Page 366.)

The Hon. R.R. ROBERTS: The Labor opposition supports this motion, which seeks to overcome a growing concern about health services at the Queen Elizabeth Hospital. Many of the arguments raised in the motion—for example, the demographic pressures for removing, reducing or expanding services; the financial constraints on retaining or expanding services, including past and present levels of capital and recurrent funding; and the current availability of obstetric, gynaecological, cardiac, renal and other services—as detailed by the Hon. Sandra Kanck could be applied to almost any health service across South Australia.

I understand that other members in the opposing parties have indicated their support for this proposition. I think it is about time that this matter was looked at properly. I am particularly concerned about transport from the north-western suburbs to Lyell McEwin hospital, because I am advised that this is causing great hardship to older constituents who do not have their own transport. While this committee will look only at the Queen Elizabeth Hospital and how it impinges on the Lyell McEwin hospital, I think that this matter will have great support in the community. My surveying in country areas has clearly indicated that health is the first or second major issue of concern confronting 85 per cent of constituents in South Australia.

If this model can be used to look at what is happening at one of our major hospitals and recommendations can be arrived at to overcome the problems there, it is highly likely that the same principles can be applied to places such as the Port Pirie Regional Hospital and regional hospital services in the South-East and in the Upper North. On behalf of the Labor opposition, I indicate support for the motion.

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): It will come as no surprise to members that the government does not support this motion, but I appreciate that we are stuck with it because the numbers are definitely against us on this occasion. Therefore, I would like to move an amendment that this matter not be referred to a select committee but rather to the Social Development Committee, which is a standing committee of this parliament. I move:

Paragraph 1—Leave out after the word 'That' in line 1 the words 'a select committee be appointed to inquire into' and insert the words 'the Social Development Committee investigate and report on'.

Paragraph 2—Leave out this paragraph.

Paragraph 3—Leave out this paragraph.

Paragraph 4—Leave out this paragraph.

The PRESIDENT: Order! There are three members standing. Only one person has the call. I ask the Treasurer and the Hon. Mr Holloway to resume their seats.

The Hon. DIANA LAIDLAW: Members will recall that, when the standing committee system of this place was established some years ago, a matter such as a review of arrangements for a hospital would have fit particularly well into the terms of reference of the Social Development Committee. We believe that the committee structure was established for that purpose. Some members argue that that committee is getting behind. I think the problem has arisen because we are establishing so many one-off, ad hoc select committees on a wide range of subjects, and members' time is being consumed with attending a whole lot of select committee meetings and they are finding that—

The Hon. Sandra Kanck interjecting:

The Hon. DIANA LAIDLAW: I will not be distracted for long, because I suspect that the honourable member wants me to address the motion. However, the honourable member interjected about the standing—

The Hon. T.G. Cameron interjecting:

The Hon. DIANA LAIDLAW: No.

The Hon. T.G. Cameron interjecting:

The Hon. DIANA LAIDLAW: Well, it's my favourite subject: transport. The honourable member interjected about the Transport Safety Committee. I think it is entirely appropriate, when one considers that every other parliament in this nation has a select committee or a standing committee looking at road safety or transport safety, that this parliament should equally address those important issues. That committee was set up by a unanimous vote of this place, and it is a committee which has various terms of ongoing references.

We believe that a one-off reference relating to the Queen Elizabeth Hospital would be entirely appropriate for the Social Development Committee. When this session continues and during further sessions of this parliament, we must seriously look at issues of workload, responsibility and respect for the standing committee system that we have established in this place, because it is difficult—

The Hon. T.G. Cameron: We're overloaded.

The Hon. DIANA LAIDLAW: You may be overloaded because you are establishing so many one-off committees. It may well be that there is a problem of resources for some of the standing committees. However, as I have said, early in the new year I think this matter should definitely be addressed. In the meantime, I think we are aggravating the problems that have been highlighted in the past in this place by establishing yet another select committee. I hope that members will give time and attention to the references that are already before the Social Development Committee.

It is unusual in terms of the practices and precedents in this place that honourable members would move a motion one week and expect a vote on it the next. However, I understand in this instance that, while I was not made aware until 12.15 this afternoon that the Hon. Sandra Kanck wanted to vote on this matter today, advice was given to others in terms of government business that the honourable member would wish a vote today. I was not alerted of that advice. Therefore, I did not pressure the Minister for Human Services for a detailed response to the matters raised by the honourable member. So, I cannot do justice to the issues that the honourable member has raised on this occasion and certainly cannot add flesh and substance to the arguments that the government would wish to unfold in opposition to this motion.

I understand that one of the chief concerns of the honourable member, and perhaps of all members who seek to support this motion, is the issue of community participation in developing health care planning principles. I would like to put on record that the Minister for Human Services has engaged Dr Kathy Alexander to develop such principles for discussion. They are now before the minister for implementation, and these principles were provided to the minister on 1 November. The minister, because of the urgency of addressing this motion today, has mentioned to me that I can make reference to some matters in this report from Dr Alexander. It is fair and reasonable that I do so, because it will highlight that the minister is addressing many of the public concerns and those expressed in this place. I would certainly want the select committee—as I suspect I will lose my Social Development Committee motion—to take account of these factors in addressing the motion and the issue as a whole in a fair and reasonable manner.

In providing background to the minister, Dr Kathy Alexander's report states:

The Minister for Human Services has indicated his desire to inform the community of the concept of 'networked' health care and to seek community involvement in developing a set of principles to be used in the detailed design of networked models of care, prior to any decisions about the distribution of clinical services and final plans about redevelopment of the Lyell McEwin Hospital.

There has already been quite extensive discussion amongst providers and affiliated stakeholders of the concept of networks in South Australia. For example:

- The October 1998 workshop in which leaders in health care and related administration, research and education supported the concept and agreed that more detailed planning was warranted.
- Clinical services plans can be viewed as networked care plans for the state.
- North West Adelaide Health Service has been engaged in extensive discussions with the Royal Adelaide Hospital and the Women's and Children's Hospital in developing plans to improve access to hospital care by people in the northern metropolitan region of Adelaide through developing partnerships or agreements over particular service arrangements.

There is now a need to engage the broader community in discussions about network models both to inform people of the reasons behind the development of the concept and the potential improvements, and to ensure that networks are acceptable to the communities they intend to serve.

In terms of issues for consideration, Dr Alexander writes:

- The Department of Human Services strategic directions have now been clarified and form the basis of the Statewide Services Division's proposals for better coordination and improved cost effectiveness of clinical service provision across the metropolitan hospitals;
- There is considerable interest from some community organisations in the western metropolitan region for a process to involve the community in plans impacting on the services of the Queen Elizabeth Hospital;
- There are a very broad number of stakeholders when considering the concept of networks.

The following are nominated:

  - Regional organisations in the north, west and east of Adelaide (e.g. community health services, home support services such as domiciliary care, etc, GP divisions);
  - Local government across the various regions;
  - Non-government organisations which might be impacted by changes;
  - Potential users (e.g. consumer groups);
  - Private hospitals;
  - Unions (industrial relations groups in each health care facility).
- It will be necessary to ensure a process which is inclusive.

Then Dr Alexander goes on to discuss a proposed process for consultation and advances a possible approach in the following way:

- An information giving stage—this could include
  - A description of current needs and projections;
  - Current approaches;
  - A description of current costs and the distribution between infrastructure and service delivery;
  - A description of the current allocation of resources across the continuum from prevention to intervention and rehabilitation;
  - A description of available models of care and their critical success factors;
  - Examples of these models in practice; and
  - Discussion of key issues that would need to be addressed in relation to particular regions of Adelaide.

She also proposes that a series of workshops of key stakeholders in the community and organisations be held, and that they should address the following questions:

- If you have to choose from the set of broad categories of care (e.g. health promotion, early detection, early treatment, emergency care, acute admission to hospital, intensive specialist acute care, follow-up care from acute care, rehabilitation and home support, palliative care), what is most important for your community to have at its local health or hospital service?
- What categories of care would your community be prepared to travel to receive (even if reluctantly)? How far is it reasonable to travel for this care?
- What criteria did you use to determine the answer to the questions above?
- Imagine that the DHS has designed and implemented a networked model of hospital care and it is now two years hence.

Your group is evaluating the success of the network in caring for your region. What are your criteria for evaluation? How will you measure whether the criteria have been met?

- What mechanisms or processes would it be necessary to put into place to ensure that a network is responsive to the particular needs of your community?

She further suggests:

Common themes emerging from this discussion could then be used by the Department of Human Services in detailed planning of clinical services around the concept of a network.

I have been provided with that information by the minister to highlight that the government is ready and willing to address the issues that the honourable member has noted in her motion. Rather than go on the attack, I suspect, it would be wise of honourable members to keep an open mind to the issues of cost pressures. Many decisions have had to be made by government as a whole and by the minister and his department in particular that would not always be decisions one would wish to make at times of buoyant budgets or at times when we were achieving from the federal government funds and resources that we believe were demanded to maintain quality care and a range of care services in hospitals and homes in the community at large.

I think also that one must take into account fairly, in addition to the matter of finite resources, the changes that are facing the budgets—the new technologies; the demands that people now make as a matter of course in terms of treatments because of the availability of these new technologies; the changing clinical practice; the shorter hospital stays; the declining birth rate; and the ageing population. I think that, with the short notice that I have had that the minister would be required to address this motion, the remarks that I have made are adequate for the purpose of rebutting the motion.

The Hon. SANDRA KANCK: I thank members of the opposition, the Hon. Terry Cameron and the Hon. Trevor Crothers for their support of this motion. I also note that when the Hon. Terry Cameron spoke he addressed the question which had been raised by interjection last week by the Hon. Legh Davis as to why the matter was not going to the Social Development Committee. Mr Cameron indicated that the Social Development Committee already had a number of references and that for that reason he would not support the matter going to the Social Development Committee.

I also am unwilling to have it go to the Social Development Committee. Obviously, as a member of that committee, I looked at that committee as a possible way to investigate what is happening in regard to the Queen Elizabeth Hospital. However, I am aware that the committee is about to embark on an inquiry into country health, which will take at least six months. There is also another reference about to come to the committee from the House of Assembly on biotechnology which will be very wide ranging and which I would expect will take at least 12 months. That would mean that a reference on the Queen Elizabeth Hospital would not be able to be dealt with for 18 months—and in 18 months the government may well have closed the Queen Elizabeth Hospital. The minister might have the best of intentions in referring this matter to the Social Development Committee, but it simply would not be a feasible alternative at the present stage.

I acknowledge the problems of the communication break down that has occurred between my office and the office of the Treasurer, and I apologise to the Minister for Transport and Urban Planning for any duress that this has placed her under. Certainly, I recognise that this motion has been dealt with much more quickly than normal, but having decided—

The Hon. Diana Laidlaw interjecting:

The Hon. SANDRA KANCK: It will be much quicker than that. Once I decided that such a motion was necessary, the knowledge that we would not be sitting for four months meant, to me, that we needed to vote on it within a week of its being introduced. Again, I thank everyone for their willingness to progress the debate in this way.

In responding to the comments that the minister has placed on the record, particularly in regard to what Karen Alexander is suggesting, I am glad to hear that the government has seen, at least in part, the error of its ways in regard to the lack of consultation that has occurred so far about the Queen Elizabeth Hospital's future services. It is good that that is being done, and I hope that the minister will provide that information to the committee. I thank everyone who has progressed this matter, and I hope that we will be able to get this select committee set up very quickly, in anticipation that there will not be support from a majority of this place for reference to the Social Development Committee.

Amendments negatived; motion carried.

The Council appointed a select committee consisting of the Hons J.S.L. Dawkins, Sandra Kanck, J.F. Stefani, G. Weatherill, Carmel Zollo; the committee to have power to send for persons, papers and records, and to adjourn from place to place; the committee to report on 5 April 2000.

EAST TIMOR

Adjourned debate on motion of Hon. T.G. Roberts:

That this Council:

I. Calls on the federal government to take those steps required to counter the destabilisation of the ungoverned province of East Timor in the lead up to independence.

II. Commends the United Nations for the establishment of an international inquiry into gross human rights violations and atrocities in East Timor.

III. Calls on the United Nations to—

(a) organise an immediate United Nations supervised repatriation of East Timorese refugees from West Timor and other parts of Indonesia; and

(b) demand the immediate withdrawal of all Indonesian military and militia personnel from East Timor.

IV. Calls on the United Nations and the Australian government to—

(a) urgently increase the emergency release of food and other humanitarian supplies to refugees in remote areas of East Timor to prevent starvation; and

(b) urge all governments, the World Bank and the IMF to ensure that economic assistance to Indonesia supports democratic and economic reform.

V. Commends the Australian government for providing sanctuary to East Timorese refugees.

VI. Calls on the Australian government to—

(a) expand that sanctuary to East Timorese refugees who are being targeted by the Indonesian military and militias;

(b) suspend military cooperation with Indonesia;

(c) immediately cease its de jure recognition of Indonesia's occupation of East Timor;

(d) thank the East Timorese people for their great sacrifice and support during World War II and to welcome the decision of the Indonesian government in recognising the referendum outcome which granted autonomy and independence to East Timor; and

(e) make a commitment to assisting reconstruction in East Timor.

(Continued from 10 November. Page 368.)

The Hon. IAN GILFILLAN: I move to amend the motion as follows:

Paragraph III—

After paragraph (b) insert new paragraphs as follow:

(c) demand that Indonesia ceases all military and militia activity that is being directed against East Timorese independence activists and refugees who are trapped in West Timor and other parts of Indonesia; and

(d) call on the United Nations to organise a boycott of all military cooperation with the TNI unless this harassment and terror are immediately stopped.

Paragraph IV—

After paragraph (a) insert new paragraph (ab) as follows:

(ab) urge all governments, the World Bank and the IMF to ensure that urgent economic assistance will be given to East Timor to assist in its redevelopment and reconstruction to promote recovery from the 24 years of slaughter and destruction and to request that the assistance will be in the form of grants; and

Paragraph VI—

Delete paragraph (a) and insert new paragraph (a) as follows:

(a) expand that sanctuary to East Timorese refugees who are being targeted by the Indonesian military and militias and to those refugees who have recently come to Australia whose homes have been destroyed and for whom an early return to their homeland at the beginning of the monsoon season without adequate shelter will cause further undue hardship and suffering;

After Paragraph VI insert new Paragraph VII as follows:

VII. That this Resolution be forwarded to the Prime Minister and the Minister for Foreign Affairs.

In moving these amendments, members will note that they in no way contradict the original motion: in fact, they pick up the contemporary situation. The circumstances have moved forward from the time the Hon. Terry Roberts moved the original motion. I also consulted with members of Campaign For An Independent East Timor, in particular Mr Andrew Alcock—Andy Alcock as he is known to many people in that movement. I pause to pay credit in this place to the untiring efforts and selfless work that has been done in pursuing the campaign for an independent East Timor by Andy Alcock and Bob Hanny, both of whom have served in various capacities without a break, to my knowledge, for over 20 years.

Certainly, Dr Richie Gunn has been active and has served as chairman at various times. I would like particularly to emphasise my appreciation and the appreciation of what I think should be all South Australians for the courage and determination shown by Andy Alcock and Bob Hanny at times when there was vast indifference—in fact, even hostility—to the demonstrations pushing for recognition that the East Timorese were suffering cruel and unacceptable oppression from the Indonesians. It is therefore appropriate for me to comment on the reason that I have deleted paragraph (da) from my original intended amendment. Paragraph (da) states:

Extend a formal apology to the East Timorese leadership and people for the betrayal of them by Australian governments over the past 24 years.

I will not move that amendment because I think it is essential that this place passes a unanimous resolution and, as I understand it, the amendments which I have moved enjoy the support of all members. In that sense, it is belatedly a very strong expression of support, friendship and sensitivity to the plight of the East Timorese. It is, I think, interesting to reflect that our Prime Minister has just, in the past couple of days, bestowed the Order of Australia on Nelson Mandela. It is not so long ago that I can recall the party to which John Howard has linked his political life and which he has led deriding the role of the ANC, mocking the activities of the ANC and its leadership and paying tacit support to apartheid. It is a shame that we have that recollection.

Members interjecting:

The Hon. IAN GILFILLAN: It is a shame that we have that past, but we do change and that is the point I am raising.

The Hon. Diana Laidlaw interjecting:

The Hon. IAN GILFILLAN: I notice that there is hypersensitivity on the government side. Anyone who is keen to interject could indicate the times they participated in the rallies against apartheid; the times they were there when the ANC was appealing for funds; and the times when South Africa was appealing to people of good spirit in South Australia to rise in its cause. For anyone who is in that category and who is interjecting, I welcome their interjection, but it is a great success for us to have seen that at last we have welcomed and recognised the role of Nelson Mandela, and the fight against apartheid was supported.

Members interjecting:

The Hon. IAN GILFILLAN: I wish that the interjectors would listen more to the intention of the motion: we must recognise that for years Australian governments of both Labor and Liberal persuasion turned their face stonily and ruthlessly away from the suffering that was occurring in East Timor. That is historically irrefutable. But, there is no reason why we cannot now acknowledge that we made mistakes and that the country made a mistake in not rising to this call before. It has had a wonderful period—and I indicated this in my earlier remarks when I spoke to the matter last week—and it is a moment of great pride for me as an Australian to have seen, and to continue to see, the role that the Australian troops and the Australian Government, supported by the opposition and certainly the Democrats, are now playing in East Timor.

Therefore, I think it is important to still confess that in previous years we have not had that charity and that positive role towards those poor benighted people. We lost five journalists: the East Timorese lost 60 000 in a war that they did not start when they were helping us. I think when we look to our grades and categories of sympathy, empathy and support for the East Timorese, it is just as well as to recognise how much they have suffered—and they have suffered right up to this day.

Therefore, this motion is still alive in its potential to urge those Australians who are in a position to make decisions to continue to give the help, to give the support, and to push the United Nations to make their lot easier and to correct what is still intimidation and oppression in West Timor as well as the role of the militia and portions of the Indonesian military.

I move the amendments so that the motion as amended—and I have discussed the matter with the mover of the motion—will be relevant to today's situation in East Timor. I again congratulate the Hon. Terry Roberts for moving it. I look forward to a successful and unanimous vote of support by this Legislative Council and its transmission to the Prime Minister and the Minister for Foreign Affairs.

The Hon. J.S.L. DAWKINS: I speak on behalf of the government in this chamber in relation to this motion by the Hon. Terry Roberts and also in relation to the amendments moved by the Hon. Ian Gilfillan, of which my colleagues and I became aware only a few hours ago. Like the Hon. Mr Gilfillan, I indicate that events have moved on considerably since the Hon. Mr Roberts moved this motion, and I think we all would be pleased that in many cases those events have been for the better. I will go through some of that in greater detail.

Some of the amendments that the Hon. Mr Gilfillan has put to both the Hon. Mr Roberts and me have been somewhat amended again, but it is the feeling on this side of the House that this motion should be supported in a bipartisan manner with some qualifications. I will give those qualifications which apply not only to the amendments but also to the original motion. The qualifying statements relate to the passing of events since the original motion was moved.

In relation to paragraph I of the motion, which calls on the federal government to take those steps required to counter the destabilisation of the ungoverned province of East Timor in the lead up to independence, we can note that the Australian-led multinational force, Interfet, has significantly improved the security situation in East Timor. The people of Australia can be proud of this achievement. Australia will contribute about 1 700 troops plus civilian police to the UN Transitional Authority in East Timor (UNTAET) to insist on maintaining security until East Timor's independence. UNTAET was mandated by the United Nations Security Council on 25 October to govern East Timor during the period of its transition to independence.

The Hon. Mr Roberts' motion then commends the United Nations for the establishment of an international inquiry into gross human rights violations and atrocities in East Timor, and we support that. Paragraph III(a) of the motion calls on the United Nations to organise an immediate United Nations supervised repatriation of East Timorese refugees from West Timor and other parts of Indonesia. I note that the situation of the East Timorese in West Timor is of particular concern to Australia and to the international community. We would all be pleased to note that some progress has been made, although perhaps not enough. However, about a fortnight ago almost 40 000 refugees had been assisted to return. The United Nations High Commissioner for Refugees (UNHCR) at that time had access to some camps. Militia activity against East Timorese in West Timor has continued, and the security situation prevents the UNHCR from completing a repatriation program.

Paragraph III(b) calls on the United Nations to demand the immediate withdrawal of all Indonesian military and militia personnel from East Timor. It should be noted that since this motion was drafted the last Indonesian military and civilian officials in East Timor departed Dili in the early hours of Sunday morning, 31 October. I do note that the Hon. Mr Gilfillan's amending paragraph (c), calls on the United Nations to demand that Indonesia ceases all military and militia activity that is being directed against East Timorese independence activists and refugees who are trapped in West Timor and other parts of Indonesia. The honourable member's amending paragraph (d) calls on the United Nations to organise a boycott of all military cooperation with the TNI unless this harassment and terror are immediately stopped.

Paragraph IV(a) of the Hon. Mr Roberts' motion calls on the United Nations and the Australian government to urgently increase the emergency release of food and other humanitarian supplies to refugees in remote areas of East Timor to prevent starvation. I am informed that Interfet now maintains a presence throughout East Timor. This has enabled humanitarian assistance to begin to reach those East Timorese even in remote regions. Australia is working closely with the United Nations to address the urgent humanitarian needs in East Timor. Australia has committed nearly $14 million in emergency assistance to help the East Timorese people.

Paragraph IV(b) calls on the United Nations and the Australian government to urge all governments, the World Bank and the IMF to ensure that economic assistance to Indonesia supports democratic and economic reform. At this point it is worth emphasising that, since this motion was drafted, a new government has come to power in Indonesia under President Wahid and Vice President Megawati, and they have stressed the importance of reform. In their efforts towards reform, they can be assured of support from the Australian federal government.

Paragraph V of the Hon. Mr Roberts' motion commends the Australian government for providing sanctuary to East Timorese refugees, and it is worth mentioning that as of 3 November more than 1 500 East Timorese remained in safe havens in Australia and planning is under way for further voluntary repatriation to East Timor following the first return of 40 refugees from Australia on 28 October. The Hon. Mr Gilfillan's new paragraph VI(a) calls on the Australian government to expand that sanctuary to East Timorese refugees who have been targeted by the Indonesian military and militias and to those refugees who have recently come to Australia, whose homes have been destroyed and for whom an early return to their homeland at the beginning of the monsoon season without adequate shelter will cause further undue hardship and suffering. It is important to note that, due to the improved security situation in East Timor following Interfet's arrival, the UNHCR has decided to repatriate those East Timorese at risk in Indonesia directly to East Timor. These repatriations have been occurring successfully for several weeks.

Paragraph V(b) of the Hon. Mr Roberts' motion calls on the Australian government to suspend military cooperation with Indonesia. I need to qualify the position of government members in relation to that part. The federal Minister for Defence, Mr Moore, announced in September that Australia's defence relationship with Indonesia was under review and all military combat training had been suspended. It is important to note that the difference between military combat training and other military links should be emphasised. There have been some long-term links in a non-combat sense with the military in Indonesia and, while that relationship is under review, and given the fact that there is now a new government in that country, the emphasis on suspension is one that we would qualify.

Subparagraph (c) calls on the Australian government to immediately cease its de jure recognition of Indonesia's occupation of East Timor. Of course, since the drafting of this motion, Australia has welcomed the decision of the Indonesian People's Consultative Assembly on 20 October to revoke Indonesia's incorporation of East Timor and the passage of Security Council resolution 1272 establishing the United Nations Transitional Authority in East Timor (UNTAET), as I mentioned earlier, on 25 October.

In paragraph VI(d), the motion calls on the Australian government to thank the East Timorese people for their great sacrifice and support in World War II and to welcome the decision of the Indonesian government in recognising the referendum outcome that granted autonomy and independence to East Timor. In relation to that paragraph, it should be noted that Australia's gratitude to the East Timorese for their assistance in World War II was strongly reiterated by the Deputy Prime Minister, Mr Anderson, in the federal parliament on 21 September. In addition, the Prime Minister, Mr Howard, welcomed the Indonesian recognition of the outcome of the East Timor referendum in the federal parliament on 20 October.

Paragraph VI(e) of the Hon. Mr Roberts' motion calls on the Australian government to make a commitment to assisting reconstruction in East Timor. This Council should note that the Prime Minister has said that the federal government will contribute generously towards East Timor's reconstruction but that we also expect other countries to contribute to that worthy project as well. The Hon. Mr Gilfillan has moved an amendment to insert paragraph VII, providing that this resolution be forwarded to the Prime Minister and Minister for Foreign Affairs. I do not have any great problem with that because a resolution from one of the houses of parliament of one of the states of this country should be taken note of, but this area is the responsibility of the federal government and it can be seen from what I have presented this evening that many of the things that this motion seeks have already been dealt with as much as possible in what is a difficult situation.

With those qualifying statements, I thank the Hon. Mr Terry Roberts for his thoughtfulness in preparing this motion and I note the sincerity with which the Hon. Mr Gilfillan has drafted his amendments. I would have preferred a greater opportunity to discuss those amendments with my colleagues but, having said that, I indicate that this amended motion has bipartisan support.

The Hon. T.G. CAMERON: It was not my intention to speak on this motion and I have not prepared a speech specifically for it. However, there are a few comments that I would like to make about the motion moved by the Hon. Terry Roberts and the amendments moved by the Hon. Ian Gilfillan. I indicate my support for the motion and for the amendments standing in the name of the Hon. Ian Gilfillan, although I would like him to explain to me at some stage what paragraph VI(a) exactly means. I have compared it with the paragraph that it replaces as moved by the Hon. Terry Roberts and I am sure that the Hon. Ian Gilfillan knows exactly what he means by that and that I will understand it when he explains it to me, but I am just a little bit confused with the wording.

The tragedy of East Timor continues and I hope that we will not see a tragedy of immense proportions unfold in Indonesia over the next decade or so. Members who have studied Indonesian history and the formation of the country that is currently known as Indonesia would be well aware of the fact that Indonesia was a colonial outpost of Holland for many years. I do not think the Dutch have much to be proud of in their occupation of Indonesia. About the only lasting legacies that they have left to Indonesia are some wonderful old buildings and—this is only my opinion—an appreciation of modern management organisation.

The tragedy of East Timor goes back to the time when Indonesia seized the opportunity and occupied East Timor. It was quite clear at the time that the Americans were not interested in getting involved. In my opinion, the American military did not want to be involved in any kind of conflict in South-East Asia at that time. That then left the Labor Government, which was in office at the time, in somewhat of a quandary. Those with any appreciation of military history would understand that, whilst Australia has a defence force which is reasonably capable of defending Australia, it is not capable of fighting any kind of military engagement in an overseas country, notwithstanding the fact that East Timor is a relatively short sea route from the north of Australia.

There was a long debate in the Australian Labor Party which never really went away. There were those within the Labor Party who turned their backs on the East Timorese, but I am not sure what could have been done by the Australian government in any meaningful way other than a lot of huffing and puffing. There was no way that the Australian government would go to war with Indonesia in East Timor.

The situation in East Timor festered within not only the Australian psyche but the Australian Labor Party for many years. I recall many a spirited debate on the alleged treachery and deceit of the Australian government (a Labor government) about East Timor. It generally ended up being a bit of a left/right debate, but it is appropriate to place on the record that, in my opinion—and I hasten to add that this is only my opinion—the left wing of the Australian Labor Party never deserted the East Timorese.

I believe that the left wing of the Australian Labor Party and a number of trade unions—in particular the maritime union—have a proud record around the world of supporting peoples where injustices have been perpetrated on them. I recall one occasion when I was having lunch with the former President of South Africa, Nelson Mandela. He had not forgotten—and I specifically recall him asking me to pass on his best wishes and thanks to not only the Australian trade union movement (in particular, the maritime union) but also the Australian Labor Party and, in his own curious way, Malcolm Fraser. How or why he thought I would ever be talking to Malcolm Fraser was a bit beyond me.

So, it has been recognised that the left of the Australian Labor Party and the trade union movement kept to the straight and narrow when it comes to the East Timorese. There has been a great deal of speculation about precisely what happened in East Timor since Indonesian occupation.

There is no doubt that the Indonesian government decided to embark upon a similar policy of colonisation of East Timor that had proved to be so successful in the past. That process of colonisation was brought about by the repatriation of Javanese from the island of Java to all parts of the Indonesian empire—and I use the word 'empire' in what I believe is its correct sense. Over the decades since Indonesian occupation, tens of thousands—I believe the actual figure would be well over 100 000—Javanese were repatriated to East Timor. Quite clearly, the Indonesian government recognised the necessity of having people on the ground and living in East Timor.

We are all aware that a fairly brutal and nasty war has been taking place in East Timor for many years. The suggestion is that over 200 000 East Timorese lost their lives during that war. However, a closer examination of the population statistics would reveal that that figure is grossly exaggerated. I do not make that comment to in any way try to paper over the tragedies and awful events that have taken place in East Timor over the past 20 or so years. It needs to be said that at the end of the time, particularly in the lead up to and after the referendum, East Timorese were fighting East Timorese, and East Timorese were fighting West Timorese and, of course, we had the Indonesian TNI in there operating with the militia forces.

On a recent visit to Indonesia I frequently tried to explain the Australian government's recent pronouncements on East Timor. I had some difficulty in trying to explain our position to a number of Indonesians who had lost brothers fighting in what was a very dirty war in East Timor. Let me assure members that warfare fought in countries like Indonesia is far removed from the kind of warfare that a country like Australia might fight. It is very nasty and dirty, and things go on that we would consider almost not human. So this tragedy involving East Timor has been under way for a long time.

Whilst I support the motion, I believe that a whole series of mistakes have been made in relation to East Timor, and I am more inclined to support the position as outlined by the Australian Labor Party foreign affairs spokesperson, Laurie Brereton. Mistakes have been made by our Prime Minister, John Howard, and by the former President of Indonesia, Mr Habibie. First, in my opinion, Habibie, who was the Acting President of Indonesia following the downfall of Suharto, found that as president he had very little popular support; and, secondly, both houses of parliament were presided over by a divided Golka party which, it was predicted, would be completely demolished at the election.

As to some of the mistakes that were made, first, I do not believe that the referendum in East Timor should have been allowed to take place until after the new President of Indonesia, that is a democratically elected President, had been installed, and that whatever decisions were taken by him could subsequently be ratified by the Indonesian Parliament. I believe that there was a manipulation of the situation in East Timor which was more about trying to cobble together a credible strategy to save the presidency of Habibie. However, the referendum did take place and I think Lawrie Brereton was correct in warning Australia of what might take place if that referendum proceeded. Proceed it did, and the inevitable violence followed, and Australia made a decision to send troops to another country under a United Nations banner, but with Australia being the key player and the leader of the force.

Fortunately, it would appear that the Indonesian military and the militias have come to the conclusion that it is in nobody's interest, with the current economic situation of Indonesia, to engage the Australian Army, and let us hope for the sake of our soldiers that there are no engagements and that we do not suffer any casualties. But the TNI, the new Indonesian government under President Wahid, and the new Indonesian Security Minister, the former leader of their armed forces, General Wiranto, have, I believe, all recognised and accepted that East Timor has gone, and any continuation of hostilities that might involve Australian casualties would only be prejudicial to the relationship between Indonesia and Australia.

So, thankfully (and I hope I am correct), we can look forward to a continuation of a de-escalation of the hostilities so that we end up in a position where Australia can withdraw its force or, at least, at the very earliest opportunity, our force is placed under a more general United Nations banner.

I have said that the Australian Prime Minister has made a number of mistakes. First, what on earth was the Prime Minister of Australia doing the day before another sovereign nation was about to conduct a democratic vote in its House of Parliament to elect its President? Here we have the Prime Minister of Australia coming out and endorsing Megawati, predicting that she would win and that he would be able to work with her. Well, with due respect to our Prime Minister, he should have kept his mouth shut and his nose out of business that was not his concern.

I have watched with interest how John Howard has handled the Indonesian situation since it evolved. Whilst there is no doubt in my mind that John Howard makes an immeasurably better Prime Minister than whatever kind of Prime Minister Alexander Downer would have made, John Howard ought at least to respect the efforts of the Foreign Affairs Minister. I have no hesitation in praising Alexander Downer. I think he has been a good foreign affairs spokesperson for Australia. I think he would have been an absolutely hopeless Prime Minister, and I know it annoyed Senator Nick Minchin a lot when he lost his candidate, but the whole country has ended up with a better Prime Minister than we would otherwise have had. But John Howard ought to stick to his prime ministerial responsibilities and leave the task of foreign affairs minister to Alexander Downer: he will do a much better job.

To say that our reputation in Indonesia has suffered would be an understatement; but our reputation has suffered at what I believe are differing levels within Indonesian society. There is no doubt that we are on the nose—if I can use that colloquialism—with the Indonesian military. It has come as not only a shock but somewhat of a bruising to their ego that they had to vacate East Timor and that the Australian soldiers moved in.

I want to turn briefly to the motion. I note that much of what the Hon. Terry Roberts moved in his original motion is now out of date. Whilst I may have some quarrel with the comprehension of paragraph VI(a), I have every confidence that the Hon. Ian Gilfillan will explain that to me later.

I am comfortable in supporting the motion that will be moved in its amended form. However, I believe that the motion is lacking. From a careful perusal of it one will see that it makes no mention at all of the absolutely diabolical situation that is currently taking place in Indonesia. I attended a function last night and heard the renowned American economist David Hale speak on globalisation. At one part of his address he spoke about the South-East Asian nations. It is quite clear that countries such as Korea, Malaysia and Thailand (and I think I rate them in their correct order) are all now emerging from their crisis situation. However, the situation in Indonesia is still terrible. Over half the country is living below the poverty line. I have travelled through areas where people are trying to live on 5 000 rupiah a day—and 5 000 rupiah, at the current exchange rate, is about $1.20 and you will get about 1.2 kilograms of rice for that.

I also attended factories where there are literally—and I use the figure correctly—thousands of young women working in the garment, shoe and clothing factories. It is not just thousands; it is tens of thousands. I visited one factory where there were 7 000 young women working. The job losses have been so tragic in Indonesia that, on one weekend alone, 20 million people were put out of work. Over 3 000 building sites in Jakarta alone were shut down and everyone sacked the day after the economic crisis broke.

I think that we are somewhat remiss. I know that this is a motion moved by the Hon. Terry Roberts about East Timor, and the Hon. Ian Gilfillan has followed up with that. But I would just like to place on the record that we are witnessing an economic situation in Indonesia that would compare with the worst that we have seen anywhere in the world since the Second World War. Literally half the country is living below the poverty line; 80 per cent of business is bankrupt; and their entire banking system is insolvent. They still have to grapple with the problems of restructuring their banking system, putting in place a rule of law, bankruptcy provisions, and so on.

I suspect that the tragedy going on in Indonesia in relation to poverty will continue for quite some time. But right at the very moment that I am speaking there are young boys and girls and baby boys and girls dying in Indonesia from malnutrition and from medical illnesses induced by extended periods of malnutrition. Thousands more of these innocent kids are going to die. Quite frankly, the entire country has been turned upside down. They are a pretty stoic race of

people, and they are determined to work their way out of their current predicament.

I believe that it is appropriate also to wish the Indonesian people, the new President and Vice President Megawati every success. I believe that it is appropriate, and I wish that I had had the time or the foresight to draft an appropriate amendment to this motion. I would like to wish the new President, the new Vice President and the new cabinet every success with the reform program that they are now working on to try to resurrect Indonesia's fortunes. Despite the deterioration in relations between Australia and Indonesia, I would urge the Australian government not only to be proactive in its support of the East Timorese people but to remember that tens of millions of people in Indonesia will go to bed hungry tonight because they just do not have enough food.

I would urge the Australian government—and in particular Alexander Downer—to continue to lobby the American government, in particular, and the IMF. Aid is urgently needed for Indonesia and the IMF program needs to be put in train immediately. But I also recognise that one of the real tragedies that was going to unfold in Indonesia would have been the wholesale implementation of the IMF's rather dry, rationalist economic policies. We had that dreadful television image of Camdessus, the Managing Director of the IMF, standing over President Suharto, in his office with his arms folded, as he signed the acceptance of the IMF's programs.

I was in Indonesia when they put up the price of petrol, kerosene and heating oil. Thank goodness I left for Bandung when I did, otherwise I would have been caught up in those dreadful riots that saw over a thousand people die in one night alone in Jakarta. I wish the Indonesian government and people the best. They are going to need a lot of luck, they will have to do a lot of hard work and they will need every bit of assistance they can get from their friends. I hope that Australia and Indonesia are able to rebuild their relationship, and I look forward to visiting Indonesia again, hopefully in a better climate than there is now. I am pleased to be able to support the motion, with the wishes that I have outlined in my speech.

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

ENVIRONMENT, RESOURCES AND DEVELOPMENT COMMITTEE: RAIL LINKS WITH THE EASTERN STATES

Adjourned debate on motion of Hon. J.S.L. Dawkins:

That the report of the committee on rail links with the eastern strates be noted.

(Continued from 10 November. Page 370.)

The Hon. J.S.L. DAWKINS: I will be brief. I thank all members who have taken the time to contribute to this debate. I also thank the Minister for Transport and Urban Planning for continuing the trend that she set in terms of the committee's previous inquiry into rural road safety by responding to the recommendations of the report in an oral form in this chamber. The committee appreciates that and would be pleased if other ministers followed suit. With those few words, I commend the motion to the Council.

Motion carried.

SOCIAL DEVELOPMENT COMMITTEE: VOLUNTARY EUTHANASIA BILL

Adjourned debate on motion of Hon. C.V. Schaefer:

That the report of the committee on an inquiry into the Voluntary Euthanasia Bill 1996 be noted.

(Continued from 20 October. Page 145.)

The Hon. CAROLYN PICKLES: I was very disappointed with the report of the Social Development Committee's inquiry into voluntary euthanasia. I feel that the committee has taken 12 months to do what was completely and utterly predictable, that is, not to deal with the issue. It seems to me that this was one occasion when a less biased Social Development Committee might have dealt with this issue in a more reasonable manner. It is very disappointing. I think that there was a dissenting report by the Hon. Sandra Kanck. I am very pleased that the Hon. Sandra Kanck and a number of members of the parliament have indicated that they wish to continue to look at ways in which we can have more humane legislation that might at least be in step with what the vast majority of the community believes in.

It has now been two years since my husband died a very painful death, towards the end, from cancer. I was very disappointed when I wished to reintroduce the bill introduced by the Hon. Anne Levy in this parliament (something I had promised her I would do when she left the parliament) that certain people in this place, for whatever reasons, felt that the Social Development Committee was the best place to deal with this issue. But it did take the committee an awfully long time to come up with a very negative report, but that was predictable.

One could have expected, from the composition of the committee, precisely what it would come up with. Largely it was a waste of time, but I am pleased that there are some members in this place from both sides of parliament who believe that the issue of voluntary euthanasia is one that should exercise the minds of parliamentarians.

Recently, I received correspondence from Marshal Perron, who was Chief Minister of the Northern Territory at the time and who introduced a bill on voluntary euthanasia which was successfully passed in the Northern Territory but which was subsequently overturned in a rather shameful fashion by the federal government on a cross party conscience issue. This is an issue of conscience for members of my party—and I have no objection to its remaining so—but I will always reiterate that I do not wish to impose my conscience upon other people and I just wish that they did not want to impose their conscience on me. What I do with my life is my business and what other people wish to do in the dying stages of their life is their business—and no-one else's. They may wish to involve members of their family, as my husband did, in that decision making process but I do not believe that anyone has the right to impose on me their social conscience on this issue.

I will continue to fight on this issue within the parliament and outside the parliament when I leave this place, and I believe that one day, as we become an ageing population, we probably will not have voluntary euthanasia: it will probably be compulsory because they will want to get rid of a few of us. I believe that there is still a place for voluntary euthanasia. Palliative care goes some way; I believe that the legislation we have goes some way towards solving the problems, but it does not go all the way. I think that people who fear what voluntary euthanasia does perhaps should have been present in St Andrews Hospital on the night my husband died and realise that it was a humane way of his passing and something that he wanted and something he had discussed with his family and with me, and that no-one but he had the right to make that decision.

The Hon. CARMEL ZOLLO: Having spoken at the time that this chamber made the decision to forward the voluntary euthanasia bill 1996 to the Social Development Committee, I think it appropriate to say a few words following the tabling of this report. First, I appreciate that this matter is contentious and one of conscience. Judging by the well documented report, I take the opportunity to congratulate the committee and its staff on its obvious diligence and thorough deliberations.

I will not profess to be anything but pleased with the outcome of the majority report which did recommend that the lapsed voluntary euthanasia bill 1996 not be reintroduced and that the act of voluntary euthanasia and physician assisted suicide remain criminal offences. I noticed very early in her contribution on the report that the presiding officer of the committee, the Hon. Caroline Schaefer, made some comment that the proponents of voluntary euthanasia will, no doubt, criticise the committee and make claims that it is biased as a result of religious points of view. I hasten to add that her comments are made in a conciliatory context, but it reminds me of my own personal experiences.

While I have no doubt that many in our community do object on religious grounds, I believe that those same people—and many others—also object on legal and plain ethical grounds. I personally find religious criticism by the proponents of voluntary euthanasia to be patronising and sometimes arrogant. I personally have received such criticism and I certainly am not ashamed of my religious convictions, but I have noticed that the other reasons I give for not agreeing to voluntary euthanasia are simply ignored or dismissed because it is much easier to tag people with a religious label and dismiss the objections than to critically deal with objections on legal, ethical or other grounds.

What really concerns me is that absolutely no-one will argue that only a small percentage of people who are terminally ill (between 6 and 10 per cent) will ever seek information let alone ask for euthanasia, yet we have a disproportionate amount of lobbying for such legislation. We are also constantly told that an overwhelming number of people want to see active voluntary euthanasia legislation. Perhaps this has more to do with the way the question is put and the lack of knowledge about the assistance available as one nears the end of one's life.

As I said earlier, I believe the report is well documented with arguments both for and against. It is difficult to think of euthanasia in this state without thinking about palliative care services. As such, I am not surprised to read that the committee was unanimous in its support of palliative care. The Medical Treatment and Palliative Care Act 1995 was the result of a great deal of deliberation by former members of parliament. It is regrettable that not enough people in our community are aware of what rights the act promotes. The provisions in the act enable people to cover themselves legally from intrusive, burdensome and often futile medical treatment and also permits competent adults to make advance directives about the sort of medical treatment they would like to receive if they are terminally ill.

Legal protection is also afforded to doctors when administering treatment to patients if the attention is for the relief of pain and not to cause death. The Palliative Care Council works hard to educate both the medical profession and the public of the work of palliative care. I spoke of the work of the Palliative Care Council during a matter of public interest debate last year and, like other members, I am sure we all support the recommendations of this inquiry as extra funding for palliative care is something that I know we all want to see more of. I certainly take every opportunity in my community involvement to promote the work of the council.

The reason, without doubt, that we all think of such care is that South Australia has a progressive act, the Consent to Medical Treatment and Palliative Care Act, which covers the needs of most terminally ill patients. I say 'most' because we all know that for a small percentage of people pain relief does not work. It might not work for a number of reasons, but relief is just not attainable, which, of course, is not to say that that small percentage would all wish to see active voluntary euthanasia.

Aside from moral and religious arguments, I agree with the Hon. Caroline Schaefer, who paraphrased Dr Bernadette Tobin's comment that the moral cost of keeping euthanasia illegal is that there will be people who want their life ended who will not have it ended. But I believe that there is a much greater moral cost in legalising euthanasia, because some people will have their life ended who should not have their life ended. I again commend the members and the staff of the Social Development Committee for their hard work and, in particular, thank the majority of members for their difficult decision.

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

ROCK LOBSTERS

Adjourned debate on motion of Hon. P. Holloway:

I. That the Legislative Council notes—
   (a) the complete failure of Primary Industries and Resources SA to fairly and equitably manage the allocation of rock lobster pots; and
   (b) the subsequent investigation by the South Australian Ombudsman into alleged anomalies in the allocation process.

II. That this Legislative Council therefore calls on the Legislative Review Committee to investigate and report upon all aspects of the process of allocation of rock lobster pot licences—

which the Hon. Carmel Zollo had moved to amend by leaving out paragraph II and inserting the following—

II. That this Legislative Council therefore calls on the Legislative Review Committee to investigate and report upon the Fisheries (General) Regulations 1984 and their application to the allocation of recreational rock lobster pot licences.

(Continued from 10 November. Page 375.)

The Hon. P. HOLLOWAY: I thank those members who contributed to the debate. Much has been said about the fiasco that occurred with the rock lobster pot licences. Since I moved this motion, the government has subsequently decided to issue a further 2 000 licences, 600 of which are to go to those in the western part of the state. The fact that the government has taken that action is in itself a recognition of the mess that was made with the original allocation of rock lobster pot licences.

I will not go through the debate again, as that is unnecessary. I repeat, though, that I hope the Legislative Review Committee in its consideration of these matters is able to come up with some suggestions which will help prevent this fiasco from occurring again in the future. I support the motion with the amendment that my colleague the Hon. Carmel Zollo has moved.

Amendment carried.

The Council divided on the motion as amended:

AYES (10)

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

NOES (8)

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

PAIR(S)

Weatherill, G.	Redford, A. J.

Majority of 2 for the Ayes.

Motion as amended thus carried.

GAMBLING INDUSTRY REGULATION BILL

Adjourned debate on second reading.

(Continued from 10 November. Page 377.)

The Hon. L.H. DAVIS: I want to use two words as a theme in my speech tonight: credibility and reality. First I want to focus on the history of gambling in Australia. Betting and gaming were rife in colonial Australia. In Sydney there were legendary stories of gambling houses and opium dens in the Rocks area. In the 1880s it is a matter of record that 100 000 people turned out for the Melbourne Cup, which represented at least 10 per cent of the population of the colony. The early history of Australia is replete with examples of gambling. In a publication in 1979, the author Cumes argues that gambling was one of the few opportunities for Australia's early settlers and convicts to divert themselves, and he contended:

> Addiction to drink and gambling was not a devil's flower that suddenly and wantonly blossomed in the vicious new colony. It was a strong characteristic of Georgian England which had robustly survived the long voyage to Botany Bay.

If we look at a historian of the time, in 1811 one D.D. Mann said:

> Convicts carried gambling too frequently to the most deplorable excesses. In some cases the most abandoned of prisoners have actually staked the clothes which they wore and, when those were lost, stood among their companions in a state of nudity, thus reducing themselves to a level with the natives in the woods. It was impossible to put a total stop to the gratification of this gaming disposition.

In South Australia, the first legislation which related to betting was enacted in 1859, and the legislation stated:

> Whosoever shall by any fraud or unlawful device or ill practice in playing out or with cards, dice, tables or other game or in bearing a part in the stakes, wagers or adventurers or in betting on the sides or hands of them that do play or in wagering on the event of any game, sport, pastime or exercise win from any person to himself or any other sum of money or valuable thing shall be guilty of a misdemeanour. Penalty: imprisonment for up to four years or such a fine as the court may award.

In 1879, interestingly, South Australia became the first state to authorise the use of a totalisator. In 1881, George Adams of the Tattersalls Club in Sydney began a sweep on the Melbourne Cup. From that came the phrase 'take a ticket in Tatts'. In 1894, the Australian Christian World called gambling 'the national vice'. It stated in its journal:

> Gambling eats into our social life in all directions. Girls bet for gloves, and boys will stake their hats. Old people with trembling hands will risk their money in sweeps, and fashionable ladies carry their betting books at the races.

The Church of England also commented in 1894. Archdeacon Hales spoke of 'the three widespread vices in the nation: gambling, impurity and drunkenness'. He went on to say:

> In speaking of the national vices I regret to have to put that of gambling first.

In 1883, in South Australia, the Attorney-General at that time (Mr J. Downer) moved to retain the totalisator but abolish bookmakers. For 50 years, bookmakers were not allowed in South Australia, but of course that did not prevent illegal bookmaking.

In 1902, in South Australia, there was an act against street betting—the offence of loitering. It was observed later during the Royal Commission into Betting in 1933 that the offence of loitering in 1902 'had the effect of politically cleaning the streets of the bookmaker but it has not been effectual in coping with a new class of person, the nit-keeper.' In 1895, the President of the Tobacconists Association of Victoria said that he 'scarcely knew a tobacconist's shop in the suburbs of Melbourne that was not also a tote shop'. Protestant law makers were doing their best in the 1890s to close down such enterprises and their best was not good enough. That quotation is from a book entitled *Gambling and Culture in Australia*. The author of that extract is the well known historian, Ken Inglis.

I come now to the extraordinary and very extensive Royal Commission into Betting in South Australia in 1933. It had some comments to make about gambling. What was it that made South Australians gamble? The commissioners said:

> It was an instinct not to be ranked with a fundamental instinct like sex. Actually it was an illegitimate hybrid, an offspring of two legitimate forms: the urge to acquire wealth and the urge to take a risk for pleasurable excitement.

During the Royal Commission into Betting in 1933, the commissioner circulated to the police officers in charge of the 181 police stations around Australia an extensive questionnaire for completion and return. I will detail that questionnaire, but first I mention in passing that one of the fundamental recommendations of the Royal Commission into Betting was the introduction of off-course totalisators. Of course, that was not adapted by the government of the day: it took another 34 years before off-course totalisator betting became a fact of life in South Australia. This questionnaire asked each of those 181 police officers around Australia to do the following:

> Will you look at the electoral roll and make an estimate from it of the number of adult persons living in your district. Make an estimate of the number of persons in your district whom you suspect bet habitually. Divide these into males or females or give an estimated proportion. Make an estimate if you can of the average amount of money per week invested by each individual who habitually bets in your district. Have you any suspicion that betting is done by children; if so, to what extent?
>
> Give the number of the following places in your district—hotels, billiard saloons not connected with hotels, hairdressers and tobacconists' shops. Give the number of such places where you suspect betting is habitually carried on—namely, hotels and billiard saloons, hairdressers and tobacconists' shops. Give the number of persons whom you suspect carry on the business of a bookmaker. In what places do the bookmakers operate—in hotels, billiard saloons, hairdressers, tobacconists' shops, private houses, in the streets, other places.
>
> Make an estimate if you can of the average total amount per week invested with the bookmakers in your district. Do the persons who you suspect carry on the business of a bookmaker employ nit-keepers to give warning of the approach of police? Have you any suspicion the bookmakers in your district employ canvassers on commission to collect bets? Is there a racecourse or racecourses in your district? Have you any belief that betting is affecting the family life and happiness in your district? From your conversations and observations, will you indicate what in your view is the opinion held by the generality of the decent law abiding persons in your district on the following questions.

Amongst them are:

Is betting prevalent? Should the legislature take all steps to suppress it absolutely or control it?

The answers came back from pretty well every district. Out of an adult population of 391 218, the number of persons suspected of habitual betting was 54 036. The report details the average amount invested and the number of children suspected of betting. The royal commission's summary then reports that 67 per cent—or 404 of the 601 hotels—of the hotels in the state were carrying on betting habitually; in those days, two-thirds of the hotels of the state had illegal betting; 37.1 per cent—or 65 out of 175 billiard saloons—of the billiard saloons had illegal betting; and 9.5 per cent of the hairdressers' and tobacconists' shops—59 out of 622 shops—had habitual betting. Bookmakers were reported to be operating most of all in hotels, with 426 in hotels, 69 in billiard saloons, 59 in hairdressers' and tobacconists' shops, and 29 in private houses. There were 590 known nit-keepers in 91 districts, and so it went on.

In the West Coast two districts denied any of this happened. And I suspect that that may come as some amusement to my colleague the Hon. Caroline Schaefer, who is from the West Coast. It is well known that illegal bookmaking was tolerated right through until off course totalisator betting came and no doubt beyond. In fact, a lovely example was related to me only recently. In a certain well known smaller town in regional South Austra2lia, there was always a two-up game on Sunday, and the vice squad would not come to that two-up game on condition that they each got two chooks. That was the way it was.

We are a nation of gamblers, and in the Productivity Commission report on the social and economic impact of gambling, which I will discuss in a while, there is—unfortunately, in my view—no history of gambling in Australia to put some perspective on it. I sense the Hon. Nick Xenophon believes that Sodom and Gomorrah have suddenly descended on South Australia only in recent times. The fact is that we have always gambled as a nation. Increasingly one has to say that the gambling of 1999 is regulated. There is barely a criminal element in it, by general consensus. The incidence of gambling outside the official data which is now available on gambling in Australia would be very small. Whereas 30 or 40 years ago—or perhaps even 20 years ago—illegal gambling was a highly lucrative source of income, particularly for organised crime, the illegal casinos of Sydney being a notable example. So, we should not have any delusion from that brief overview that I have given that there is a history of gambling in South Australia.

I have opened my X-Files for this occasion, and the first recorded incident of the Hon. Nick Xenophon having something to say about poker machines was as far back as 3 March 1997.

I want to put on the record the background to the No Pokies party. I should at the outset make my position known. When the poker machine legislation was being debated in 1992, I voted against poker machines, and that is on the record, and that speech is there for all to read. I personally do not play poker machines. I have played poker machines perhaps four or five times since they have been introduced into South Australia. In March 1997 Mr Xenophon was recorded as saying that we had '12 000 out of control poker machine addicts in South Australia each affecting the lives of another eight or 10 people'.

The numerate members among us would quickly recognise that that calculation could mean that up to 132 000 people are either out of control poker machine addicts or have their lives affected by poker machine addicts—132 000 people, or 9 per cent of the state's population; one in 11; or, putting it another way, one in perhaps less than every four households affected. I would raise my statistical eyebrows at that allegation. But the main thrust of the statement made on 3 March 1997 was that Mr Xenophon, as he was then, was to convene a No Pokies campaign, which was starting a membership drive with a long-term aim of banning pokies. The Messenger, just nine days later on 12 March, had an article which stated:

While he [Mr Xenophon] knows the total abolition of pokies is a difficult objective. . .

In other words, there is a clear implication that he was looking for total abolition. Then, on 23 September, the *Advertiser* reported that the No Pokies campaign was to name four candidates to contest seats in the Legislative Council, with group convenor Mr Xenophon heading the ticket. On the following day, 24 September, under a photograph of Mr Bob Moran with an election campaign poster, an article headed 'Unbeaten Bob joins No Pokies team' stated:

Two months ago, car dealer Bob Moran lost his business, his house and all the trappings of success accumulated over a 30 year career. Yesterday it was announced he would campaign publicly against the poker machines that he claimed cost him his business and which he believes are threatening many others.

The article noted:

Bob Moran had been a well-known identity in the used car business and operated a large car yard at Reynella and later another at Medindie. But the doors were closed in late July 1997 with debts estimated at $2 million, with Moran being quoted as saying, 'There is no doubt that pokies were the major reason for us folding.' Mr Moran, 51, has had a long involvement in the racing industry, but says he has never played a poker machine in South Australia. 'They are so anti-social', he said.

Then we know that No Pokies drew second place on the Legislative Council ballot for the 1997 state election held on 11 October, and the following day the *Sunday Mail* of course reported that it seemed likely that the No Pokies party might win a seat. In my research of recent weeks I have discovered that during the campaign the No Pokies organisation—they do not call themselves a party—ran a series of advertisements. There was one memorable advertisement, headed 'We don't want to run the state—we are just trying to right a wrong.'

For those followers of the endless ETSA debate over recent years, one might wonder what consistency existed between the advertisement 'We don't want to run the state' and what, in fact, the No Pokies party did or did not do with the ETSA legislation. That advertisement stated:

Today $1 million will be lost in pubs and clubs across SA on pokies. This election don't gamble your vote away, vote 1 No Pokies for the upper house.

Another advertisement was headed 'This election, help create jobs, do not destroy them.' Buried away in very small type in this advertisement are the words, 'We also want to get pokies out of pubs over a five year period,' although, of course, in the earlier advertisement they had talked about losses in pubs and clubs. On election day the how to vote card had a big circle with the word 'pokies' in the middle with a cross through it and the caption 'Vote 1 No Pokies for the Legislative Council'.

On 21 October 1997, the *Advertiser* released a survey of problem gamblers and their families who received assistance from the Break Even welfare agencies, which were beneficiaries of the Gamblers' Rehabilitation Fund, a $1.5 million annual fund established by the hotels and the clubs of their own initiative—something not done by any other form of gambling in South Australia. An analysis of problem gamblers was conducted, and the survey revealed that,

between November 1996 and March 1997, 69 per cent of problem gamblers were poker machine players; 14.1 per cent, TAB betting; 5.5 per cent, casino betting; 3.6 per cent, Keno on line; and there are other instances of problem gamblers.

The Hon. Nick Xenophon said that the survey confirmed that pokies were the most seductive and addictive form of gambling. Interestingly, Mr Dale West, the chairperson of the Gamblers' Rehabilitation Fund Committee, Centacare Catholic Family Services, Adelaide, on 28 October rebutted that in a letter, which states:

> The article 'Pokies, the greatest gambling problem'(*Advertiser* 21.10.97) has, in my view, a misleading headline established from misinterpretation of the survey statistics released by the Gamblers' Rehabilitation Fund Committee. Given that the BreakEven gambling service is currently promoted to, and targeted exclusively at, gaming machine problem gamblers, the figure of 69 per cent using the service following problems with those machines is, in fact, quite low. Thirty-one per cent of people with problems have identified other gambling codes as the cause. If the Lotteries Commission and TAB would allow our BreakEven material at the gambling outlets, or perhaps contribute to the fund, a clearer picture of the problem gambler profile may emerge.

That is a significant and compelling statement from the chairman of the Gamblers' Rehabilitation Fund.

On that same day (28 October 1997), in the *Advertiser*, Mr Xenophon re-emphasised his independent position, saying that he would not play favourites with any major party—that was his quote. Just for the record, I should place in *Hansard* the way in which the Hon. Nick Xenophon voted in divisions in the period 2 December 1997 to 16 November 1999. I have taken data for the tellers for each of the divisions in the Council over that period of time. The Hon. Nick Xenophon supported the Labor Party on 31 occasions; the Australian Democrats on 29 occasions; the government on 16 occasions (and that figure did surprise me, as it was higher than I expected); the Hon. Nick Xenophon's own amendments on seven occasions; the Hon. Terry Cameron on two occasions; and there was one conscience vote.

On 26 November 1997, the Hon. Nick Xenophon foreshadowed legislation to phase out poker machines in hotels over a five year period, but the casino and licensed clubs would be able to keep their machines. Premier John Olsen responded by saying that the government had inherited pokies legislation from the ALP government, and any attempt to phase them out would result in claims for compensation. Ian Horne, then Executive Officer of the Australian Hotels Association, said that the industry had a capital value of $1.5 billion and employed over 17 000 people, and any move such as that contemplated by Mr Xenophon would literally send the industry broke. Mr Horne was quoted as saying that it would send a shocking message both nationally and internationally about investing in South Australia.

An article in the *Sunday Mail* of 2 November 1997 states:

> No Pokies MLC-elect Mr Nick Xenophon said a clear distinction should be made between hotels and clubs with pokies. He was quoted as saying, 'With community clubs the money goes back into the community and there is some benefit, unlike a hotel where it ends up in the pockets of management.'

I will comment on that statement from Mr Xenophon in more detail later. At that time (1997) it really was quite fashionable to blame pokies for anything that moved. The collapse of Bells restaurant, the former Sizzler chain, was blamed on pokies, although of course if one looks at the facts it can be seen that it was anything but a collapse resulting from pokies. The *Business Review Weekly*, in a punishing article on 22 December, put the lie to Mr Xenophon's support of the notion that Sizzlers chain, Bells restaurant, had collapsed because of pokies, by making the following point in an analysis:

> Fast food industry executives say UFH, the company which operated Bells, was overextended and underresourced. It acquired too many restaurants, the $4 million cost of converting the outlets to Bells swallowing UFH's working capital, leaving it with no money to promote the restaurants and explain to consumers how Bells was different to Sizzler.

That was the real reason, and I have confirmed that in discussions with people in the industry. It had simply nothing to do with poker machines at all.

Then of course we come to the fabled story of Mr Bob Moran, who was No. 2 on the No Pokies ticket at the election, the person whose used car business in early July 1997 had collapsed. The major reason, as he was quoted in the paper as saying, was poker machines. I have had the benefit of looking at the Ferrier Hodgson circular to creditors which investigated James Scott Used Cars Pty Limited, the Moran company, collapse. I want to spend a little time detailing the results of this. Bruce Carter, a well respected administrator with Ferrier Hodgson, on page 2 of his circular to creditors dated 17 July 1997, some three months before the state election, states:

> My investigations have been impeded by the state of disarray of the books and records of James Scott upon my appointment, and the fact that I was unable to access James Scott's computer until some time after my appointment.

In a brief history he makes the point that James Scott's primary activity of used car dealer commenced in 1973 and operated from premises owned by Moran Nominees, located at Main South Road, Reynella. In September 1994 James Scott acquired a Daewoo new vehicle franchise, which was ultimately unsuccessful and was closed in May 1996. In October 1996 Northern Car, a related company that traded as Bob Moran Cars Medindie, ceased to trade as a motor vehicle dealer and its activities were assumed by James Scott.

Between October 1996 to April 1997 James Scott conducted both operations from Reynella and Medindie. In April 1997 the Reynella site was closed and all business activities were conducted from the Medindie site through James Scott. Under the heading 'Reasons for failure', Mr Carter states the following:

> The director has attributed James Scott's failure to, among other things, the effect of poker machines on disposable incomes.

Mr Carter further states:

> In summary, the reasons for the failure of James Scott appear to be as follows: the failure of the Daewoo franchise; the introduction of small Korean manufactured cars into Australia at very competitive prices; the level of overheads incurred by James Scott, particularly advertising expenses, was excessive given the small gross margins earned; and the transfer of Northern Cars' assets in October 1996 and the payment of some Northern Cars' liabilities.

He then states:

> As stated above, the directors of James Scott have not provided me with a report as to the affairs as at 1 July 1997.

Mr Carter also states:

> There has been a mixing of assets and liabilities of James Scott and Northern Cars, so I am unable to categorically identify certain assets and liabilities.

In other words, he is saying, 'This business is not good. It is not easy to analyse these books.' There was a balance of about $55 000 outstanding to trade creditors and, interestingly, the records indicate that the majority of the amounts outstanding were incurred during 1993 to 1995. Poker machines were introduced only in July 1994. The administrator notes that, shortly before the company collapsed, the director caused James Scott to purchase his gold watch for $15 000, although a licensed jewellery appraiser valued the watch at only $5 000 at auction or $10 000 at market value.

He noted that there were employee entitlements outstanding at the date of his appointment of $292 000, although

60 per cent of those had been paid later; $2.4 million was owing to a finance company; and $292 000 was owing to American Express.

There is no evidence whatsoever that poker machines had anything to do with the collapse of Bob Moran's used car business.

In May 1997, the administrator noted James Scott drew a cheque in the amount of $20 000. The books and records of the company contain no details as to what the payment represented. However, he had ascertained that it represented the purchase by the company—which, of course, shortly went into liquidation—of a Camero ski boat, boat trailer and go-kart trailer, apparently owned by the director. In other words, in the dying weeks of the company, a gold watch and a ski boat had been flicked into the company for money to that director, Mr Moran.

This is not the first time this delicate matter has been raised in this Council. I remind members that on 2 June 1999 the Hon. Sandra Kanck, in what I thought was a very good contribution on this subject, said:

I understand that the reason Bob Moran went broke was a gambling problem, his own, and that it was a result not of the pokies but of the horses.

The fact is that Bob Moran was a race horse owner. He owned a horse called Chevite, amongst other horses. He was reputed to be a heavy punter, and I think that can be spelt with a capital H. The Hon. Terry Roberts also made the point in his contribution on 8 July 1997, just five days after the Moran collapse occurred, when he said:

When the *Advertiser* has to report that a major project in South Australia like Bob Moran Car Sales has been tipped over—

The Hon. NICK XENOPHON: I rise on a point of order relating to relevance in terms of this bill. This is a very interesting historical exposition of Mr Moran's business dealings and the like but, in terms of the substance of the bill, I query its relevance.

The PRESIDENT: It is as relevant as any other speech. I thank the honourable member for his point of order, but I do not uphold it. As I listen to a number of speeches in here, there is some cause for points of order on relevance, but they are very rarely made. I think the Hon. Mr Davis can continue.

The Hon. L.H. DAVIS: On 8 July the Hon. Terry Roberts said:

When the *Advertiser* has to report that a major project in South Australia like Bob Moran Car Sales has been tipped over by the introduction of poker machines, your economy is Michael Mouse. I do not believe it.

That was a perceptive comment and I accept it: it is, of course, very relevant to the bill we are debating. The fact is that, as Ferrier Hodgson reported in its circular to creditor, Bob Moran had very heavy advertising. I am told by industry sources that this advertising was well over the industry average, that it was approaching $1.6 million a year on industry estimates, and that was remarkably high and unsustainable. The fact that he was also a keen gambler on race horses, I would have thought, sat uncomfortably with the notion of a party which had as its banner 'No pokies' and, one would imagine, did not exactly like the idea of gambling as a desirable activity.

I move on and look at gambling in the 1990s, because gambling in South Australia and elsewhere in Australia has undergone significant change, and this is reflected in a table. I seek to have inserted in *Hansard* without my reading it a table listing gambling taxes in Australia, 1979-80: it is of a statistical nature.

Leave granted.

Australia—Gambling Taxes 1979-80

	NSW	VIC	QLD	SA	WA	TAS	NT	Total
Lottery Taxes	61.6	100.5	10.1	16.9	8.1	3.6	0.4	201.2
Poker Machine Tax	120.7	-	-	-	-	-	-	120.7
Racing Taxes	99.3	71.0	25.4	11.8	15.7	2.5	0.5	226.2
Other	9.1	3.5	5.2			3.2	0.7	21.8
Total	290.7	175.0	40.7	28.8	23.9	9.3	1.5	569.8

The Hon. L.H. DAVIS: I also seek leave to have inserted in *Hansard* a table of a statistical nature setting out the estimated budget for gambling tax revenues in South Australia in the period 1992-93 to 1999-2000.

Leave granted.

South Australia—Gambling Tax Revenues

	1992-93	1993-94 Actual	1994-95 Actual	1995-96 Actual	1996-97 Estimated Outcome	1997-98 Estimated Outcome	1998-99 Estimated Outcome	1999-2000 Budget
	$m	$m	$m	$m	$m	$m	$m	$m
Lotteries Commission	84.0	76.8	75.6	71.4	70.6	19.3	81.1	85.5
Gaming Machines	-	-	54.6	108.3	133.5	158.0	188.5	201.5
Casino	19.1	22.9	20.6	17.8	17.8	73.5	19.7	19.9
TAB	23.4	23.7	21.7	19.3	19.8	22.5	21.2	21.5
Commission on bets	-							
Other (1)	5.0	16.6	14.4	15.2	32.8	34.9	37.9	37.8
Total	131.5	140.0	186.9	232.0	274.5	308.2	348.4	366.2

(1) includes small lotteries, soccer pools, unclaimed dividends, commissions on bets

Source—Budget Papers

The Hon. L.H. DAVIS: It is interesting to see that, in 1992, the Lotteries Commission accounted for 64 per cent of gambling taxation in South Australia—and that was a pattern around most states. It is worth noting that poker machines had been introduced into New South Wales in 1956. We had seen lotteries and the Totalisator Agency Board introduced in South Australia in 1967. Poker machines came to Queensland in 1990. In 1992-93, lotteries still dominated our gambling taxation (64 per cent). But by the year 1999-2000, the Lotteries Commission will represent just 23.3 per cent of expected receipts from gambling sources. The last table which I have had incorporated in *Hansard* illustrates that the government's collect from the TAB in the eight year period will fall in both money terms and in real value.

When the Lotteries Commission was first established, the main source of its revenue was the straight lottery. But tastes change and new products come along. By the 1990s lotteries, as such, were no more. In 1992-93, X-Lotto accounted for sales of $148.4 million (or 58 per cent of the commission's annual revenue of $256.3 million); Club Keno sales, $56.8 million; Instant Money, $44.2 million; and Super 66, $5.5 million. But by 1998-99 Instant Money sales had declined to $28.9 million; Super 66 to $2.7 million. Sales of X-lotto and its associated products such as Powerball have continued to increase to $186 million. That now represents 68.5 per cent of total revenue. Of course, there was that record-breaking $24 million draw held in March 1999. Again, looking at this table, a steady growth of gaming machine revenue to the government is hardly surprising given the first poker machines were introduced in July 1994, little more than five years ago.

In addition, there have been significant increases in state taxation on poker machines, which has also boosted revenue from this source. In 1996-97, that change in the mix of gambling is reflected in the fact that roughly $1 million per day was spent on gaming machines and $1 million per day collectively came in through casino, TAB, lotteries and other sources, compared with about $2.5 million per day being spent on liquor in South Australia.

Recently, the government prepared a discussion paper relating to the national competition policy review of the Racing Act, in particular the need to examine our gambling in South Australia to comply with this national competition policy demand. This paper, released only on 19 October 1999, and prepared by consulting economists Marsden Jacob of Melbourne, provides an interesting comparison of wagering and gaming expenditure, all states and territories, 1997-98. I seek leave to have this statistical table incorporated in *Hansard* without my reading it.

Leave granted.

Comparison of wagering and gaming expenditure, all states and territories, 1997-98

Gambling Form	NSW ($m)	Vic. ($m)	Qld. ($m)	SA ($m)	WA ($m)	Tas. ($m)	ACT ($m)	NT ($m)	Total ($m)
TAB	533.852	379.507	249.000	91.655	126.177	29.273	16.223	11.757	1 437.444
On-course totalisator	59.896	35.919	21.900	7.989	12.112	1.275	1.1.469	1.946	142.506
On-course bookmaker	33.586	17.338	12.900	3.737	9.135	0.819	1.121	4.700	83.336
Off-course bookmaker	-	-	-	0.150	-	-	-	-	0.150
Total Racing	632.403	433.158	284.400	104.304	148.262	31.367	20.950	28.853	1 683.697
Percentage of HDI	0.50	0.47	0.48	0.40	0.45	0.41	0.27	0.78	0.47
Lottery	46.554	5.214	2.030	-	-	0.345	1.028	1.772	56.943
Tattslotto, lotto	250.285	268.815	161.023	67.516	135.638	16.140	12.063	11.942	923.422
Pools	3.573	1.244	1.501	0.267	0.835	0.080	0.179	0.021	7.700
Bingo and minor gaming	-	-	129.417	28.900	25.811	10.779	-	-	194.907
Gaming machines	2 989.084	1 711.290	601.403	394.629	-	23.666	127.163	19.731	5 866.966
Casino	446.200	742.292	468.300	76.080	358.828	75.642	17.280	47.414	2 232.036
Instant lottery	62.691	23.670	94.673	8.343	29.512	2.368	2.186	1.396	224.839
Keno	96.100	6.870	-	13.071	-	16.266	-	-	132.307
Sports betting	-	2.389	-	-	-	0.016	1.805	-	4.210
Total Gaming	3 894,487	2 761.784	1 458.347	558.806	550.624	145.302	161.704	82.276	9 643.330
Percentage of HDI	3.09	3.02	2.47	2.24	1.69	1.92	2.11	2.22	2.72
Total Gambling	4 526.890	3 194.942	1 742.747	693.11	698.88	176.66	182.65	111.12	11 327.027
Percentage of HDI	3.59	3.49	2.95	2.64	2.14	2.33	2.38	3.01	3.20

HDI: Household disposable income.
Source: Tasmanian Gaming Commission (1999), Australian Gambling Statistics: 1972-73 to 1997-98, Summary Table A.

The Hon. L.H. DAVIS: This shows that South Australia is at the lower end of the scale in terms of the percentage of household disposable income spent on gambling in all sources. That, I think, is something which is significant and, again, gives the lie to the arguments often advanced by the No Pokies Party. On page 6 this discussion paper makes the following point:

> Newer forms of gambling have dramatically increased the size of the market. However, gambling activities are in competition with one another for the gambling dollar and part of the new growth is at the expense of existing forms of gambling.

It also makes the following point:

> Traditional forms of gambling are in decline—relatively, and in some cases absolutely. Expenditure on on-course bookmaking is now less than half of the level of the early 1980s and little different from levels recorded in the early 1970s.

It then makes an interesting point about employment:

> Gambling generates direct and indirect employment, full and part-time. There is a significant number of others whose employment is connected with gambling through retail outlets selling lottery tickets and 'scratchies' or providing inputs to gambling activities. It is claimed there are 3 900 employees in the racing industry, at least 750 through the South Australian Lotteries Commission, and since the introduction of gaming machines, an additional 4 000 employees in hotels and licensed clubs. In terms of output, gambling represents about 2 per cent of South Australia's gross state product.

In commenting on page 7 on market size, the paper notes:

> Gambling expenditure has risen significantly in South Australia, particularly since the introduction of gaming machines. These represent over one-half of gambling expenditures in South Australia.

A common feature across all states and territories is that racing, despite its high media profile—now represents a minor component of gambling expenditure. In real terms, racing expenditure is slightly lower than 25 years ago.

Then, to reinforce the point that I have already made, the paper makes this final observation:

Over time, the growth of each new gambling type appears to have been partially at the expense of its traditional competitors. During the decade, X-lotto and the Instant Lottery expanded market share, at the expense of traditional lotteries and racing expenditures. More recently, the growth of the casino and gaming machines has occasioned a sharp reduction in expenditures on bingo and small lotteries.

To reinforce the argument that South Australia's gambling per head is much lower than most other states and territories, I seek leave to have inserted in *Hansard* a table of a statistical nature which was prepared by the Tasmanian Gaming Commission and released this year and which compares gambling expenditure per capita for the six states and two territories in Australia.

Leave granted.

Attachment 1
Australian Gambling Statistics 1997-98—
Tasmanian Gaming Commission 1999.

	Gambing Expenditure Per Capita ($)
New South Wales	963.17
Victoria	921.00
Northern Territory	861.47
Australian Capital Territory	797.62
Queensland	694.32
South Australia	617.20
Western Australia	527.46
Tasmania	507.67
Total	818.84

The Hon. L.H. DAVIS: This schedule illustrates that South Australia ranks sixth amongst the eight states and territories in terms of gambling expenditure per capita, with only Western Australia and Tasmania lower. We gambled $617.20 per head in 1997-98, which is dramatically lower than New South Wales where gambling expenditure per head was $963.17 per head, and Victoria is $921 per head.

The tenor of the bill clearly is directed very much against hotels and very much in favour of clubs. On 28 July 1998, on page 1087 of *Hansard*, the Hon. Mr Xenophon, speaking to the Gaming Machines (Gaming Tax) Amendment Bill said:

To say, as the Hotels Association says and as apologists for the gaming industry say from time to time, that pokies publicans are just struggling small businesses is something that requires a reality check.

He then goes on to say in that same speech:

I have consistently preferred, because of its community impact, that poker machines be in clubs rather than hotels.

So the Hon. Nick Xenophon paints hotels as pariahs and clubs as virtuous. I find that rather bemusing because hotels have over many years been major contributors to the community. They put back into the community and have their own program.

The Hon. R.R. Roberts interjecting:

The Hon. L.H. DAVIS: The Hon. Ron Roberts always has a habit of interjecting at the wrong time and with the wrong comment. Let me respond: how do I know? I am not a frequenter of hotels. I am not a big hotel man. I do not go drinking in front or saloon bars. That is one of the options we have in society. I am not a big person like that. I guess you are and good for you, but does that not reflect the nature of the debate we are having tonight, that we have these leisure and entertainment options? That is the very point that I am trying to make in this debate—the very point that the Hon. Nick Xenophon has some difficulty grasping.

If the Hon. Ron Roberts would listen—and I thought he might have agreed with this point—I point out that the hotels around South Australia provide $9 million to charities, communities, groups and sporting organisations on an annual basis. They have a specific program, Hotel Care, which is a major program of the Australian Hotels Association and which has donated nearly $1 million to a range of charities in South Australia, including the Women's and Children's Hospital, the Variety Club and so on. They have joined together with the licensed clubs in a very voluntary way to provide, as I mentioned earlier, the $1.5 million per annum to fund the Gamblers Rehabilitation Fund.

It is worth putting on the record for the Hon. Ron Roberts, who has an association with another form of gambling, that none of the three codes of racing makes a contribution to a fund for gamblers. He might like to take up that cause on some future occasion. I seek leave to have incorporated in *Hansard* a table of a purely statistical nature which details the breakdown of the number of hotels and club venues in South Australia over the past four months and the number of poker machines in hotels and clubs in South Australia.

Leave granted.

Gaming Statistics 1999

	May	June	July	August	
Net gaming revenue(NGR)	$38.745m	$38.035m	$40.611m	$40.379m	
Tax and surcharge	$16.778m	$16.44m	$17.76m	$17.68m	
Average daily NGR per machine	$106	$107	$109	$108	
No of venues:					
· Hotels	454	455	457	459	84.5%
· Clubs	85	84	84	84	15.5%
				543	100%
No of machines					
· Hotels	10 386	10 495	10 562	10 643	87.9%
· Clubs	1 446	1 499	1 463	1 464	12.1%
				12 107	100%

The Hon. L.H. DAVIS: These statistics are very up-to-date and they are for May, June, July and August 1999. As at August 1999, 459 hotels had poker machines, and 84 clubs had poker machines, which makes a total of 543 venues with poker machines. In fact, 84.5 per cent of hotels have poker machines and 15.5 per cent of clubs. In hotels there were 10 643 poker machines, and in clubs there were 1 464 poker machines. So hotels have 87.9 per cent of the machines, while

clubs have 12.1 per cent of the machines. Interestingly, of the 1 158 licensed clubs in South Australia, 339 have membership with Clubs SA but only 84, as I have mentioned, have gaming machines.

I received from the Licensed Clubs Association of South Australia (which styles itself as Clubs SA) a document dated 21 September called a poli-kit, and it contains the association's response to the Gambling Industry Regulation Bill. This letter, together with the accompanying poli-kit, is signed by Steve Plebitis, the president. We should remember that the clubs will be advantaged as a result of this bill that we are debating. Therefore I would have thought that it is very relevant to talk about this submission. The letter refers to clause 38, which is the Xenophon proposal to remove gaming machines from hotels within five years. The letter states:

> The association—

that is, Clubs SA—

> is still of the opinion that, whilst in principle we support this amendment to the act, it is not necessarily a viable option considering the investment undertaken by private gaming venues.

In other words, the clubs are saying, 'We support, in principle, the fact that all poker machines should be taken out of hotels within a five year period'. However, the association has a fall back position, because the letter further says:

> The association suggests that the legislation be changed to allow a reduction in gaming machines in privately owned gaming entities to a maximum of 10 machines within five years.

In other words, instead of the maximum of 40 machines that we have now, the hotels and other venues which operate poker machines outside licensed clubs would have to cut back their machines from 40 to 10 over a five year period. The association then argues the following:

> Clubs are non-profit organisations focused on the provision of support to the community. This support is achieved by providing services facilities to members consistent with the objectives of the individual club, provision of cash and in kind benefits to the wider community. Thus clubs offer the best opportunity to recycle the surplus derived from gaming back into the community. Hotels, on the other hand, are private owned concerns: profits are retained by the owner of the hotel and often end up interstate and even overseas.

That is an argument, which, of course, has been run by the Hon. Nick Xenophon. The association then goes on to argue that its first base would be to phase poker machines out of hotels altogether within five years. It then says that the fall back position is 10 machines, that the number should be cut back from 40 to 10. The association thinks that is reasonable. However, the licensed clubs then argue as follows:

> We seek your support—

that is, my support, Nick Xenophon's support and Ron Roberts' support—

> on the primary policy initiatives outlined in this document, namely, support for an amendment to allow up to 200 gaming machines on the premises of a licensed club—

I would call that bingo—

> support for exclusive club and charity access to eyes down bingo; support for the removal or reduction of gaming machines in privately owned gaming venues. . .

Those are the main arguments raised by the association. We have not heard a peep out of the Hon. Nick Xenophon in relation to what the clubs are proposing—and this has been in the marketplace for almost two months. The association is proposing super clubs—not 40 machines maximum, which the parliament agreed on seven years ago, but 200 machines maximum in a club. Can members believe it! It is just amazing stuff. Get rid of poker machines out of hotels or reduce them to just 10, but let us wind up clubs to 200. That is not no pokies to me.

Because we are talking about credibility and reality, it is worth remembering as a reality check that the licensed clubs in New South Wales have been under the spotlight recently because they allegedly paid 2UE's John Laws a quarter of a million dollars in cash for comments. We all know what that means. If they had 200 machines running here, I can imagine what that could mean in South Australia. This is the argument of the Hon. Nick Xenophon.

All members would have received a letter dated 14 November from Di Kowalick and Rob Lewis, who operate the Quorn Hotel. Did everyone receive a copy of that? I will read this letter briefly, as follows:

> Our hotel, which was built in 1878, is heritage listed and was once an important link with the original Ghan railway. Quorn is now a fragile community like most country towns, with no public entertainment venues, for example, theatre or movies. Our hotel is a social meeting place for the community and tourists. Poker machines are just another service we provide, along with EFTPOS facilities, meals, accommodation, tourist information, public phone, TAB, darts competitions, beer garden. Most clubs and organisations in Quorn rely on sponsorship to survive. Our hotel gives donations to virtually all of them. . . Banking facilities are minimal in Quorn and the community and tourists rely on EFTPOS outlets. . .
>
> We employ five casuals. . . If poker machines are removed from hotels, our wages bill would be cut with two people losing their jobs. . . We have slowly been restoring this heritage hotel [which was a dump when they bought it] since 1990. In good faith we borrowed in excess of $150 000 to upgrade and purchase 10 poker machines. Virtually all profits, before and after poker machines, have been put back into this building for the current, and hopefully future, community. We will probably never recoup our investment—it has been a total commitment of huge financial, physical and psychological cost.

They then go on to make the following statement which I made earlier:

> Australians have a long history of gambling—poker machine venues have provided a comfortable environment for the whole spectrum of our society. Poker machines are not the problem, but a lack of education and basic life skills, which should start in the home, and be continued at school.

The letter goes on. We are talking about reality and credibility, and that is a very good example of the argument that I would like to advance tonight.

Clause 38 seeks to remove gaming machines from hotels within five years. The Hon. Nick Xenophon, in speaking to this on 26 May 1999 when the bill was introduced, at page 1187 said:

> That was the only promise I gave at the last election. The only promise I gave was that gaming machines be removed from hotels.

He went on to say:

> There ought to be public debate on the desirability of having poker machines in hotels as distinct from being less accessible in fewer community clubs and the social consequences that flow from pokies in community clubs.

The Hon. Robert Lucas, in speaking at length on this bill on 27 October 1999 (at page 247), said:

> Some of us are still struggling to understand what is driving the Hon. Nick Xenophon in relation to this distinction.

That is, the distinction between hotels and clubs. The Hon. Mr Xenophon took offence to this claim that he was elected on a platform of getting rid of poker machines from hotels only and not from clubs, so he has asked Robert Lucas to make 'a public retraction in the form of words to be approved by me', as he considers the statement by Lucas to be 'false, misleading and injurious'. Xenophon also said in his letter, 'In addition, I reserve my rights.' That is an extraordinary

reaction from someone who has trailed his coat to the public at large that he is a no-pokies candidate and then takes offence when the Hon. Rob Lucas suggests that he is actually saying that he favour pokies in clubs and therefore asks by inference how he can represent a no-pokies party. The honourable member then got upset and ran a legal threat past the Treasurer.

The reality is that some clubs are struggling with demographic patterns and changing lifestyles whilst some clubs are doing well. For the Hon. Nick Xenophon to say that profits from clubs go back to the community and profits from hotels do not shows a naivety on his part which, in the first instance, may be engaging but which ultimately becomes quite frustrating and far from amusing.

Many clubs are clearly driven to make profits amongst the 84 that have machines. You cannot tell me that a football club is there just for the benefit of the community. It obviously has profits in mind, and those profits might help to pay the players, wages and for expansions. The same can be said about the profits from the Quorn Hotel that are used for donations, expansion, refurbishment and wages.

The sad part to me is that, whilst profits in whatever guise made by clubs seem to be all right, the profit earned by hotels is a dirty word. It is worth remembering, if the Hon. Nick Xenophon has bothered to make inquiries, that before the introduction of poker machines the hotel industry was on its knees. By common consensus, a large percentage, a double figure percentage (some people would say as much as 20 or 25 per cent) of hotels were battling, on the edge of bankruptcy.

Again, that is reality, something that is useful on occasions when we are debating serious matters such as this. The fact is that the typical hotel is family owned. The Hon. Nick Xenophon seems to have the view that there are big corporations that have massive numbers of hotels under their ownership. The fact is—and the Hon. Ron Roberts would know this—that the majority of hotels are family businesses. It is unrealistic to suggest as he does in this bill that we should get rid of poker machines in hotels but not in clubs. As the Hon. Caroline Schaefer said in respect of the EFTPOS amendments which are proposed, how ridiculous would this be in a country town where someone wants to bank a cheque.

The only flash of economic reality that I have found from my reading of the Hon. Nick Xenophon's contribution was on 26 May 1999 when at page 1182 he states:

> I also understand that Governments in this state and Victoria, in particular, have also been driven to rely on gambling taxes because of our regional state banking disasters.

It is good to see that he actually recognises that this might be a factor in why the pips are squeaking in the South Australian budget—that it is something not of our making. Indeed, poker machines were not of our making. It might be worth putting on the record again for the benefit of the Hon. Nick Xenophon, because it never comes up in his discussions on the subject, that 17 of the 21 votes in the lower house for poker machines were garnered from the Labor Party, and the vast majority of votes in the Legislative Council for poker machines also came from the Labor Party.

The Hon. Nick Xenophon has argued that we should abolish poker machines within five years. The Premier in reacting to this last year said, again in a statement which reflected reality, that the state could not afford to remove poker machines from hotels and clubs. On 10 November 1998, the Premier said:

> The hotel industry in this state lawfully has invested something like $1 million into tourism infrastructure and hospitality. If that law is changed they are entitled to some compensation. That is just simply not an option that the government can afford to put in place.

As I said, I have played poker machines four or five times. When someone asks you how you are going at the pokies, you might say that you have won $40, lost $40 or broken even. Instead of playing poker machines, I could have had dinner at a restaurant, gone to the pictures, hired a video and smoked a packet of cigarettes (if I smoked), gone fishing in a boat or played golf. These are all leisure options.

If I spent money on any of these options, I would hope to have a pleasurable experience. I do not say, 'I lost $100 dollars taking out a boat.' I do not say, 'I lost $75 on a dinner for two.' To quantify gambling losses in headlines in the media can be misleading, if people have had an enjoyable few hours entertaining themselves at poker machines. Certainly, I recognise that for problem gamblers the money losses can have serious political and social consequences. I do not think anyone would deny that; I accept that. It was one of the reasons why I had reservations about poker machines when the issue was first debated. Poker machines are not my preferred choice of entertainment, but I am not a moral policeman and I fail to see the logic of the Hon. Nick Xenophon advocating their retention in clubs as against pubs: he has advanced no sound argument. Do the lights flash less? Is the noise less mesmeric with poker machines in clubs? No. Are people who patronise clubs smarter and less vulnerable? I just do not think so.

We get back to the basic root of the argument—that the Productivity Commission's first report confirmed that 82 per cent of Australians gamble and that, for the vast majority, gambling is pure entertainment. The vast majority of Australians do not have a gambling problem.

I want to look at some of the issues that tend to be neglected. For instance, the moneys raised in the Lotteries Commission in 1998-99 amounted to $287.5 million, and $82.3 million of that sum was distributed to the hospitals fund. Just out of interest, I point out that there are 550 members of the Lotteries Commission Agents' Network. They are small businesses, benefiting from the Lotteries Commission—113 newsagents, 55 delis, 24 chemists, 20 supermarkets, 22 clubs, 7 kiosks and 112 hotels.

Hotels in South Australia employ 17 000 South Australians, with 4 000 jobs being created since the introduction of gambling. Close to $2 billion is now the estimated capital and commercial investment value of South Australian hotels. Interestingly, a point often overlooked is that 45 per cent of revenue for the TAB is generated from South Australian hotels. The logic of the Xenophon argument might perhaps be that we should move to remove the TAB from hotels and allow it to operate only out of clubs.

As I have mentioned, the Gamblers' Rehabilitation Fund of $1.5 million allows research, community education, 24-hour help lines—all through the initiative of the Hotels Association and licensed clubs. The BreakEven Gambling Service has been admired around Australia. In fact, the Hon. Nick Xenophon admitted on 10 March 1999 (*Hansard*, page 874):

> . . . I think it would be fair to say it is world class in terms of its quality of service. . .

Along with the clubs, the hotels have recently taken an initiative to upgrade their original code of practice, which was established at the time poker machines were introduced. On 25 October 1999, I received a letter from the General

Manager of the AHA in South Australia, Mr John Lewis, which enclosed a revised new code of practice for the Australian Hotels Association and Clubs SA in respect of gaming machines. Under the new code, hotels and clubs will prevent people who are clearly intoxicated from playing gaming machines, install clocks on walls, display the 24-hour help line number on all machines, display signs to advise that wagering calls on credit is illegal, prevent cheques from being cashed in gaming rooms and so on. They are good initiatives. There have been arguments to say that gambling, and gaming machines in particular, lead to increased suicide.

At the end of 1996, Stephen Richards, Chief Executive Officer of the Adelaide Central Mission, made a statement which was quoted by the Hon. Nick Xenophon on 10 March 1999 (*Hansard*, page 872):

> . . . it is possible that the suicide rate in South Australia associated with gambling could be in excess of 50 per year [within five years].

That is by the end of 2001. That is a staggering statistic. The Hon. Mr Xenophon relying on that goes on to say:

> If any other product or service had this sort of social cost, it would be banned or highly regulated and there would be a high investment in health and welfare services e.g. cars, alcohol, cigarettes.

It is a nonsense argument. I will not spend the time rebutting it because it is so obviously flawed. I seek leave to have included in *Hansard* a table purely of a statistical nature which lists suicide as a cause of death in South Australia for the years 1988 to 1997.

Leave granted.

Suicide as cause of death in SA

Year	No. of deaths Males	Females	Total	Proportion of total deaths
1997	162	35	197	1.7
1996	153	32	185	1.6
1995	161	39	200	1.8
1994	140	29	169	1.4
1993	132	34	166	1.4
1992	165	48	213	1.9
1991	172	59	231	2.1
1990	173	41	214	2.0
1989	150	52	202	1.8
1988	145	39	184	1.7

Source ABS Causes of death 3303.0 & SA Year Book.

The Hon. L.H. DAVIS: This in fact shows that there has been a decline in the number of deaths by suicide in recent years. In fact, in 1991, 231 suicides in South Australia represented 2.1 per cent of the population, and in 1996 that had fallen to 1.6 per cent of the population, and in 1997 it was 1.7 per cent of the population. Indeed, one could argue that perhaps the higher number of suicides in 1991 and 1992 could have been attributable to the State Bank. I am not making that as a hard and fast judgment, but it is fascinating to see the suggestions of higher suicides coming as a result of gambling machines is simply not true.

In fact, it is interesting to note that, in unpublished data from the Australian Institute for Health and Welfare, National Injury Surveillance Unit 1997, the pattern of overall suicide death rates in Australia since 1991 for Australians of all ages has been fairly constant—except there was understandably a higher rate recorded in the depression.

There are some excessive arguments made about poker machines in my view. For instance, Vin Glenn of the BreakEven Gambling Service in the Messenger of 4 November 1998 claimed that, for every 100 people who play pokies, four or five will develop a gambling problem and one in five problem gamblers will attempt suicide and may be successful. South Australian Government figures show there are about 7 000 problem gamblers in this state. On that basis, you would have 1 400 problem gamblers attempting suicide on the claims of Mr Vin Glenn. This claim that poker machines leads to dramatic increase in suicides is, as I have illustrated from the statistics I have just tabled, at this time patently untrue. The argument cannot be sustained on any reasonable analysis of the statistics.

The Productivity Commission Report recently published said it is possible that one in 10 problem gamblers attempted suicide, but there is simply no hard evidence on that in my view at this stage.

We also have well-meaning people, like councils, writing to Mr Xenophon, wishing him well with his bill. I received a copy of a letter from the city of Burnside signed by Richard Crabb, Acting Chief Executive Officer, expressing support for the bill. If the city of Burnside was forced to reduce its annual taxation revenue by 9 per cent, which is the practical application of the Xenophon bill—a 9 per cent reduction in state taxation—while the Burnside council was still suffering from the effects of a loss on the equivalent scale from the State Bank and SGIC, I suspect it would cause the Burnside councillors some furrowed brows and deep breaths.

At the 1997 state election, the Hon. Nick Xenophon and No Pokies campaigned on the slogan, 'We don't want to run the state; we are just trying to right the wrong.' As I have said, certainly in the way in which they have handled ETSA and other bills (where they have had no professed expertise and have often relied, particularly with respect to ETSA, on advice which was coming out of the New South Wales government rather than the South Australian government), they have attempted in every way to run the state directly contrary to the advertising claims they made at the last state election. The No Pokies party advertised during the 1997 election campaign that $1 million would be lost on pokies in pubs and clubs across South Australia. They campaigned with the word 'pokies' in a circle with a line crossed through and 'Vote 1 No Pokies.' There was a clear and unambiguous message that the No Pokies organisation was, as its name suggested, against pokies. But it was not: its real policy was no pokies for pubs and pokies for clubs. It was the No Pokies party you are having when you are not having no pokies, and that is no hokey-pokey!

In his maiden speech to the Council on 4 December 1997, the Hon. Nick Xenophon made no mention whatsoever of the 'No to pubs, yes to clubs policy' in his maiden speech, when he set down his aims for the next eight years; there was not a mention of it. In fact, almost no-one to whom I have spoken in recent weeks realised that No Pokies was not really 100 per cent No Pokies. Reporters to whom I have spoken who covered the 1997 election campaign were not aware of 'No pokies for pubs but pokies in clubs'. The leader of the Council, the Hon. Rob Lucas, as he demonstrated recently (and he has a ferocious memory) was not aware of it. And, of course, he is now suffering possible legal action if he says anything about it outside—and I am sure he will be very careful and he will not, because he is very sensitive to these things. The Hon. Rob Lucas was not aware of it when he made his contribution late last month on this bill.

However, when I was researching this speech just weeks ago, I discovered an advertisement on 8 October 1997, during the election campaign, and buried away in the small print was the sentence, 'We also want to get pokies out of pubs over a five year period.' But, when one takes that in the context of other advertisements in the election campaign that talked about money lost on pokies in pubs and clubs across South

Australia, one could be forgiven for presuming that No Pokies meant what it said.

The Hon. Nick Xenophon seeks to remove all poker machines in South Australia within five years—although, of course, poker machines in clubs can stay. And, of course, if the clubs got their way we would be dealing with 200 poker machines, although we have not heard a peep out of Nick Xenophon. He has been apoplectic about hotels, saying that they actually make profits and it is not a good thing. But out in the marketplace for two months there has been a brief from the clubs to all politicians in South Australia saying, 'What we want is an amendment to give us the right to 200 machines.' We have not heard a squeak out of the Hon. Nick Xenophon. How extraordinary! From 40 machines to 200 machines is, I think, perhaps an important development. But not according to the Hon. Nick Xenophon who, as I understand it, is the leader of the No Pokies party in South Australia.

If we take the Hon. Nick Xenophon's legislation, abolishing all poker machines out of hotels within a five year period, this will remove—and I have not consulted the Treasurer on this but he will give me the nod, I am sure, if I am wrong (I do not think I am wrong; I am numerate on these things, because it is a relatively simple arithmetic exercise)—an estimated $175 million from state revenue in 1999-2000 dollar terms. In that calculation I have allowed for the fact that the state will still be able to collect taxation revenue from the clubs' poker machines, because they will still be in the marketplace. That will be about $25 million, because they have about 12 per cent of the machines. So, the Treasurer will be relieved to know that he will still get $25 million from poker machines in clubs but he will lose a cool $175 million from poker machines in hotels. That is called reality. That represents 9 per cent of state revenue.

Has the Hon. Nick Xenophon explained how the state government should make up this shortfall of 9 per cent—$175 million? No. Has he given one example anywhere in the world where virtually all poker machines have been removed by legislation? No. Has he addressed the very real prospect of compensation claims by hotels if this does occur? No. Has he addressed what will inevitably happen when clubs move to fill the vacuum left by the removal of poker machines from hotels? No. 'Vacuum' seems to me to be a very appropriate word.

We have about 150 deaths on South Australian roads each year, and a significant percentage of them are innocent victims of drink driving. Road deaths and accidents have led to changing laws, some initially quite controversial, such as seat belts, random breath testing, P and L plates, zero alcohol limits for new drivers and better designed cars. Many people drink too much, although in moderation alcohol, like gambling, can be a pleasurable experience. Many people die annually from diseases associated with smoking. Many people die or suffer illness from bad dietary habits. That happens to be a pet topic of mine. How many people who can least afford it eat unhealthy and relatively expensive foods? Many people's lives are made a misery because they are hopeless when handling money. Many people refuse to exercise and suffer ill health as a consequence. All these examples incur social and economic costs, many of which ultimately have to be funded by taxpayers or community or charitable organisations.

In conclusion, Mr Xenophon sets the morality bar very high and then simply strolls under it. The No.2 candidate for the No Pokies at the last election, Bob Moran, was a big punter, not on poker machines, but on horses. The Ferrier Hodgson report investigated the failure of Bob Moran's Used Cars, but it failed quite pointedly to acknowledge his claim that poker machines were the cause of his collapse. As I have said pointedly in my review, it did not list poker machines as a reason amongst several for the massive $4 million estimated deficiency in July 1997. That report—

The Hon. T.G. Cameron interjecting:

The Hon. L.H. DAVIS: No, Moran did not say that: he said it was the main reason for the loss, but it was not mentioned in the report. The dogs have been barking about the Moran story since early July 1997. I have known about it for a long time and I am sure a lot of other people have, but Moran remained a candidate for the 11 October state election—more than three months later. The Hon. Nick Xenophon went to the election on a No Pokies platform, but it did not really mean 'no pokies': it only meant no pokies in pubs and pokies in clubs.

The Hon. Nick Xenophon refuses to make his press releases available to the parliamentary library. I asked for them two days ago. He was contacted and told that as a matter of courtesy most people have their releases available; the government has its releases available. They rang again and were advised that they would not be made available. That is hardly an example of transparency and accountability, given the moral high bar the Hon. Mr Xenophon sets for everyone else. As I have said, this is ultimately about credibility and reality. I believe this bill has serious flaws. I believe that on the issue of credibility and reality the Hon. Nick Xenophon fails on both counts.

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

SOUTHERN STATE SUPERANNUATION (SALARY) AMENDMENT BILL

The Hon. R.I. LUCAS (Treasurer) obtained leave and introduced a Bill for an Act to amend the Southern State Superannuation Act 1994. Read a first time.

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

That this Bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

This Bill seeks to make a minor but important amendment to the *Southern State Superannuation Act 1994*, which establishes and continues the Triple S scheme for government employees. The Triple S Scheme provides benefits based on the accumulation of contributions paid into the scheme.

The amendment modifies the definition of salary to provide that non-monetary remuneration received by a member as the result of the sacrifice by the member of part of his or her salary in accordance with an award or an enterprise agreement prescribed by regulation shall be included as part of salary for purposes of the Act. The modification is required as a consequence of the agreement between the public sector unions and the Government to introduce the option for employees to salary sacrifice as part of the SA Government Wages Parity Enterprise Agreement.

In terms of the current definition of salary under the Act, non-monetary remuneration is not considered to be part of salary on which contributions to the scheme and benefits are determined. This means that unless there is an amendment, employees who elect to take part of their current cash salary in non-monetary form will suffer an unintended diminution of superannuation benefits.

The amendment will ensure that as a result of the proposed introduction of salary sacrificing from December 1999, there will be no diminution of a person's conditions and benefits of employment, and particularly superannuation.

Executive Officers employed in terms of an individual contract are not affected by this amendment. The provisions of an Executive Contract allow the officer to determine their own specific level of superannuation contributions.

The Public Service Association and the South Australian Superannuation Board have been fully consulted in relation to this amendment, and have indicated their support for the proposed amendment.

I commend this bill to honourable members.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

This clause provides for the amendments to operate from the date from which salary sacrificing is available to members of the scheme.

Clause 3: Amendment of s. 3—Interpretation

This clause amends section 3 of the principal Act. It is advisable to define the term 'non-monetary remuneration' because in many instances so called non-monetary remuneration comprises the payment of money on behalf of the employee.

New subsections (3) and (3a) set out the forms of non-monetary remuneration that are included and those that are not included in the definition of 'salary'. New subsection (3b) provides for the determination of the amount of the salary received by a member where part of it comprises non-monetary remuneration.

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

BUILDING WORK CONTRACTORS (GST) AMENDMENT BILL

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

THE CARRIERS ACT REPEAL BILL

The House of Assembly agreed to the bill without any amendment.

ADJOURNMENT

At 12.38 a.m. the Council adjourned until Thursday 18 November at 11 a.m.