LEGISLATIVE COUNCIL

Wednesday 31 May 2000

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

PAPER TABLED

The following paper was laid on the table:

By the Treasurer (Hon. R.I. Lucas)—

Regulation under the following Act—

Education Act 1972—Material and Service Charges.

LEGISLATIVE REVIEW COMMITTEE

The Hon. A.J. REDFORD: I lay on the table the 19th report of the committee 1999-2000 and move:

That the report be read.

Motion carried.

The Hon. A.J. REDFORD: I lay on the table the 20th report of the committee 1999-2000.

ABORIGINAL HERITAGE ACT

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I seek leave to table a copy of the ministerial statement on the Aboriginal Heritage Act 1988 issued today by the Minister for Aboriginal Affairs, the Hon. Dorothy Kotz.

Leave granted.

QUESTION TIME

STATE BUDGET

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

Leave granted.

The Hon. P. HOLLOWAY: In the 1999-2000 budget, outlays were estimated to rise by a staggering 5.2 per cent in real terms. However, the Treasurer told the Estimates Committee on 23 June last year that 5.2 per cent was a one-off increase and we could expect an actual reduction in outlays of 2.7 per cent in 2000-01. The recent budget shows that this expected fall in outlays has reduced to 1.5 per cent, yet over the same year outlays in the form of interest are expected to fall by over 27 per cent, through the sell-off of ETSA Utilities, with the resulting decline in interest payments.

My question to the Treasurer is: will he explain why at the time of the last budget the government predicted a fall in outlays of 2.7 per cent without the sale of ETSA and without the resulting fall in interest payments and, now that the ETSA lease is largely completed and interest liabilities are falling, the outlay savings are only about half those that the Treasurer was predicting last year?

The Hon. R.I. LUCAS (Treasurer): Sadly, this is a perfect example of the hypocrisy of the Australian Labor Party. Last year after the budget was brought down we had the Hon. Mr Holloway and Kevin Foley attacking the government for increasing spending by 5.2 per cent. Kevin Foley and the Hon. Paul Holloway said that this was disgraceful: the government had a budget out of control; and we were increasing spending to hospitals, schools, education and health by too much—by 5.2 per cent.

Of course, they actually had not quite got their act together because, while the shadow minister for health was attacking the government for not spending enough money on health, the shadow minister for education was attacking the government for not spending enough on education; the shadow minister for human services broadly, when you take into account ageing and disabilities, said that we were not spending enough money in the area of the ageing and disabilities; and the shadow minister for transport said that we were not spending enough money on transport.

Then the shadow minister and various backbenchers, some in this chamber (says he, looking at the Hon. Ron Roberts), said that we were not spending enough on regional development, that we needed to spend more on regional development. We then had the shadow minister for prisons and emergency services, but prisons in particular, saying that we were not spending enough money in some of those areas, in particular in relation to security.

So, we had this wonderful joy of being in opposition: that is, you can be all things to all people. The shadow treasurer and the shadow minister for finance attack the government for increasing spending by 5.2 per cent, then all the rest of the team attack the government for not spending enough money in these areas. Where Mike Rann is, of course, depends on which day of the week it is. One day he is agreeing with Kevin Foley, the next day he is agreeing with the shadow ministers for health and education. I suspect that it depends on where the numbers are for his own leadership position as to which day of the week it is and what policy position he happens to support.

Much as it would like to, the Labor Party cannot get away with trying to sustain that position. It cannot have a position where it attacks the government for a 5 per cent increase in spending on areas such as health, education, transport, security and safety and, at the same time, attack the government for not spending enough, and for cutbacks in public service expenditure.

The Hon. Mr Holloway should be prepared to front up with a policy—he would need to get one from Mr Rann or Mr Foley—other than 'We're still thinking about it; we will get back to you in a couple of years, just before the next election, when we have finally thought of a policy in relation to how we will manage the finances of the state.' The Labor Party has had more than two years to develop a sustainable policy position in relation to the state's finances. It has been unwilling, or unable, to do so. It has been unwilling to put down a position that is at least defensible.

The Hon. P. Holloway: Why don't you tell us about the state's finances?

The Hon. R.I. LUCAS: We told you that there was a 5 per cent increase in expenditure last year and you attacked us for spending too much. You said, 'Don't spend so much. You have a budget that is out of control. Don't spend that sort of money on health. Don't spend that sort of money on education.'

An honourable member interjecting:

The Hon. R.I. LUCAS: John Bannon, did you say?

An honourable member: He could probably bring John Cain over from Victoria to help him as well.

The Hon. R.I. LUCAS: Yes.

An honourable member: And Joan Kirner.

The Hon. R.I. LUCAS: And Joan Kirner. I thank honourable members for their assistance. What the honourable member does not refer to in his question, of course, is the point that was made last year: inevitably, as you come towards the end of each financial year, a range of projects and programs cannot be completed before the end of that financial year. They are then taken across into the following financial year, together with the funding.

The Hon. P. Holloway: Some schools you've announced six times.

The Hon. R.I. LUCAS: The honourable member highlights that, I must admit, unfairly. In his budget press releases and budget documents the Minister for Education highlighted that a number of these were not new announcements but announcements of continuing projects. There is nothing wrong with the minister indicating—

An honourable member: Continuing as if nothing had been done for years.

The Hon. R.I. LUCAS: But they were not portrayed as new projects, contrary to the suggestions made by Mike Rann and the Labor Party. What the honourable member has not indicated, because it does not suit his question, is what the actual increase in expenditure and outlays was or is estimated to be this year as opposed to—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: You are talking about next year, 2000-01. I am talking about 1999-2000, when it was projected to rise by 5.2 per cent. Because of this time lag in terms of spending and delay, what we will see is that there was not a 5.2 per cent increase. It was a much smaller figure than that and, as a result, there has been a deferral of expenditure into the year 2000-01, and that is the pre-eminent reason for the difference in expenditure. It is a relatively simple explanation, even for a shadow minister for finance. Certain projects are projected to have spent their money by 30 June. If they have been delayed in capital works by planning decisions or by bad weather for the builders, or whatever it might happen to be, then they are delayed to the following year and the money goes with them. You do not give the money to someone if they have not done the work. It is a relatively simple concept, I would have thought, one that should be understood even by the shadow minister for finance. If someone has not done the work, you do not give them the money. If they do not do the work until the following year, you give them the money in the following year. It is relatively simple, and it is as simple as that in terms of some of the issues that have been raised in the last 24 hours.

SOUTH AUSTRALIAN ASSET MANAGEMENT CORPORATION

The Hon. P. HOLLOWAY: Will the Treasurer explain why payments from the South Australian Asset Management Corporation, worth $187 million, have been held back for the second year running?

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Well, they have been around for two years. Does the Treasurer give an unequivocal assurance that this money will be used exclusively for the retirement of debt and not for current expenditure purposes?

The Hon. R.I. LUCAS (Treasurer): This is a point that the Hon. Mr Redford raised with me earlier because he has been listening to some of the comments made by the Hon. Mike Rann today. The Hon. Mr Holloway has in essence directly negated or been critical of the comments of his own leader. His own leader has been saying that this money should be spent on recurrent type expenditure within the health and school systems.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: No, this is what Mike Rann has been saying. According to my colleague, the Hon. Mr Redford, Mike Rann has been saying, 'Spend this money on recurrent type services within education and health.'

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The Hon. Mr Holloway's own leader evidently is out there—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: No, my colleague the Hon. Mr Redford is a very good listener to radio and his ear is finely tuned to the utterances of your leader, Mike Rann, and he has faithfully reported the statements and utterances—

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: Don't try to back away from your own leader's statements now. It is not edifying for a shadow minister or a deputy leader to try to distance himself from his own leader.

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: Here we go—attack the media: they have distorted it, he must have been quoted out of context. They are his own words, so it is hard to quote them out of context.

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: The member's question in essence is a direct criticism of his own leader's comments this morning. His own leader is saying that we ought to spend this money on recurrent type services within the education and health portfolios. At least on this issue I side with the Hon. Mr Holloway against the position of his own leader Mike Rann in relation to this, and that is that it does not make sense to use one off-type capital repayments or one-off type distributions to the budget as a funding mechanism for an ongoing recurrent stream of services, but it is possible to use one-off dividends to budgets whenever they might occur to fund one-off expenditures, whether they happen to be a capital expenditure or whether it is limited short-term recurrent expenditure.

For example, if you had a one year program which was to conclude at the end of that year, and if you had money coming into the budget, it is eminently sensible and acceptable to use a one-off dividend to the budget to pay a one-off expenditure like that. The sad fact is that Mr Rann is not talking about one-off expenditures like that but, according to my colleague, he is talking about an ongoing recurrent stream of expenditures, which the Hon. Mr Holloway has indicated he opposes. I join with him in opposing his own leader's suggestion in relation to the way this money should be expended. I would be happy to go with the honourable member in a joint delegation to his own leader to try to explain why the shadow minister's position should be sustained by the Labor opposition rather than that espoused by Mike Rann.

The Hon. A.J. REDFORD: By way of supplementary question, will the Treasurer explain what is meant in the statement by the Leader of the Opposition when he says, 'The Olsen government has sold the house to pay the mortgage and now it's putting the rent on the bankcard.'

The Hon. R.I. LUCAS: I have great difficulty explaining most things Mike Rann puts down and certainly in relation to that one it is again, first, a misstatement of the factual position.

Members interjecting:

The Hon. R.I. LUCAS: My colleague says it was an iconic statement. I think it indicated the difficulties the leader is having in understanding this budget statement. As the honourable member indicates, he has difficulty in understanding not only the difference between capital and recurrent but also, and more importantly, the difference between an ongoing stream of payments and one-off programs, whether they be capital or recurrent. I can only reinforce that the import of the shadow minister's question in terms of how this money ought to be expended is a position I am not comfortable with.

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: I think the Hon. Mr Redford—

The PRESIDENT: Order, the Hon. Mr Redford!

The Hon. T.G. Cameron interjecting:

The PRESIDENT: Order, the Hon. Mr Cameron!

The Hon. R.I. LUCAS: I must say that there are occasions when the Hon. Mr Holloway makes a deal more sense than does the Leader of the Opposition and the shadow treasurer. I would have to say that that is only a marginal issue, from my point of view.

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: As the Hon. Mr Redford has rightly pointed out (and I will not respond to any more interjections), these SAAMC funds we are talking about are actually the old bad bank moneys. Mike Rann and his party created the fiscal disaster of the State Bank but, through the Asset Management Corporation, this state government is trying to retrieve some of the moneys lost by the Mike Ranns, Kevin Foleys and John Bannons of this world through the State Bank fiasco.

In retrieving some of that money, we now hear Mike Rann attacking the government on how we bring that money to account and how we expend it on limited, one-off recurrent or capital programs. Not only has Mike Rann a nerve but the Labor Party also has a nerve. It is a bit rich for them to be critical of something which the government has assiduously worked its way through to create the additional funding and to bring to account so we can provide additional resources for important one-off expenditures. Now Mike Rann, Kevin Foley and the Hon. Mr Holloway have the temerity to try to attack the government over this issue.

TRANSPORT, PUBLIC

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Transport a question about public transport.

Leave granted.

The Hon. T.G. ROBERTS: Budget paper 4, volume 2, page 7.79 refers to the sale of goods and services under operating revenue for the Public Transport Board. This revenue source comprises metro ticket sales, and metropolitan and non-metropolitan concessional reimbursements. The 1999-2000 budget allocation was $85.3 million, compared with this year's $71.4 million; that is a 16.3 per cent decline in projected revenue. At the same time, the cost of travelling on public transport has increased by 2 per cent. Will the minister outline the reasons for the significant variation, and does this mean that patronage for 1999-2000 has declined? Worse still, will the projected figure keep declining in 2000-01, or has the minister a new grand plan that she has not let the South Australian public in on?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I regret that I have not been able to find the reference—budget paper 4, volume 2, page 7.79. My reference does not relate to the honourable member's question, so I am not sure to what figures the honourable member is referring. Notwithstanding that, I can highlight to the honourable member, as I have highlighted in this place before, that, with the new contractors for the bus services that started on 23 April, we have contracts which have very attractive provisions for increases in patronage. We believe that that will help the new contractors speak with their customers and communities in general and address service delivery overall, and that that will be to the benefit of public transport passengers and patronage.

Also, as part of the new contracts, we have introduced nine go-zones—the high frequency services—and I know that they have been particularly popular. It is a bit of a testing time to introduce them in April and find that you have the wettest May you have ever had and the coldest of temperatures, because people do not go out quite as often in this weather. It will be interesting to see how we fare with these new go-zones and the more frequent services that have been introduced in response to customer demand. I will have to get the answers to the specific questions that the honourable member has asked: I did not hear all of them because I was trying to look up the reference in the budget papers, which, as I noted earlier, I could not find.

STATE BUDGET

The Hon. L.H. DAVIS: I seek leave to make a brief explanation before asking the leader of the government, the Hon. Robert Lucas, a question on the subject of conflicting statements on the state budget.

Leave granted.

The Hon. L.H. DAVIS: In the past 24 hours the opposition's shadow treasurer, Mr Kevin Foley, has made a series of remarkable statements. He attacked the Premier, John Olsen, calling him a 'big spender'. He attacked the government for outlays being up and said:

> The Olsen government has lost control of its budget and lost sight of its priorities.

He also, quite remarkably, claims:

> They [the government] will leave a legacy of debt and of recurrent deficits in this state.

That is a fairly remarkable statement coming from the shadow treasurer. Not only is he content to attack the government but also he attacked the *Advertiser* when he said:

> . . . the local print media's coverage of the budget was most disappointing, given its lack of detailed analysis.

From eight second Kev, I thought that was pretty rich. The *Advertiser* actually had nine pages of coverage of the state budget, which I thought was more than adequate. Then we had the most glorious statement of all, as follows:

> When the government headed down the road of selling ETSA, we [the Labor Party] predicted that this government would use the sale of ETSA to reduce debt. . . We actually had to stiffen up the legislation to ensure that the government could not take away a stack of that cash and pump into the budget. . .

Fortunately I was sitting on a chair, otherwise I would have been picking myself up off the floor. Those statements are even more remarkable considering that Mr Foley, in his

budget speech in another place last night from which I quoted, accused the Premier of being a big spender while, just minutes earlier, the Leader of the Opposition, the Hon. Mike Rann, accused the government of not spending big enough.

Members interjecting:

The PRESIDENT: Order! I have called for order. The Hon. Mr Davis knows that in question time he is not to debate the issue. He should get on with his explanation before asking his question.

The Hon. L.H. DAVIS: I have finished my explanation, Mr President, which I think everyone has understood. My question is: can the Treasurer reconcile the statements of the shadow treasurer, which attack the government and allege out of control spending, with those of the Leader of the Opposition, Mr Mike Rann, and other frontbenchers, who attack the government for not spending enough?

The Hon. R.I. LUCAS (Treasurer): There is no doubt about our shadow treasurer; he is sharper than the average shadow Labor treasurer. Imagine him being able to tell the House of Assembly that when the government headed down the road of selling ETSA he could predict that this government would use the sale of ETSA to reduce debt. What an astute observation from the shadow treasurer. It was obviously another one of these leaks from the Liberal cabinet that Kevin was able to get, and he was able to predict the government would use the proceeds of the sale of ETSA to reduce debt.

The Hon. Carmel Zollo: Why haven't you?

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: Mr President, out of the mouths of novice backbenchers: the Hon. Carmel Zollo asks 'Why haven't you?'

The Hon. P. Holloway interjecting:

The Hon. R.I. LUCAS: We have not completed the privatisation process. We do have another three businesses to sell or lease.

The Hon. P. Holloway interjecting:

The PRESIDENT: Order, the Hon. Mr Holloway! That's enough.

The Hon. R.I. LUCAS: Another three businesses still have to be sold or leased. With two of the businesses, whilst we have announced them, there has not been financial close of those two businesses, so the money has not flowed through to the Treasury coffers. There are a number of similar statements made by the shadow treasurer in his budget contribution. I guess we will have an opportunity later on to address the budget contribution, but it was sadly lacking in any analysis of the budget documents. It contains a series of extraordinary statements such as some of the statements that the Hon. Mr Davis has referred to, and in particular that one about him being able to use the sale of ETSA to reduce state debt.

I think clearly the issue—and I do not intend to repeat all of the response to the earlier question, because it does have some degree of overlap—is that with the budget contributions from the two senior spokespersons for the Labor Party, which, as the Hon. Mr Davis indicates, were separated by 30 seconds as one stood up and one sat down, we had Mike Rann attacking the government as best as he could on the basis that it was not spending enough money in education and health and in a variety of other areas and in the next breath, 30 seconds later, the shadow treasurer was jumping up and down attacking the government for spending too much money, for having a budget that was out of control and saying that this Premier in particular was a high spending, big spending, premier, which is exactly what Michael Rann was urging upon the Premier—to spend more money on education, more money on health and more money in a variety of the other policy areas that he referred to in his budget contribution.

MURRAY RIVER

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Water Resources, a question about control of salinity in rural South Australia.

Leave granted.

The Hon. IAN GILFILLAN: I have chosen that minister advisedly, because I believe that he has shown some activity and interest in this issue, having sponsored a seminar on 17 May—River Murray Salinity Strategy. I quote from part of the abstract:

> The 1999 salinity audit of the Murray-Darling Basin shows that the impacts of land clearance and irrigation development on river salinity will continue to increase over the next 50 to 100 years.

The Murray-Darling Basin Commission's 1999 salinity audit was a wake-up call in terms of rising levels of dry land salinity impacting on the Murray River, and, of course, many of us realise that the dry land salinity is far wider than just the Murray River's impact and spreads over thousands of hectares of South Australia.

The audit highlighted how mobilised saline water is finding its way into the lakes and rivers in the Murray-Darling Basin. The implication of the audit is that the countryside is devastated by salinity and capable of only returning to ever decreasing farm incomes. The demolition of the dream of pastoral bliss strengthens the argument that farming is now becoming so economically tough for the community of farmers that their children, particularly in these areas, show little interest in inheriting the debt and the family farm.

From these conferences, it is clear that South Australia has to get smart to become part of the newly formed knowledge economy. We need to learn to live with salt and develop strategies to stabilise then reduce the rising salt levels. 'Living with salt' means that our current agricultural practices are no longer sustainable.

One example of these new enterprises is a eucalyptus oil industry on Kangaroo Island. The Turner family is using indigenous narrow leaf mallee to distil approximately 3 per cent of Australia's eucalyptus oil. This is a serious forestry crop, it is sustainable, and it grows on salinity affected areas in commercial quantities. Clever solutions will have to be found if we are serious about saving the Murray River and not just bleating about handouts. We will have to develop sustainable agriculture so that we capture the water rather than allow it to leak and keep the salty watertable level two metres below the surface.

From this perspective, the Lucas budget has a big image problem in terms of regional development in South Australia. The reforming zeal that would help us become a clever, sustainable region is missing. It is not about a happening new sustainable economy. We are looking at a declining return, a declining economy in rural and regional South Australia, unless something quite dramatic is done. That view is widely held in rural and regional South Australia.

There is one bright spot in the budget in terms of South Australia getting its own house in order. The Minister for

Water Resources said that the state's contribution to the joint state and federal funding of $24 million has been put towards a Murray River salinity audit and community consultation. This is not a big step but at least it is a start, and this is what South Australia needs to do if it is to continue to take the high moral ground by criticising the other states for their lack of action in helping us save the Murray River. My questions to the minister are:

1. What is the government's long-term strategy for establishing salt-tolerant sustainable agriculture in South Australia?

2. Does this strategy involve taking large tracts of land out of production; if so, how much and for how long?

3. What research is being done in the state to facilitate water absorbing farming systems by developing, say, cereal crops that capture rather than allow the leak of precipitate water through to lower salt bearing watertables?

4. Does the new sustainable agricultural strategy involve farmers trying to make a living from deep-rooted pasture plants, woody natives and/or agro-forestry?

5. Is it expected that these measures will be sufficient to manage salinity by redressing groundwater imbalance in any areas of South Australia and, if so, where and when?

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

RANN, Hon. M.D.

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking the Treasurer a question about Mr Rann's statements.

Leave granted.

The Hon. A.J. REDFORD: Yesterday, the Leader of the Opposition made a number of public statements. I will not go into detail, but I will point out a couple of highlights. First, he said that our budget is in deficit; secondly, that Labor, for its part, is committed to balanced budgets; thirdly, that before the 1997 election the government announced that there would be no increase in taxation if it was re-elected; and the next thing that he said was that there was a promise on the part of the Premier of an extra 1 000 school computers a day.

The Hon. T.G. Cameron: A day?

The Hon. A.J. REDFORD: A day. He went on to say:

> The government said that the ETSA sale would wipe out all debt. I repeat: all debt.

He went on to say:

> In 1998-99 there was supposed to be a $4 million surplus, which turned into a $65 million deficit. In 1999-2000 a $1 million surplus somehow became a $39 million deficit.

In light of those comments, my questions to the Treasurer are:

1. Is our budget in deficit?

2. Based on the statements made by Mr Rann, Mr Foley and other members of the shadow cabinet, is there any indication that Labor, for its part, is committed to balanced budgets?

3. Did the government promise prior to the last election that there would be no increase in taxation if a Liberal government was re-elected?

4. Has the Premier ever promised that there would be an extra 1 000 school computers a day?

5. Has the government ever suggested that the ETSA sale would wipe out all state debt?

6. Does the Treasurer agree with the assertion that the 1998-99 budget forecast a $4 million surplus, which turned into a $65 million deficit and, secondly, is the Treasurer able to explain how a projected $1 million surplus became a $39 million deficit, and was that process explained publicly and openly?

7. Does the Rann-Foley understanding of economics and its misrepresentation of government statements make them fit for government Treasury benches?

8. Is the Treasurer optimistic that some radio and TV outlets might ask Mr Rann the same quality questions that the government has been asked over the past few weeks?

The Hon. R.I. LUCAS (Treasurer): I will do my very best to remember most of those questions. There certainly never was a commitment from the government to install 1 000 computers every day. That would be 365 000 computers in a year, and we have only about 170 000 or 180 000 students, even if every one had one computer under each arm, whether they were five years old or 17 years old!

It is certainly not true to say that the government promised no increase in taxation at the last election. In fact, the Premier was attacked by the media and by the Labor Party for being somewhat equivocal about the taxation position in the government's second four year term as opposed to its first four year term. Mike Rann's memory might be fading a bit: he is getting a bit older. He might be thinking of the 1993 election when quite a specific commitment was given in explicit terms.

That same commitment was not given in 1997: it was much more equivocal. Indeed, there were a number of attacks by the Labor Party and the media that the government was leaving open some options in relation to taxation in its second four year term.

The Hon. R.R. Roberts: Certainly ETSA wasn't one of them.

The Hon. R.I. LUCAS: No, this is taxation: I am not talking about privatisation. In relation to the two or three questions about Labor Party credibility, I think that the honourable member would know my response. Based on its record and what it has said, I do not believe that it has any credibility in this area.

In relation to the deficit, this is the crunch point with respect to the whole budget reply strategy of the opposition: if you have different people saying different things, no-one will think about how it all stacks together. Previously, I have highlighted the differences between Mr Rann and Mr Foley in terms of their strategy, and I have highlighted the differences between Mr Holloway and Mr Rann in terms of their budget responses: they are all over the ship.

This issue about the credibility of the Labor Party's position on the deficit is important. When you combine that with the questions yesterday about the accrual deficit, we have a situation whereby Mike Rann is promising to balance the budget. He also promised in his budget reply and other public statements to spend much more money in a variety of areas. As I indicated yesterday, that means that we at last have a Labor policy, which is for a massive increase in state taxation under any possible Labor government.

If one was to balance the budget in an accrual sense and, at the same time, massively increase expenditure right across the board, there would have to be a massive increase in state taxation. Mr Rann and Mr Foley have been strangely silent on this issue. They were challenged yesterday about their policy and there has been no response at all from Mr Rann and Mr Foley about state taxation.

An honourable member interjecting:

The Hon. R.I. LUCAS: Well, I am sure that at some time over the next two years, leading up to the next election before March 2002, someone will have the courage to front up to that—

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: —awesome spectacle of the Leader of the Opposition raising himself—

Members interjecting:

The PRESIDENT: Order! The Hon. Mr Redford has asked 15 questions. He will let the Treasurer answer them.

The Hon. R.I. LUCAS: The Leader of the Opposition will raise himself onto his toes to a fearsome height, which will, I am sure, cower members of the media and the community. Someone from the media with the courage will ask the question, 'Mr Opposition Leader, if you are going to balance the budget in an accrual sense, and if you are going to spend massively more on education and health, will you have to massively increase state taxation?' It is a relatively simple question and we have two years for someone to have the courage to front up to Mike Rann or Kevin Foley to ask it. The rest of us will wait with bated breath to hear the answer.

I am sure that the media in South Australia would not want a situation where such a fundamental question was not put clearly, explicitly and directly to the Leader of the Opposition and the shadow treasurer—and we might get two different answers if we put it to both of them at the same time—and there was not some sort of response in relation to those issues. There may well be some other aspects of the member's question that—

The Hon. A.J. Redford: Did the government ever say that the sale of ETSA would wipe out all debt?

The Hon. R.I. LUCAS: I have said for the past two years on behalf of the government that this government refused to put a dollar figure on the expected proceeds of the ETSA sale. I have refused for two years to put an estimate on the expected proceeds. The only statement that has ever come from my lips has been, right from the word go, that we were not going to make any estimate. However, we did note financial commentators in the *Financial Review* and others, right in the first week back in 1998, put up a figure of between $4 billion and $6 billion as the market valuation.

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

The Hon. R.I. LUCAS: Even the honourable member should be able to remember that—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order, the Hon. Mr Davis!

The Hon. R.I. LUCAS: I challenge the honourable member to find any statement, as the Minister responsible in this chamber and on behalf of the government in relation to this privatisation process, where I have given any indication of anything other than 'I am not putting a public value on it' or 'The estimate of the net benefit to the budget is in the ball park of $100 million or so a year'.

PUBLIC SERVANTS

The Hon. G. WEATHERILL: I seek leave to make a brief explanation before asking the Treasurer, representing the Premier, a question about public servants.

Leave granted.

The Hon. G. WEATHERILL: Recently the electronic media seems to have taken great delight in rubbishing public servants who were reported as sitting around in offices without any employment, these people being surplus to requirements. The electronic media and television seemed to enjoy photographing these people playing cards and what have you. It is not their fault that they are surplus to requirements; it is government policy that has created this situation.

The Hon. L.H. Davis: That is an opinion, George.

The Hon. G. WEATHERILL: There has been plenty of that in here today. Will the Premier advise how many ministers have employed public servants in their departments and in what capacity these people work in those departments?

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

ELECTRICITY SUPPLY

The Hon. J.F. STEFANI: I seek leave to make a brief explanation before asking the Treasurer a question about power shedding arrangements.

Leave granted.

The Hon. J.F. STEFANI: On 11 February 2000, I was listening to the ABC radio interview of Mr Paul Price of NEMMCO regarding the power shedding arrangements that occurred in both South Australia and Victoria during the extreme heat conditions experienced in both states over the summer months. During the interview, Mr Price admitted that power generated in South Australia and Victoria had been sold interstate while periods of power shedding and restrictions were being applied to residents and businesses in both South Australia and Victoria.

Apart from the inconvenience experienced by the residents of both states, it is estimated that businesses lost many tens of millions of dollars through the interstate sale of power during blackouts and power restrictions. Mr Price also admitted that NEMMCO had no jurisdiction over the protocol arrangements that had been put in place by the various state governments. He stated that NEMMCO was like a stock exchange that purely supervised the purchase and sale of power arrangements which were put in place by operators under the protocols of state governments. My questions are:

1. Will the Treasurer undertake to review the protocols that the state government has in place to ensure that in future electricity generated in South Australia is not sold interstate during periods of power restrictions and blackouts in this state?

2. Will the Treasurer advise whether NEMMCO has provided the state government with a report on the trading and power shedding events which affected many South Australians and Victorians and, if so, will the Treasurer make such a report available to the Parliament?

The Hon. R.I. LUCAS (Treasurer): I will certainly take some advice on the honourable member's questions, but I understand that there either is already or soon will be a report from either NEMMCO or NECA (I cannot remember which body) on the appropriate web site. I am happy to get a copy pulled down off the appropriate web site if it is there now, or if it is soon to be there, and provide a copy to the honourable member.

There has been already a review of the protocols, but there are issues in relation to, I think, the interview of Paul Price: the member's interpretation of what Mr Price was referring to, I understand, may be at cross purposes. That is, procedures have been agreed to between all jurisdictions in terms of the particular events we saw in the first week of February, that is, when power was in short supply. There are also

protocols in terms of communications. My recollection of the discussion at the time in February was that Mr Price indicated that he was referring to protocols in terms of communication, because there had been some criticism by the Victorian government and NEMMCO that NEMMCO had not communicated with the Victorian government. I think NEMMCO did not agree with that criticism and it may well be that the report that is soon to be published will throw some light on who was right and who was wrong in relation to that issue.

The fundamental part of the honourable member's question—and I think that the answer in the end will not be heading in the direction that the honourable member wants to see—is that in some way jurisdictions should give a commitment that in a national market power should not be shared among the various states. Certainly, the current arrangements are such—and I will check the precise details—that during a four hour period on that particular February afternoon—somewhere between 2 p.m. and 6 p.m. or 1 p.m. and 5 p.m.—power flowed from Victoria to South Australia for about half the time, and power flowed from South Australia to Victoria for the other half of the time. It may be 60-40 rather than 50-50, but it was flowing both ways. For the time during which the power was flowing to Victoria, it was in the same position as South Australia, namely, there were restrictions of supply. The Victorian community was being forced to share power with the South Australian community.

So, Victorian members of parliament or Victorian business leaders could similarly feel aggrieved that at a time when they had cutbacks they were having to share power with South Australia. Similarly, South Australian businesses and South Australian members have expressed the view that we should not have been sharing our power with Victoria. The reality is that, now that we are part of a national grid, a national electricity market and a national system, NEMMCO is given the responsibility to make difficult judgments about sharing power, particularly when two states suffer power restrictions at the same time.

I remember having some work done at the time; if I can dig up the material I am happy to share it with the honourable member. There may be a set of circumstances where, if the situation were reversed and there was a power strike at the Optima power station on Torrens Island which was the same as in Lorne—that is, the unionists had gone on strike, there was no power coming out and there was a shortage of power in Victoria—we in South Australia would be wholly reliant on getting power across the 500 megawatt interconnector. We might be in a situation where almost 40 per cent of South Australia's power supply was lost because of strike action at Torrens Island—that is how big Optima is. We would then have massive disruption in the South Australian market if we could not get power. If Victoria was also suffering some power restrictions—

An honourable member interjecting:

The Hon. R.I. LUCAS: I would keep very quiet about what has occurred in the past week if I were the Hon. Mr Holloway. I have been diverted. We might have to take power from Victoria to try to maintain at least a semblance of continuation of industry, employment, lighting, security and safety in South Australia. The national market and the national grid are there to try to assist those jurisdictions and states that are suffering problems. If two states are suffering at the same time, as occurred in February, someone has to make the decision as to how to share that power. That is NEMMCO's responsibility as an independent market management operator.

Each of us in our own states will want to adopt the position that we do not want to be affected; let the other state be affected, and Victoria would say exactly the same thing. The independent market management company has been established to try to make those difficult decisions. It does have guidelines regarding how it spreads the power around. I will get the figures for the honourable member, but I think they showed that Victoria was providing power to South Australia for just under half the time, and for just over half the time we were providing power to Victoria.

I have seen the figures that the retail traders have quoted which show that businesses lost some tens of millions of dollars during that four hour period on that afternoon. We are having further work done, and we have asked for clarification about those claims regarding tens of millions of dollars lost. That information has not been forthcoming, but we are now doing our own analysis, to the degree that we can, to compare retail trading figures during that period with those of another appropriate period to determine whether we can see any validation for the claim that retail businesses lost tens of millions of dollars during that period. I am happy to get further information for the honourable member and bring back a reply.

It is a difficult set of circumstances. Ultimately, NEMMCO and everyone involved can look at that process and hopefully learn from it, but I do not think that the fundamental change or commitment the honourable member is seeking will be possible under the structure of our national market, nor do I think it is appropriate. In the end, it may well be that we in the state of South Australia will need another state to share its power, even though it might already be under restrictions, because our power supply might be in an even more parlous state, through no fault of our own.

HOUSING TRUST, RENT

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Treasurer questions regarding South Australian Housing Trust private rental assistance.

Leave granted.

The Hon. T.G. CAMERON: Last week's state budget revealed a cut in SAHT private rental assistance for low income earners in the private rental market. The scheme provides an average $17 per week in subsidies to some 11 000 low income families and individuals. This disgraceful cut in assistance will affect many South Australians, including those on low incomes, unemployed people, people with disabilities, those with mental health problems and the ever-growing number of street kids.

Private rental assistance is a benefit paid to people who are on low incomes and are either waiting for access to a Housing Trust property or renting in the private sector. My office has been informed that the Housing Trust is no longer accepting level three applications for properties or is even placing names on the waiting list. This assistance has made a very real difference to many people's lives and has enabled them to rent a home in the private rental market which otherwise would have been out of their reach.

Currently, the vacancy rate stands at 0.8 per cent, one of the lowest of that in any mainland capital city and the lowest for years, and naturally rents are rising. I understand that those people currently receiving private rental assistance will continue to receive their payments. However, as from last

Friday the Housing Trust is not accepting any new applications for assistance. My questions are:

1. Considering that the Housing Trust is no longer accepting applications for its properties, why has the government cut this very beneficial assistance program for low income earners?

2. Before cutting Housing Trust rental assistance, did the government undertake any studies into what would be the result of this short-sighted policy decision? For example, will it lead to an increase in homelessness, poverty, the number of street children and so on; and, if not, why not?

3. Considering that the Housing Trust is not accepting applications for public housing for category three applicants, how are people supposed to be able to afford to rent in the private market without rental assistance?

4. Finally, based on the most recent figures, how many people are likely to be affected in the next financial year by the removal of Housing Trust private rental assistance and how much is it estimated this will save the government?

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

MURRAY RIVER

The Hon. M.J. ELLIOTT: I seek leave to give a brief explanation before asking the Treasurer, representing the Minister of Water Resources, questions in relation to the Murray River cap and environmental flows.

Leave granted.

The Hon. M.J. ELLIOTT: It is a commonly held view that the current state and federal governments' position on water diverted from the Murray and Darling Rivers for irrigators is a holding position only. In short, the current cap is a starting point and further action must be taken to build upon this position if we are to address the significant water resource problems that face the Murray-Darling Basin in the state of South Australia. The existing cap, which was set according to 1993-94 levels of development, allows South Australia to use around 700 gigalitres of the possible 4 100 gigalitres of water that enters South Australia. The 3 400 gigalitre difference is referred to as 'environmental flow'.

However, there is mounting evidence that that may not be enough, because vegetation continues to be degraded in the flood plains, salinity levels continue to rise, and there is the ever-present threat of the closure of the Murray mouth. A major concern is that more efficient irrigation practices occur, which, in itself, is a good thing, but 100 per cent of the saved water is being used for further irrigation. This does not solve the basic problem that too much water is being taken out of the river.

With the significant inefficiencies throughout the basin, it is possible to increase the area under irrigation and the value of production as well as the environmental flows. This win-win situation will become more difficult as each year passes. For this reason, many believe that the state government should establish appropriate levels of environmental flows as soon as possible.

The Minister for Water Resources was asked a question by Ashley Walsh on the ABC Radio's breakfast program: 'How much extra water is needed to keep the Murray mouth open?' The minister replied, 'Oh, Ashley, I am just the Minister: I don't know that. That is why I have highly trained hydrologists.' That is an interesting comment, given the agreement amongst environmental specialists that the flow rate is fundamental to the future of the river: it is a basic aspect that a water resources minister should know. My questions are:

1. Will the minister ask his hydrologists and other relevant experts exactly how much water is necessary for an environmental flow that will make our use of the Murray River sustainable in the longer term, and then report this answer back to the Council?

2. Will the minister tell the Council what plans he has to use improvements in irrigation efficiency to increase environmental flows to the necessary level?

3. Recognising that the minister has no power interstate, is he prepared to act in South Australia to demonstrate how increased environmental flows can be achieved?

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

JUBILEE 2000

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief explanation before asking the Minister for Transport a question about Jubilee 2000.

Leave granted.

The Hon. CAROLINE SCHAEFER: This morning most of us witnessed some 38 000 school children walking to Adelaide Oval to participate in the Jubilee 2000 march and mass, and I heard on numerous occasions as I waited to turn into King William Street that it was the largest transport logistic operation undertaken since the Second World War.

The Hon. Diana Laidlaw interjecting:

The Hon. CAROLINE SCHAEFER: I was considerably delayed by some one hour, but I am sure the children all enjoyed the participation in the mass. I would like the minister to describe the logistics involved in transporting 38 000 children at short notice.

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I do regret that in transport planning terms either I did not get the message to the Hon. Caroline Schaefer or, even with the message, she may not have made provision for the number of children attending this mass. I think it is worthwhile honourable members understanding the scale of this exercise, with 38 000 school children from, I think, every Catholic school represented in South Australia, and 30 000 staff from Catholic schools all over the state. There were 546 buses involved in the exercise and 94 trains, and that movement of vehicles was in addition to Trans-Adelaide in terms of the rail, Serco, Torrens Transit, South-Link and Transitplus from the Adelaide Hills maintaining their regular services. So it was a huge exercise.

The event was fully funded by the Catholic Education Office of South Australia, and I highlight this because there are some mean spirited people in our community; I heard on 5AN this morning that when this celebration was being broadcast and because public transport was being utilised people were ringing up asking whether the public were paying for Catholic kids to attend. As I say, there are some mean spirited individuals around. I would just like to highlight for the record that the Catholic Education Office did fully fund this exercise, but it came to the Passenger Transport Board because of the logistics exercise and to get the assistance of the government in organising the various bus, train and tram services, including private sector bus services, particularly from country areas.

I want to highlight that also because some of the bus and coach sector have already complained that preference was given to the public sector over the private sector, and that was certainly not the case. It was where buses could be found at rates that were competitive and in accordance with the preferences of the Catholic Education Office, which was sponsoring and paying for this exercise. I also want to acknowledge the Adelaide City Council, South Australia Police, the Transit Police and all our security inspectors, and I was very pleased to learn mid morning that all trains, trams and bus connections and transport arrangements generally had run smoothly. There had been some traffic delays in the city, the Hon. Caroline Schaefer among them. One day I will get the Hon. Caroline Schaefer on her bicycle and she just won't encounter some of these traffic problems in the city.

Although I am not Catholic by faith, I would like to applaud this public demonstration of religion, spirit and kindness in our community. I know that it meant much to the teachers and students involved and that they appreciated the efforts of the Passenger Transport Board and all who helped with the transport logistics to guarantee that this was a successful event.

ABORIGINAL SITES

The Hon. SANDRA KANCK: I seek leave to make a personal explanation.

The PRESIDENT: What is the reason for the personal explanation?

The Hon. SANDRA KANCK: I have been misrepresented on the subject of Aboriginal affairs.

The Hon. A.J. Redford interjecting:

The Hon. SANDRA KANCK: I will certainly not.

Leave granted.

The Hon. SANDRA KANCK: Earlier today in the House of Assembly the Minister for Aboriginal Affairs used a ministerial statement to attack me. In the statement, which was tabled in the Council, the minister said:

> Allegations made yesterday, by the Deputy Leader of the Australian Democrats, that sites of significance have not been recorded since 1993 and may have been destroyed due to a lack of protection are without foundation. Since 1992 more than 1 200 sites have been reported to the Division of State Aboriginal Affairs and all except 46 sites have been entered into the central archive. Of the 46 remaining reported sites some do not have any locational data and others are being checked by officers from the division.

I made a statement that no sites or objects have been put on the register since the Liberal Party was elected in December 1993. I stand by that assertion. On 28 October I placed on notice a question in this place, as follows:

> Can the Minister for Aboriginal Affairs advise how many sites and/or objects have been added to the Register of Aboriginal Sites and Objects since the 1993 South Australian election?

Five months later on 28 March the Hon. Diana Laidlaw provided the following answer:

> The Minister for Aboriginal Affairs has provided the following information:
>
> 1. None.

Perhaps the Minister for Aboriginal Affairs owes me an apology.

Members interjecting:

The PRESIDENT: Order!

LOCAL GOVERNMENT ELECTIONS

In reply to **Hon. T.G. ROBERTS** (12 April).

The Hon. DIANA LAIDLAW: The Minister for Local Government has provided the following information:

The government's attention has not previously been drawn to a purported increase in the number of sitting members of councils not seeking re-election. Candidates are not required to identify whether they are sitting members as part of the nomination process, so it is not possible to confirm or disprove the existence of a trend without consulting each council, or comparing the 1 161 nomination forms received for the May 2000 elections with lists of existing members of councils, and obtaining and comparing this same information for previous elections. To further determine the reasons why each member decided not to seek re-election would require a formal survey of these members.

Anecdotal information, including recent press articles, indicates that there are a range of reasons why some long-serving members are not re-nominating—some wish to concentrate on work or family, others simply state that they have served their time and wish to move on. It is possible that some members felt a responsibility to see various structural reforms through the implementation stage, and now prefer to step aside and make room for new candidates. Representing the community as a local government member is a demanding form of community service, and the government recognises the commitment and energy of those who have made very significant contributions in that role.

In terms of the level of interest in contesting local government positions, the Local Government Association has published statistics that show that:

- the ratio of contested positions as a percentage of the total number of positions is 70.46 [compared to 71.08 in 1997], and
- the ratio of nominations to positions this year has held remarkably closely to the 1997 record [1.52 candidates per position as against 1.54 in 1997.] Ten years ago ratios were generally much lower, in the range of 1.32 to 1.37.

In addition, a media release issued by the LGA on 30 March 2000 noted that 'A record 28 mayoral elections will be fought in statewide council elections . . . ' The release went on to say 'Contests include 5 candidates seeking to become lord mayor of Adelaide, four candidates at Charles Sturt, Marion and Murray Bridge, and three at Coober Pedy, Port Adelaide-Enfield, Unley and West Torrens.'

The Local Government Association considers that this continuing high level of interest indicates healthy local communities, and, far from being concerned, the government welcomes the interest being shown by men and women in offering to serve their local communities in this way.

The government, in cooperation with the Electoral Commissioner and the Local Government Association, will undertake a review of the conduct of the May 2000 council elections, and the first practical application of the provisions of the Local Government [Elections] Act 1999, once the results have been determined and any outstanding matters dealt with under the act. The Local Government Association is separately considering the possibility of entering its historical data on elections into some form of electronic database to make it easier to research the sorts of matters raised by the Honourable Member. The Local Government Association would be best placed to undertake an 'exit' survey of sitting members and the Minister for Local Government is sure it would do so if it considered the exercise warranted.

STATE BUDGET

The Hon. P. HOLLOWAY: I seek leave to make a personal explanation relating to some comments the Treasurer made during question time yesterday.

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order!

Leave granted.

The Hon. P. HOLLOWAY: Yesterday, I asked the Treasurer a question. Part of the question stated:

> The nominal cash surplus of $2 million in the budget comes from using $86 million of the proceeds from the sale of the casino to boost the current budget bottom line. Once this is acknowledged, the cash surplus of $2 million becomes a deficit of $84 million.

In response, on page 1145 of *Hansard*, the Treasurer said:

On Friday when I challenged him—

the Treasurer was referring to Kevin Foley—

to produce a budget document which shows that one dollar from the casino asset sale went into the budget, he was unable to do so. . . I challenge the Hon. Mr Holloway to show me a budget document where one dollar goes from the casino asset sale into the budget.

I refer to budget paper 2, page 2.2, which states:

The premium from the sale of the casino complex by FundsSA will provide $86 million of the government's scheduled contributions towards fully funding the superannuation liability. This has enabled the government to reduce the contribution from the state budget.

I also refer to the reconciliation table on Program Estimates 2.9—

The Hon. R.I. LUCAS: I rise on a point of order, Mr President. I am happy to have this debate with the honourable member in which he seeks to defend an indefensible position but, under standing orders, a personal explanation can be made only if an honourable member claims to have been misrepresented. The honourable member cannot debate whether he is right and I am wrong or vice versa. We can have this debate during question time but not during a personal explanation.

The Hon. P. HOLLOWAY: In his answer yesterday, the Treasurer, by challenging me to produce documents, effectively was implying that I had made misleading statements. For the record, I was correcting those statements, and the quote I referred to makes that point.

MATTERS OF INTEREST

CHIQUITA BRANDS SOUTH PACIFIC LIMITED

The Hon. CAROLINE SCHAEFER: In my five minutes I would like to comment on today's press announcement about the Chiquita Brands South Pacific Limited's acquisition of the Angas Park Fruit Company and Kangara Enterprises of Renmark. As members would know, Angas Park is one of the icons of South Australia. It is based in the Barossa, and I am pleased to welcome this purchase. I have dealt for some time with Nigel Garrard, the Managing Director of Chiquita. He is a South Australian. His mother still lives here, and he spends a lot of time here. He was educated here and obtained his economics degree from the University of South Australia. He is a member of the Premier's Food for the Future Council. Mr Garrard's investment in time in the food industry in South Australia has been considerable since his appointment to the Premier's Food for the Future Council. He is the Chairman of the Strategic Investment Working Committee which is attached to that council.

The time that Mr Garrard gives to the South Australian food industry is extremely generous. The chairs of all our working committees are leaders of industry who voluntarily give their time to further our food plan. I have dealt at length and in some depth with Nigel, and I look forward to Chiquita's further investment in this state. It appears to me, and certainly to Mr Paul Mariani, who is the son-in-law of the late Mr Colin Hayes and the vendor of Angas Park, that these purchases are a win-win-win situation. In fact, Mr Mariani is quoted as saying:

. . . it is good for our shareholders, good for our employees and management, all of whom will remain, and it's good for the local community and South Australian industry as well.

I reiterate those words. No employees will be lost because of these takeovers. Indeed, the production of Angas Park in particular is anticipated to increase significantly.

Kangara is a much smaller business. We have dealt with Kangara extensively in recent times through the Food for the Future group. Kangara produces citrus, carrots and juices. The company sells pre-packed and peeled baby carrots and juices overseas. This company will add a new and diverse aspect to Chiquita's horticultural business. Mr Brian Walker, Kangara's company manager, will remain with Chiquita after the purchase and become the general manager of citrus operations. Nigel Garrard is quoted as saying:

I am excited to have Brian joining our team. He brings considerable horticultural experience and an entrepreneurial spirit to our company.

It is the aim of Chiquita to grow business to earnings of $500 million per annum by 2003—I understand that currently the figure is $300 million throughout Australia—and to employ 1 200 people. My understanding of this purchase is that it involves an investment of $53 million, all of which will go into food production, food growth and regional South Australia. So, again, I welcome this news and I look forward to working further with Nigel Garrard and the principals of Chiquita.

ITALIAN AUSTRALIAN INSTITUTE CONFERENCE

The Hon. CARMEL ZOLLO: Along with the other members of this parliament of Italian heritage, I was invited to attend and participate in the inaugural conference of the Italian Australian Institute, held in Melbourne last week. I was pleased to be part of the conference on the last day and evening. The institute was launched last year during the visit of the President of the Republic of Italy and is supported by the Italian ambassador. The principal sponsor and driving force of the institute is Mr Rino Grollo, prominent developer and Australian business identity.

The institute is a non-political, non-profit national organisation devoted to the advancement of the interests of Australians of Italian background. The conference theme was, 'In search of the Italian Australian to the new millennium', which probably best sums up the aims and sentiments of the conference. The day I attended, the presenters and guest speakers ranged from the Most Reverend George Pell, Archbishop of Melbourne, to Professor Mary Kalantzis from RMIT University.

Several women of Italian background from South Australia were guest speakers: Ms Paola Niscioli, a PhD student from Flinders University; Ms Lara Palombo, a PhD student from Adelaide University; and Ms Teresa Crea, the Artistic Director of Doppio Teatro. Statistics show that there are nearly two million people of Italian origin in Australia and that it is the largest non-English speaking community.

Australia-wide, between first and second generations, the number is approximately 672 000. In South Australia, our first generation numbers 27 210, approximately, or 11.4 per cent of the first generation Australia-wide—a significant number. Our second generation numbers 37 715. Nearly 25 per cent of South Australians who were born in Italy do not speak English well: that is a significant factor in terms of access to and delivery of services, because almost one-third of this Italy-born group is over 65 years of age.

Whilst we are all part of the living history of this nation, to a great extent the future and identity of the Italo-Australian

community in Australia will be shaped by the second and third generations, with each generation wanting to shape its own identity. Among the interim list of conference recommendations, I was pleased to see the support for the Working Holiday Maker Program between Australia and Italy. Members will recall that I was the author of a motion sent from this chamber early last year to the Minister for Immigration and Multicultural Affairs, supporting the continuation of talks for this program to become reality.

I had reason to write to the minister recently regarding the government's response to the Joint Standing Committee on Migration inquiry recommendations. As a result, the government agreed that, from 1 July 2000, access to the program should be limited to those countries with which Australia has a formal agreement. In the meantime, as an agreement is yet to be signed with Italy, many others in the Italo-Australian community and I are concerned that this discretion has been removed.

Two hundred and fifty young people were previously granted visas under the scheme. Minister Ruddock responded last week, expressing his belief that a formal agreement with Italy should be happening in the very near future. I hope that this is the case. Two other important issues were canvassed at the conference: the creation of a national research centre dedicated to the history and culture of Italian Australians; and better cultural links between Italy and Australia, including the provision of scholarships for young people.

No culture can survive without the glue that binds it together—its language—so I was not surprised to see the call for stronger government funding for Italian language and other programs in Australian universities. We all appreciate that the wisdom of experience and age is important and should always be respected, but the world is both rapidly changing and becoming increasingly more global.

The point was made by a participant that, if the institute is to be the resounding success we all hope it will be, it will need to be truly national and include a fair gender representation, as well as the involvement of our young people. I wish the institute every success and look forward to the formal presentation of the recommendations of the inaugural conference later this year.

LABOR PARTY, PRESELECTIONS

The Hon. L.H. DAVIS: The Labor Party currently resembles a seething sea of serpents, following recent preselections. Our former Lord Mayor, Jane Lomax-Smith, won nomination to contest the state seat of Adelaide. Labor Leader Mike Rann was quoted publicly as saying that he had guaranteed Jane Lomax-Smith preselection, yet that same leader refused to guarantee preselection to Murray De Laine (who was beaten by Jay Weatherill) and Ralph Clarke (who was beaten by John Rau). Both are sitting members.

The Bolkus left and the right combined to achieve these victories and also ensured that Bob Sneath, who is regarded by some in Labor circles with the same affection reserved for Attila the Hun, was the shoe-in to take the Legislative Council seat of George Weatherill. Members would recall that I predicted that would happen a long time ago. Sneath for George and Jay for De Laine: as Richie Benaud might say, 'A very cozy little deal, that.'

The Bolkus left and the right, with around 123 of the 185 votes on the floor of convention, thumbed their noses at Labor convention and made Gail Gago No. 1 on the Legislative Council ticket, albeit that she is fresh from her quinella of failures in federal Adelaide and Makin. Notwithstanding the fact that Labor is making an extraordinary bid to reinvent itself in country areas by describing itself as Country Labor, it totally ignored the bid of Bill Hender, the inaugural President of Country Labor in SA who continues in that role, being a prominent member in the South-East, and did not put him in a winning position on the Legislative Council ticket.

In Makin we had a remarkable situation regarding Tony Zappia, who had been an active member of the Labor Party since the late 1960s and who had worked for the Labor Party in every state and federal election campaign since the 1960s. He was elected to the Salisbury council in 1977, being Mayor of the City of Salisbury since 1997; he owned businesses in the Makin federal electorate; and he had a very high profile as Mayor of the City of Salisbury and polled very strongly in the areas of Makin, which are also in the Salisbury council district. Zappia stood for endorsement for Makin. In his letter to members, he said:

> Makin is a difficult seat, which the ALP must win at the next election, and the choice of candidate is critical to us winning it. It is essential that we preselect a candidate with an established strong personal following, with credibility to counter the personal support of the incumbent, Trish Draper. . . I have a long-standing record of supporting union rights, environmental issues and social justice. My stance on these matters, particularly over the last three years as mayor, is on the public record.

Of course, we remember that initially, when nominations were called for Makin, the run-off was between Tony Zappia and 5AA's Tony Pilkington. Listeners of 5AA would not have been surprised to know that he was at least flirting with the Labor Party, but he withdrew because the Machine told him that he was persona non grata. Under the new rules, of course, Labor has to re-call nominations if someone withdraws, as Tony Pilkington did. So, what did we have?

We had Julie Woodman, candidate for preselection for Makin. It was alleged in the Labor Party that she had been a member of the Labor Party for 3½ years, although there is some dispute about this. She said in her letter as candidate for preselection for Makin, dated Thursday 27 April:

> I joined the Labor Party because of my anger at Liberal governments, state and federal, selling off public assets.

I thought that was a bit surprising, given that Labor started privatisation both here and federally. She had an extraordinary lack of involvement in the Labor Party. Her employment included sales experience in garages and rumpus rooms. But that was good enough to get her over the line against a well credentialled candidate in Tony Zappia. That, of course, caused a lot of angst in the Labor Party and remains a source of some contention. Just why was Woodman not around when nominations were called for the first time?

Time expired.

FIJI

The Hon. T.G. ROBERTS: I refer to the difficult circumstances in which the Indo-Fijians find themselves in the current crisis in Fiji. The media have provided us with very disturbing scenes in what can only be regarded as a paradise—

Members interjecting:

The PRESIDENT: Order! Let the honourable member be heard.

The Hon. T.G. ROBERTS: This is not the first time that Fiji has been confronted with this situation. This is the third coup in relation to the overthrow of democracy, but it is the first time an Indo-Fijian Prime Minister has been deposed.

The first coup culminated in a second coup with Timothy Bavandra (who is of Fijian descent) being deposed. That coup was orchestrated by a then army general who was incorporated under his own constitution and was that nation's self-declared and self-imposed leader until fresh elections were called. During that coup the entire government was sacked (similar to what has occurred on this occasion) and held prisoner within the confines of Dr Bavandra's house and isolated from the general community.

I was in Fiji at that time to examine the educational system of Pacific Island nations in terms of the linking of primary, secondary and tertiary education. I investigated the results that they were getting for and on behalf of their constituents and the possibility that there were lessons to be learnt in respect of adapting some of their programs to our own Aboriginal people in Australia. Unfortunately, I was unable to visit any of the schools I had intended to visit. However, I did meet with the leaders of the teachers union, one of whom was the Minister for Education—now the deposed Minister for Education—who I understand may still be in Australia. I visited his home but, because of the dangers I presented to him, the meeting was abandoned. Mobs were roaming the street at that time when the meetings were being held.

The scenes that the media are beaming into Australia generally revolve around confrontation between armed groups and the parliamentarians who are now detained behind closed doors in the parliamentary compound. However, the real violence and intimidation takes place outside the compound and is mainly directed towards Fijians of Indian descent. There is a lot of indiscriminate violence—such as beatings of children by roaming groups, rapes and fire bombings of homes—that goes unreported because it is not in the area where the media is centred. A whole history of fear and intimidation accompanies these armed roving gangs.

During the second coup in 1987, when I was in this disturbing situation, I was concerned at the lack of accurate information being reported to the Department of Foreign Affairs via the professional bureaucrats. Most of the information supplied to Canberra was via the journalists and Australian business people (who, in the main, were not trained diplomats or bureaucrats). Therefore, our information chain lagged and, consequently, any action taken at that time was limited.

Time expired.

WHITLAMS

The Hon. NICK XENOPHON: Yesterday the Whitlams, one of Australia's leading bands, performed on the steps of Parliament House their latest single *Blow up the Pokies*. Their singer-songwriter, Tim Freedman, performed with drummer Terepai Richmond. An excellent article that appeared in today's *Age* by Rebekah Devlin stated:

> The Whitlam name is no stranger to politics. For the band, it is an area they deliberately try to avoid. . . Freedman said he wrote the song a year ago after seeing the impact pokies had had on friends. He said he knew three musicians who had all come to grief through poker machines. One had committed suicide after putting his entire wage through the machines; another had become suicidal and had left home; and a third had suffered a drop in his living standards because of his poker machine addiction. Freedman said he was not taking a political stand on the issue because to say the issue was a political problem overlooked the human suffering involved.
>
> He saw it as a new social evil. In the 90s some of his friends had been addicted to heroin. Today many more of them were addicted to poker machines 'and the funny thing is, it's condoned by the government'. So he is using music to warn the public of the dangers of gambling.

The article continues:

> Freedman says the nation's gambling problems can be attributed to the proliferation of pokies, particularly their move into hotels. . . Freedman believes pokies and pubs are a more lethal mix. Alcohol made gamblers more vulnerable.

Freedman also makes the point that the live music scene has been affected by the introduction of poker machines into pubs. The article goes on:

> The move of poker machines into pubs was also limiting the number of venues available to musicians, with publicans closing live music areas and filling them with poker machines, said Freedman.
>
> 'I'm really glad that I'm not in a band starting off at the moment because the pubs where I started don't exist any more. I wouldn't have got out of the rehearsal rooms if poker machines had been around 10 years ago. It's as simple as that', he said.
>
> Freedman said the problem had become so bad that where there had once been 20 live band venues in inner Sydney, there were now only two.

I acknowledge that the arts minister and her adviser on these issues, Warwick Cheatle, have done a number of useful things and undertaken initiatives to assist the live music industry. But the fact remains that something like 480 hotels have now become pokies pubs. Many of them previously provided scope for original live music to be played. There are now fewer opportunities. The music scene has changed irrevocably with the introduction of poker machines and many musicians feel that it has been a change for the worse.

I congratulate the minister for a number of very good initiatives she has put in place for the music industry. But this is certainly one of the factors that ought to be taken into account. I think it is also quite poignant and touching that Tim Freedman spoke out about the reasons why he wrote this song—the fact that a friend of his had suicided because of a poker machine addiction. We have had members in this Council making light of that issue, making stupid inane comments along the lines that 'maybe if we had more poker machines, the suicide rate would go down', and that sort of thing is very unhelpful when you look at the extent of the human suffering involved.

I was pleased to be involved in this musical demonstration (for want of better words) with Tim Freedman yesterday. I had not met him before. I have been a fan of the Whitlams—and I am not talking about Gough and Margaret. The song makes the point that the issue of poker machine addiction is something that cuts across all age groups. The Productivity Commission's findings on the sociodemographic characteristics of gamblers and non gamblers indicate that an increasing number of young people are taking up gambling: 17.8 per cent of 18 to 24 year olds are regular gamblers, whereas 18 to 24 year olds constitute only 13.3 per cent of the general population. I think it indicates that it is a problem amongst all age groups. I would like, finally, to thank Warner Bros music for making Tim Freedman available and Triple FM for being a supporter of this event.

NATIVE TITLE

The Hon. SANDRA KANCK: It is only by virtue of an historical accident that native title survived in Australia. In the eighteenth century, international law recognised conquest, cession or occupation of terra nullius territory as the three means of acquiring sovereignty. In the case of the Attorney-General v. Brown (1847), Chief Justice Stephen of the Supreme Court of New South Wales held Australia to be terra

nullius. Had the blood stained occupation of Australia been legally recognised as a conquest, Aborigines would have been accorded a measure of legal standing, including property rights. There can be little doubt that, if colonial administrations had been aware of the existence of native title, it would have been legislatively eradicated well before federation.

Ironically, by applying the profoundly racist notion of Aborigines as backward peoples—heathens without agriculture or political structures—the colonial courts concealed native title from colonial governments. It lay hidden until the High Court's Mabo judgment. The High Court finding that terra nullius had been wrongly applied in law revived native title. The question to be answered is: how much survived the passage of time? The High Court declared in Mabo that, although free to depart from precedent, it could not do so in a way that would fracture the skeleton of principle on which our legal system is based. Hence, many grants of property title had validly, if inadvertently, extinguished native title, which survived only on the so-called lesser estates.

Shamefully, the South Australian government is currently arguing before the federal court in the De Rose Hill case that not even the vestiges of native title identified in the Mabo and Wik decisions survived the acquisition of sovereignty in South Australia. It contends that the British parliament's Colonisation Act 1834 extinguished native title in South Australia two years before the colony was officially settled. This from a state that has long prided itself on being at the forefront of Aboriginal rights, the first state to voluntarily return land to its traditional owners, the first state to appoint an Aboriginal Governor and the first parliament to offer an apology to the stolen generation. If it succeeds on this legal technicality, it will be the first Australian state to effect the blanket extinguishment of native title.

In response to my parliamentary question in April as to how pursuing this argument facilitates the reconciliation process, the Attorney-General replied:

> I think as a government we would be abdicating our responsibility if we did not put before the court all the issues which have to be resolved.

I fear the Attorney-General is too eager to please mining and pastoral interests, blind to his responsibilities to Aboriginal people and ignorant of the symbolism of this act. To snuff out the vestiges of the recently recognised property rights of our most disadvantaged citizens would damn the reconciliation process in this state.

Keeping his options open, the Attorney-General also has the Native Title (South Australia) (Validation and Confirmation) Amendment Bill before the Parliament. The bill at least recognises the existence of native title, whilst attempting to emasculate its application. The Attorney-General has a fallback position and is engaged in negotiations with Aboriginal representatives in search of a statewide agreement on native title matters. The government's strategy smacks of the old joke: 'I wasn't there and, if I was, I didn't do it and, if I did, I didn't mean it.' This tactic may be appropriate when duelling with multinational companies pressing for substantial tax concessions, but it has no role in rectifying the cruel legacy of colonisation. This country needs strong principled leadership in respect of native title and not legal chicanery.

The Minister for Aboriginal Affairs recently told the South Australian parliament:

> Reconciliation is about a shared commitment to finding a way which promotes a real future for all South Australians, without losing sight of the lessons from the past.

Fine words, but this very same minister presides over a department that for more than six years has not added a single item to its own register of Aboriginal sites and objects. Ours is a government that embarrassingly has much to learn about reconciliation. As things stand, it is in grave danger of making a mockery of the concept.

COMMUNITY BUILDERS 2000

The Hon. J.S.L. DAWKINS: A grass roots leadership development program for South Australians living in regional areas was launched last week with support from federal, state and local governments. Community Builders 2000 is a six month learning program which identifies and encourages regional residents to become involved in building their local community and economy. The program is formed around a cluster of between six and 10 communities, each represented by a community team of up to five people who are recruited by a local facilitator. The initiative is being run by the Office of Regional Development and is based on similar successful programs run in Nebraska, Western Australia, Victoria and Queensland.

Community Builders 2000 is jointly funded by the state government, the commonwealth government under its Family and Community Networks initiative and the Local Government Association of South Australia under the Local Government Research and Development Scheme. The three year program was also supported by South Australia's Regional Development Council, of which I am the convener, in March and will be implemented in four regional areas of the state each year. The program objectives of Community Builders are:

- foster community and economic leadership;
- provide local residents with the necessary skills, information, motivation and confidence to become more involved in their community and economy;
- develop people, communities and businesses that succeed in the global economy;
- identify and develop new local and regional economic development initiatives;
- stimulate collaboration between communities; and,
- create a peer support network and friendships across the region.

It is expected that the groupings in four areas of the state will start meeting in June, kicking off the program with a 24 hour workshop retreat. The areas are:

- Eyre Peninsula—communities in the district councils of Ceduna, Elliston, Le Hunte and Streaky Bay.
- Fleurieu—communities in the Alexandrina council area, which may include Port Elliott, Middleton, Goolwa, Milang, Clayton, Ashbourne, Mount Compass, Strathalbyn, Currency Creek and Langhorne Creek.
- Flinders Ranges—the communities of Quorn, Hawker, Blinman, Parachilna, Beltana, Copley, Leigh Creek, Iga Warta, Nepabunna and Lyndhurst.
- Mid Murray—the communities of Mannum, Cambrai, Swan Reach, Bow Hill, Purnong, Sedan, Blanchetown, Walker Flat, Keyneton and Mount Pleasant.

Its aims include:

- providing the necessary information and skills, tools, motivation, confidence and passion to manage change in regional communities;
- encouraging new thinking about ways to better support and nurture economic and employment development at local and regional levels; and,

· stimulating collaboration between communities and creating a peer support network and friendship links across the region.

National and international experience so far has highlighted the following benefits of participating in Community Builders:

· the action learning nature of the program structure and processes;
· program flexibility evolves, depending on local needs, desires and opportunities;
· the strong community development focus and commitment to the power of 'bottom up' action;
· the peer networking and mentoring that emerges;
· the program expectation to learn about one's community and become involved in building its future; and,
· the low cost of the program.

The future of rural and regional South Australia rests with the dedication and enthusiasm of the next generation of leaders, and I am confident that this program will assist rural communities to harness these assets.

FIRE BLIGHT

The Hon. P. HOLLOWAY: I move:

That this Council notes the importance of the apple and pear industry to South Australia and calls on the federal government to reject any application to allow the importation of apples and pears from countries such as New Zealand which have endemic fire blight and which could devastate the local industry.

This motion calls on the federal government to reject any application to allow the importation of apples and pears from countries such as New Zealand which have endemic fire blight. The Australian Quarantine and Inspection Service is currently considering an application from New Zealand to import apples to Australia. This application is being strongly opposed by the Apple and Pear Growers Association of South Australia, mainly because of the presence in New Zealand of fire blight. There is a very real concern amongst apple and pear growers in South Australia that their stock will be devastated by the introduction of imported apples from New Zealand which could bring in this disease. This disease is commonly known as the foot and mouth disease of fruit. If fire blight were found in South Australia, a trade across borders would be stopped, thereby devastating the domestic and export potential of the crop.

The apple and pear industry is worth of the order of $42 million to this state. There are 470 growers across South Australia, mainly in the Adelaide Hills, the South-East and the Riverland; of the order of 2 000 to 3 000 people are employed in the industry at any given time; and further workers are employed in processing and marketing. About 7 to 10 per cent of the apple and pear crop of this state is exported. According to the General Manager of the Apple and Pear Growers Association, Trevor Ranford, fire blight can kill an entire orchard within weeks, which means that net returns to apple growers could fall by 25 per cent and to pear growers by 40 per cent. In a letter to me and I assume other members of parliament in November last year, Mr Ranford writes:

It is important that Australia continues to stand strong, in the face of the continued pressure from New Zealand, to protect the Australian environment and the Australian apple and pear industry from fire blight. . .

He goes on:

Fire blight is possibly one of the most widely researched horticultural diseases in the world. Today, after such lengthy research there is still no way of totally eradicating the disease once it reaches commercial orchards. Fire blight continues to be a major disease in the USA and New Zealand and even with extensive and costly management programs the disease causes major financial losses for orchards. . . Australia cannot afford fire blight and every possible action must be taken to ensure we maintain our fire blight free status.

According to the Apple and Pear Growers Association, there is no cure for fire blight. The only treatment involves frequent spraying of expensive antibiotics which are not currently registered for use in Australia, and even this does not guarantee eradication. The source of that information was the *Courier* of 17 May.

Since 1986 New Zealand has applied a number of times to export apples into Australia. On each occasion the applications have been rejected by the Australian Quarantine and Information Service (AQIS). The Apple and Pear Growers Association has expressed to me a very real fear that political pressure has been placed on AQIS to approve the current application. In late 1998, soon after the second application by New Zealand was rejected, this issue was placed on the trade agenda by the federal government. In January 1999 a review was sought by the New Zealand government. In response to this, AQIS announced that an import risk analysis for the importation of apples from New Zealand would be carried out.

The Apple and Pear Growers Association is very concerned about this turn of events and the lack of consultation by AQIS and in a recent newsletter the association stated:

The association recently contacted AQIS regarding the lack of information regarding the NZ application to export apples to Australia. The process was to be both transparent and involving stakeholders. The following is a reply from AQIS.

> Your organisation is a registered stake holder for AQIS's import risk analysis. . . for apples from New Zealand and has been sent all correspondence on this issue. The most recent correspondence to all registered stakeholders was Plant Quarantine Policy Memorandum Number 1. . . Prior to that AQIS wrote to all stakeholders on 28 June 1999.

The Apple and Pear Growers Association makes the following point:

. . . there has been no communications from AQIS on this matter during the period 28 June 1999 to 13 March 2000.

That demonstrates the great concern in the industry as to the lack of information and consultation from AQIS as this analysis continues. The industry is very worried that outside forces will play a part in the decision making process and that any decision to allow New Zealand apples into this country will be devastating. Fire blight is endemic in New Zealand and the fear that such a disease could spread throughout South Australia is very real. It is vital that we support this local industry which is so valuable to the state's economy, and I therefore call on the Council to support this motion.

The Hon. J.S.L. DAWKINS secured the adjournment of the debate.

ENVIRONMENT, RESOURCES AND DEVELOPMENT COMMITTEE: ENVIRONMENT PROTECTION

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

That the thirty-ninth report of the committee, on environment protection in South Australia, be noted.

The Environment, Resources and Development Committee received this reference in July 1999 from the House of Assembly. There were five terms of reference to assist the committee with this inquiry, referring to the Environment Protection Authority, the Environment Protection Agency and the Environment Protection Act. This was a major inquiry for the committee. It took place over some six months and during this time the committee received over 70 submissions and took evidence from 83 witnesses. The government is currently undertaking a review of the EPA, so the report, which it supported, was very timely. For the government review, the EPA has produced two discussion papers to date: one on the powers and responsibilities of the Environment Protection Authority and one on the offences and penalty provisions of the Environment Protection Act. These papers address some of the issues that were highlighted during our inquiry.

I do not think anybody in this chamber would deny the fact that there is a growing environmental awareness in our community. Some of us who might never have thought we would do so have a green tinge, and others would probably maintain they have always been green. This awareness has been raised by the activities of many organisations and individuals. The results of this inquiry suggest that in the community's eyes the Environment Protection Authority and Agency have some way to go towards meeting those expectations. This may be due in part to the fact that it is not well recognised in the community that a number of different government departments as well as the federal government have a role in environmental matters. In addition, several other acts apart from the Environment Protection Act are involved.

The evidence that the committee heard indicated that the EPA staff is having difficulty keeping up with the ever growing demands on its time. The committee has recommended an immediate increase of at least four employees for monitoring and inspections to cope with the current workload. Long-term plans include the devolution of some environmental responsibilities to local government. The committee was pleased to learn of a pilot study to investigate the best system for this transfer of responsibility. That pilot study will begin in July and involve three local government bodies. There is a strong community desire for greater participation in environmental decision making, as well as ready access to environmental data collected by the EPA. The committee has recommended easier and cheaper access to such data and that it should be available on the internet. The committee believes that the Environment Protection Authority should hold more frequent community consultations to attract a broader cross-section of interested parties.

As an aside, I will be attending the EPA's round table this Friday, and I think that other members of the committee will also attend it. It is the view of most members of the committee that while we commend the EPA for holding the round table we think that the manner in which it conducts community consultations could be broadened to ensure that more people are able to provide information to the authority.

There is some dissatisfaction with the way in which the Environment Protection Authority and the agency are interrelated. The committee has suggested a model that would give the authority its own staff and provide a direct line of responsibility for all. This would reduce community confusion over the differentiation between the authority and the agency and would reduce frustrations with the system that is now in place.

The committee received evidence on some unresolved environmental problems that are causing distress to some members of the public. Several of these were linked to the need for an updated environment protection policy on noise. The lack of standards in the current noise policy and the way in which noise is measured need to be addressed urgently. Ways of measuring and controlling odour also need to be addressed as soon as possible. Regular monitoring should occur.

To assist with a more rapid resolution of environmental problems, the committee has suggested the appointment of a public advocate within the EPA. Part of the role could involve the organisation of conciliation meetings between stakeholders. I should add here that one of the members of the committee, the Hon. Terry Roberts, made a point, and he may make this point again in his contribution. I remember it well: the Hon. Mr Roberts quite rightly said that, if a greater amount of conciliation and consultation occurred before some of these issues got out of hand, the number of community groups that are organised around those issues would not occur, and that perhaps we would be better off if that effort occurred earlier in the piece. I wholeheartedly concur with the Hon. Mr Roberts, who may elaborate on this during his contribution.

The committee believes that some additional responsibility should be transferred to the EPA, including the regulation and control of underground storage tanks and septic tanks. However, such a transfer should be accompanied with the transfer of appropriately experienced staff. The committee also recommends that the EPA be responsible for the Water (Pollution by Oil and Noxious Substances) Act.

The committee recommends that section 49 of the Development Act 1993 be amended to require the Development Assessment Commission to refer crown developments to the Environment Protection Authority and other relevant government agencies concurrently, and that they be treated in the same way as private developments. As a result of this inquiry, the committee made 40 recommendations which touch on many issues that were raised by South Australians wanting to improve environment protection. The committee looks forward to a positive response to them.

I take this opportunity to thank all those people who contributed to the inquiry. In particular, I thank Peter Torr and Helen Cagialis, both of the Environment Protection Agency, who facilitated communication between the authority, the agency and the committee. I thank all those people who took the time and made the effort to prepare submissions and give evidence to the committee. The committee took evidence from local government, industry groups, small business groups, environmental groups and individuals. They enabled the committee to gain a broad understanding of many of the issues surrounding the administration of environment protection legislation in South Australia.

I extend my sincere thanks to the members of the committee and the staff, Mr Knut Cudarans and Ms Heather Hill, and to everyone who worked hard to ensure the successful

completion of the report. I also thank ministers Kotz, Laidlaw and Evans and their staff for their assistance.

Before concluding, I should mention that yesterday, at about the time I tabled the report and gave notice that I would move that it be noted, there was considerable media interest in it outside this parliament building. It seems to me that that was a touch premature but I have not been in this place a long time. However, the publicity has been relatively positive and did attract a positive editorial in today's *Advertiser*. However, I believe that it would have been more appropriate for that publicity to come from members of the committee once debate on the motion had commenced. I commend the report to members of the Council.

The Hon. M.J. ELLIOTT: I support the motion that the report of the Environment, Resources and Development Committee into the EPA be—

The Hon. A.J. Redford interjecting:

The Hon. M.J. ELLIOTT: It was not leaked. What are you talking about?

Members interjecting:

The Hon. M.J. ELLIOTT: You're bizarre.

The PRESIDENT: Order! The honourable member will return to the debate.

The Hon. A.J. Redford: I'm just wondering. Did you give it to the media?

The Hon. M.J. ELLIOTT: Only after it was tabled. The committee spent a considerable amount of time on this report because it is of great importance to the community. The EPA has been in place for close on five years, and even if it was doing a good job I suppose that people would argue that there is a case for a review to see whether it might do it better.

I have just mentioned the EPA. It is important to note that in South Australia there are two EPAs: the Environment Protection Authority and the Environment Protection Agency. Those two bodies are often interchangeably referred to as the EPA. The Environment Protection Authority effectively is a board appointed by the minister and is independent of the minister in most of its important functions. The Environment Protection Agency is made up of employees of the minister, and although they are required to work with the Environment Protection Authority they at best have divided loyalties at this stage.

If one wants to look at the effectiveness of the Environment Protection Authority and of the agency, one would have to acknowledge that a central problem, and something which would doom it to failure, is a structure that gives the agency two masters and does not give the authority a dedicated staff. When I say 'dedicated' I do not mean hard-working; I mean that they have only the authority as their boss and do not have to answer to anybody else. I believe that clarification of the roles of the two bodies is one of the most important things that can happen.

In evidence, and taking the Mount Barker foundry as an example, it became apparent that the Environment Protection Authority did not approve of the foundry or of what was happening there: that was all done by the agency. I suspect that, when things started going wrong, the agency handled it for some time before the authority became involved. I think it would be true to say that, as our inquiry was progressing, the authority started to exert itself more. I do not think the authority realised what was going on in some areas, and it started to exert itself in a number of ways.

As I understand it, the authority has now said that no foundry licence conditions will be handled by the agency without the authority's knowledge; in other words, it has to give the final okay. Previously that was just delegated off to the agency. That is an example, and I understand there may be other industries, not just the foundry industry, that that now covers. That is a good thing, but the fact that it occurred was symptomatic of the fact that the agency had two masters. In fact, one of its masters, the authority, was barely a master at all most of the time.

In recommending a change in structure we also recommended that the chief executive officer of the agency be an ex officio member of the board, in other words, a non-voting member of the authority, in a way that we see in many organisations, where the CEO is on the board subject to the direction of the board but does participate in the board proceedings, if not in making the actual decisions. I think it is important that the relationship should be of that sort.

Having looked at a basic structural problem that was apparent within the EPA, it is also evident that, clearly, the EPA failed in relation to public relations. Again, if you look at the way it operated it is not a surprise. First, if you go looking for the EPA there is no shopfront operation. On one occasion last year, which I think I referred to in questions in this place, I visited the EPA to inspect the public register, which was established under the act. I went to the building. I found the address in the phone book, so I went to the address. There was nothing on the notice board downstairs to tell where the EPA was but there was a Department of Environment bookshop on the ground floor, so I went in there and said, 'Where is the EPA?' They said, 'Hold on a second,' and made a phone call and then came back to me and said, as I recall, 'If you go to the fourth floor of this building and then take a phone off the wall just outside the lift and dial this number somebody will speak to you.'

So there I am up on the fourth floor, dialling the number and talking to this bloke, and he came out and said, 'Yes, to inspect the register we are going to have to go to the fifth floor.' So we went to the fifth floor, and there was actually a counter there, which looked a bit like a shopfront, I suppose. I went to the counter and asked whether I could see the register, and was asked, 'What precisely do you want to see?' They also said, 'The bloke who is in charge of the register isn't here,' and I said, 'It doesn't matter, I don't want to see him, I just want to see the register,' and this bloke said, 'Well, look, I am in charge of freedom of information so I might be able to help you. What precisely do you want to see?' I said, 'I want to see the register.' He then said, 'You have to understand that we don't really have a register that you can look at. What we have are these files on all these four floors of the building and if you can tell us what you want we should be able to get it for you in a couple of weeks.'

The Hon. Nick Xenophon interjecting:

The Hon. M.J. ELLIOTT: This is the register which is established under the act.

The Hon. Nick Xenophon interjecting:

The Hon. M.J. ELLIOTT: No, this is the state government at work. I said, 'Well, an inspection of the register that takes a couple of weeks does not match my understanding of the way the act reads. The act says, "public register available for inspection by the public". I am here, let me inspect.' They said, 'Sorry, we can't do that.' They also said, 'You do realise there is a fee,' and that was fine as I knew the act had a fee. I asked how much it was, and they said that it was $8 or $9, or something like that. I then said, 'Okay, here are the sorts of documents I was hoping to see, could you make it a bit less than a few weeks, like the next three or four days?' He said,

'Okay, we'll do what we can.' So they ended up supplying me with about four documents, most of which were not relevant to what I had asked to see. In fact, those that were relevant were photocopies of Mobil press releases about the oil spill, and they did not have any of their own documents about the oil spill.

The Hon. Nick Xenophon interjecting:

The Hon. M.J. ELLIOTT: Slick PR! The Mobil press releases were interesting, but in terms of the internal EPA documents that I thought I might see nothing was sighted. They then gave me a bill, which included not only the initial amount, which was the fee, but they also said there was a search fee of so much per hour and that they had spent a couple of hours finding these documents. I think the bill ended up at about $40. I am just waiting for the debt collectors to come, because I said, 'If you think you are getting paid for that! I came to inspect the register.'

That is the way the EPA treats members of parliament. I would not want to guess how members of the public get on. I have spoken to any number of members of the public and they are even less impressed than I am with the efficiency of the EPA and its public relations. So it might not come as a surprise that our committee has recommended that there should be, first, a shopfront, so that people can actually walk off the street and go into the EPA. I am pleased to say that during the committee I asked questions early on about the register and they said, that, yes, it did exist, and they gave the same line, that it was on three or four floors and that it was all a bit complicated. But I asked the question once a month and eventually they came in one day with big smiles on their faces and said, 'We've got a register.' They actually had one. Fantastic. It did not have a lot of detail in it, but it did fulfil the minimum requirements of the act.

The committee has recommended, though, that we really should go further than that and that, indeed, the register itself should be on the internet; not only the register but, indeed, the sort of information which is referred to in the register. If monitoring is carried out, the monitoring results should be available for the public to simply go on the internet and find out. One of the reasons why there is not a great a deal of confidence in the EPA right now is that people think that it is covering up something. It seems to me that, if you set licence conditions, which should be available on the internet, and that if a company, when tested, is complying with the licence conditions, there should be nothing to fear. If it is not complying with licence conditions then it is incumbent on the EPA to give an environment improvement program and/or fine the company. And if they are carrying out any of those actions, if they set up an environment improvement program, then the internet site would show not only that conditions are being breached at this stage but that the EPA is now doing this about it.

That seems to me to be openness, and the sort of openness that encourages confidence from the community. If you do not have that sort of openness and end up with distrust, what happens is that, not only do the public get suspicious about a certain company, they get suspicious about all the companies. I think it is true to say that, as a consequence of what was happening at Mount Barker in relation to that foundry, the longer that saga went on and the more incompetently it was handled the less confidence people had about every other foundry in South Australia, and about anybody else who wanted to build another foundry. This is not just about getting public confidence; it is also about helping industry. If people can see that the EPA is doing its job and making sure that companies are complying, then all the companies which are complying, which one would expect to be the overwhelming majority of them, have nothing to fear and have something to gain. That should be blatantly obvious.

There are a number of recommendations from the committee which make it plain that the EPA does have to behave in a more open manner. If the information which it holds—in terms of licence conditions, who has licences, monitoring that is carried out, what the results of that monitoring is, what environment improvement programs have been put in place, whether they are being complied with, etc.—is all publicly accessible, nobody has anything to fear, except either the EPA if it is not doing its job or a company if it is consistently breaching the act or conditions. In those two cases, why should it be protected?

One of the big issues that blew up just before the inquiry was underway was the oil spill, or should I say the last of the oil spills that we know of, at Port Stanvac. It became obvious that there was a great deal of confusion because both the Minister for Transport and the Minister for Environment, and the EPA and the Department of Transport have responsibilities. We had both the EPA Act and the Pollution of Waters by Oil and Noxious Substances Act at work. That created a great deal of confusion about who should do what and when. The committee has recommended that the EPA should take responsibility for the Pollution of Waters by Oil and Noxious Substances Act. The committee also saw the potential for a similar overlap in other areas. So, the committee has also recommended that the regulation and control of underground storage tanks and septic tanks should take place under the Environment Protection Act 1993.

In terms of workload for the Environment Protection Authority and the Environment Protection Agency, clearly there is a problem because that workload has been growing. Two solutions are suggested. The committee recognises the urgent need for an increase in staff, and probably other resources as well, and makes a recommendation along those lines, but it also recognises that some of the responsibilities of the EPA might be delegated to local government.

If that were to happen, the Environment Resources and Development Committee decided that councils should receive delegated authority only in relation to unlicensed activities, that they should not pick up responsibilities in relation to licensed conditions. I cite the following example: more often than not, people with problems with a domestic airconditioner noise walk into the local council office and start complaining about it, so that is something that could be handled there. So, the committee believes that the workload can be lightened, first, by delegation of some of the unlicensed activities and, secondly, by an increase in staff, although the increase in staff may not need to be great if delegation occurs.

I neglected to mention one other matter in terms of working with the public. The committee recommended either that a position be created in the Ombudsman's office or that a position of public advocate be created within the Environment Protection Authority. I lean towards creating a position of public advocate. In my view, the person holding that position would be allocated a few staff who would be responsible for public relations. If a person lodges a complaint, that complaint would go to the public advocate who would ensure that the issue was addressed. The public advocate may not necessarily address the issue to the satisfaction of the complainant, but it would be thoroughly investigated in every way that is reasonably possible.

Another important role of the public advocate could be the setting up of a conciliation process. If members of the public complained about a particular operation, in the first instance the public advocate would seek to set up a meeting which would draw in both representatives of the industry involved and the people making the complaint. The issues would be fully discussed and all reasonable avenues explored.

The public advocate should not have an arbitration role. At the end of the day, whether or not something complies with the act becomes an issue for the agency and the authority, but I believe that an attempt at conciliation would show in many cases that a simple modification of operations could alleviate many of the concerns that arise from the public and create good public relations. Otherwise, these problems may continue to fester and get worse and create an increasingly annoyed local community.

In total, there are 40 recommendations. I do not intend to deal with all those recommendations, but I ask members of this place to look at them closely. The Hon. John Dawkins referred to the fact that this Friday there will be a community consultation forum, or round table discussion, which is the way the government refers to these sorts of meetings. Of the people who attended the last community consultation process or round table discussion, only 7 per cent were members of the public.

This Friday, a large number of members of the public have been invited, but I am told that the draft agenda does not look like an agenda for public consultation or round table discussion. During the whole morning of the proceedings, the minister will make a speech, the head of the agency will make a speech, and Uncle Tom Cobley and all from the agency will make a speech about what the EPA is doing. In the afternoon, there will be a short session during which people will be split up into groups to discuss issues of concern to them and report back. This will be called a day of public consultation.

Some people do not understand what consultation means, but for the most part the EPA should give other people the chance to speak and not spend the whole time making speeches itself. I know that the EPA has been lobbied to consider the agenda for this Friday, and there is still time to change it, but if the government and the EPA are serious about consultation and want to get off to a fresh start they have a chance to do that this Friday. I will attend this day of public consultation and watch with great interest how—

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: I don't know whether you heard me say earlier, but the whole morning is taken up with speeches by the minister—

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: Are they going to let anyone else speak, you mean?

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: The agenda is written up, and they have told everyone what it is.

The Hon. T.G. Cameron: Where's the meeting?

The Hon. M.J. ELLIOTT: I don't have it written down but I'll tell you afterwards. The government is concurrently considering the act. I hope that the government notes that this report was agreed to by all members. It is not a minority report: it is the view of the Democrats, the Liberal Party, the Labor Party and the National Party. There has been absolute consensus on this—it is a non-political report—and I hope the government is prepared to pick up the recommendations in their entirety.

If any of the major recommendations of the committee are not picked up, I am prepared to introduce a private member's bill to amend the Environment Protection Act seeking to incorporate any significant recommendations which might be missed by the government. With those words, I am pleased to note the tabling of the report.

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

ELECTRICITY BUSINESSES

Order of the Day, Private Business, No. 10: Hon. A.J. Redford to move:

That the regulations under the Development Act 1993, concerning electricity businesses, made on 27 January 2000 and laid on the table of this Council on 28 March 2000 be disallowed.

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

That this Order of the Day be discharged.

I will provide this place with a short explanation. This is a holding motion moved on behalf of the Legislative Review Committee. It enabled the committee to look at this regulation in more detail and, if appropriate, to take further action. In this case, the committee took the option of seeking evidence from a number of quarters. The Governor signed the regulations on 27 January 2000. The regulations formed part of the new electricity development infrastructure in South Australia. They flowed from the passage of section 49A of the Development Act and allowed the privatised electricity businesses to use the previously existing Crown development procedures under the Development Act.

These regulations exempt electricity infrastructure from the Development Act in the case of an electricity generating plant with a capacity of more than 30 megawatts and power lines which are over 66 kilobytes (very large lines that extend for more than five kilometres). In respect of these and other transmission lines, the committee took evidence of the concerns expressed by the Local Government Association and heard evidence from Mr Brian Clancy, Director of Legislation and Development for the Local Government Association. Apart from philosophical issues not related to matters concerning the committee pursuant to its policy, Mr Clancy expressed concerns held by the Local Government Association in respect of two principal issues: first, third party and council rights of appeal; and, secondly, the desire that the development process to assess information on the impact of local amenity be taken into account.

Mr Clancy took 'local amenity' to include local issues such as site, design, location and appearance. The Local Government Association concerns also related to smaller electricity infrastructure that is not underground or maintenance being exempt from development assessment approval. We heard evidence from Mr Michael Philipson, the Manager, and Mr Grant Anderson, a lawyer, from the Electricity Reform Sales Unit.

Mr Anderson informed the committee that, other than the two matters raised by the Local Government Association, that is, the smaller electricity lines and the generating plants, the Development Assessment Commission examined all applications for all other electricity infrastructure. With transmission lines larger than 33kv and less than 66kv, councils have the opportunity to put submissions to the Development Assessment Commission and the commission can then make a report to the minister, who will subsequently

make a decision to either approve or not approve the development.

Individual councils, it was noted, had a right to make submissions or reports to the Development Assessment Commission, a professional body responsible for planning on a much larger scale than a single local council. With respect to smaller powerlines, that is, those under 33kb (which I understand is mostly between 11kb and 19SWER), these are not required to go before the DAC and have no council input or third party appeal rights. Mr Anderson stated that these are everyday issues.

There are over 3 000 such projects yearly, with 2 000 single connections and about 1 000 connections relating to subdivisions. Mr Anderson informed the committee of the public interest and community service obligations under the distribution code supervised by the Independent Industry Regulator and submitted that that was sufficient supervision to enable proper standards to be applied.

In that regard, the Independent Regulator has power to impose sanctions for breaches of any failure to meet the standards set by the distribution code in respect of the state and maintenance of the electricity transmission network standards. It was believed, ultimately, that this was an adequate regulatory regime in so far as the subject matter of these regulations is concerned. Having heard all the evidence, the committee decided unanimously that the regulations did not impact on or infringe the principles of the committee in considering regulations and voted to lift the holding motion.

I wish to publicly thank both the Local Government Association and the Electricity Reform and Sales Unit for the high standard of their submissions and the professional way in which those submissions and evidence were put to the committee. I also note that there was a large degree of cooperation and consultation between the ERSU and the LGA, which reflects the professional way in which both organisations approached this difficult issue.

I thank my fellow members of the committee for their assistance and for the cooperative way in which the Legislative Review Committee was able to deal with these regulations. Finally, I would like to thank both the secretary and the research officer for their able assistance in this matter.

Motion carried.

ABORIGINAL POLICIES

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

That this Council—

1. Condemns the federal government for its totally inappropriate and insensitive statements on the patronising and failed policy practised for 60 years of removing thousands of Aboriginal children from their parents and extended families into institutions and foster homes; and

2. Calls on the Prime Minister and the Minister for Aboriginal and Torres Strait Islander Affairs to correct this unfortunate interpretation of this miscarriage of social and human justice against Aboriginal people, which the Minister for Transport and Urban Planning has moved to amend by leaving out all words after 'that this Council' and inserting ', on behalf of the South Australian Parliament, restates its apology to the Aboriginal people for past policies of forcible removal and the effect of those policies on the indigenous community and acknowledges the importance of an apology from all Australian Parliaments as an integral part of the process of healing and reconciliation.'

(Continued from 24 May. Page 1101.)

The Hon. T. CROTHERS: I will speak fairly briefly on this matter but, to get a full and comprehensive understanding of my position relative to the whole matter concerning our indigenous people, one will need to read what I now say in conjunction with a speech that I will make in the future, which has already been prepared by me, on the Native Title (South Australia)(Validation and Confirmation) Amendment Bill, which will be somewhat longer than today's contribution.

I speak in support of the Hon. Terry Roberts' motion, but I could live with the two amendments, except when the Minister for Transport does not ensure that the Prime Minister does not get the message that would emanate from this parliament in respect of this matter. It is true that South Australia can say sorry, because it is in a fairly unique position. But for the first time in a long time, and for a different reason than John Howard's, I am in agreement with him in respect of treaties and of not saying sorry for murders and seizure of land that was done by past generations.

I want to elaborate on the rationale that underpins that statement. In 1967, many of us worked to ensure that Aborigines received full rights relative to this country, and we got up by a fairly comfortable margin. So deep has the suspicion now grown amongst non-indigenous Australians that I am sure in my own mind that we would not achieve a similar result today.

There is no doubt that some members of the Aboriginal community are dishonest, no different from their white relations, 4 or 5 per cent of them, and that they use the funding that has been made recently available in fair quantities for Aboriginal advancement to line their own pocket. Members of the public in Australia are not stupid: they can see that. I will cover that more fully in my speech in respect of the Native Title (South Australia)(Validation and Confirmation) Amendment Bill. There is a very simple reason why I am not supporting a treaty. I know of no treaty entered into that has not been broken. I remember seeing Chamberlain coming back in 1938 waving a piece of paper that he and the Fuhrer had signed. It was torn up shortly thereafter because Hitler invaded Sudetenland and annexed the German-speaking part of Czechoslovakia.

The Hon. Carmel Zollo: Surely you don't remember that?

The Hon. T. CROTHERS: No, I said I remember seeing it; you are not listening again. Just listen and you will learn a little, Carmel. I am glad you are paying attention—partially. That piece of paper was torn up when Hitler invaded Sudetenland—the German-speaking part of Czechoslovakia. Patrick Sarsfield, the defender of Limerick in the 17th century against Cromwell's troops in Ireland, signed a treaty when he surrendered the city and laid down his arms. Half an hour later, Cromwell's ironside troops massacred some 2 000 men, women and children.

So, I know of no treaty that has ever been signed and kept. Queen Victoria signed a treaty with Waitangi (the Maori treaty) but that did not stop Maori and European settlers from murdering each other. It did not stop the annexure of Maori customary lands, and so forth. Until recently, the relationship that existed between the Pakeha and the Maori was second to none. Until recently, indigenous Maori proposals were funded almost ad nauseam by the then New Zealand government, and New Zealanders have a deep and bitter resentment of that.

The same thing is emerging here. What frightens me with respect to both the treaty and an apology on behalf of our dead ancestors for the evil they inflicted on the Aboriginals is that people who know are saying that it is not about money:

it is not about compensation. But it is about money. What frightens me is that honest and forthright Aboriginals—people like Pearson (the girl from New South Wales) and Aden Ridgeway—have stood up and said it is not about money. Do you know what will happen if there is a treaty and if we do say sorry? Some of these people will use it as a gravy train.

About six weeks ago, *Four Corners* on Channel 2 aired a program about Western Australia. Some of those people will sue and claim compensation and their claim will be strengthened if there is a treaty and if the Prime Minister of this nation says sorry for past wrongs. Do you know what will happen then? Support amongst the non-indigenous community of Australia with respect to indigenous citizen's advancement and rights will be further eroded. The non-indigenous community will say, 'We have been lied to again.'

I care greatly about all citizens being equal and the advancement of the Aboriginal community in so much as we can help them bridge the gap of generations who were never helped. I am more than pleased to be able to do that. I line up with John Howard on that, albeit for different reasons. But can we not see that there is a flaw in his argument when he says he cannot support the apology because it involves past generations—generations that are dead and gone. The flaw in his rationale is the stolen generation: it is not dead. Most of them are still alive, as are most of the administrators in government and many of the church authorities who administered the missions to which those poor children were sent—torn from the arms of their parents and taken a distance away from where they lived in the tribal lands (many hundreds of miles).

John Howard, I believe, has to apologise to those people. He has to apologise to the stolen children and we have to compensate them, whatever the cost, because they are still alive. They are in the here and now, and that is something we can do with respect to reconciliation. I believe this will go much further towards giving rise to reconciliation than any treaty—which is a load of bull. I hesitate to use that word fully because it will be in *Hansard*. It is a load of bull, and the same goes with the apology in respect of wrongs that were committed in generations gone by.

To understand more fully my rationale in respect of this matter people will have to wait until the sequel to this little contribution which will occur when we debate the native title validation bill. I could almost live with the Hon. Terry Robert's motion and the amendments of the Minister for Transport and the Hon. Sandra Kanck. The weakness in the Minister for Transport's amendment is that we would just be spouting hot air. Not only do I want our resolution to be sent to the Prime Minister but I want the *Hansard* record of our speeches to go to him as well so that he can see that rational and logically thinking people are much moved relative to stolen children.

The other thing is that thousands of British orphans were taken illegally, illicitly or surreptitiously from orphanages in the United Kingdom. They are trying to put a claim on the British government for compensation, and there are 10 000 or 13 000 of them. How then can they advance that claim if we have a problem with children who were forcibly removed from their parents (in many cases without their parents' knowledge) if John Howard does not seize the moment and apologise on behalf of his government and the people of Australia for the generations of stolen children?

My former wife was one of the stolen generation. She was in the Cootamundra home whilst her brother was in an Aboriginal home at Windsor. The main home for boys in New South Wales was at Kinchlea, near Kempsey. The main home for girls was at Cootamundra. Some of the stories I could relate I will not repeat in public because I do not want to embarrass my former wife in respect of how she was treated when she worked for farmers sewing up sacks of potatoes and so on. You can multiply that human algebraic equation over and over again.

I believe this must be done by the Prime Minister. I concur with him about the treaty and I concur with him about not apologising for the ill actions of generations gone by; but I plead with him to do something which will go a long way, that is, apologise to the many survivors around the nation who were part of the stolen generation of Aboriginal children which, in my view, emanated out of a desire by the nation some 60 or 70 years ago to involve itself in surreptitious genocide.

Members will recall that both the Liberal Party and the Labor Party embraced the White Australia Policy. Members will also recall the importation of Kanakas from the pacific islands to work on sugar cane farms in Queensland—and that they were deported almost to a man and a woman. Such was the view that then prevailed in Australia in respect of the White Australia Policy.

We have this resolution and its amendments, and I understand from the Hon. Terry Roberts that some negotiations are going on between the three parties. If this amendment is to get up, it can only get up as the referendum got up in 1967—if the Aboriginal community can retain the hearts and minds of the non-indigenous Australian public at large. There will be a sequel to this in the native title bill in terms of which I will explain myself more fully. I showed a copy of my speech that had already been written because the Attorney issued a press statement yesterday, part of which I was in agreement with (part of which I was not) and for the old, patient Attorney all will stand revealed when I subsequently make that speech.

I conclude my brief sojourn into this debate by saying that at this stage I support the motion moved by the Hon. Terry Roberts, but I am mindful of what he told me one hour ago—that negotiations are continuing between him, the Hon. Ms Kanck and the Minister for Transport.

The Hon. CARMEL ZOLLO: I support the motion moved by my colleague the Hon. Terry Roberts. I note the amendment moved by the Minister for Transport and Urban Planning. I certainly prefer the motion moved by my colleague, but reality dictates that I may have to accept the minister's amendment. I recently heard someone echo the sentiments that I feel—that, as a migrant to this nation, I cannot expect my heritage to be respected if I am unable to respect and treat with dignity those people whose country it has been for over 40 000 years. I express my sorrow at the injustices of the past.

The saying of sorry is a symbol. No amount of 'sorry' can rectify the injustice of the past but, if we want to move forward in this new millennium, it is an important symbol for the indigenous people and their descendants who have been wronged. I recently also heard the issue being likened to sharing and entering into someone's sorrow without it meaning that one is responsible for that sorrow. This is true: we do it, I suspect, fairly regularly. We express our sorrow over a death and to people involved in accidents, failed relationships, illnesses and many other occurrences. It does

not mean that we are responsible for them, but we acknowledge someone else's sorrow and take part in it.

It is a shame that our Prime Minister seems incapable of such basic understanding. He seems to be of the belief that saying sorry, not on a personal level but as Prime Minister of this nation, means that he is apologising for the wrongs of the past generations and therefore taking on their personal liability rather than that of the nation. The fact that 35 000 children were forcibly removed from their families is more than enough reason to say sorry.

The Hon. T. Crothers interjecting:

The Hon. CARMEL ZOLLO: Was it 40 000?

An honourable member interjecting:

The Hon. CARMEL ZOLLO: Perhaps we will just leave it at the fact that—

The Hon. T. Crothers interjecting:

The Hon. CARMEL ZOLLO: Certainly, there is no reason to be pedantic.

The Hon. T. Crothers interjecting:

The ACTING PRESIDENT (Hon. J.S.L. Dawkins): Order! The honourable member should ignore the interjections.

The Hon. CARMEL ZOLLO: Thank you for your wise counsel, Mr Acting President. It is certainly not reason to be pedantic about what constitutes a stolen generation. I am certain, as are others in our community, that I do not blame those people involved at the time on a personal level as community attitudes have changed, and changed for the best. There is a belief, however, that all the happenings in the past—the policies of removal—were operating throughout the century right up until the 1970s. Apparently prior to the 1940s, Aboriginal children who were removed from their families were generally sent to institutions but after the 1940s children began more and more to go to foster homes.

The publication *Aboriginal Way*, in the July 1998 issue, from which I have obtained some of my statistics, shows a heart-breaking photo of a group of Aboriginal children under the caption, 'Homes are sought for these children'. It goes on to say that homes were sought for this group of tiny half-caste and quadroon children at the Darwin half-caste home. Charitable organisations in Melbourne and Sydney were being appealed to to rescue the children from becoming outcasts. One child had been marked with an 'X', although the person who had done so did not mind taking another child as long as they were strong.

But, even during the time young children were being forcibly removed, there were always those who spoke out. Last Sunday I heard read out letters to the newspapers of the day dated towards the end of the nineteenth century by Father MacKillop, the brother of Blessed Mother Mary MacKillop. Father MacKillop was expressing his concern at the manner in which Aboriginals were treated. He believed it would come back to haunt us, and he was right. I attended the public forum a few years ago, I think organised by the Norwood Legal Services, at the time when Sir Ronald Wilson presented the report arising from the stolen generation inquiry. Several of the people featured in the book were present and spoke. Needless to say, it was a very moving experience.

I was pleased to see the success of the ceremonies commemorating the handing over of the reconciliation documents. Tens of thousands of people crossed the Sydney Harbour Bridge last weekend in a moving gesture of reconciliation. As in many other defining moments in our community, the power of people said it all. I am also pleased to belong to a parliament in a state that was the first to formally apologise to the stolen generation of Aboriginal children in May 1997. It followed the social justice policies towards Australia's indigenous people of the Labor Dunstan government and the then Liberal Tonkin government. I am pleased to support the motion of my colleague the Hon. Terry Roberts and continued reconciliation with the Aboriginal community. The words at the end of the document *Corroboree 2000: Towards Reconciliation* say it all:

> Our hope is for a united Australia that respects this land of ours; values the Aboriginal and Torres Strait Islander heritage; and provides justice and equity for all.

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

EMERGENCY SERVICES LEVY

Adjourned debate on motion of Hon. I. Gilfillan:

That this Council recommend to the government and the House of Assembly the introduction and passage of a bill to amend the Emergency Services Funding Act 1998 to give effect to the following principles:

1. The amount to be raised by the levy should be limited to $82 million (adjusted to allow for inflation since the beginning of the 1998-99 financial year);
2. The levy should be based on the value of improvements on the subject land and not on the value of that land;
3. The categories of land use to be recognised for the purpose of calculating the levy should be defined by regulation to allow for greater flexibility in determining land use factors;
4. Emergency services areas should also be defined by regulation to allow for greater flexibility in determining the area factors; and
5. The current restrictions on judicial review in section 10(9) of the act should be removed.

(Continued from 24 May. Page 1104.)

The Hon. J.F. STEFANI: I will make a short contribution to this debate. I have some sympathy for and indeed support some sections of the motion because, as members would be well aware, I have been a very outspoken member of parliament on the issue of the emergency services levy. I go back to the original process involving the levy when I had a private briefing with the then minister in charge of the conduct of the levy, the Hon. Iain Evans. I too, like the present minister, was convinced that the levy that was being introduced by the government would be a fairer system of collecting moneys to fund the emergency services.

I certainly believe that, because 30 per cent of the people were not paying anything towards emergency services under the old system because they were not insured, and a substantial number of people were insuring offshore and others were under insuring, if we were to devise a system that collected a fairer sum of money from everyone in the community, those of us who believe in a fairer system would see this impost properly distributed among everyone. The current minister on 21 July 1998 said, 'I have been assured that there will not be a case of additional cost. I assume that it would not be the case given that 30 per cent more people will be brought into the net to spread the risk and the costings.' I guess the rest is history, and I do not want to repeat history in this contribution. I have a strong view that some of the information that was distributed in the community, particularly by way of brochures, led some of us, including me, to believe that the valuation was on the house and not the value of the property.

We all understand the difference between the value of the house and the value of the property. Therefore, I have some

sympathy for the Hon. Mr Gilfillan's proposal that the levy should be applicable only to the value of the improvements on the subject land. We all know that under the old system people could take out insurance on their house and contents and pay the levy on such items, but they could not insure the land, because land does not burn. After a major disaster, the fact is that the land still remains. I am still of the strong view that the value of the land that is included in the levy at the moment is a method of applying land tax. In many instances it is a double land tax, because commercial properties and vacant land valued at over $50 000 are subject to land tax. We are now seeing a double dipping land tax applied to such properties, so I have a fundamental difference with the government on this point.

I will also touch on some other aspects of the levy which I believe were misguided. The emergency services funding review steering committee recommended a flat fee but that it should be a low flat fee of $20 to $30 to meet the social justice principle and avoid costly overheads of a rebate schedule and system. Unfortunately, it appears that that recommendation was lost, and I will explain why in a moment. We all know that the levy was broadly based and that it was applicable to cars, motorcycles, trucks, boats, jet skis, houseboats, caravans and trailers, as well as real estate property, including land.

I refer to the recommendation which the advisory committee made to the government in relation to the fixed component of the levy. The report of the parliamentary select committee, dated August 1999, found that that recommendation was obviously ignored, because it was discovered that the ongoing cost of $7.3 million could be reduced to about $3 million to $3.5 million if the levy structure changes were implemented and the payment options for pensioner concessions were removed. We can see that a substantial amount of money could have been saved had the structure changed. Obviously, that recommendation from the original committee set up to advise the government on the system of the levy was ignored.

The select committee report indicates that Treasury officials advised the members of the committee that both the MFS and CFS were 'free of debt' to the state government. So, given that those two entities were free of debt I would say that they should be able to operate in a much more efficient and less expensive manner. It is disturbing to note that the committee found that the $30 million which was shown in the GRN is spread over the CFS, SES, Metropolitan Fire Service and the police, and that a significant part of this amount was an up-front cost for establishing the depreciation of the system so that it would be replaced over a seven year period. If a substantial part of $30 million represented the depreciation of the equipment as an up-front cost, I find it extraordinary to include that component in the levy.

I want to refer to some other matters on which I and I am sure other members have received many hundreds, if not thousands, of pieces of correspondence and phone calls. I refer to the feeling of the community in relation to this levy. A letter from a constituent who wrote to me in August 1999 from Moana Heights states:

> I fully support the idea behind the emergency services levy but I do not support the ability for some people to totally avoid paying the levy.

I think this reflects the feeling of the total community. The letter continues:

> As I have already stated, we are paying the levy now in our home and contents insurances and our council rates. Should we not then get a reduction in our home insurance and council rates? As previously stated, last year I paid $36 fire levy. According to the calculations made for this new levy I will be expected to pay $200.75 per annum.

Obviously, this is an alarming increase in the amount to be paid.

I think this was the feeling of the community in relation to the levy. We also know that the RAA was strongly opposed to the levy in the format in which it was presented and that, having received an avalanche of complaints, the government decided to reduce the levy on people's place of residence. But the underlying fact is that the levy is still flawed. It is flawed for the reasons I have stated and many others of which I am sure members would be fully aware. One other aspect of the levy to which I have referred previously is well expressed in a letter I received on 7 September 1999 written by a constituent from Seaton, who states:

> We already pay land tax on rental property. The revised emergency services levy means we will be taxed twice for the same land.

I think that this is the feeling of the people. The government is well aware that the levy needs further adjustment. However, something that is basically wrong to start with cannot be corrected. It is my view that the sooner the government scraps the levy and reintroduces a system that is applied evenly and fairly to the whole community, the sooner we will have a system that will be accepted and supported by the whole community.

In terms of the other issues that have arisen, some of the bigger businesses that were insuring stock and the contents of their buildings are now being subsidised by average South Australians who are paying two and three times as much under the levy as they were previously paying under the old system.

I have a great deal of sympathy with the Hon. Ian Gilfillan's motion: I believe that it correctly reflects the feeling of the community generally. In my view, it has a great deal of merit in that it addresses the issues that the community would like the parliament to consider. I know that the government will further amend the levy—in fact, it has. As I stated earlier, unless we have a system that is much fairer and more flexible in collecting the levy, we will have a system that, forever and a day, will raise the anger of people and voters—and I can see that this anger will be carried to the ballot box at the next election unless the government addresses the issue in a very positive manner.

As I said earlier, I support the thrust of the motion. Obviously, there are some aspects of it that have been addressed by the government already in terms of the amount of levy collected, but the chamber should carefully consider the motion moved by the honourable member, because it has a great deal of merit. I support the motion.

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

CREMATION BILL

The Hon. K.T. GRIFFIN (Attorney-General) obtained leave and introduced a bill for an act to regulate the cremation of human remains; to repeal the Cremation Act 1891; and for other purposes. Read a first time.

The Hon. K.T. GRIFFIN: 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, which arises out of the competition review of the Cremation Act in accordance with national competition policy, repeals the *Cremation Act 1891* and replaces it with a new Act. The essential functions of the Act—to prescribe the circumstances in which cremation is lawful, and the administrative procedures for permission to cremate human remains—are unchanged. However, the provisions dealing with the establishment of crematoria are simplified and modernised, and there are some other changes.

The primary change proposed by this Bill is a simplification of the process of approval for a new crematorium. Under the present law, a number of approvals are required. The development must be approved under the Development Act. This also entails approval by the Environment Protection Authority under the Environment Protection Act. There must also be approval by the South Australian Health Commission. Lastly, the crematorium must be licensed by the Governor. The Governor is required to be satisfied as to certain matters set out in s.3 of the present Act, including satisfaction that the proposal to establish a crematorium has been advertised as required and that there have been no objections by persons who own or occupy land within a 100 yard radius.

The competition review determined that the requirement for the Governor's approval is now unnecessary, having been overtaken by the development approval process under the *Development Act 1993*, which already requires the developer of a crematorium to advertise the proposal and provides for objections to be heard. There is no need for two such processes. Further, the current right of veto by owners and occupiers within 100 yards is inconsistent with the Development Act process, which does not give objectors a right of veto, but only a right to have their objections considered on their merits.

The requirement for approval by the Health Commission, although still necessary, need not be provided by this Act. Instead, in keeping with the policy of making development approval as far as possible a 'one-stop shop' and minimising the need for separate processes, it is proposed to make the Health Commission a referral body for the purposes of s.37 of the *Development Act*. This requires an amendment to the Development Regulations, which is proposed to take effect at the time of commencement of this legislation. This will create a requirement to obtain Health Commission approval in the course of the development application. Once development approval has been secured, the developer has no need to apply to any other authority.

The Bill, therefore, simply makes it an offence to cremate human remains other than in a lawfully established crematorium. At present, the requirement is that it be a 'licensed' crematorium. Also, a penalty of $10 000 or 2 years imprisonment is attached to such an offence. At present, while the Act declares such conduct unlawful, it does not prescribe a penalty, so that prosecution is not possible.

The Bill also revises the penalties for offences. For example, the penalty for the offence committed by a medical practitioner who gives a certificate in a case where the death is required to be notified to the Coroner or a police officer under the Coroners Act, is increased from $1 000 to $5 000, and as an alternative, a term of imprisonment up to one year is provided. The penalty for giving a certificate in a case in which the doctor has a pecuniary interest is increased from three years imprisonment to four years.

In the case where a cremation has been forbidden by order of the Coroner, the Attorney-General or a magistrate, the penalty for carrying out that cremation is increased from $1 000 to $15 000 and from three to four years imprisonment. Further, the maximum penalty which the Governor may prescribe for an offence against the regulations is increased from $200 to $2 500.

Also, in accordance with general practice, a definition of 'spouse' is added, which includes a putative spouse, so as to make it clear that such a person has a right to object to the cremation of the deceased's body in the same way as a lawful spouse may do, unless the deceased left an attested direction that his or her body be cremated.

The Bill thus simplifies and modernises the present law, while retaining the necessary degree of regulation of the cremation process. I commend the bill to honourable members.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

This clause provides for the measure to commence on a day to be fixed by proclamation.

Clause 3: Repeal of Cremation Act 1891

This clause repeals the *Cremation Act 1891*.

Clause 4: Interpretation

This clause defines words and expressions used in the measure.

Clause 5: Offence to cremate human remains other than in lawfully established crematorium

This clause makes it an offence to cremate human remains other than in a lawfully established crematorium and fixes a maximum penalty of $10 000 or imprisonment for 2 years.

Clause 6: Issue of cremation permit (s.31B of the Coroners Act 1975)

This clause empowers the Registrar of Births, Deaths and Marriages to issue cremation permits. (Section 31B of the *Coroners Act 1975*) prohibits the disposal of human remains without a cremation permit.)

Clause 7: Relatives, etc. may object to cremation in cases where cremation not directed by deceased person

This clause makes it an offence for a person to cremate human remains knowing that the personal representative or a spouse, parent or child of the deceased person objects to the cremation unless the deceased person directed by will or other attested instrument that his or her body be cremated. The clause fixes a maximum penalty of $5 000.

Clause 8: Attorney-General, coroner, etc. may prohibit cremation

This clause empowers the Attorney-General, a coroner or a magistrate to make an order prohibiting the cremation of the remains of a deceased person and makes it an offence for a person in charge of a crematorium to cause, suffer or permit the cremation of the remains in contravention of such an order. The clause fixes a maximum penalty of imprisonment for 4 years.

Clause 9: Regulations

This clause empowers the Governor to make regulations.

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

BOXING AND MARTIAL ARTS BILL

Adjourned debate on second reading.

(Continued from 23 May. Page 1076.)

The Hon. J.S.L. DAWKINS: I rise to support the passage of this legislation. As all members in this place would be aware, boxing and martial arts are competitive sports in which the primary aim is for opponents to strike blows against each other. While I have not participated in either form of recreation or sport, I do know a number of people who are very strongly involved in those activities and who are keen to make sure that those activities are conducted in the best possible and safest manner that we can organise. The fact that striking blows is a feature of these sports differentiates them from all other sporting activities, and when coupled with financial and other incentives for the people involved in the contests it presents governments around the world with challenges related to ensuring the safety of participants and, of course, the probity of the events in which they participate.

The Martial Arts Industry Association, which I understand is the peak national body in this country, has advised that in Thailand, for example, there are currently 39 Australian kick boxers training in a number of camps in that country. It is my understanding that over the next two years these fighters will be returning to this country, after having trained in these camps where the art of striking fatal blows is an accepted and often applauded talent. I am advised that between 30 and 40 people a year are killed in Thai boxing bouts in that part of the world. The martial arts peak body also advises that similar fatality rates are experienced in Cambodia, Burma and Laos.

Members of this chamber might also recall the public outrage in November 1998 when the national media reported on two girls engaged in a boxing competition on the Gold Coast, and, of course, the outrage was exacerbated by a

photograph accompanying the article which showed one of these girls in an emotional state, in tears in fact. These events have sparked community debate surrounding boxing and martial arts sports, the management of these activities and the role of government regulation.

In response to this debate, ministers for recreation and sport throughout Australia agreed to investigate the issue of appropriate management of boxing and martial arts, and the ministers agreed that the major objective of any legislation should be to promote contestant safety and to ensure probity within the industry. Following the 1998 meeting of the Sport and Recreation Ministers' Council, the government officers working group on boxing and combat sports was established. The working group met in March 1999 and it prepared a set of draft national principles to assist boxing and combat sports and state authorities with the management and regulation of boxing and combat sports in Australia and proposed that state legislation specific to each states' needs, rather than commonwealth legislation, would better ensure the probity of the conduct of promoters of events and also ensure the safety of participants.

In April 1999 cabinet noted the intention of the Minister for Recreation, Sport and Racing to consult with combat sports industry groups on the matters raised by the working group. In June that year a preliminary consultation meeting with representatives of the medical profession, professional and amateur boxing and professional and amateur martial arts groups in South Australia was held. In August 1999 cabinet approved the drafting of the Boxing and Martial Arts Bill, and the following month cabinet approved the release of the draft bill as a basis for community consultation.

The Boxing and Martial Arts Bill 2000 has been the result of extensive consultation with stakeholders in the boxing and martial arts industry and will require promoters of boxing and martial arts events to be licensed. Licences will require promoters to operate under rules approved by the minister and the use of appropriately skilled people, including officials accredited under the national officiating program. It is also important to note that where appropriate the use of protective equipment will also be required.

The bill also requires all contestants in boxing and martial arts events to be registered on a national registry and examined by a qualified medical practitioner both prior to and after events so that injuries are tracked and injured contestants fully recover before competing. I think that is very important.

The government's view regarding the management of boxing and martial arts is that in as many situations as possible these sports should develop rules, regulations and codes of practice. However, the legislation will give the minister the right to approve contest rules, regulations and codes of conduct. If the minister is not satisfied that these rules, regulations and codes are appropriate, an applicant for a licence will be prevented from conducting any event.

There is wide recognition in the community that the martial arts industry is growing, and concern has been expressed that this legislation will stop instructors from teaching martial arts. It is important to emphasise that that is not the case. The bill is designed to ensure the probity of contests and the safety of participants during events rather than during instruction. Like others involved in martial arts, instructors will be invited to adopt a code of conduct (designed to ensure that the highest possible standards are practised within the industry) which when combined with this bill will prevent unnecessary injury and instil confidence in the industry.

As I said earlier, I am not a participant in either of these activities, but I respect the fact that a number of people in the community take up these activities as a legitimate form of sport. A level of discipline is attached to these sports, particularly the various forms of martial arts. Anything that can assist those people to make sure that these activities are undertaken in the most appropriate and safe manner and in a way in which the public moneys that are invested are protected is to be commended. I commend the bill to the Council.

The Hon. T. CROTHERS secured the adjournment of the debate.

SOUTH AUSTRALIAN FORESTRY CORPORATION BILL

Adjourned debate on second reading.

(Continued from 23 May. Page 1084.)

The Hon. IAN GILFILLAN: The Democrats support the second reading of the bill. It provides simply for the corporatisation (not the privatisation) of SA Forests, which is presently a business unit within the Department for Administrative and Information Services (DAIS). The groundwork for the bill was laid in a ministerial statement of 5 August 1999. Briefly put, the rationale is that the supply of plantation timber is an increasingly competitive business and subject to growing commercial export opportunities and risks, and that therefore the business is more appropriately structured as a corporation rather than a division within a government department.

The minister has assured us that the new corporation will not be sold off. The corporation will also be required to maintain non-commercial services such as access to forest reserves for conservation purposes, farm forestry initiatives, and the provision of technical policy support and advice to government, industry and the community. However, at this point I ask: how can a government-owned corporation, which is subject to these non-commercial obligations, compete internationally against privately owned timber producers who have none of these community service type obligations?

To put the question another way: what is the benefit of corporatisation, when the new corporation is expected to behave in much the same way as a government department anyway? It certainly cannot be to minimise potential taxpayer losses. If the company is to be wholly government owned and subject to ministerial direction, taxpayers are just as exposed as if it was a government department. Any supposedly commercial corporation which is also subject to political direction will always be stuck in a bind between, on the one hand, seeking to act commercially and, on the other hand, being responsive to political imperatives.

The government may err by giving the corporation too much freedom or independence. If it does so, the government will risk big losses. Alternatively, the government may err by placing so many extra fetters, restrictions or obligations upon the corporation that it is unable to compete effectively on a commercial basis. This could have a similar effect. Given these two equally likely scenarios, I find it difficult to understand the supposed benefits of corporatisation. In due course, I would appreciate the minister's enlightening me on what is the basic assumption underlying this bill: that

corporatisation is to be preferred over the present structure of the publicly owned Forests SA.

I note that, in another place, this bill was subject to a great deal of debate. I do not intend to go over all of the same ground here. Suffice it to say that I have taken note of some of the issues raised in the other place. I am pleased to see that the member for Gordon was successful in his amendment, which requires the new corporation to pay rates to local government.

I have received correspondence on this matter from the Local Government Association and also from the councils of Grant, Alexandrina and Yankalilla. As I have told them, if the bill had not been amended as it was in the House of Assembly on 3 May, I would have been prepared to move the same or a similar amendment in the Legislative Council. It has been a long campaign by local councils which have felt aggrieved by this, and it is gratifying to see that some action has now been taken. I agree that it is much more appropriate that the proposed Forestry Corporation pay council rates like every other property owner.

I note also the contribution of the member for Ross Smith, who quoted the late Don Dunstan to great effect on the history of South Australia's publicly owned plantation forests. I share the doubts expressed by the opposition about the future of any government enterprise which is corporatised. It inevitably seems to lead towards privatisation—although I hope the government will prove me wrong on this occasion.

I note also the observations of the member for Ross Smith that the Forestry Corporation might end up like SA Water: not sold off, but with its functions contracted out, or management outsourced or something similar, so that the end result is virtually indistinguishable from privatisation. The government can hardly be surprised if the Australian Democrats are cynical in this regard.

I note also an amendment moved in the other place by the Deputy Leader of the Opposition, which sought to prevent the creation of two classes of employees within the Forestry Corporation: one class subject to current enterprise bargaining arrangements, and the other, a so-called new class on potentially lower rates of pay, short-term contracts, individual agreements or whatever other details are worked out. I note that the same amendment is on file again here, in the name of the Hon. Paul Holloway.

The risk of creating two classes of workers will be particularly acute in the regional areas of the state, which provide most of the jobs for Forestry SA, where the choice of potential employers is often low and the downside potential of individual work contracts is often greatest. The minister says, in effect, that two classes of workers is a good thing. He suggests, in effect, that the new class of workers are likely to have wages higher than existing workers. Members can decide for themselves how likely that will be. Even if that is so, it will still be a cause of fomenting unrest and dissatisfaction between the two groups of employees.

The minister also says that the new corporation ought to be treated like a private company, that it will be paying rates like a private company so it ought to have discretion to set wages like a private company. Yet the minister is guaranteeing that the corporation will be different from any private company in other respects. It will have to fulfil non-commercial obligations (in respect of forests) which its competitors do not, as I have already described. Why then should it not have other non-commercial obligations in respect of its employees—obligations which are required of other government run business enterprises within departments?

It should have obligations such as ensuring that employees are treated similarly in respect of their entitlements and conditions of employment. I would ask the minister, when responding to the second reading contributions for the government, to outline the extent to which the community service obligations to be imposed on the SA Forestry Corporation compare with those imposed on former government owned enterprises such as ETSA, or any other government owned commercial enterprises.

The government might care to make a comparison with Telstra, in its community service obligations, so that we have some yardstick with which to measure these community service obligations that will be imposed on the corporation. I look forward to a worthwhile committee stage for this bill and indicate that the Democrats will support the second reading.

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

[Sitting suspended from 5.56 to 7.45 p.m.]

GAMBLING INDUSTRY REGULATION BILL

In committee.

(Continued from 24 May. Page 1112.)

Clause 3.

The Hon. NICK XENOPHON: Notwithstanding the advice I have had from parliamentary counsel in relation to the issue of the definition of 'gambling venue'—and I understand that there was some concern from the Australian Hotels Association as to whether that was wider than intended—amendments were drafted and circulated. I have subsequently discussed that with parliamentary counsel, notwithstanding my view that the earlier amendments would have covered the concern of the Hotels Association.

Another amendment is currently being circulated. I understand that we are considering the Hon. Paul Holloway's amendment, but that inserts a new definition to the effect that 'office or branch' in relation to the TAB or Lotteries Commission means an office or branch staffed and managed by TAB or the Lotteries Commission, which I would have thought takes it a further step beyond doubt. As I understand, the appropriate thing to do with this definitional clause would be to recommit it after all other clauses in this bill have been considered. I imagine that is something that can be sorted out in due course.

The Hon. P. HOLLOWAY: I move:

Page 3, after line 13—Insert new definition as follows:

'office or branch', in relation to TAB or the Lotteries Commission, means an office or branch staffed and managed by TAB or the Lotteries Commission.

This amendment is identical to what the Hon. Nick Xenophon just read out.

An honourable member interjecting:

The Hon. P. HOLLOWAY: Yes, that is correct. The background to this amendment is that it was felt by the Australian Hotels Association that the definition of 'gaming venue' in this bill is much too broad and could be unintentionally unduly restrictive—especially if other clauses in the bill are passed—particularly the amendments relating to smoking and eating. The Australian Hotels Association

thought that the definition would be too inclusive for hotels and could result in the proposed ban on smoking, eating and drinking applying to front bars, dining rooms and lounges as well as to gaming machine rooms.

The Hon. Nick Xenophon intended that his later amendments should apply only to those parts of hotels that are set aside for gaming. However, I think it is a genuine fear of the Australian Hotels Association that if this definition is interpreted too broadly by the courts it could prohibit smoking, eating and, even more absurdly, drinking in a front bar—a situation that no-one would want. I refer to a letter that the Hotels Association sent to the Hon. Nick Xenophon (a copy of the letter was sent to me and, I assume, to other honourable members) because I think it elucidates its concerns very well. The letter states:

> In order to meet our concerns, the definition needs to be redrafted so that the term gambling venue is restricted to a specific area of the licensed premises which is clearly definable.
>
> However, to do so raises a host of anomalies and problems. For example, if the area is defined as an area 2-metres in radius from a TAB machine or lotteries machine, the question of policing arises. People in a front bar with TAB facilities would need to remain at least 2 metres from the machine if they decided to have a drink, chew gum or smoke a cigarette. The situation would also arise where two people would stand together, one who is able to eat, drink or smoke while the other person—within the 2 metre zone—cannot.

The AHA suggested some amendments, and they were the basis on which I asked parliamentary counsel to draft the amendments.

The Hon. T.G. Cameron: Where are they?

The Hon. P. HOLLOWAY: They certainly have been circulated. I think it is fair to say that I received these amendments only in the last 24 hours. I sent a copy to the AHA to see whether they met its needs. There is still some doubt whether these new amendments cover the situation correctly. Basically, they provide that an office or branch in relation to the TAB or the Lotteries Commission means an office or branch staffed or managed by the TAB or the Lotteries Commission. The amendment suggested by the AHA would add the addendum 'excluding a licensed premises' on the end. So it would really put beyond doubt that that was the case.

The Hon. T.G. Cameron: This is the AHA amendment?

The Hon. P. HOLLOWAY: No, it is the parliamentary counsel's interpretation of the AHA amendment. The AHA would have preferred that 'excluding a licensed premises' be added on the end. Unfortunately, over the break I have not been able to get in touch with the parliamentary counsel involved. I am sure they have a very good reason and would say that that addendum is not necessary—

The Hon. M.J. Elliott: Does the TAB staff agencies inside hotels?

Members interjecting:

The CHAIRMAN: Order!

The Hon. P. HOLLOWAY: It will be necessary for us to revisit clause 3 towards the end of the bill, because there are a number of definitions which may be rendered unnecessary, depending on what happens to other clauses of the bill. It is almost certain that we will have to revisit clause 3 at a later stage. I propose to the committee that we pass these amendments at this stage. If they need to be revisited and strengthened at a later stage, we can do that at the appropriate time. I ask the committee's support to carry these amendments to put beyond any doubt that we could put unnecessary and silly restrictions on hotels. However, we can go further if that is deemed to be appropriate when we complete discussion on the bill. I ask the committee to concur with that course of action.

The Hon. T. CROTHERS: I can see a potential problem with the way this is worded. Very shortly I believe that this parliament will be discussing whether or not the TAB and/or the Lotteries Commission will be sold and privatised. I do not know what will happen. It may well be that they will both be privatised or that one will be privatised and the other will not. Let us assume that the TAB is privatised. It is very obvious to me that this amendment will be rendered obsolete once the TAB staff are no longer managing the TAB agencies. It seems to me that whoever drew up this amendment has not really thought the matter through, because potentially there is a capacity, contingent on what happens to those other bills relating to the Lotteries Commission and the TAB—

The Hon. M.J. Elliott: You need to establish legislation to sell it.

The Hon. T. CROTHERS: It could have been crafted: that is the point I am making. The way it is worded now—

An honourable member interjecting:

The Hon. T. CROTHERS: Hear me out. We are now dealing with an amendment which could be rendered obsolete within three months. That seems to me to be the height of folly. In other words, if the Xenophon bill gets up and if this amendment gets up, the amendment might well be obsolete before the bill is gazetted and passes through its necessary pro forma stages before it comes into law.

Somebody said something about parliamentary counsel being involved. I do not know how closely the government liaises with parliamentary counsel, but if the Lotteries Commission and the TAB are privatised or if the Lotteries Commission is privatised and the TAB is not, or if the TAB is privatised and the Lotteries Commission is not—

The Hon. T.G. Roberts interjecting:

The Hon. T. CROTHERS: We wish we could privatise you and get rid of you.

The Hon. T.G. Cameron: You wouldn't get much.

The Hon. T. CROTHERS: Well, I may have to pay to do it—I might have to put up some money. Be that as it may, this is a step before its time and it has arisen because we have other matters pending. If this is carried by parliament as it is currently worded, it will render that amendment obsolete. I would have thought that the Hon. Nick Xenophon would be very pleased—

The Hon. T.G. Cameron: It's not his amendment.

The Hon. T. CROTHERS: It is his amendment.

The Hon. T.G. Cameron: No, it's Holloway's.

The Hon. T. CROTHERS: The Holloway amendment is similar. I have those amendments now. Somebody referred to parliamentary counsel. I do not know how closely the government works with parliamentary counsel but, if parliamentary counsel was involved in drafting these amendments, it would have done so under instructions. Had they been aware of this, they might have warned the person responsible for the draftsmanship about a clause, an amendment, with inbuilt obsolescence even before the ink was dry on the paper. If someone can explain where I am wrong in what I have asserted, I am wide open to receiving that sort of advice. I have real problems with it and I suggest that the thinking members in this place, except those on my right in my immediate proximity, will understand precisely what I have said and will give this more than a cursory glance.

The CHAIRMAN: Does the Hon. Mr Xenophon wish to move his amendment, which I know is identical but at least it will get it on the record?

The Hon. NICK XENOPHON: Given that the Hon. Paul Holloway has moved his amendment, I will not move my amendment at this stage.

The Hon. M.J. ELLIOTT: To respond to the Hon. Trevor Crothers, he needs to take into account the fact that parliamentary counsel can draft legislation only for the situation as it now stands. At this stage there is a TAB. If in the future the TAB is sold, there will be legislation to do so and one would then expect that there will be a clause within that which will then seek to amend this legislation to account for that sale. We cannot anticipate the sale or other legislation at this stage other than to note that it could happen and that such an amendment would then become necessary.

The Hon. R.I. LUCAS: There is one aspect of what the Hon. Mr Holloway has indicated that might help us through this process. I certainly agree with his premise that, whatever we do in relation to this amendment, we have to revisit the whole of clause 3. It would be my view, from discussions with the Hon. Mr Xenophon, that at the end of the debate in committee we recommit this clause and, if significant clauses of the bill are defeated, we would then have to gut clause 3. Various definition clauses will then have to be removed and, if some clauses relating to gambling venues are defeated, some of my concerns about the definition of 'gambling venue' would go out the window.

Having highlighted these concerns three or four weeks ago and starting off this problem, I do not intend to prolong the debate because I am happy to support a version of the Hon. Mr Holloway's amendment, although not because I support the position as I believe there are still some significant issues. As I read the way it is currently drafted—and the Hon. Mr Holloway or Mr Xenophon may be able to correct me if I am wrong—it would appear that, if someone wanted to consume the legendary Lifesaver or a cup of tea and gamble in a hotel outlet with gaming machines, the intention of the amendment is to allow that, but if, for example, in a TAB outlet staffed wholly by TAB staff—the tavern at the railway station or whatever—the import of this would be to prevent a patron from sucking a legendary Lifesaver, having a cup of tea or consuming food and drink in that sort of venue.

It is a complicated process of trying to read through the change in the definition and the impact on the ensuing clauses but, as I read it, it still presents a significant issue. Whilst I am happy to support the Hon. Mr Holloway's amendment, I really do so only as a matter of form to get through clause 3 on the basis that I know we will be able to recommit it and, if the clauses about consuming food and drink are not in the bill at the end, the definition of 'gambling venue' does not have as much significance as it might otherwise have had if that was the original input. If those clauses remain in the bill, we will have to have another wrestle on recommittal about clause 3 and about the definition of 'gambling venue', and maybe some of the other definitions as well.

I am prepared to support it, but not on the basis that it solves all the problems. It solves some of the problems but not all of them. So, I support clause 3 on the basis that we will recommit it at the end of committee and have another go at the definition of 'gambling venue'.

Amendment carried; clause as amended passed.

Clause 4.

The Hon. NICK XENOPHON: Earlier today I had an opportunity to discuss this issue with a number of my colleagues including the Treasurer, the Hon. Paul Holloway, the Hon. Terry Cameron and the Hon. Mike Elliott. It seems that a majority of members in this place do not support the establishment of a gambling impact authority. I propose, subject to what other members want to do, to use clause 4 as a test clause. I am happy to wrestle through clause by clause, but it seems to make more sense to have clause 4 as a test clause. I propose to speak briefly to reiterate the purpose behind part 2 because, if clause 4 is not passed, the rest of part 2, including division 2, which relates to a gambling impact fund, would also fail because it effectively funds the gambling impact authority.

I simply reiterate that there is a significant need, given the expansion of gambling in this state, particularly since the advent of poker machines, for a gambling impact authority to oversee all aspects of the gambling industry and to look at issues of social and economic concern. A fund effectively ought to pay for research into the social and economic effects of gambling, to inform the public about the impact of gambling in the community, to provide assistance for various organisations adversely affected by gambling, including assistance to sectors of the live music industry adversely affected, and that it ought to be funded by a levy. I have already made a comprehensive contribution on this issue in the second reading debate. Members have put forward their views, and effectively I am in the hands of members as to whether they simply wish to take clause 4 as a test clause or whether we should go through each individual clause.

The Hon. R.I. LUCAS: The process that the Hon. Mr Xenophon has established would certainly make sense to me, that is, that we have a test vote on clause 4 and it would then apply to the whole of part 2, which takes us up to and including clause 13. I therefore do not intend to address the individual clauses. I want to make some brief overall comments about the concept of the gambling impact authority without going on at any great length. As I indicated in the second reading stage, the government certainly has been and is currently still considering the whole notion of the broader regulatory framework for gambling within South Australia. We as members have a vast array of gambling related issues before us at the moment. We have the issues related to the moratorium and/or banning of internet or interactive gambling (depending on how far and wide we want that to go); the debate about the privatisation of the TAB and/or the Lotteries Commission; and some very significant issues in relation to proprietary racing and TeleTrak in particular, with the cross-over impact into internet or interactive gambling as well. We also have our erstwhile Legislative Council select committee into interactive gambling.

All this is occurring at the time when this bill is being discussed and debated. There is certainly some willingness to at least contemplate these matters. No government decision or position has been taken, and I have no concluded personal view yet, either. Another thing that is occurring is the recent sale of the Casino which is still going through the probity process. Speaking personally, I think there is some argument about the notion of a broader authority than the current Gaming Supervisory Authority (GSA) which might have a wider regulatory role in relation to the Casino, the potentially government or privately run TABs and Lotteries Commissions, the issues of proprietary racing and TeleTrak and also the issue of gaming machines. The Productivity Commission has recommended certain models, which we are currently contemplating. There is no concluded view, but at some stage this parliament might need to consider some legislation providing for a body that has a broader regulatory role. That covers a whole series of issues. It does not cover all the issues

the honourable member is talking about regarding the functions of this authority.

One of the other issues which the government has been considering and will need to continue to consider is how we as a community provide the various functions that the honourable member is talking about with respect to this authority, including providing support or advice to persons affected by gambling, undertaking research and community education. Some of those functions are currently being conducted under the auspices of the Gamblers' Rehabilitation Fund (GRF). The government might like to contemplate some potential options in relation to that fund and the group that works with it. Again, at this stage the government has no concluded view on the issue, but those issues are under active consideration at the moment. So, in relation to some parts of what the honourable member is seeking to achieve—that is, in relation to community education, helping problem gamblers and research—some potential mechanisms are available—other than the impact authority that the honourable member has contemplated—which might be alternatives for those members who do want to see action in that area.

In relation to some of the broader areas of regulation, certainly, given that we have a Gaming Supervisory Authority with an existing arrangement with the Liquor and Gaming Commissioner and his staff, there would appear to be some potential options for however the government and the parliament ultimately see the whole mud map of gambling bodies and authorities and their regulation as we move from the year 2000 into the future. Some members might not be prepared to support this version of regulation and the extension of those functions under the proposed gambling impact authority, and it would appear that in the Hon. Mr Xenophon's judgment he does not appear to have numbers to support his proposition at this stage. If his judgement is correct, I hope there will be some opportunities to pursue—as I am sure he will continue to do—alternative ways of achieving some of the functions he wants to achieve through this authority.

The Hon. P. HOLLOWAY: I indicate that the opposition will not support this clause. There are certainly problems related to gambling. The Treasurer just pointed out that at present we do have a Gamblers' Rehabilitation Fund which deals with many of the matters that the Hon. Nick Xenophon has set out in his bill as tasks for this new GIA. While the current arrangements may not be perfect, nevertheless reform of this area must come from careful and detailed consideration of the needs in the area. If the government of the day wishes to propose changes to bodies which are responsible for dealing with gambling problems, I am sure that all members of this place would consider that, but I believe that such proposals should come out of a process of extensive investigation into the issue by the government of the day. Just to propose that we establish a new body as set out in this bill without some consideration of the broader gambling situation would not necessarily be a sensible thing to do.

The Treasurer has pointed out (quite correctly, in my view) that the structure of gambling is undergoing significant changes at the moment. The Casino has just been sold, and the government would wish to sell the TAB and the Lotteries Commission. Members on this side of the Council will not support that action; nevertheless it remains to be seen whether that measure is supported by the numbers in the parliament. But, given that those sorts of changes are proposed, it would make sense to consider what impact those changes might have or whatever that process might require in terms of the better administration of the gambling industry. As the Treasurer has indicated, the opposition would also reserve its right to revisit these issues in the future, given the changes that are likely to come about. At this stage, we do not believe we should support the establishment of the gambling impact authority. It will essentially duplicate the role of the existing Gamblers' Rehabilitation Fund. It would create another body which would require more funding from the government to act almost in opposition to the existing bodies, and we are not convinced that the case for that is—

The Hon. M.J. Elliott interjecting:

The Hon. P. HOLLOWAY: The question is that, if this organisation is already performing essentially the same tasks as are proposed under the bill, why would we wish to change it? If the government of the day wishes to have an extensive review into these problems and come up with a proper, integrated program for dealing with them, I guess that should be considered by the parliament on its merits, but at this stage we are not convinced that these measures are worth supporting.

The Hon. M.J. ELLIOTT: It has been suggested that this should be a test clause. I think it is important that we get clear in our minds whether or not it is a test clause on the concept of having an overarching body or whether it is a test on some of the later detail. I do not agree with all the detail in this provision, but I believe that there is a very strong argument to have a body that has oversight over all gambling that occurs in the state. I think a body—

An honourable member interjecting:

The Hon. M.J. ELLIOTT: As I said, that is one of the questions that we should resolve. The fact that it is a complex issue makes it difficult. We do not want to go down the path that the government has taken in relation to prostitution where we have four and, I think now, five different bills. This will be difficult but, if we can agree to discuss things at a conceptual level first and reach some level of agreement, we can start to thrash out the detail.

I have just said that I disagree with some of the detail, but I do agree with the broad concept that there should be a body that oversees gaming. For some time I have been arguing for a gaming commission—a body that I think could have a range of responsibilities which could include licensing, social responsibilities of the sort that are outlined within the gaming impact authority clauses, and probity responsibilities in terms of the behaviour of bodies that are in the gambling industry.

It seems to me that the debate we are having in relation to this bill is not about whether or not there should be poker machines and whether or not gambling should or should not occur. I am approaching it by accepting that gambling will occur yet considering how we can ensure that we get the optimum result for our society and do the least harm. If people do not acknowledge that harm emanates from gambling for a significant minority then I think they are just kidding themselves.

I think the need for an overarching body becomes more important because at this stage much of the gambling in this state is currently government owned. One would assume that because of that a level of responsibility is displayed, although some people could argue against that proposition in terms of some of the advertising done by some of these groups. However, one should be able to assume that, being government owned, there is at least a reasonable level of behaviour.

The government is looking to legislate to allow TeleTrak and other similar operations. It is looking to finalise the sale of the Casino, and it is looking to sell the TAB and the

Lotteries Commission. I would argue very strongly that this issue of whether or not there will be a body with oversight over gaming should be resolved before those things happen.

I have been speaking with government representatives for at least 12 months. When I was first asked about the Democrats' approach in respect of those sales, I said, 'I am prepared to look at them, but I am not prepared to look at them unless you address this issue of gambling regulation overall and take some responsibility.' Frankly, the government has moved a lot faster in terms of trying to sell these things than it has in respect of the monitoring of social responsibility type issues.

I am really fearful that we will be in the same position we were in when the gaming machine legislation went through. A few members who were in this place at that time will remember that there was a promise that, at the same time, a select committee would be established to monitor what was going on and that it would report very quickly. Those members who were in this place know that that did not happen. Even though that was the agreement, it did not happen.

That is why I am not prepared to take 'the government is looking at it' type approach on trust. The Liberal Party was not in government at the time that legislation went through, although I think government members who supported the legislation going through certainly expected that the select committee would be up and operating very quickly. However, when the Liberal Party formed government nothing happened.

I think it is vitally important that here and now we reach agreement on the broad concept that there should be a single body with responsibility to oversee the gambling that occurs in this state. We can have a further debate if we can agree at that level. I do not mind coming back—

The Hon. Diana Laidlaw: In what form are you proposing that we agree?

The Hon. M.J. ELLIOTT: I think it has already been acknowledged that we will be revisiting various clauses of this bill. I have no problem if we agree to clause 4 and then report progress. The Hon. Nick Xenophon might not agree. I am expressing a personal view that, if we know that there is majority support for such a body—and when you have a conscience vote it is hard to know where the numbers are—we are quite capable, collectively, after perhaps a bit more debate in committee about some of the principles, of coming up with something that we believe will meet broad approval.

There is a real danger that we will get caught in this game of 'the government will look at this later', which some government members believe absolutely it will do. There is a real risk that, whilst the majority in this place think an overarching body is necessary, we will end up having TeleTrak and all the privatisation happening and the other body will still not be formed. Once you have privatised it, it is much more difficult, if you want to regulate in any sort of way, to do so, because those bodies pay a price and all those sorts of things, and they will have made certain assumptions and received all sorts of promises about what will or will not happen should a sale occur, and it will be that much more difficult for the state to set in place what it thinks the rules should be.

Many people who accept that gaming machines are okay would feel that we have not quite got it right. However, it is now much more difficult to make any changes because the hotel lobby is in your ears. That is understandable, because the hotel industry has a vested interest, given that it made certain investments based on the existing rules. It is much more difficult to try to change the rules after the event. It is understandable that its vested interest creates a real problem. That is not meant to be a criticism of the hotels—it is a basic reality. If we go into privatisation before we sort out what sort of overarching controls we want to set in place, we will have exactly the same difficulties as all these other bodies.

It would be irresponsible of this place if we did not allow an overarching body of some sort to be established before those things happen. I believe that the excuse is here within the bill. This bill has been with us for a long time, and there is a chance that it still could be with us for many months more. We do not have to resolve the detail now, but I think we can have a sensible debate about the concept.

The Hon. T.G. CAMERON: I rise to indicate my support for this provision of the bill that has been moved in the Hon. Nick Xenophon's name. Following on from the contribution of the Hon. Mike Elliott, I indicate SA First's support for a single gambling authority to oversee all gambling in South Australia. If you were to conduct a poll of people in the street and ask them the very simple question, 'Do we need a gambling authority to oversee all gambling in South Australia?', you would probably get 70 per cent or 80 per cent of the public supporting it.

I have had a look at the provisions as outlined by the Hon. Nick Xenophon. Whilst I could quarrel with the odd provision, I think that what he has set out goes a long way towards defining the role, duties, responsibilities and so on of a gambling impact authority. I take issue with the contribution of the Hon. Paul Holloway when he says that the gambling impact authority, as proposed by the Hon. Nick Xenophon, is something akin to a mirror image of the Gambling Rehabilitation Fund. I do not see that at all, and I am not quite sure whether you would want some of its responsibilities handled by a gambling impact authority. I guess that is a subject for a later debate.

If this clause is to be defeated on the voices or following a division, I take the point that the Hon. Mike Elliott made, and that is that we still have the Casino privatisation going through and the parliament is still to make decisions about the Lotteries Commission and the TAB. I am not sure that I am reading too much into the contribution of the Hon. Mike Elliott, but he might look favourably on those privatisations if a gambling impact authority was set up beforehand. He did not make that clear.

The Hon. M.J. Elliott interjecting:

The Hon. T.G. CAMERON: Yes, I know what you said. I do not want to canvass all the material that the Hon. Mike Elliott has gone through, but I do see merit and commonsense in what he is outlining. At this stage I just indicate that I will be supporting this provision.

The Hon. P. HOLLOWAY: I wish to make one point, and that is that we are not dealing with a gambling administration authority in this bill. We are not talking about some overarching authority that will control gambling within the state. It is the Gambling Impact Authority, in other words, a body to deal with gambling impact. The recommended functions of the GIA are spelt out in clause 9 as follows:

(1) The GIA has the following functions:
  (a) to make recommendations to the minister on the application of the fund;
  (b) to provide or to ensure the provision of a 24 hour telephone counselling service (staffed, if practicable, by persons ordinarily resident in the state) for persons adversely affected by gambling;

(c) to provide other support or advice to persons adversely affected by gambling;
(d) to undertake or facilitate research into the social and economic effects of gambling;
(e) to undertake or facilitate community education about the social and economic effects of gambling; and
(f) to undertake such other functions as are assigned to the GIA by or under this act or any other act or by the minister.

So we are not talking about the sort of authority that the Hon. Mike Elliott was referring to. Also, if I heard the Treasurer correctly, he was saying earlier that the government was not ruling out the possibility of having some overarching gambling authority body at some stage in the future. That might well be a sensible thing to do. But that is not the beast that is before us today. That is why I reiterate that when you look at those functions I have just read out under the bill they are very similar, if not identical, to the functions that are currently being performed by the Gamblers' Rehabilitation Fund.

The Hon. T. CROTHERS: I am very sympathetic to the situation adopted by the last speaker. I want to address myself to comments made by the penultimate speaker. The Hon. Mike Elliott rightly says, in my view, that it is important to have one single overarching authority, because of the way in which everything is afloat at the moment. With no pun intended, all cards are on the table with respect to gambling at the moment. But he contradicts himself, because he says that there is this body, this overarching body, responsible for the day-to-day operations of all gambling outlets in South Australia. I do not know, of course, what happens when we get up and running with computer gambling. I do not know where the law stands there.

The Hon. M.J. Elliott interjecting:

The Hon. T. CROTHERS: I know. You might recall that about three years ago I asked a question about computers.

The Hon. M.J. Elliott interjecting:

The Hon. T. CROTHERS: Well, at least you have one stimuli going for you; you might even get up to 10 per cent shortly of intellectual capacity, if I keep going on you. Anyhow, I am sympathetic to the position embraced by the Hon. Mr Holloway, simply because with everything being in the melting pot and with that central body assuming supreme importance with respect to all aspects of gambling in this state it is important to know how that body should be structured. The problem I have is that this bill seeks to do it now. Again, it is the same problem I had with clause 3.

My honourable friend the Hon. Terry Cameron said to me, 'It could be done simultaneously,' and I thought that was a good idea and I still do think there is some merit in that. But what is going to happen with all these gambling cards in the air is that they are not going to happen simultaneously. So that is my humble view, and I think it was implicit in what the Hon. Mr Elliott said. It was his subconscious view as well in the context of what he said, when he said that you had to have this body to control all facets of gambling. But I then say that before you set up that body and structure it you have to know what you are structuring it for. Even the slightest change—

The Hon. M.J. Elliott interjecting:

The Hon. T. CROTHERS: That is only one aspect, and I understand it is going down the gurgler even more quickly than has previously been the case. But there is the position that, if you are going to have an overarching body, you have to know just exactly what it has to overarch. How can you do that? I alluded to the TAB and I alluded to the Lotteries Commission. If the TAB is privatised we do not know what effect that will have on the three major racing codes in this state. We do not know what the impact will be with respect to computerisation of gambling. All of those things are in the melting pot. But if you want to have a body that is responsible overall for gambling in this state then you have to make sure, as the Hon. Mr Elliott said, that you get it right. Too often in the past in this parliament we have done things and we did not get them right because we did them in haste without any futuristic thought of the consequences of what we were doing.

The Hon. M.J. Elliott: Like gaming machines. We didn't get it right.

The Hon. T. CROTHERS: Exactly. I was referring to that aspect of your speech when you touched on it. That is why I will be opposing this aspect of the present bill, for the very reasons that you have made pronouncement on yourself, that if you have a controlling body it is essential that the arches have the correct keystones in them so that they can perform the task that they are charged with, and you cannot and you will not have that when all of the aspects of gambling—and, by the way, I have not gambled since I was about 16—

The Hon. K.T. Griffin: Is it legal at 16 in Ireland, is it?

The Hon. T.G. Cameron: He didn't say gambling legally.

The Hon. T. CROTHERS: If I had a name like Cameron, who come from the inner darkest recesses of the highlands, I would shut my mouth when addressing a superior fellow Celt.

The Hon. T.G. Cameron: I thought I was addressing you.

The Hon. T. CROTHERS: You were, and bow your head a bit when you address me, boy! But that is my view. I do not know what the government's position is, but I am supportive of the logic led out and the commonsense embraced by the Hon. Paul Holloway. I do not know what the government intends to do, but if the government is in support of the position embraced by the Hon. Mr Holloway, then so am I, by God!

The Hon. NICK XENOPHON: I simply reiterate that I endorse the remarks of the Hon. Mike Elliott, and indeed the Hon. Terry Cameron, with respect to their contributions, but if I could clarify for the Hon. Trevor Crothers that this particular part of the bill is very much about measuring the impact of gambling, dealing with some of the problems arising in a way that goes far beyond the Gamblers' Rehabilitation Fund at the moment, and also in some ways it is there to take up some of the roles that the Victorian Casino and Gaming Authority has taken up over the past few years since its inception in Victoria.

In South Australia I think we really have been left behind in terms of some level of research into the economic and social impacts of gambling. The Victorian Casino and Gaming Authority, if you look at its web site, is regularly producing reports on a number of features of the impact of gambling. It is an authority that has drawn the ire of the welfare sector, or those concerned about the impact of gambling. I am certainly not endorsing all that they are doing, but certainly the VCGA has been making some attempt to look at issues. We do not seem to have gone down that path at all. The idea of the Gambling Impact Authority was a first step in dealing with these issues.

The Hon. T. Crothers: You have to get it right—that is the point I am making.

The Hon. NICK XENOPHON: With respect to the Hon. Trevor Crothers, I do not want to get into a legislative wrestle with him but I think that—

Members interjecting:

The Hon. NICK XENOPHON: Not even a tag team! The intention of this whole part is at least to begin to tackle the impact of gambling on the community in a systematic way, which has not been the case to date.

The Hon. R.R. ROBERTS: I support the position of the Hon. Paul Holloway. I am heartened by some of the comments of members, even the comment of the Hon. Michael Elliott about the need for a gaming commission, which is a subject dear to my heart. In good faith, the Hon. Nick Xenophon has put forward this proposition, but I point out to the committee that we are doing a number of things in relation to gambling. We have the Gamblers' Rehabilitation Fund, the Independent Gaming Commission and a select committee of this Legislative Council, all of which have a function, but there does not seem to be any coordination.

I think there is a need for a body, such as a gaming commission, as has been outlined by the Hon. Mike Elliott, to look at and run all our gambling facilities. We need a gaming commission to coordinate and distribute funds in one stream. At present, we have the Gamblers' Rehabilitation Fund, the funding arrangements which rely on the generosity of the Hotels Association, the Independent Gaming Commission is doing its bit, and the Harness Racing Commission is trying to do its bit, and they are all competing for the Australian gambling dollar, but none of them are getting it right.

When I was in London last year attending a CPA conference, I ran into some people from Canada. In New Brunswick they have a commission which runs the lotteries and poker machines and all the gambling industries—it does the whole lot. As far as the racing industry is concerned, they have doubled the turnover and the stake money.

It is possible to do this in a coordinated way. Whilst what we are doing is well-intentioned, I point out that I am not ashamed of the fact but I am bound by the caucus on this issue. I understand the sentiments expressed by the Hon. Nick Xenophon in these circumstances and I do not disagree. It would be desirable and worthwhile to have an overview of the effects of gambling in South Australia, but people are making attempts to do that—genuine in some cases and inept in others. When a proposition is put for an independent gaming commission to look at all our gambling activities in South Australia, I will view that as a conscience issue, and I indicate right now my support for it.

The Hon. CARMEL ZOLLO: I echo the sentiments of my colleague the Hon. Ron Roberts. Whilst I support the Hon. Paul Holloway, eventually I would like to see an over-arching regulatory gaming commission established in the state.

The Hon. R.I. LUCAS: I alert my colleague the Hon. Mr Redford, who is unavoidably detained, that it is likely that we will vote on this matter in the next 60 seconds or so, so if he wants to contribute to the debate he had better come into the chamber quickly. I understand he is looking for some material to use in the debate. I give him fair warning that it looks as though the debate is coming to a conclusion.

The only point I make is that it is important to distinguish between an over-arching authority, to which some of us referred earlier, for the purposes of probity, licensing and regulation, as opposed to the sort of commission to which the Hon. Ron Roberts refers. As he said, in Canada they have doubled the turnover. The Hon. Nick Xenophon, and, I would think, other members, are probably not coming from that direction, that is, doubling the amount of gambling and the amount of gambling losses in South Australia using that particular—

The Hon. M.J. Elliott: The Treasurer loves it.

The Hon. R.I. LUCAS: No. I am indicating that I do not support that, so the Hon. Mr Elliott can withdraw that remark and apologise.

An honourable member interjecting:

The Hon. R.I. LUCAS: Exactly. That sort of model is used in Victoria where the authority can close down smaller and less profitable gaming venues and amalgamate and consolidate them on bigger premises located on thoroughfares with greater volumes of traffic going past. In Victoria, that maximises gambling per head of population.

In South Australia—and members do not always acknowledge this—we have the lowest or second lowest rate of gambling per head of population of all states with the exception of Western Australia, which does not have gaming machines. One of the reasons for that is that our model adopts the Wetherill model, which puts a 40 cap limit on hotels and clubs across the state, whereas in New South Wales, Victoria and other places there has been a much greater aggregation of gaming machines in bigger clubs and venues. Using that model has provided the capacity to be able to increase or double the turnover, as the Hon. Ron Roberts indicated.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: I am just saying that there are two different models. My colleague the Hon. Mr Redford has just arrived so I will concede the floor to him.

The Hon. A.J. REDFORD: I will make some general comments about this whole issue of gambling rehabilitation and the way in which this issue has been approached over the past few years. I am prompted by a visit that I made to New Zealand in April 1999 where I had the opportunity to talk with a number of officials associated with the gaming industry. One of the issues that confronted the New Zealand industry was that those agencies and bodies which purported to represent the problem gambler were becoming a strong political force and insatiable from the point of view of the industry in terms of their demands and quite alarmist in terms of what they said constituted the problem gambler and the extent of problem gambling in New Zealand.

The New Zealand response was unique. What I am about to say should not come as any surprise to the government, because as a dutiful backbencher I forwarded this information to the minister for health suggesting that he might seriously consider it. Like some items that are sent to some government ministers, it disappeared into a black hole and I have never received a response. This is the first opportunity I have had to raise it.

What they do in New Zealand is simple. First, they sit down with all the gaming industries or the industries that provide gaming products—in particular, the casino, the poker machine industry, the racing industry and the lotteries industry—and determine who is responsible for which share of the cost of problem gaming that each of those respective industries and groups should bear. This is done on a voluntary basis, although the government looks over their shoulder and says, 'If you don't come to some agreement we will legislate for some division.'

It is amazing that on each occasion they come to an arrangement. Following one such determination, they established an office known as the Problem Gambling

Purchasing Agency based in Palmerston North in New Zealand. The Director of the Problem Gambling Purchasing Agency is John Hannifin, who I understand is universally respected throughout New Zealand in this industry. When I say that he is universally respected, he is respected not only by the gambling industry per se but also by those agencies, whether they be government or non-government, that are charged with providing services to the problem gambling industry.

In his role, Mr Hannifin liaises with a number of groups. In particular, he establishes precisely what resources are needed to address problem gambling in New Zealand. It is a consultative process and an open process. Once he establishes what is required, he applies the agreed formula to each of the gambling industries, and those industries then contribute by way of taxation their proportion of the requirements and resources associated with providing services to problem gamblers. I understand that that process works very well in New Zealand.

If you contrast that with what happens in South Australia currently, it goes something like this. We have in this state a Gaming Supervisory Authority. The Gaming Supervisory Authority has some functions set out in section 11 of the Gaming Supervisory Authority Act, and I think it is important that I set out what they are. First, in relation to the Casino Act, the responsibility is to determine the terms and conditions of a licence under which a casino operates; to then ensure that an effective and efficient system of supervision is established; and to then advise or make recommendations to the minister on matters relating to the operation of a licensed casino.

In relation to the Gaming Machines Act, it is there to ensure that an effective and efficient system of supervision is established and to advise and make recommendations to the minister on matters relating to the operations of those licensees. Nowhere in the Gaming Supervisory Authority Act do I see the direct responsibility for considering in serious fashion the issue of problem gaming. In fact, the only serious player in this state that deals with problem gaming happens to be the Australian Hotels Association. None of the other gambling industries in any way, shape or form address these issues in any formal sense. If they do, it certainly has not been brought to my attention.

The Hon. M.J. Elliott interjecting:

The Hon. A.J. REDFORD: I think the honourable member's interjection is where I am headed. It seems to me that in this state there is a real requirement for some agency to look at it. I might be wrong in this, and I would welcome any criticism, but I read, hear and digest all sorts of statements made about the extent of problem gambling in this state. I see figures from various reports, both independent and non-independent, saying that, in particular in relation to gaming machines, the extent of problem gambling might be 2 per cent.

If there is one thing that I admire about the Hon. Nick Xenophon it is his political skills and his ability to bring issues pertaining to gambling to the attention of the public: perhaps, from some of our perspectives, way beyond the extent of the problem; I do not know. However, in my respectful view, there is an absence of some authoritative, independent body that sets out clearly this problem gambling issue.

With the greatest of respect to a number of the welfare groups, in particular some of the churches, there is self interest on their part to beat up the extent of problem gaming. I am not saying that they are doing that but, as a politician, if one is to survive in this game, one has to develop some degree of cynicism. In some respects I have learned from the Hon. Mike Elliott.

I say that because I honestly think that some of the statements made by some of the lobby groups in relation to this issue of problem gambling are somewhat over the top. In some respects, it could be suggested from some quarters—and I am not seeking to do that—that, in the absence of some independent, authoritative group, some of the agencies and welfare groups beat up the issue in order to secure more funding for their services.

I see occasions of that in this sense, although I will not repeat the names of people; but I have had private conversations with ministers in this government about the issue of problem gaming. I would ask the Treasurer if he could just jot down this answer, because I do not know the precise figure; I was in my office trying to find it. What do we spend on problem gaming in this state and how did we come up with that figure? Is it a figure that we came up with around a table that we think might satisfy this particular lobby?

The Hon. T.G. Cameron: Enough to silence the critics.

The Hon. A.J. REDFORD: The honourable member has grasped the point I am trying to make. In fact, in the absence of some independent, respective, authoritative group, we may be creating a monster that is almost impossible to control. Under the current regime, we will never know precisely what is required in monetary terms to realistically deal with this issue. Even if we do it on the basis of an inquiry, which we have done on occasions in the past few years, we will still not know if another problem arises in another area next year.

The whole of this problem gambling issue has been focused entirely upon the hotel industry, and that is unfair. I know that the hotel industry has endeavoured to raise this on many occasions, but the racing industry, the lottery industry and various other industries have as much responsibility in this area as the hotels industry. Is it not amazing that the biggest advertisers on television of gambling products are government agencies? The private sector, that is, the gaming venues—

The Hon. T.G. Cameron interjecting:

The Hon. A.J. REDFORD: The honourable member is very quick tonight: he is picking up on every point I am making. He is absolutely correct. The advertisements by some of those agencies are significant. In addition, I would ask the Treasurer whether he could outline to this place the process by which the government determines, first, how much money is to be spent on problem gaming and, secondly, once that amount of money is determined, how that money is to be allocated. Are there any formulas and, if there are, how were they established? If there are no specific formulas, what drives the government to determine how much and to whom money associated with problem gambling is distributed? First, how much money is spent by the government each year on problem gambling?

The Hon. R.I. LUCAS: As I said, this is not my bill, but I am happy to respond to the honourable member's questions to the degree that I can. It is impossible to give the honourable member a definitive answer to that question tonight. An amount of $1.5 million goes to the Gamblers' Rehabilitation Fund and the government has committed another $0.5 million in the budget for a total of $2 million.

If he was here, the Minister for Human Services would advise as to the range of services, such as counsellors and vouchers, provided by the old community emergency welfare

section of the human services department. The Minister for Human Services would indicate that a sum of money out of that section of his budget would go to gambling-related issues for some families. I have not seen a figure from the minister as to what that component would be. Regarding the explicit components of those areas, my colleague the Hon. Mr Xenophon might know of other discrete buckets of money, but they are the ones immediately known to me.

Other sections of the minister's department would provide welfare services or assistance—cash or food payments and so on—to families under stress, partly as a result of gambling and partly as a result of other issues, such as unemployment or a variety of other things.

The Hon. A.J. REDFORD: How is that amount determined? Is it plucked out of the air or has some sort of study been done to determine how much is required?

The Hon. R.I. LUCAS: I heard the honourable member's earlier contribution in relation to his belief that there should be some sort of study to explicitly determine the level of demand. With a whole range of government services—not just this service—it is fair to say that there has never been an explicit demand or study or survey carried out on the amount of funding that should be provided. Ultimately, it is a question of judgment of a perceived need as a result of lobbying or demand as portrayed by the various interest groups or the media and, secondly, it is a question of the amount of money that is available through the budget. There is a balancing process of the availability of funding and the judgment. Admittedly, to answer the honourable member's question, it is not perfect or explicit, if that is ever possible, based on some sort of demand survey that has been done for a particular service.

The Hon. A.J. REDFORD: Has the government considered adopting the New Zealand model in determining what might be required in terms of expenditure on problem gambling?

The Hon. R.I. LUCAS: I understand from earlier conversations with the honourable member—and he has repeated the comments today—that he has sent the information on the New Zealand system to the Minister for Human Services. At present, I am not in a position to indicate whether the minister has absorbed those recommendations and whether or not he is considering them.

The Hon. A.J. REDFORD: Currently in South Australia, is there any independent or government process to determine the extent of the gaming problem or are we merely to rely upon understated or, from other perspectives, extremist claims from people such as the Hon. Nick Xenophon?

The Hon. R.I. LUCAS: There have been a number of studies: I cannot list them all tonight. The Productivity Commission has carried out some work and that information is available to honourable members. The commission has used various estimates in the ball park of 1 per cent to 2 per cent. There have been a number of international and national studies with a little bit of—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: I think that is probably true. The notion of what the honourable member is saying is: what is the quantum of funds that will fix a particular problem? There are many ailments, illnesses, diseases and problems people suffer where I suspect it is almost impossible to specifically quantify the lump of money that would fix it for the one person or the 1000 people afflicted in that way. If, for example, we are talking about specific psychiatric problems—such as attention deficit disorder, which has been raised by the Hon. Mr Elliott—we know them to be problems, but I am not sure whether it is ever possible to specifically quantify what funding would be required to cure one child with ADD or a depressive problem, or one person with a gambling problem. Again, I am batting out of my depth here—

The Hon. A.J. Redford: Mr Hannifan has support across the board in New Zealand.

The Hon. R.I. LUCAS: If that is the case, I would assume that there are no problem gamblers in New Zealand and that the problem has been solved in that country.

The Hon. A.J. Redford: That is not what I said.

The Hon. R.I. LUCAS: Well, you said that Mr Hannifan does not have a problem in New Zealand. I do not know the New Zealand system—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: I have not recently travelled to New Zealand and I have not studied the New Zealand system. I accept that the Hon. Mr Redford has done that work and that he has forwarded it to the appropriate minister, the Hon. Mr Brown. I said earlier that I am not in a position to indicate what, if anything, the minister has done in relation to the honourable member's information. I am debating at a disadvantage with the honourable member in relation to the success or otherwise of the New Zealand system.

The Hon. A.J. REDFORD: In the light of that—and I must say I did indicate to my party room that I was 50-50 on this point—I will support this clause.

The Hon. NICK XENOPHON: I will address some of the matters raised by the Hon. Angus Redford. First, I refer to the issue of the welfare lobby, or words to that effect, and whether there is a 'beat up' of problem gambling issues. I can only ask the Hon. Angus Redford to consider the information I have received from the various BreakEven counselling services that work incredibly hard. They work with limited resources when staff members are ill or on holidays. It causes huge problems for particular agencies because they simply do not have the funding to deal with that. They have annual funding almost on a hand to mouth basis. There are funding uncertainties.

One gambling counsellor told me that staff members are leaving because there is no certainty in respect of funding. I think we need to reflect that, by and large, the BreakEven services do a very good job and that their primary role is to assist people and families to get back on their feet. I think the Hon. Angus Redford would be well advised to speak to the agencies and make his own independent inquiries.

In relation to levels of problem gambling, I draw the Hon. Angus Redford's attention to the Productivity Commission's report on Australia's gambling industries, which is by far and away one of the most comprehensive and independent reports of its type on gambling I think anywhere in the world. The Treasurer referred to international studies, but he was not specific—some amorphous international studies.

The Treasurer took me to task a number of months ago for saying that I think South Australia had a problem gambling rate in the order of 26 000 people, whereas the Productivity Commission's draft report talked about problem gamblers in the order of 24 500, with between 65 and 80 per cent of those as a result of electronic gaming machines. The final report of the Productivity Commission has revisited those figures and, in terms of the SOGS screen tests of 5 plus, which is a benchmark test as to whether a person is a problem gambler, the figure in South Australia is 27 809. So, I again apologise to the committee for simply being too low in my estimates.

The Hon. Angus Redford talks about an extremist position on figures: I am relying on the best available data from the Productivity Commission, which indicates that we have a significant degree of problem gambling in the community affecting many South Australians. Based on the Productivity Commission's figures, at least five other people are affected by each problem gambler. On those figures we have something like 10 per cent of the state's population in some way worse off because of the gambling bug, making this particular clause seeking the establishment of a gambling impact authority even more imperative, I would have thought. However, I appreciate the constructive comments made by members in relation to this clause and a step forward for reform in respect of other aspects of overseeing the gambling industry.

The Hon. M.J. ELLIOTT: Will the Hon. Nick Xenophon refresh our memories in relation to the Productivity Commission? I recall our talking about a very small percentage of gamblers using a significant amount of the total moneys. Can the honourable member bring those figures to mind immediately?

The Hon. NICK XENOPHON: It just so happens that I have a copy of the Productivity Commission's report with me. In essence, the Productivity Commission found that something like 2.1 per cent of Australians—290 000 adults—have a significant gambling problem, each losing an average of about $12 000 per annum. In terms of the overall gambling spend, now in excess of $12 billion, about one-third of gambling losses come from significant problem gamblers.

The Hon. M.J. Elliott: From that 2.1 per cent?

The Hon. NICK XENOPHON: From that 2.1 per cent. It talks about severe problem gamblers of a lesser percentage and there are various criteria for looking at that. It is in the order of 1 to 1.5 per cent, but 2.1 per cent of people are problem gamblers, each losing an average of $12 000 per annum, based on the Productivity Commission's findings.

The Hon. M.J. ELLIOTT: Given what the Hon. Nick Xenophon has said, with 2.1 per cent of gamblers being problem gamblers and losing about one-third of the moneys, can he also advise what percentage of the total government take, the total moneys that the state government receives from gambling activities, goes back to assist problem gamblers—those relatively small funds?

The Hon. NICK XENOPHON: I refer to pre-GST gambling figures, as there is a GST adjustment coming in. Gambling taxes—and I am sure that the Treasurer will correct me if I am even a smidgen wrong on this—amount to about $1 million a day and about $210 million from gaming machines in hotel and clubs. The government has finally committed a sum of $500 000 in addition to the $1.5 million given by the hotel and club industry. In the context of how much money comes from other buckets of funding, to use the Treasurer's terminology, that has not been quantified.

The Minister for Human Services has said previously that homelessness is one of the factors relating to gambling addiction. We have not had a quantification as to how much it is costing us as a community, but, in terms of direct funding for gambling rehabilitation, it is $1.5 million. As the Treasurer indicated, there is $1.5 million for the Gamblers' Rehabilitation Fund from the hotels and clubs, and now the government is putting in $500 000 from consolidated revenue.

The Hon. M.J. ELLIOTT: The effect of that is to say that, in regard to the 2.1 per cent of gamblers who have 30 per cent of the losses and who have made 30 per cent of the contribution to the state government coffers, about 1 per cent, if we are lucky, is actually finding its way back to the same problem gamblers. It is an interesting statistic.

The committee divided on the clause:

AYES (6)

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

NOES (14)

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

Majority of 8 for the Noes.

Clause thus negatived.

Clauses 5 to 11 negatived.

The CHAIRMAN: I point out that clauses 12 and 13, being money clauses, are in erased type. Standing Order 298 provides that no question shall be put in committee upon any such clause. The message transmitting the bill to the House of Assembly is required to indicate that these clauses are deemed necessary to the bill.

Clause 14.

The Hon. NICK XENOPHON: Very briefly—and I do not want to repeat what I said during the second reading debate—this clause is based on similar legislation in the state of New Jersey in the United States, the home of the Atlantic City casino industry. I understand that with bipartisan support it was decided in New Jersey that, given the potential economic and political influence of the gambling industry there, political donations would not be allowed. If this will save time I can indicate I have yet to find among my colleagues anyone who will support this provision. So, even if I wanted a division on this clause, I do not even have the—

An honourable member interjecting:

The Hon. NICK XENOPHON: Yes; political donations. I still believe this clause has merit. I am particularly concerned about the political influence of the gaming industry. The industry has enormous economic interests to protect. That is not being critical of it as such, but this industry does have a lot at stake and, obviously, from what some MPs have told me privately, they are concerned about the potential financial muscle of the industry. I understand that, irrespective of that, other members—who can speak for themselves—also oppose this on the principle that you should not restrict any sector of the community from making a donation, and I can respect that as well.

The Hon. R.I. LUCAS: I flag at this stage that we will recommit various clauses. There is an interesting procedural issue in relation to clauses 12 and 13. I have just had a very quick discussion with the Clerk and learned advice and, given that we will not finish this bill this evening, we have the capacity to approach it with good intent and cooperation when we next revisit it. Having knocked out the fund and the authority, how can we send the bill to the Lower House (assuming it passes the third reading) and ask it to insert the clauses that provide for the fund and the levy? That makes no procedural sense, given that this chamber has overwhelmingly voted not to proceed in that way. There is a procedural issue.

I do not intend to delay the proceedings with this matter this evening. I will have discussions with my learned

colleague and friend, the Attorney-General, the Clerk, the Hon. Mr Xenophon and others about these issues, but I am sure even he would agree that there has been a decisive vote in this chamber and that, procedurally, should the bill pass the third reading in some form or another, sending those provisions down to the Lower House and asking it to insert them would not be a fair reflection of the intention of the vast majority of members of this chamber.

That relates to clauses 12 and 13. We are now talking about clause 14, political donations. I oppose this and the related provisions. I do not think any parliamentary view in relation to donations to political parties needs to be considered. I think various attempts have been made in the past and may well be made in the future regarding the whole issue of donations to political parties. To endeavour in this bill to ban donations from gambling entities, or how you define a close associate of a gambling entity—

The Hon. K.T. Griffin interjecting:

The Hon. R.I. LUCAS: My apologies to the Hon. Mr Xenophon. In my quick read through I did not pick up the definition of 'close associate'. It has been defined. The whole area of donations to political parties is certainly a reasonable issue for parliaments, including this one, to address. I have expressed my view in relation to it in the past. Trying to tackle the issue in this bill simply in relation to donations from particular groups in essence gives the impression that anyone who happens to own a hotel or club or any sort of gambling organisation in some way has this sort of smelly stigma of undue influence and improper behaviour. I am not sure whether that was—

The Hon. Nick Xenophon: I never said that.

The Hon. R.I. LUCAS: I said that I am not sure whether that is the Hon. Mr Xenophon's intention, but it is the end product of singling out anyone to do with the gambling industry and banning them from making a contribution. When the Hon. Mr Cameron spoke (and I do not have the last *Hansard* to check the import of his question) he asked whether lunches organised for leaders of the opposition by various people—or words to that effect; I will not try to put words in the Hon. Mr Cameron's mouth—were intended to be caught up in this definition. Again, my recollection is that that was the Hon. Mr Xenophon's intention and that that would be caught by this provision.

This is a reasonable debate for the parliament, but it should be done as a separate issue which applies to all industries and individuals if it is to apply at all. People who are genuine hoteliers and club owners and operators should not be singled out as being any different from used car salespeople, real estate operators, merchant bankers, lawyers, doctors, accountants or whoever else it might happen to be—

The Hon. T.G. Cameron: Santos?

The Hon. R.I. LUCAS: —including big corporate companies, union operators or anyone else in respect of the whole notion of making donations to political parties.

The CHAIRMAN: It may be helpful to the committee if I try to explain further the points that were raised by the Treasurer privately with the Clerk and me and then referred to by the Treasurer when speaking a minute ago. The committee has voted to strike out clauses 4 and 11, which are connected with the gambling impact authority, so it would be contradictory to ask the House of Assembly to insert those clauses which are in erased type and which relate to the Gambling Impact Fund. Therefore, those two clauses will not be included in the message that is sent to the House of Assembly.

The Hon. T. Crothers: But can we still speak to them?

The CHAIRMAN: No; we have now dealt with them.

An honourable member interjecting:

The CHAIRMAN: No, we have not yet dealt with clause 14. I am sure this is a very unusual step. It concerns the agreement as to how we deal with money clauses. If members wish to raise anything in connection with what I have said, we will deal with that first. Clause 14 is still to be debated. Does the Hon. Carmel Zollo want to address what I have said?

The Hon. CARMEL ZOLLO: I want to address clause 14.

The Hon. T. CROTHERS: I want to address clause 14.

The Hon. T.G. CAMERON: I want to address clause 14.

The Hon. CARMEL ZOLLO: The Hon. Nick Xenophon is very perceptive. The Labor opposition does not support this clause.

The Hon. T.G. Cameron: I assumed they gave you $50 000.

The Hon. CARMEL ZOLLO: They gave both parties $50 000, from what I know.

The Hon. T.G. Cameron: How much did they give the Democrats?

The Hon. CARMEL ZOLLO: I have no idea.

The Hon. T.G. Cameron: Well, they couldn't have voted for poker machines; and that's because you gained some.

The Hon. CARMEL ZOLLO: My personal view and that of the opposition—and I reiterate what I said in my second reading contribution—is that it is better to be open and up front about who is receiving what when it comes to political donations rather than trying to circumvent legislation. No doubt many other lobby groups in our community would like to see the banning of political donations from other specific groups in our society. I think it would happen an awful lot. I also said that—

Members interjecting:

The CHAIRMAN: Order! The Hon. Carmel Zollo is on her feet and has the floor.

The Hon. CARMEL ZOLLO: I think I also said in my second reading contribution that, if the honourable member is concerned that the disclosure laws are not tight enough and that individual candidates rather than political parties could be receiving moneys, perhaps we should be looking at our disclosure laws rather than going down this path. The opposition does not support it.

The Hon. T. CROTHERS: I do not support the matter, either. I want to make a suggestion to the mover of this proposition. If he wishes to get something like this through, I suggest that he introduce a private member's bill ensuring that the state fund future state elections. But he will not do that, because that would be electorally damaging to him, just as it would be electorally damaging to other Independents and other members in this chamber to do that.

So, there is the answer; all is not lost. If you want to revisit this, come back and revisit it after you have moved a private member's bill to ensure that all future elections held in this state are funded from the public purse, as occurs, to a very large extent, federally, although it has not stopped other donations from being made.

There is my answer to you, and I am sure you have thought about it. However, the no pokies member will not do that. He is like many other members on all sides of the chamber who will not bite that bullet because they perceive elections being funded by the public purse as political incorrectness on a very high scale relative to their electoral

future. I resolutely—in the absence of some courage about state funding—and contemptuously oppose this proposition and where it is dragging its feet. It is not well thought out.

If it had the courage, SA First could also move—I saw the honourable member about to get up and I am about to make a pre-emptive strike—a private member's bill to provide for funding from the public purse for state elections. It, I suggest, like the Hon. Mr Xenophon and just about every other member, except Independent Labour—

The Hon. T.G. Cameron: Why don't you move one?

The Hon. T. CROTHERS: Why should I? Why should I do your work? I am finished. I am not going to confront any future elections. You are the people who are worried about the funding, not me. I am gone.

The Hon. T.G. Roberts: In the interests of the state.

The Hon. T. CROTHERS: In the interests of what state? It is in the interests of the state of mind, I suggest, of those who are not prepared to be brave enough to move it. SA First could also move a private member's bill, should it so choose, in respect of funding from the public purse. I suspect that the representative of SA First here, who is like just about every other member in both houses, is not game to do it, because the perception is—and I think maybe rightly so—that it would do some electoral damage. I oppose this contemptuous proposition.

The Hon. T.G. CAMERON: I support part 3, political donations, which has been moved by the Hon. Nick Xenophon. I hasten to add that it would only be an Independent or someone from a minor party who would have the guts to put forward a proposition like this called 'political donations'. Let us put to rest some of the lies and untruths that have been put forward. A month ago I would not have supported this proposition, although I do accept the contribution made by the two previous speakers that it would be more appropriately put in a bill governing political donations. However, we do not have a state act covering political donations: we have a federal act. So, we would have to create a new act.

I think that what the Hon. Nick Xenophon is concerned about is that it seems rather odd that the AHA and the hotel industry were not known for their generosity in donating to political parties until poker machines came in. However, the moment poker machines are introduced, we find the AHA has tens of thousands of dollars to donate, but only to the Liberal Party and the Labor Party—the two parties which ensure that this monopoly it has over poker machines continues. It think that is what the Hon. Nick Xenophon is concerned about. Prior to poker machines—

The Hon. Diana Laidlaw interjecting:

The Hon. T.G. CAMERON: Are you saying something to me, minister?

The Hon. Diana Laidlaw: I am saying that it is a conscience vote, not a party vote.

The Hon. T.G. CAMERON: The Labor Party is voting for it as a party vote. It had a caucus meeting and decided that it is not a conscience vote. The Hon. Mike Rann, the Leader of the Labor Party, once again has broken party rules and inside the caucus deemed that it is a conscience vote. It has been raised before.

The Hon. R.R. Roberts interjecting:

The Hon. T.G. CAMERON: The Hon. Ron Roberts interjected and said, 'He is not the first one.' Labor leaders have been breaking party rules for years. The only person authorised under the rules of the Labor Party to determine whether a matter is a matter of conscience is the president. I am sure that the Hon. Trevor Crothers, a past president of the Labor Party, would bear that out. I find it somewhat strange that the Labor Party has conveniently decided that this issue is not a matter of conscience because it has nothing to do with gambling and that it is some lofty principle.

It would have been interesting to hear what the Hon. Ron Roberts said inside the caucus about this lofty principle, because what they do, if they have a problem inside the caucus, is to deem that it is not a matter of conscience if it has nothing to do with gambling, which is what they did on this issue. We have the question of a gambling impact fund—and something like a gambling impact fund is deemed not to be a matter of conscience but a matter of principle.

Anyway, I have been somewhat deviated by the Minister for Transport from the point I was trying to make. I will get back to what I was saying. Prior to the introduction of poker machines, hotels and the AHA donated three-quarters of nothing to the major political parties for their election campaigns.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: They hadn't done it for years, and you know that: they had not been doing it for years. However, the moment poker machines came in, they had all the money in the world to distribute to the Labor Party and the Liberal Party. That is what happened; we all know that and we should not run away from it. I think, if my memory serves me correctly, it is an amount over $100 000. I realise that in making this contribution SA First is unlikely to get a donation from the AHA or any hotelier. Be that as it may.

But the point that the Hon. Nick Xenophon is trying to make here is that there are hundreds and hundreds of millions of dollars involved. Some of these hoteliers like the Saturno Group rake in millions of dollars of profit from poker machines, and don't you all sit there and tell me that they do it out of the goodness of their heart. They do it to try to buy your political opinion. That is what the AHA is doing with its donations. The Labor Party and the Liberal Party will line up at the next election and put out their hands again. On the one hand, the AHA is running around pulling members coats and, on the other hand, we have the Miscellaneous Workers Union doing the same thing.

I do not know how we decide what is a matter of principle and what is a matter of conscience. What the Hon. Nick Xenophon is trying to do here with this clause is to remind the electorate that when money, politics and power are involved, things can go wrong. I think he has made a worthwhile contribution to this debate, by including this in the bill.

The Hon. Diana Laidlaw: Why don't you say here that there is no liquor trade or union donation?

The Hon. T.G. CAMERON: I think it covers all donations doesn't it?

The Hon. Diana Laidlaw interjecting:

The Hon. T.G. CAMERON: Well, as I have mentioned, I did not agree with the whole section, but I support the principle.

The Hon. P. HOLLOWAY: In view of the last contribution, I wish to make a couple of points. The Hon. Terry Cameron queried why the opposition was taking a joint position on this. Let me make the point that if we were to be discussing a bill on political donations would that be a conscience vote? Is that a matter that relates to what are traditionally conscience issues? Of course it is not. So when the opposition took its position on the Hon. Nick Xenophon's bill it compartmentalised it. Those matters that relate to an

extension of gambling are deemed to be conscience votes within the Labor Party. That is how the Labor Party has always operated on these matters. But this is not concerning gambling or anything related to the extension of gambling. This clause relates to political donations.

The question is that, if we are to prevent donations from gambling entities, why would we not outlaw tobacco donations? Many people say that the tobacco industry is an industry that we should not be supporting. What about waste disposal? What about any industry at all that is subject to some government licensing or regulation? If we were going to take this logic that any industry which might be affected by government decisions should not make donations then we would completely outlaw, I would suggest, all industry donations. The reality is, as the Hon. Trevor Crothers has suggested, that our democratic system, rightly or wrongly—

The Hon. K.T. Griffin interjecting:

The Hon. P. HOLLOWAY: That is right. The Attorney-General points out that it also creates problems about where you draw the line. If this clause were to pass there would be a whole lot of grey areas that would create great difficulties. These issues have been gone through often enough before, and the federal parliament, through its disclosure laws, has decided that the best protection you can have is to have disclosure, so all political donations have to be disclosed so that the public can make their judgment. It should be all out in the open.

If you start putting in exceptions and start putting in clauses that create grey areas it will be an absolute nightmare and we will be caught up with all sorts of problems as to determining whether some law has been breached. The best protection of all is to have complete disclosure of those donations, and the Labor Party supported that and, of course, we introduced bills, against some opposition, I might say, in the federal parliament that achieved that objective. If you are going to pick out one industry, then, as I say, you could use that argument against any industry that is affected by government decisions. I cannot think of one industry that is not in some way or other affected by decisions of this parliament. So that is why I oppose the clause.

The Hon. T. CROTHERS: I was not going to speak again, but having had my ears violently assailed with that cacophonous outburst by the speaker from SA First I feel constrained to address the matter. The contents of his contribution to this debate rested on three legs: (1) conscience voting, (2) the disadvantage of minor parties against those hulking brutes, the Liberal and Labor parties, with respect to funding, and (3) money and politics lead to corruption. Let me deal with the last two first. Money, politics and electoral donations ultimately lead to corruption, and the other one was that the major political parties have a funding advantage compared with the minor political parties. Is that not all the more reason why the Hon. Mr Xenophon or the Hon. Mr Cameron should move a private member's bill to bring in public funding for state elections, if such a disadvantage exists and is not likely to be overcome?

The Hon. A.J. Redford interjecting:

The Hon. T. CROTHERS: And the Democrats, but they have not spoken yet, so I cannot really get at them. I will listen carefully. Are those last two reasons all the more reason, if it is putting the minor parties at such a funding disadvantage and is leading to such violent corruption, why they should nail their flag to the masthead of sacrifice with respect to securing public funding for state elections? I think it is a contradiction in terms in two of those three points that I address.

The other point with respect to the conscience vote is, of course, one in which he was right. I have asserted many, many times that, under the rules, the only person in the Labor Party who has the right—and I have challenged all of our leaders from time to time, and the members of the Labor Party who have been members of the caucus when I have will know that—to declare an issue a matter of conscience is the human being who occupies the chair of the party.

The Hon. P. Holloway interjecting:

The Hon. T. CROTHERS: Which from time to time was me, if you recall.

The Hon. P. Holloway interjecting:

The Hon. T. CROTHERS: No, not the deputy leader. If he declares it an act of conscience he has to do it at a council meeting, not within the forums of the parliamentary caucus, comrade. It has to be at a state council meeting or a convention of the ALP. That is where he has to do it. I am going to reveal something here: at one time I felt so strongly about this that privately I did consider—and the then secretary of the party knows this, because I went to him—charging the parliamentary leader with a breach of rules. It is very clear; the rule could not be more clear. You would not even need a barrister, Attorney, to interpret it. It is so clear; not a comma in it, either, or a semicolon. It is just a straight single sentence: the president of the day shall have the authority and the sole right to declare an issue a matter of conscience. That may not be exactly verbatim, but it is pretty close.

So I take issue with my colleague from SA First with respect to the two matters of corruption and the minor parties being at a disadvantage. I challenge both him and Nick Xenophon to move a private member's bill, as I did previously, but, of course, that will not be done. But I will not single them out; it will not be done by the major parties or by the Democrats either. In relation to bringing in a bill to this parliament to bring in public funding for state elections, whilst it might ensure more honesty of purpose with respect to how they are funded, it is perceived by all participants in elections—the Labor Party, the Liberal Party, the Independents in the lower house, the Independents in the upper house, and the Democrats—as a thing that could be futuristically electorally damaging.

They will not do it, but it seems from the contribution of the Hon. Mr Cameron, when last he spoke in respect of the unfairness of the present way of funding and the corruption that political donations create, that in the interests of public probity he ought to be prepared to move a private member's bill relating to public funding, as should the Hon. Mr Xenophon. That would obviate the majority of the necessity that he perceives gives rise to his inclusion of this clause in the bill. I still resolutely oppose it.

The Hon. SANDRA KANCK: I do not support this clause. I am aware that the Democrats have received donations from the Hotels Association, at least at federal level, but I am not aware of the amount. I reject the inference that votes must be bought as a consequence of receiving donations. If you are the sort of person who is able to be bought, that will happen anyway.

I cite the example of a group from which the Democrats accepted a donation before the last state election. I refer to the group that has been granted the licence to build the dump at Dublin. Although I was not the spokesperson on waste issues at that time, my party office received a telephone call saying

that this group had made a donation. My husband, who is the registered officer for the Democrats in South Australia, rang me and said, 'It's just across the road; can you go and collect it?' I rang them and told them that I was coming. The manager of the company came out with the cheque and I said to him, 'You realise that this won't buy you a thing?' He said, 'Yes, I understand, but our parent company in Hong Kong has said that we are to give a donation to Labor, Liberal and the Democrats.' I said, 'Fine; just as long as you recognise that there are no strings attached.'

Following the election when our portfolios were distributed, I was given waste management. I have since been in contact with that man on numerous occasions. He knows that, for the most part, I have opposed the establishment of a dump at Dublin. The donation that he gave us has made no difference. One can act with integrity and still receive money—it does not buy a thing.

I think it is ridiculous to single out one group—that is, the people associated with the gambling industry—in an inconsistent way, as has been pointed out when, for instance, it does not include the Liquor Trades Union. The arguments are not strong enough. If we are to have a debate about a bill for electoral funding and open all categories, I will look at that, but I see this as being extremely discriminatory.

The Hon. NICK XENOPHON: I am heartened by the support of the Hon. Terry Cameron. I did not think that any member of this place supported me on this clause, so I am pleased to see that the Hon. Terry Cameron does—obviously from his own experiences of what went on in respect of donations when he was a member of the Labor Party.

We need to reflect on figures provided by the Office of the Liquor and Gaming Commissioner which deal with the net gaming revenue of various poker machine establishments in this state. This information was provided to me by that office in March this year. There are 10 non-profit businesses (that is, clubs) and 44 hotels that take in between $1.35 million and $2 million. From $2 million to $2.25 million, there are 11 hotels and no clubs. In fact, there are no clubs in any of the other categories. Between $2.25 million and $2.75 million, there are 23 hotels; between $2.75 million and $3.25 million, there are 18 hotels; between $3.25 million and $3.75 million, there are 10 hotels; and between $3.75 million and $5 million, there are nine hotels in this state that take in that sort of net gaming revenue. Of course, a significant proportion of that goes to tax.

I think it is fair to say that they are not small cottage industries, as the Australian Hotels Association would like to portray its members; they are significant movers and shakers in a particular electorate. The fact is that two or three members of the other place have told me that they are concerned about the economic and political influence of hotels in their electorate, that they feel constrained about what they can say about the gaming machine industry, because they know that if they speak out those hotels can easily swing their support behind another political party or an independent candidate. As election disclosure laws apply in this state at the moment, an independent candidate or even a state registered party, as the Hon. Terry Cameron may acknowledge, are not covered under the umbrella of federal electoral disclosure laws. This is obviously an area which needs reform.

The Hon. Sandra Kanck says that she was not influenced by a particular donation. I accept that in her case, but there are others who would be influenced in some way. The fact is that money talks and it can also whisper and cajole and influence people in ways that—

The Hon. A.J. Redford interjecting:

The Hon. NICK XENOPHON: The Hon. Angus Redford is tut-tutting, presumably at my remarks. Why do people—

The Hon. A.J. Redford interjecting:

The Hon. NICK XENOPHON: I haven't been called a babe in arms for a while, but to take the flip side of the Hon. Sandra Kanck's—

The Hon. K.T. Griffin interjecting:

The Hon. NICK XENOPHON: The youth culture.

The Hon. K.T. Griffin interjecting:

The Hon. NICK XENOPHON: Yes, that's right—or generation X.

The Hon. K.T. Griffin interjecting:

The Hon. NICK XENOPHON: No, generation X isn't about chromosomes.

The ACTING CHAIRMAN (Hon. J.S.L. Dawkins): Order! The honourable member will return to the debate.

The Hon. NICK XENOPHON: In response to the Hon. Sandra Kanck's remarks, the point ought to be made that sometimes a member of this parliament can be influenced by an opposing candidate being the subject of a donation.

The Hon. M.J. ELLIOTT: This is one of the few times in this debate tonight when I will agree with the Hon. Paul Holloway.

An honourable member interjecting:

The ACTING CHAIRMAN: Order!

The Hon. M.J. ELLIOTT: For the most part, one of the Hon. Nick Xenophon's difficulties is that there is no way known that either the Liberal Party or the Labor Party will allow him to get a bill up. So, the Labor Party has opposed almost everything from that very high principle.

I think that the argument in relation to political donations is valid, but in this bill to pick on one particular sector is probably a fairly pointless exercise. The Hon. Nick Xenophon should realise that, if there is a problem in South Australia, it is the lack of any legislation to tackle the issue of political donations more generally. There is nothing here that would stop the Liberal Party again from having a Catch Tim through which they could siphon funds from the gambling industry.

If the honourable member cannot give the guarantee that the Catch Tim type of thing will not happen, we have got ourselves absolutely nowhere, because that is precisely the sort of operation that would be set up. There would be a back-door scheme for siphoning money into a party, and what we have to get right is a comprehensive piece of legislation about political donations that makes quite clear that, if a source of funding cannot be directly identified, it simply should not be able to be received by a party.

It should be able to be identified to an individual or to a real company, not a contrivance, which has been used in the past. This amendment simply will not achieve that. I agree with what the honourable member is trying to achieve, but he is picking on one narrow sector of potential corrupting donations, and it will not work any better than the rest. It has such an enormous loophole in it that it would not work.

The Hon. DIANA LAIDLAW: I want to say just a few words, because I find most distasteful the inferences that have been made, by the Hon. Terry Cameron in particular, although I can understand that he might have been provoked by the moving of this provision in the first place. From the Liberal Party's perspective, I think it is essentially impossible

that we could be influenced in the way in which the Hon. Terry Cameron suggested, by a donation in terms of our vote.

The Hon. Trevor Griffin is fundamentally opposed to gambling: it would not matter how much anyone offered him personally or offered the party. I know that that position would not change. I can say the same for me: it would be irrelevant if I or the party were offered money. I would always support gaming machines, because I happen to believe that people are essentially responsible and I see no difficulty with people having access to such machines.

There may be some issues that we should pick up but, then again, we do so with alcohol, road rules and a whole range of measures that we put in to protect people's safety—but we do not ban or limit their access to that activity in the first place. In terms of the Liberal Party, I have never been told and never asked and it has been part of our practice that politicians are not informed of where the donations come from. That has changed now with the publication of those donations, and that would be the first occasion on which I would hear about them.

That is why I find it personally and morally offensive to suggest that that would be the way in which the Liberal Party would approach an issue like that, and I felt it important to put that on the record.

The Hon. A.J. REDFORD: Given that this is a conscience vote on my side, I should express my opposition to the clause. The term 'political donation' is defined in clause 3. 'Political donation', for those who do not have the bill in front of them, basically means a disposition of property made by a person to another person for the benefit of a candidate, group of candidates or political organisation.

One can envisage the Australian Hotels Association or a local hotel that runs a Keno operation placing an advertisement in a small paper circulating in an electorate, saying, 'We think candidate Billy Bloggs is the best candidate for the seat of Oodnawoopwoop.' My understanding of that activity is that this clause would catch that. That particular small (or large) hotel might feel that their freedom to participate in the political process is being infringed.

I am not going to sit here and analyse a series of High Court cases that have been decided to protect the very fabric of our democracy, the freedom of our speech and the freedom of our political process. But one might imagine a very strong argument being put to the High Court that this does infringe that fundamental right, that is, the right of a hotel being able to make a donation to the *Advertiser* or to a newspaper endorsing a particular political candidate for whatever reason.

It is too broad and it severely impinges upon the democratic process. We have open disclosure, and that is all that is required. Indeed, we need not underestimate the wit of the public in considering these issues when it comes time for them to cast their vote or make political decisions.

The committee divided on the clause:

AYES (2)

Cameron, T. G.	Xenophon, N. (teller)

NOES (17)

Crothers, T.	Davis, L. H.
Dawkins, J. S. L.	Elliott, M. J.
Gilfillan, I.	Griffin, K. T.
Holloway, P.	Kanck, S. M.
Laidlaw, D. V.	Lucas, R. I. (teller)
Redford, A. J.	Roberts, R. R.
Roberts, T. G.	Schaefer, C. V.
Stefani, J. F.	Weatherill, G.
Zollo, C.	

Majority of 15 for the Noes.

Clause thus negatived.

Clause 15 negatived.

Clause 16.

The Hon. NICK XENOPHON: Subject to other honourable members' contributions, I consider that clause 16 should be treated as a test clause. I refer members to my second reading contribution in respect of this matter. I believe very strongly that we ought to address the issue of compensation for victims of gambling-related crime. The state government makes an enormous amount of money from gambling in this state. As a consequence, we now have a significant number of South Australians with a gambling problem—some with a pathological gambling disorder, a medical condition where the need to gamble can sometimes lead to criminal offences being committed. As a consequence, people suffer an economic loss, which is distinct from personal injury which is covered by the Criminal Injuries Compensation Act.

This section and part of the bill looks at compensating to a very modest extent—no more than $10 000—those people who suffer economic loss as a result of an offence. It has strict criteria, including that a court must find that the person who committed the offence was suffering from a gambling addiction and that there was a clear causal link between the defendant's gambling addiction and the commission of the offence. I commend this clause to honourable members.

The Hon. R.I. LUCAS: I rise to indicate opposition to this package of clauses. It would appear that the Hon. Mr Xenophon is right in saying that there is insufficient support to enable these clauses to pass this evening. When one looks at the issue of having to satisfy, on the balance of probabilities, causal links between gambling addiction and the commission of offences, it raises some difficult issues. As the Hon. Mr Xenophon has canvassed before, it is difficult to prove direct cause and effect for a particular person's behaviour. One defendant may have an alcohol addiction, a drug addiction, a gambling addiction, or they may have social problems such as unemployment, a marital break-up or a depressive illness, or a combination of all or some of those factors.

The provision tries to establish a causal link between the defendant's gambling addiction and the commission of the offence, and economic loss needs to be calculated in relation to that. The compensation order may be made on the application of the victim or on the court's own initiative. I will not go through the detail, but economic loss is described as follows:

> 'economic loss' means loss of property owned by the victim (solely or jointly with another), being loss arising directly out of the commission of the offence, but does not include damage to property;

There are obviously some very significant legal issues. There is the whole notion of setting up specific compensation to be paid. I cannot support this set of clauses given the way it is structured. I do not intend to support these provisions of the bill.

The Hon. P. HOLLOWAY: I indicate that the opposition will not support this clause either. Just as members have sympathy for the victims of crime, I am sure we also have great sympathy for the victims of gambling, particularly those people who have an addiction. However, we cannot really support this measure. The aim is to assist victims of crimes committed by persons suffering from a gambling addiction. The clause provides:

17. (1) If a court that convicts a person of a prescribed offence is satisfied on the balance of probabilities—

(a) that the defendant at the time of the offence was suffering from a gambling addiction; and

(b) that there was a causal link between the defendant's gambling addiction and the commission of the offence,

And 'prescribed offence' is defined as follows:

(a) an offence involving larceny, embezzlement or fraud;

(b) any other offence, prescribed by the regulations, involving depriving another person of their property.

In that case, the court can order compensation. It raises some interesting legal problems and I would be interested to hear whether the Attorney-General intends to make a contribution on this clause given his experience in presiding over the legislation that compensates the victims of crime. I would be interested to hear his views on this matter.

From the opposition's point of view, we recognise that there are limited funds available for the victims of crime. There are often criticisms made that these funds do not go far enough. We all have sympathy in that regard. There are limited funds at the government's disposal to compensate the victims of crime but this is drawing a very long bow. I could think of one possible problem that might arise: if someone was the victim of a larceny or embezzlement, and there might have been a range of reasons why the person committed that fraud, it would obviously be in the interests of the person who suffered the offence to try to prove that the person convicted of the offence was suffering from a gambling addiction. That would, of course, then make available compensation under this clause. I would be interested, if the Attorney-General wishes to make a comment, to know what impact that might have on the scheme we have to compensate the victims of crime.

The opposition believes we are getting into a pretty grey area when we are extending the system on such tenuous grounds as having to find that people were suffering from a gambling addiction as a prerequisite for getting compensation. So, on balance, while we would always like to assist those people who are suffering as a result of any crime, we believe this is moving into a whole new area and is opening up a whole lot of anomalies and loopholes. For that reason, we cannot support it.

The Hon. K.T. GRIFFIN: I was not going to enter the debate, but the invitation is too strong to resist. This is a bizarre concept that the state should be required to pay some form of compensation, whatever that may mean, because a person who committed an offence was a gambling addict. The principle is wrong. One might equally ask, 'Why should the state bear this responsibility?' Admittedly the parliament has quite lawfully enacted legislation, however much some of us opposed it, to allow gambling in its various forms. It is almost a perverse response to a lawful exercise of the legislative process that the state should carry the responsibility for someone's gambling addiction or that the parliament should carry that responsibility. In the practical application it also raises a number of difficulties in respect of the definition of 'gambling addiction'. That would be quite difficult to achieve.

The causal link, as the Treasurer has already suggested, would be particularly difficult to establish. Undoubtedly there will be extensive litigation about this, even though the maximum amount of so-called compensation is $10 000. The other bizarre aspect of this is that if the court, in assessing the victim's economic loss, is satisfied that any act or omission on the part of the victim contributed to that loss, the court can reduce the amount of the compensation. Does that mean that, if there is embezzlement, the victim did not properly undertake regular audits of the books to determine whether or not there was a deficiency in the cash box? It is all quite bizarre in my view.

I know we have criminal injuries compensation legislation largely related to injuries sustained by a person as a result of a criminal offence, an offence of violence in particular, but that is paid from a levy on fines and on expiation notices. It is paid for from interest on the criminal injuries compensation fund, from confiscation of assets that go into the fund and from an appropriation from consolidated account. There is a fund there. The compensation referred to is not required to be paid by the state as it is paid out of the fund. Its sources of revenue are as I have indicated, and there is clearly an acknowledgment that there can be recovery from the defendant, and recovery is made in many instances. I put that in quite a different category from what is being proposed here. So, whilst the object, as stated in clause 16, seeks to place responsibility upon the government—the executive arm—when the parliament has enacted the legislation, I do not believe that it is an appropriate concept or that we should support it.

The Hon. SANDRA KANCK: I am seeking clarification from the Hon. Nick Xenophon. Is the implication from this that at the present time a victim cannot get compensation?

The Hon. NICK XENOPHON: The current position is that there is criminal injuries compensation legislation in place that relates effectively to personal injury, including psychiatric injury. This clause acknowledges that state governments get a significant amount of revenue from gambling taxes, that gambling is different from other industries in the sense that there are people who become addicted to gambling and suffer from varying degrees of problem gambling—something that even the Hotels Association acknowledges through its contribution to the Gamblers' Rehabilitation Fund—and that in some cases people commit criminal offences that lead to economic loss in the context of embezzlement, larceny or whatever.

The criminal injuries compensation legislation applies in respect of a personal injury and, if that personal injury leads to economic loss, compensation flows from that. The core of that act—and I am sure the Attorney will correct me if I am wrong—effectively is that that is a scheme of compensation with respect to personal injury. This seeks to provide a measure of compensation with respect to any economic loss. I do this as a result of seeing a number of constituents, either family members or businesses, that have been embezzled as a result of someone having a gambling addiction and where the evidence before the court was very clear: that the person who committed the offence had a psychiatric illness and satisfied the criteria of the *Diagnostic and Statistical Manual on Mental Disorders*, the DSM4, published by the American Psychiatric Association (which is used very much as a manual by medical practitioners and psychiatrists in particular), to the extent that they suffer from pathological gambling addiction and as a consequence of that they embezzled, defrauded a family member, employer or friends and as a result there was an economic loss. It is a novel concept.

I know the Attorney referred to it as 'bizarre' and 'perverse' four or five times. It is bizarre, perverse and an abdication of responsibility that the state government can collect something like $365 million a year in gambling taxes—

The Hon. K.T. Griffin interjecting:

The Hon. NICK XENOPHON: Very well. Parliament authorised it, but then again the parliament ought to recognise that as a result of authorising new forms of gambling, in particular poker machines, we now have people who have never been before the courts previously but who are now committing criminal offences. Professor Alex Blacszynski from the University of New South Wales is not anti-gambling: I have seen him wandering off to casinos in Las Vegas and wherever I have caught up with him. Professor Blacszynski is not anti-gambling, but the studies he has carried out indicate that, in respect of pathological gamblers, over half admitted committing a criminal offence in order to feed their gambling habit, and over 20 per cent have been before the courts. These two studies have been validated and stand up to international scrutiny.

We now have people who are going before the courts system who have become criminal and effectively have committed criminal acts because of state sponsored gambling. It is quite different from any other existing position in terms of other activities. This is something the state has sponsored in a sense through the parliament. It is only appropriate and fair that those who have been embezzled and have suffered significant hardship as a result of someone's being addicted to gambling are compensated. The Attorney may call it 'bizarre' and 'perverse', but I would like to think that it is simply ahead of its time.

The Hon. SANDRA KANCK: I direct my question to the Hon. Nick Xenophon. If we are to do this for gambling, why not do it, for instance, to people whose addiction is to alcohol or to drugs?

The Hon. NICK XENOPHON: I presume the Hon. Sandra Kanck is referring to illicit drugs—and I am more than happy to deal with this as another honourable member asked very similar perceptive questions today informally with me, and he happens to be a member of the honourable member's party. There is a clear distinction where someone has embezzled financially because of illicit drugs, because drug use and heroin addiction is illicit and is not condoned by the state.

The state does not derive taxes from promoting and selling heroin: that does not happen. There is a distinction there. Regarding the other example that the Hon. Sandra Kanck gave with respect to alcohol, it seems that alcohol related problems include issues such as drink driving offences and violence, but part and parcel of gambling addiction is the need to get large amounts of money in very short periods of time because of the whole nature of the gambling transaction.

With respect to embezzling in order to feed an alcohol addiction, if you spent as much on alcohol as a pokie player can spend (people I have spoken to have lost $3 000 or $4 000 in the course of an evening), I think you would be dead. I see a clear distinction between alcohol abuse and the problems that arise and the question of embezzlement. This is supposed to deal with people who have been financially ripped off by a gambling addict in order to repay gambling debts or to feed their gambling habit, whereas the same problem does not arise to anywhere near the same degree with respect to, say, alcohol abuse. The honourable member is looking quizzical and perhaps I have not convinced her. I am happy to keep talking about it if she thinks she may be convinced, but I am mindful of the time. I am happy to elaborate if she thinks it will be helpful. If it will not be helpful, then I will not.

The Hon. IAN GILFILLAN: I support the measure. I think that it has significant advantages in putting out the appropriate signals regarding responsible decision making. To scoff at it or even to oppose it on the grounds that it is difficult to implement and opens up avenues or concepts with which we have not previously dealt is a feeble excuse and would virtually stifle any reform. At this stage it may not get up, but it would send a signal to those who benefit from acting irresponsibly or with no care for the impact on the public in whatever way it may be in the promulgation of activities, the sale of products or the encouragement of certain activities. Incumbent on that should be the civil responsibility to take the consequences into account when planning how an activity will be imposed on the community. It ranges more widely than purely this concept of gambling.

The Hon. Nick Xenophon satisfactorily identified to me that it has unique properties in the way it currently operates in South Australia. When we discussed this, it was clear and should be emphasised that the compensation goes to the victim; it does not in any way diminish the punishment that would be imposed on the offender. Whatever sentence the offender gets for the crime committed will not be mitigated by the fact that a supplementary fund will go some way to diminish the suffering and loss of the victim as a result of a person having been appropriately diagnosed. It has been explained that an essential requirement is that an independent assessment finds that the person charged and found guilty of the offence suffers from a pathological addiction to gambling. I indicate my support for the clause.

The Hon. T.G. CAMERON: I indicate support for this provision.

The committee divided on the clause:

AYES (4)

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

NOES (15)

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

Majority of 11 for the Noes.

Clause thus negatived.

Clause 17 negatived.

Progress reported; committee to sit again.

CRIMINAL LAW CONSOLIDATION (MENTAL IMPAIRMENT) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 30 May. Page 1177.)

The Hon. R.R. ROBERTS: The opposition supports the second reading of the bill. Mental health is an important area of public policy, and when you add the complexities of the legal and criminal justice system it becomes even more important to get it right, particularly for people with mental health disorders. In saying that, this bill seeks to remedy and hopefully get it right by addressing the inconsistencies and doubts that have arisen from the application of part 8A of the Criminal Law Consolidation Act 1935. In doing so the bill seeks to make a number of amendments in the following areas: first, the order of proceedings and defences; secondly, alternative verdicts; thirdly, the application of part 8A to

minor charges; fourthly, consequences of breach of licence condition; fifthly, jury disagreement; and, sixthly, pre-trial matters.

In relation to the order of proceedings and defences, an important inconsistency has emerged in the practice of this area of the act. The Attorney's amendments include the clarification that an inquiry into the objective elements of the offence does not include an inquiry into any defences. The question of defences will apply only if the defendant is found to be mentally competent. The second area the Attorney seeks to amend is a provision which enables a jury to provide a conviction on an alternative verdict if that is deemed to be the appropriate path. The current provision refers to acquittal verdicts only. The third amendment deals with the existing legislative requirement that three reports must be obtained before a defendant can be released. Whilst this is an important provision in potentially serious trials, it is proposed to relax the requirement in the case of summary offences, empowering the court to act on one or two reports.

One may argue that the principles of justice should still be adhered to, but in practice it is a cumbersome situation where you have to get three reports on matters that sometimes are, in the scheme of things, quite trivial. The opposition will support that provision.

The fourth amendment seeks to deal with the consequences of the breach of licence conditions. The fifth area of change concerns jury disagreement and clarifies part 8A of the act to enable the standard rules applying to juries and criminal inquests to apply to part 8A. Finally, the sixth area of amendment determines that counsel is required to act in the best interests of a mentally incompetent client not only during a trial but also in all criminal proceedings. That is a sentiment the opposition supports.

Late today I received correspondence from the Attorney-General with respect to other amendments he proposes. I am sure that when he moves them during the committee stage he will address them in greater detail. The amendments he proposes are specifically in relation to section 269B of the principal act, which deals with the defendant's right to elect to have an investigation under this part conducted by a judge sitting alone and is not subject to any statutory qualification. In the correspondence the Attorney provided, he included a brief explanation which states:

> The intention is to ensure that the right to elect for a trial by judge alone is unfettered by the statutory qualifications imposed by the Juries Act 1927, thus preserving the principle enunciated in R v. T (1999 in the South Australian Supreme Court, 429) on this point.

I admit that I am not fully au fait with the case and will rely on the Attorney-General to explain it to me. I notice that this impinges on another matter that we discussed recently where a defendant chose to have his case heard by a judge alone. I wonder whether that has any implications in relation to the matters that we spoke about recently and whether it will be appealable.

I have conferred with Mr Michael Atkinson, Labor's legal spokesman, on these amendments, and indicate to the Attorney-General that the opposition supports them in principle. I will probably ask a couple of questions during committee. I note in the correspondence that I received today that the explanation goes some way towards answering the questions that I may ask during the committee stage, but that will depend on the comments of the Attorney-General in his summing up, because he may satisfactorily explain them to me. The opposition supports the second reading of the bill.

The Hon. K.T. GRIFFIN (Attorney-General): I thank members for their indications of support for the bill. The Hon. Ian Gilfillan took the opportunity of sharing with the Council the concerns expressed to me by the Criminal Law Committee of the Law Society. He asked that I respond to those concerns, and I do so now. In so doing I would like to make it clear that, like the honourable member, I view the contributions made by the committee with a great deal of respect and I always pay them great attention, even if in the end I find that I cannot agree.

The committee has focused its concerns into two main heads. The first concerns the conferral upon counsel for the accused of an independent discretion of sorts. Current section 269W provides:

> Counsel to have independent discretion
>
> 269W. If the defendant is unable to instruct counsel on questions relevant to an investigation under this part, the counsel may act, in the exercise of an independent discretion, in what he or she genuinely believes to be the defendant's best interests.

The reason for that provision is obvious: there will be cases in which the accused will be unable to give rational instructions to counsel, then what is to be done? The answer that the parliament accepted in 1995 was that counsel should be given a discretion to act protectively in the best interests of the client.

The Law Society objects to the general principle of this answer. It recognises the problem but says that the answer is to appoint a legal guardian for the accused to instruct counsel on behalf of the accused. It says, quite rightly, that the Guardianship Act would have to be amended to achieve that result. While I agree fully that counsel, faced with a client who cannot give rational instructions, is placed in a position of terrible responsibility, I cannot agree with the solution advanced by the Law Society.

There are three main reasons for that conclusion. The first is that I believe the solution is one of form and not substance. Counsel would have to advise the guardian. The guardian would, in reality, have to follow counsel's advice. Indeed, if it were not so, how would a conflict between the guardian and counsel be handled? The second reason is that such a solution would further complicate an already complex process by involving a third party and, perhaps, disputes about whether the third party is wanted or needed.

The third reason is that it would involve considerable expense, and, in my submission, expense to no genuine effect. It is now clear that making the mental impairment regime accessible to those who really need it has exposed the hitherto hidden extent of mental illness in the criminal justice system. The number of people using either the defence of lack of mental competence or unfitness to stand trial is steadily and steeply increasing. While there are no reliable figures available on the numbers actually trying to invoke the provisions, I can give honourable members the indication that the number subject to supervision orders rose from about 10 in January 1996 to 50 in July 1998.

There are probably as many as 120 total orders in place now. Resourcing even a proportion of those who are attempting to invoke the provisions, let alone those who will clearly succeed, is simply beyond the guardianship system, which cannot and should not have its role transformed by a body blow—that is, by the impact of the number of cases which will suddenly be imposed upon it. The notion of the independent discretion for counsel in limited circumstances is not easy for counsel, I agree, but it has been there since the

original 1995 amendments, and I am of the opinion that it should stay.

I should also emphasise to honourable members that all that the relevant amendment proposes is that the grant of discretion be extended beyond the trial itself. It is well known in legal circles that increasing emphasis in modern times is being placed on pre-trial issues, such as disclosure and case conferences. The trial, whilst still necessarily the essential focus of the finding of guilt or innocence, is not and should not be the be-all and end-all of the criminal process.

Committal procedures may have been curtailed but are still important. Plea discussions, directions hearings and disclosure questions are becoming more and more important. Decisions about these matters are vital. The reform proposed is simply to take the principle established by the 1995 legislation and remove an artificial restriction which was then placed upon it and which has since proved to be unnecessary. I hope that honourable members will support the provision in the bill.

It may be noted in passing that the Law Society is concerned that the wording of the relevant amendment has been changed from where the accused is unable to give rational instructions to where counsel has reason to believe that the defendant is unable to give rational instructions. The society does not like this change; however, it is designed to act in the best interests of counsel placed in what all concede to be a difficult situation. Counsel may need to take difficult decisions on the basis of his or her assessment of the client's mental state. If the client does not like the result of counsel's independent action and later asserts that counsel had no right to act independently then counsel may be vulnerable to attack on the basis of whether or not the client was in fact able to give rational instructions. By broadening the wording to cover situations in which counsel acts on the basis of a reasonable assessment of the client's mental state, counsel obtains a greater degree of protection than if he or she had to be shown to be objectively correct. I am of the opinion that the change in wording actually operates to give greater protection to counsel.

The second concern expressed by the Law Society has to do with the powers of the trial judge to order a psychiatric or other expert examination of the accused. The current legislation allows for the trial judge to do this at trial. For example, section 269F says, in an edited form:

> If the trial judge decides that the defendant's mental competence to commit the offence is to be tried first. . . The court may require the defendant to undergo an examination by a psychiatrist or other appropriate expert and require the results of the examination to be reported to the court. . . The power to require an examination and report. . . may be exercised. . . if the judge considers the examination and report necessary to prevent a possible miscarriage of justice—on the judge's own initiative.

The power of the court to order an examination of the accused on its own initiative has therefore, essentially, two purposes. First, it is there to deal with the case in which the accused is unrepresented and the court has reason to believe that the accused may be suffering from or have suffered from a mental illness affecting his or her ability to cope with court proceedings or to mount a defence. Second, it is there to deal with the situation which sometimes occurs where neither prosecution nor defence is willing nor able to raise the issue but the court sees it as a live issue.

The only reform that this bill suggests is that this same power may be exercised at an earlier time in the context of pre-trial proceedings. What has been said earlier about the significance of pre-trial proceedings applies equally here. I will not repeat it. The Law Society acknowledges that the grant of such a power to the court might result in less disruption to the trial process in some cases. Indeed, that is the point, and that is why the reform was suggested and supported by the judges.

The Law Society objects that this is a breach of the right to silence and compels disclosure from a person who may be suffering from a mental impairment. So far as the right to silence is concerned, to say that the ability of a court to order an assessment of the mental competence of the accused breaches the right to silence draws a very long bow indeed. It is not appropriate in this context for there to be a lengthy discussion of the right to silence or the privilege against self-incrimination, but the obvious point is that there is nothing necessarily incriminating about a medical examination in this context. Indeed, given the nature of the defence the examination could have an exculpatory effect. The point of the power to order the examination is not and never has been to ensure or aid in the conviction of the defendant—quite the contrary.

I do, however, agree with a point that the Law Society makes in passing about this power. It comments that there is no guarantee that counsel for the defence will have access to the examination report provided for the court. That is a valid point. It is equally true about the prosecution. An amendment is proposed to place a guarantee that such reports are available to both parties after they have been provided to the court. Once again, I thank honourable members for their support of the bill. I foreshadow that there will need to be some adjustments by amendment at the committee stage.

Bill read a second time.

FOREST PROPERTY BILL

Adjourned debate on second reading.

(Continued from 4 May. Page 1051.)

The Hon. P. HOLLOWAY: The opposition supports the second reading of this bill which seeks to provide a mechanism to separate the ownership of land used for forestry from the ownership of the forests themselves. We currently have arrangements between investors in private forestry and the owners of land on which these forests are located. When such a situation occurs there is the potential for dispute or confusion in relation to the ownership of the forests. Currently under common law trees are regarded as part of the land to which they are attached. This can cause difficulties for investors seeking to grow trees on land they do not own. Investors are forced to use leasehold or other contractual arrangements to secure separate ownership rights of trees. This can be inadequate in terms of the security of ownership. This bill creates an agreement between the landowner and the tree owner. Forest property agreements, created under the bill, provide for the separation of individual ownership rights. The agreements can also be registered and noted on the title. Landowners are also able to participate in such an agreement without giving up any land ownership rights.

When this matter was debated in the House of Assembly, my colleague the member for Napier raised questions about the transfer of ownership of the land to a third person and whether or not that purchaser would be required to be told of such an agreement at the time of purchase. The minister responded that, if a forest property agreement is not registered, the interest conferred by the agreement would be of an

equitable nature and therefore liable to be defeated by a purchaser who acquires the land in good faith and for value as long as that purchaser had no notice of the agreement.

I have some reservations about forest agreements not being required to be registered. During the debate in the House of Assembly, the member for MacKillop made the following comments:

> I draw the attention of the House to the Water Resources Act and the recent changes with regard to water and owning what I suggest would be similar to freehold title to water separately from freehold title to land. Significant problems have been brought to my attention when it comes to transferring packages of water less land, water with land or land less water. This has created significant problems to vendors in the South-East and the conveyancing agents.

That makes me wonder why the government has not chosen to make registration mandatory. It could eliminate the potential problems to which the member for MacKillop alluded in relation to water. I find it difficult to see what problems would arise if such a requirement to register a forest property agreement was made mandatory. In answer to the question, the minister said:

> . . . whilst it is a voluntary decision whether or not to register the agreement, it would certainly be my advice to everyone concerned that they ought to do it, but it is not compulsory.

Again, that leads one to ask why. Finally, the opposition supports this new initiative, because there is an undoubted demand for land used for forestry at the moment. The opposition believes that such a measure could assist in the growth of the forestry industry. To illustrate that point, I refer to a transcript of the ABC *Rural News* of Tuesday 23 May: the internet transcript of the article, entitled 'Escalating land prices see major timber plantation company freeze land purchases', states:

> Escalating land prices in the renowned green triangle area of south-eastern South Australia and south-western Victoria have seen one major timber plantation company freeze any further land purchases in the area. Timbercorp, which is developing over 40 000 hectares of land to plantation forestry between Hamilton and Mount Gambier, has pulled out of a deal to buy 20 parcels of land, mostly in Victoria. It cites the near doubling of land prices to up to $4 000 per plantable hectare as the reason for the unexpected halt. Timbercorp Executive Director, Robert Hance, said the company would not be undercut by other blue gum plantation companies for land which it did not deem essential.

That clearly illustrates that land prices such as these, which are far in excess of the value that would be paid for alternative agricultural uses, indicate that there is demand for forestry. Of course, much of that is driven in the private sector by the taxation concessions that are available. We have seen many examples of forests of Eucalyptus globulus, the Tasmanian blue gum, in the south-east of the state. Whether that tax concession that is driving that development is appropriate is a matter for the federal parliament, but there is no doubt that it is forcing up land prices, and the arrangements that are proposed, if the government gets it right, will undoubtedly facilitate the growth of this important industry.

I also concur with those members of the House of Assembly who pointed out that, whereas at the moment there is a massive investment in hardwoods (blue gums), what we would like to see and what would be in the best interests of the state would be to encourage softwood plantations, because it is softwoods that lead to greater downstream processing and jobs in that area. That is another issue which I will not traverse here. As far as this new initiative is concerned, in as much as it promotes an important industry for this state, this bill has the full support of the opposition.

The Hon. IAN GILFILLAN: The Democrats support the second reading of the bill, which we believe seeks to do two things, the first of which the Democrats have praised, tempered with some caution, but for the other we have nothing but scepticism and cynicism—and I will come to that later. I will start first with the positives. Moves to encourage the private growth of forests are to be applauded. It is especially encouraging to see a measure on which both so-called 'greenies' and 'bean-counters' can agree. Not that I expect that all of them will agree, but at least the potential is there. Any measure that encourages the growth of forests and the use of plantation timber to take the place of pressure on native forests will get the wholehearted support of the Australian Democrats.

There is a philosophical discussion which occurs sometimes among Democrat supporters (and others) about whether ecologically sustainable development and the necessity to halt and reverse degradation of our environment is consistent with free markets, competition policy, economic rationalism and globalisation. On one hand, there are those who say that the public interest in protecting the environment requires nothing less than a wholesale change in the paradigm under which our society operates. According to this view, we must realise that protecting the environment comes first. Until and unless we give the environment the highest priority (for its own sake), then we risk destroying it, one small piece at a time, as we each pursue our rational (but ultimately destructive) competitive economic goals.

An honourable member: Hear, hear!

The Hon. IAN GILFILLAN: I thought we would get you on that one. On this view, the environment must stand outside and apart from economics to be protected in its own right. Only then can we lay the groundwork for sustainable economic activity.

The other point of view is that both protection of the environment and even damage to it must be incorporated into our economy. The argument suggests that market signals and market processes can and must be adapted as valuable tools to help us avoid environmentally harmful practices and encourage positive practices. On this view, we need to structure the market so that polluters pay the real and full costs of their pollution and every polluter has a built-in market incentive to reduce their pollution and to benefit the environment.

The first part of this bill is entirely consistent with this latter philosophy. While it will help to achieve the planting of more trees, it does so entirely by adopting and adapting existing private property mechanisms: forestry agreements will become tradeable legal property rights like mortgages, leases, licences, or the title in fee simple. By registering and securing rights to forests, independent of land ownership rights, the Lands Titles Office, in effect, will become perhaps akin to a branch of the Environment Protection Agency by helping to protect the environment.

What is even more encouraging is the recognition in this bill of the potential for future trading in the carbon absorption capacities of forests. In July 1998, my colleague the Hon. Mike Elliott delivered a speech, issued a news release, wrote an article and discussed this issue on talk-back radio. At the time, he got no response or support from the government at all. It appears that now, however, his words have been heeded. In the other place, the member for Gordon suggested that the government had oversold this aspect of the bill. On the contrary, I believe that this has been, if anything, undersold.

Although the details of how carbon credits are to be traded are still being worked out, there is an international commitment to this process. Australia is leading the way. The Sydney Futures Exchange announced last August that it was to become the world's first trader in carbon credits. In conjunction with the New Zealand Futures Exchange, a working group is currently investigating just that.

The CEO of the Sydney Futures Exchange, Mr Les Hosking, estimates that this will be a $5 billion world market. Not waiting for the Futures Exchange, an Australian company 'Iruka Carbon Credit' is already in business 'as a consultancy providing advisory services for companies seeking carbon credit or debit advice and valuation services' and 'to help large organisations from Japan and Australia to offset their deficit of carbon contamination'. On its web site it says:

> The schemes that are supposed to create carbon credits will ultimately be traded with companies that otherwise produce and release carbon into the atmosphere. Often times by mere nature of the business, companies produce a carbon deficit. A perfect example would be oil refining or natural gas production. Ways are being sought to offset this negative effect, with the most popular to date being the carbon sink, which is essentially the creation of a forest.
>
> Trees absorb carbon dioxide and in turn create carbon by way of photosynthesis. It is estimated that half the weight of a tree is carbon, which is the way of quantifying the amount of carbon credited. The World Bank forecasts that a carbon credit will be traded for $US235 per tonne.

Iruka Carbon Credit acknowledges that carbon sinks (that is, forests) are not yet established as approved mechanisms for climate change. However, the United Nations Framework Convention on Climate Change is working towards that end, and a resolution is likely at the sixth conference of the parties, which is scheduled for November 2000 in The Hague.

It is at this point that the Democrats sound three notes of caution in regard to the establishment of more forests. First, as my colleague the Hon. Mike Elliott highlighted in a news release of 1 May, trees use a lot of water, and current water allocation policies have ignored the impact of trees in the water allocation equation. It would be foolish to advocate wholesale plantation of forests without calculating the effect on the availability of water for both foresters and other primary producers. This is a concern, I know, in the South-East and also on Kangaroo Island. Fortunately, my colleague the Hon. Mr Elliott is addressing this issue by moving amendments to the Water Allocations Amendment Bill, and I trust that those amendments will receive support in this chamber.

Secondly, the introduction of any monoculture is environmentally risky. This is especially the case where a species to be planted is not endemic. There is already a proposal being established, and in fact largely under way, to plant blue gums on large acreages of Kangaroo Island. Blue gums are not endemic to the island. Quite apart from the demand on the watertable, there may well be other environmental problems associated with planting large numbers of what is to the island an introduced species.

Certainly, there will be some ramifications for the island's koala problem and possibly for other wildlife, not to mention the possible spread of phytophthera and/or mundulla yellows. But the main note of caution I sound is in respect of human communities, especially the small community on Kangaroo Island.

It is possible that large swathes of what is now farming land will be given over in future to plantation forests. Whether these forests are harvested for their timber or merely planted and left alone forever to gain carbon credit benefits, the profits from the forests will not be retained on the island. The local farming community is small. It will get much smaller and local businesses will become less viable if farming properties are converted into large areas of new forest. School populations and community organisations will struggle to survive.

I recognise that this can happen under existing law but, to the extent that this bill facilitates the process, it is something that must give us reason to pause. There will be a heavy onus on the government to mitigate the social dislocation and economic pain that will occur, especially in isolated communities such as that on Kangaroo Island.

Having placed on the record these three important qualifications, I indicate that the Democrats support the general intentions of the bill and the opportunities that it allows South Australian companies to take advantage of a forthcoming world market.

I turn to clause 15, the commercial forest plantation licences. I regard this clause as a cynical, unworkable and dangerous part of this bill. Clause 15 allows the minister to grant a licence to harvest plantation timber 'despite the provisions of any law to the contrary'. The minister's second reading explanation suggests that this clause is required to give 'harvest security', that is, to guard against the possibility that 'plantation owners may be prevented from harvesting their forest plantations due to possible future public or government intervention.' The minister says:

> . . . there is a perceived risk that, even after the owner has met all relevant environmental and associated requirements, plans to harvest the plantation may be thwarted through the intervention of another party.

Minister Armitage in the other place explained that this would not prevent the application of the law to harvesting, because the licence can be granted only if the forest is lawfully established by the law of the day (when it is established) and so the harvesting would also be according to law (meaning, I presume, the law of the day when the forest is established). At its best, this proposition is a nonsense. At its worst, it is an attempt by the minister to supplant the parliament and the courts as the source of legal rights.

In the long period while trees are growing, there may be changes in community attitudes, reflected in changes in the composition of the parliament, and there may be changes in the law relating to forests. It is either naive or disingenuous for the minister to suggest that a licence signed by him in the year 2000 relating to tree harvest could prevail over the wishes of the state parliament in the year 2015 or further on.

Australia, and the state of South Australia, is one of the most stable democracies in the world, and property rights are well respected by the rule of law. Large investments made today are not likely to be rendered worthless by a state parliament in the year 2014, 2015 or 2016. That is one of the reasons why this state is an attractive place in which to invest. Nevertheless, it is not possible to guard against the possibility that one's right to harvest might not be amended, restricted or placed under some conditions by a future parliament or a future administrative action under a statute not yet contemplated.

The Hon. T.G. Roberts: The Democrats might be in power.

The Hon. IAN GILFILLAN: Yes, in which case they would probably find a very friendly climate in which to carry on forestry. Those who wish to invest in tree planting now simply have to be aware of the risks that legal entitlements

may change over time. Nothing that the present minister now says or does, not even this clause, can prevent a change in future entitlements. That is why I say that this clause is at best a nonsense.

However, if the minister is seeking to prevent not the future exercise of power by this parliament but the exercise of future rights under existing law, then the minister is, in fact, attempting to supplant the parliament and the courts as the source of legal rights. Let us suppose a forest is 'lawfully established' as this clause envisages. Let us suppose also that the minister issues a licence under this clause approving forestry operations, subject to terms and conditions determined by the minister. The terms of the licence might include aspects of occupational safety that are today thought to be standard for the industry. However, within a few years, say by the year 2010, after a series of accidents and injuries to forest workers, it may become apparent that higher or better standards of safety and worker protection are more appropriate.

Under existing law, the Occupational Health, Safety and Welfare Act 1986, the employer would be ordered to change work practices. An inspector would issue an improvement notice under section 39 of that act. However, the improvement notice would be of no effect. The forestry company would have a licence, issued by the minister way back in the year 2000, decreeing that operations authorised by the licence could be undertaken despite the provision of any other law to the contrary, and without any further authorisation, consent or approval. I admit that that is merely one hypothetical. I could construct others, detailing perhaps environmental damage, under which the Environment Protection Agency might like to act in future, but which action might also be rendered useless or thwarted by the existence of a ministerial certificate issued years before, when the forest had been so-called 'lawfully established'.

The minister should not have the power to prospectively excuse breaches of the law which may occur in the future. There is enough assurance and protection for landowners, forestry owners and investors in the major part of this bill without giving this extraordinary power to the minister in clause 15. Reasonable investors know that their rights to harvest plantation timber in South Australia will be respected by future parliaments and courts. In contrast to other societies and other places in the world, there is nothing in South Australia's past or on the horizon to suggest that their investments are at risk because their future rights may be subject to the exercise of future rights by others. If future legislation does erode or take away a forest owner's legitimate expectation to be able to harvest, then quite rightly the issue of compensation would arise.

But we must also preserve the rights of the community, represented sometimes by the Environment Protection Authority, and the rights of forestry workers, represented by those acting under the Occupational Health, Safety and Welfare Act. We must preserve any rights which may arise under existing law and which may touch or affect timber harvesting rights in the future. In short, timber harvesting rights will be respected and protected but they are not the only rights this Parliament must protect and preserve. Rights of various parties must always be balanced, and that is a job for the courts when these disputes arise. It is not the role of the minister, in issuing a forestry plantation licence, to take away those rights years before they would otherwise arise. Quite clearly, I indicate that we will be moving to oppose that and the deletion of clause 15, but in general we support the second reading.

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

STATUTES AMENDMENT (PUBLIC TRUSTEE AND TRUSTEE COMPANIES—GST) BILL

The House of Assembly agreed to the bill without any amendment.

CORPORATIONS (SOUTH AUSTRALIA) (MISCELLANEOUS) AMENDMENT BILL

The House of Assembly agreed to the bill without any amendment.

NATIONAL TAX REFORM (STATE PROVISIONS) BILL

The House of Assembly agreed to the amendments suggested by the Legislative Council without any amendment.

STATUTES AMENDMENT (EXTENSION OF NATIVE TITLE SUNSET CLAUSES) BILL

The House of Assembly agreed to the bill without any amendment.

NATIVE VEGETATION ACT

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

That regulations under the Native Vegetation Act 1991 concerning exemptions, made on 16 December 1999 and laid on the table of this Council on 28 March 2000, be disallowed.

I must say that what lays behind these regulations is a rather sorry saga involving the inept handling of some native vegetation issues. It is quite perverse that applications for clearance of native vegetation, both on Eyre Peninsula and in the upper South-East of South Australia, went before the Native Vegetation Council and were rejected because they did not comply with the act. What the government then did was introduce regulations to allow the clearance of vegetation in those two areas, for reasons that I will cover in just a moment.

As I understand it, even before this Council had a chance to discuss those matters—because the government, as has become its practice, granted itself an exemption to bring it into force straight away—the bulldozers had already been ripping into the trees. There had even been a suggestion that some had gone before the regulations had been enacted, but I cannot confirm that. Certainly, before we had an opportunity in this place to debate the issue, the bulldozers had got to work in an area which was under heritage agreement and clearance of which had been refused under the act.

It is rather perverse that vegetation is being cleared in the South-East because there is too much water: and vegetation is being cleared on the Eyre Peninsula because there is not enough water. The trees do not stand a chance either way. Because of changes in land practice—particularly, I understand, land levelling, among other things—there has been a great accumulation of water in some areas in the Upper South-East and, because of that accumulation, water tables are rising, causing salinity problems. There is no doubt that

the problem had to be addressed, but the ineptitude of earlier land practices that led to the problem, and those responsible, have never seen the full light of day. It is a story well worth telling.

The water accumulated as a result of the rising water tables meant that there was a need for some intervention: a drain was required to carry the water away to the west into the Coorong. There was some dispute about what route should be followed: some advocated a route through native vegetation that was subject to a heritage agreement, and others preferred a different route that would avoid that vegetation.

I believe that land levelling had a great deal to do with the accumulation of water but tree clearance probably also played its part. Again, it is perverse that tree clearance caused an accumulation of water, which then required—according to the government and this regulation—more tree clearance. If the government has its way, water will be channelled through the middle of this heritage protected scrub. Vegetation will be removed and I imagine that the movement of smaller land mammals, and so on, will be affected in that there will be a permanent divide in that area. Perhaps if we take a closer look at what has happened in the South-East county of Cardwell, regulation 3(u), we see the following:

> The paragraph aims to clear land for the purposes of the construction and maintenance of water management works by the South-Eastern Water Conservation and Drainage Board.

The original application to clear what is effectively a 17 kilometre long by 50 metre wide strip through heritage funded native vegetation at Bonney's camp was rejected by the Native Vegetation Council (or at least agreement could not be reached between NVC and department). The then minister Kotz (she has gone but she has left her mark, a 17 kilometre mark in the South-East, through vegetation) used this regulation to allow it to be considered again by the Native Vegetation Council. Notably. . . .the regulation was gazetted on 16 December 1999, but not tabled for parliamentary approval until almost three months later.

That is a pattern that is starting to emerge in this place, too, another example being education regulations. Regulations are brought in where exemptions are granted, and parliament does not see it until actions have already been carried out as a consequence of them. That is a clear contempt, in my view, of this parliament and of parliamentary process, regardless of the merits of the issue. It is a contempt of the parliament to use regulations which are supposed to be under the purview of both houses of this parliament. To use regulations to get around and avoid parliamentary scrutiny is an absolute outrage.

Nevertheless, on 16 December it was gazetted but not tabled for parliamentary approval until almost three months later. I return to the county of Cardwell. In February the clearance was given conditional approval by the NVC.

With the change in regulations they did not have much choice. The conditions they set were that clearance was to be done by the South-East Drainage Board. So, the condition was that it was to be done by the board. The NVC had a strong preference for clearance through farmland to the north but it appears their efforts toward this goal were unsuccessful.

On 13 April, the *Naracoorte Herald* raised concerns that vegetation may have been cleared by a local resident after the regulation but before parliamentary or South-East Drainage Board approval. This news drew a response from Senator Hill, one of the few Liberals with any environmental credentials at all (although on greenhouse he has been disappointing to say the least, but that is another issue), who expressed frustration that there is no point in the federal government's funding revegetation under the Natural Heritage Trust if the state government allows that same vegetation to be cleared. My understanding is that these events are now under investigation by the Native Vegetation Council and the Legislative Review Committee.

The question is whether options were explored further as to what else might have been done and whether this regulation was necessary. It undermines the credibility of an argument put by some that we must clear some land to save the rest, because the option of using already cleared land was never properly investigated. I note that what was reported in the paper as a local conservation group that had the heritage agreement on the land supported the clearance, but what was not reported in the paper was that one of the prime interests in that so-called native conservation group happened to be a prominent land owner, almost certainly the same land owner who was busy with his bulldozer clearing the scrub.

The Hon. T.G. Roberts: And a greenie to boot.

The Hon. M.J. ELLIOTT: And a greenie to boot! It appears that a rush to get results has seen a lack of proper exploration and a perceived need to rush through this clearance by regulation. I stress again that there is no argument that, the problem having been created in the Upper South-East by poor land management practices, drains had to be put in, but I argue that the regulation itself was absolutely inappropriate and the only thing more inappropriate was the way in which the government granted the exemption, allowing it to sit for three months to allow the clearance to go ahead before parliament had a chance to scrutinise it. That is improper.

I turn now to regulation 3, paragraph (v), on Eyre Peninsula, county of Flinders and Robinson. This paragraph aims to preserve an underground water supply by clearing land at Robinson's Basin near Streaky Bay. Water has been a problem for a long time at Streaky Bay, and it has been debated in this place on previous occasions, with Robinson's Basin being the only major source of water apart from rainwater. As a result, restrictions of 210 megalitres withdrawal from the basin were set in place by SA Water until 1998. However, increasing demand by the local community has seen this rise to 240 megalitres, and future demand is likely as a result of a plan by the council to build a new housing development for retirees in Streaky Bay.

The Hon. R.R. Roberts: They think there will be more water then.

The Hon. M.J. ELLIOTT: Yes, rain follows the housing estate and fills the tanks immediately. The result has been increasing salinity in the town's water because of this growing demand and withdrawal above the basin's recommended capacity. In response, the department has advised that one-fifth of the basin's vegetation should be cleared to allow better flow into the basin and to address salinity.

I have spoken in this place in recent times about the fact that trees have a significant draw effect on water. I understand that the majority of the trees in question are casuarinas. However, to my knowledge, no scientific work has been done by the government to ascertain how deep rooted the casuarinas are, what their drawdown is and precisely what impact a clearance of a certain size will have. This has been real back-of-envelope stuff at best. It is quite shocking.

The Hon. Diana Laidlaw: That's what you are alleging.

The Hon. M.J. ELLIOTT: That is right. If the government says it has done the scientific tests on casuarinas and

can show that one hectare of casuarinas has a certain drawdown effect, I would be pleased to see it. The advice of the department was rejected by the Native Vegetation Council. So, because the act did not allow it, a regulation is made and for three months access to that regulation is denied to the Parliament.

Whatever the situation, no environmental or scientific test has been produced to prove the need for clearance through this regulation. Even the clearance of one square kilometre in proper testing would confirm or deny the department's theory in regard to this proposal. There is no doubt that the Streaky Bay community needs support with its water supply, but it needs long-term and careful planning not an off the cuff clearance approach. What happens when the basin runs out of trees to clear?

Quite plainly the government has been doing some good work on Kangaroo Island in terms of desalinisation and has been trumpeting the breakthroughs it has been making there. There is a lot of other very promising experimental work going on right now and there are other West Coast communities with even more severe problems. If you go farther west of Ceduna, it has been an on-going issue raised in this place by the Hon. Caroline Schaefer and others. We have to find other solutions for the provision of domestic water for residences on the West Coast. There is no doubt that there will be further growth of population. Ecotourism on the West Coast will boom over the next decade or so and there will be significant demand. We cannot meet that demand by clearing more vegetation. It would be quite bizarre to have a major attraction and to have a lot of the naturalness of the area ruined in response to the growth that was originally stimulated by the presence of the trees. It is really very perverse.

It is probably also worth noting that casuarinas are an important food source for some of the cockatoos that are becoming increasingly rare on the West Coast and elsewhere in South Australia. It appears that again there has been a rush to get results. There has not been proper exploration and there is a perceived need to rush through this clearance by regulation. In the case of both aspects of the regulation there are important community needs to be addressed. My concern, however, is that while this regulation will bring about the quickest solution—there is no question about that—there is significant doubt that it will bring about the best. Without proper scientific testing and exploration of all the options it will be impossible to assess that these solutions are the best. Any reasonable person should have doubt about what has happened here. I am not sure whether it is arrogance or laziness that has allowed things to be handled in this way.

The Hon. T.G. Roberts interjecting:

The Hon. M.J. ELLIOTT: I suppose it could be that, too. If the government thinks it can ignore the concerns of the federal government and its investment into revegetation through heritage trust funds, the state government will arrogantly show contempt for parliamentary process to achieve its goals. The frightening thing is that this sort of arrogance appears to be infectious and members of the public may have felt able to take regulations into their own hands. Where there are principles of clearance they must be followed. If these principles do not work, then bring the situation back to the Parliament, authorise an EIS or make the clearance a major project.

While the Democrats have always been strong defenders of native vegetation, we have always said that there has to be balance. When the Labor Party first introduced native vegetation legislation the Democrats supported it but said there should be compensation for those who are refused. Going back from recollection about eight or nine years, I think that the government sought the ability to clear isolated trees. I cannot recall whether it was in the latter days of the Labor government, but the Democrats were prepared to support that but again we said there had to be balance. We supported the clearance of isolated trees but argued that in those exceptional circumstances where it happens there should be composite tree plantings.

We have always sought to ensure there is balance and to ensure that nobody's legitimate economic interests are undermined but that we do not lose track of the fact that this state has been more heavily cleared than any other state in Australia, that we are the extinction capital of Australia and that we have significant problems. I just cannot see any balance in what has happened here; there is no balance at all. This is setting a very dangerous trend, and I am sure that international delegates in Adelaide over the next week or so would be appalled to know that this is the sort of thing that the current government thinks is appropriate environmental behaviour.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: I am sure there are a couple but they do not come to mind.

The Hon. Diana Laidlaw interjecting:

The Hon. M.J. ELLIOTT: Can you give me one?

The Hon. Diana Laidlaw: I would just be writing about the sea dragon.

The Hon. M.J. ELLIOTT: I think that the regulations should be a lesson to us all and they must be disallowed, otherwise we risk setting a precedent that will put protected native vegetation of this state at great risk. I do not think the majority of members in this place would believe that the government has made the case for the regulations, and there is good reason to be gravely dubious about them.

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

ADJOURNMENT

At 11.42 p.m. the Council adjourned until Thursday 1 June at 11 a.m.