LEGISLATIVE COUNCIL

Tuesday 11 July 2000

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

ASSENT TO BILLS

His Excellency the Governor, by message, assented to the following bills:

Criminal Law Consolidation (Appeals) Amendment,

Liquor Licensing (Regulated Premises) Amendment,

Motor Vehicles (Miscellaneous) Amendment,

South Australian Health Commission (Administrative Arrangements) Amendment,

Sports Drug Testing,

Young Offenders (Publication of Information) Amendment.

QUESTIONS ON NOTICE

The PRESIDENT: I direct that written answers to the following questions on notice be distributed and printed in *Hansard*: Nos 91, 93, 94, 100, 102 and 105.

ADVERTISING

91. **The Hon. R.R. ROBERTS:**

1. What type of advertising was undertaken by the Premier, Minister for State Development and Minister for Multicultural Affairs, or any of his officials, from 30 June 1997 to 30 September 1998 in relation to any department or statutory authority within the Premier's portfolio and ministry areas?

2. Was any of the advertising undertaken internally?

3. If so, what was the subject nature of each campaign and the cost?

4. Was any advertising conducted by external agents or firms from 30 June 1997 to

30 September 1998?

5. If so, what is the name of the agency or individual?

6. What was the subject nature of each campaign and the cost?

The Hon. R.I. LUCAS: The Premier, Minister for State Development and Minister for Multicultural Affairs has provided the following information for the period 30/6/97 to 31/12/97:

1. Public notice advertisements, recruitment advertisements, white pages listing, public information and promotional advertisements were placed.

2. No advertising was undertaken internally.

3. Not applicable.

4. Yes.

5. Advertising was placed by:
AIS Media
Charterhouse Advertising
DDB Needham Adelaide Pty Ltd
Speakman Stillwell & Associates Pty Ltd
Royal Adelaide Hospital
KRL Media Services
Advertiser Newspapers Ltd
EBI News Ethnic Broadcasters Inc.
TR Beckett Pty Ltd (London)
Pacific Publishing Pty Ltd (Queensland).

6. Public notice/information advertising:
- New 1300 public access telephone service for government ministers ($962.50);
- Public consultation workshops for the Marine and Estuarine Strategy ($1 887.17);
- White pages listings ($668.27);
- Advertisement in the EBI News ($2 494.80);
- Interpreting and translating advertisements in the Royal Adelaide Hospital 1998 diary ($345.00), the Advertiser ($1 100.16), and the DECS publication DECSpress ($324.00), and
- Availability of services over Christmas/New Year ($4 851.68).

Recruitments advertising
- Executive Officer, Centenary of Federation ($508.28);
- Key researchers, ministerial advisers and media advisers ($9 560.18);
- Graduate program ($1 800.00), and
- University graduates ($2 977.59).

Promotional advertising
- Budget benefits project ($13 183.27);
- Stamp Duty concessions project ($30 699.12);
- Directions for SA program ($37 459.67);
Program to promote SA overseas as a migrant destination ($3223.00)

SPEEDING OFFENCES

93. **The Hon. T.G. CAMERON:**

1. How many motorists were caught speeding in South Australia between 1 October 1999 and 31 December 1999 by:
(a) speed cameras;
(b) laser guns; and
(c) other means;
for the following speed zones:
60-70 km/h;
70-80 km/h;
80-90 km/h;
90-100 km/h;
100-110 km/h;
110 km/h and over?

2. Over the same period, how much revenue was raised from speeding fines in South Australia for each of these percentiles by:
(a) speed cameras;
(b) laser guns; and
(c) other means?

The Hon. K.T. GRIFFIN: The Minister for Police, Correctional Services and Emergency Services has been advised by the police of the following statistics concerning speeding offences in South Australia between 1 October 1999 and 31 December 1999. SAPOL records offences in two categories, speed cameras and offences detected by other means. This category includes laser guns.

Motorists caught speeding by speed cameras and the resulting value of expiation notices

	Issued		Expiated	
Speed Camera	Number	Amount $	Number	Amount $
Less than 60 km/h	3 072	456 955	2 322	338 260
60- 69 km/h	268	52 856	214	42 040
70- 79 km/h	53 244	7 377 043	41 636	5 711 595
80- 89 km/h	5 473	978 357	3 081	556 084
90- 99 km/h	1 534	317 558	1 032	187 779
100-109 km/h	542	107 686	363	57 668
110 km/h and over	275	58 374	138	26 760
Unknown	9	2 068	4	755
TOTAL	64 417	9 350 897	48 790	6 920 941

Motorists caught speeding by other means (including laser guns) and the resulting value of expiation notices.

	Issued		Expiated	
Other Speed Offence	Number	Amount $	Number	Amount $
Less than 60km/h	109	20 309	178	32 949
60- 69 km/h	42	8 518	46	10 203
70- 79 km/h	5 278	865 491	4 161	673 975
80- 89 km/h	2 103	408 638	1 350	260 873
90- 99 km/h	878	203 181	638	137 826
100-109 km/h	483	100 725	345	71 156
110 km/h and over	4251	803 283	3145	578978
Unknown	884	145 005	1 228	219 119
TOTAL	14 028	2 555 150	11 091	1 985 079

94. **The Hon. T.G. CAMERON:**

1. How many motorists were caught speeding in South Australia between 1 January 1999 and 31 March 1999 by:

(a) speed cameras;

(b) laser guns; and

(c) other means;

for the following speed zones:

60-70 km/h;

70-80 km/h;

80-90 km/h;

90-100 km/h;

100-110 km/h;

110 km/h and over?

2. Over the same period, how much revenue was raised from speeding fines in South Australia for each of these percentiles by:

(a) speed cameras;

(b) laser guns; and

(c) other means?

The Hon. K.T. GRIFFIN: The Minister for Police, Correctional Services and Emergency Services has been advised by the police of the following information:

Speeding offences issued and expiated between
1 January 1999 and 31 March 1999
Motorists caught speeding by:

Speed cameras	63 345
Laser guns	No separate data available
Other means	17 216

For the following speed categories (speed camera offences only, and relate to a variety of speed limits and speed zones):

60-69 km/h	277
70-79 km/h	46 507
80-89 km/h	5 364
90-99 km/h	5 592
100-109 km/h	1 664
110 km/h and over	392
Unknown	13

Revenue raised from:

Speed cameras	$6 659 785
Laser guns	No data available to match question
Other means	$2 230 716

SCHOOL BUSES

100. **The Hon. R.R. ROBERTS:**

1. How many school buses run between Crystal Brook and Port Pirie?

2. How many students travel to Port Pirie schools by school bus from Crystal Brook each school day?

3. How many of these students attend:

(a) John Pirie High School; and

(b) private schools?

4. How many private school students are picked up en route and dropped off on the way to John Pirie High School each day?

5. Are any deviations made to pick up or drop off passengers?

6. What is the mix of students on each bus, i.e. public and private students?

7. How many children attend Gladstone High School each day?

8. How many of these students travel by bus?

9. What distance in kilometres from Crystal Brook is:

(a) Gladstone High School;

(b) John Pirie High School; and

(c) each private high school?

The Hon. R.I. LUCAS: The Minister for Education and Children's Services has provided the following information:

1. Four school buses operate from Crystal Brook to Port Pirie each school day. These services are established, managed and funded in accordance with the Department of Education, Training and Employment's School Transport Policy. Hence, under the policy, school buses are provided to transport all eligible students to their designated school of right, being John Pirie Secondary School. Students choosing to attend the private school, St Marks College, and travelling on these buses are using their entitlement to transport to their designated government school.

2. There are one hundred and eighty students who travel from Crystal Brook and the environs (i.e. Redhill, Narridy, Merriton and Nurom) by school bus to schools in Port Pirie each school day.

3. Thirty five of those students who travel by school bus to Port Pirie attend John Pirie Secondary School, one hundred and thirty nine students attend a private school (St Marks College), and six students attend Risdon Park Primary School.

4. Two of the buses which travel from Crystal Brook to Port Pirie go directly to St Marks College and stay there as they carry exclusively St Marks' students. The other two buses carry a mixture of St Marks College and John Pirie Secondary School students. Thirty five of these students are dropped off at St Marks College and six at Risdon Park Primary School, en route to John Pirie Secondary School.

5. There is a minor deviation of 4 km per day when the bus to St Marks College in Port Pirie travels via Wandearah/Abattoirs Road, rather than Highway 1.

6. Two buses carry exclusively private school students. The other two carry respectively:

- 21 John Pirie Secondary School students, 5 St Marks College students
- 14 John Pirie Secondary School students, 30 St Marks College students, and 6 Risdon Park Primary School students

7. One hundred and eighty two children attend Gladstone High School.

8. One hundred and thirty two of these students travel by bus to Gladstone High School.

9. The distances from Crystal Brook measured by the latest Topographic CD Rom from the Department for Environment, Heritage and Aboriginal Affairs to:

(a) Gladstone High School	21.59 kms
(b) John Pirie Secondary School via Highway 1	28.80 kms
(b) John Pirie Secondary School via Wandearah/Abattoirs Rd	33.13 kms
(c) St Marks College via Wandearah/Abattoirs Rd	29.30 kms

SOUTHERN EXPRESSWAY

102. **The Hon. SANDRA KANCK:**

1. How many motor accidents have been recorded at the entry and exit points of the southern expressway?

2. How many fatalities have been recorded at the entry and exit points of the southern expressway?

The Hon. DIANA LAIDLAW: In responding to the honourable member's questions, the following clarifications are made:

- The information is provided by calendar year.
- For 1997, the period is from the opening date in December.

· For 2000, the period is up to the end of February.

1. and 2.

Northern Entry/Exit Points	1997	1998	1999	2000
Total Number Road Crashes	0	16	13	1
Property Damage Only	-	13	10	0
Minor Injury	-	2	2	1
Serious Injury	-	1	1	0
Fatality	-	0	0	0
Southern Entry/Exit Point	1997	1998	1999	2000
Total Number Road Crashes	1	20	26	4
Property Damage Only	1	16	20	3
Minor Injury	0	4	6	1
Serious Injury	0	0	0	0
Fatality	0	0	0	0

For the honourable member's interest, an average number of 327 road crashes per year, for the 4-year period from 1994 to 1997, occurred on the section of Main South Road between the northern and southern exit/entry points of the southern expressway.

For the 2-year period from 1998 to 1999, the average number of road crashes on this section of Main South Road and the southern expressway combined, was 175 per year.

Therefore, the average road crash rate for this corridor has fallen by 46 per cent since the opening of the southern expressway.

NUCLEAR WASTE

105. **The Hon. SANDRA KANCK:**

1. Can the Minister for Aboriginal Affairs confirm whether any meetings have been held between the State Aboriginal Heritage Committee and the Aboriginal Legal Rights Movement in relation to the location of a nuclear waste repository in South Australia?

2. In what other meetings regarding the location of a nuclear waste repository has the State Department of Aboriginal Affairs been involved?

3. What other involvement has the State Department of Aboriginal Affairs had in the matter of the location of a nuclear waste repository in South Australia?

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

No meeting has occurred between the State Aboriginal Heritage Committee and ALRM.

Officers of State Aboriginal Affairs have met or discussed as and when requested by representatives of the Aboriginal Community, Officers of the Commonwealth Department of Industry, Science and Resources, and the State Aboriginal Heritage Committee to provide advice in relation to the requirements of the Aboriginal Heritage Act 1988.

PAPERS TABLED

The following papers were laid on the table:

By the Treasurer (Hon. R.I. Lucas)—

Casino Act 1997—
- Variation of Approved Licensing Agreement
- Variation of Approved Licensing Agreement—First Amending Agreement

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

Regulation under the following Act—
- Criminal Law Consolidation Act 1935—Termination of Pregnancy Variation

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

Regulations under the following Acts—
- Controlled Substances Act 1984—
  - Drugs of Dependence Variation
  - Pest Control Variation
  - Poisons Variation
  - Research Permits
  - Variation of Interpretation
- Local Government Act 1934—Cemetery Variation
- Mental Health Act 1993—Transport of Patients Variation
- Public and Environmental Health Act 1987—Waste Control Variation
- Radiation Protection and Control Act 1982—
  - Summary of Provisions
  - Transport of Radioactive Substances Variation
- Reproductive Technology Act 1988—Code of Ethical Clinical Practice Variation
- Sexual Reassignment Act 1988—Administrative Arrangements Variation
- South Australian Health Commission Act 1976—
  - Cancer Variation
  - Pregnancy Outcome Statistics Variation
  - Private Hospitals Variation
- Actuarial Investigation of the Local Government Superannuation Scheme—Report, 30 June 1999.

LEGISLATIVE REVIEW COMMITTEE

The Hon. A.J. REDFORD: I lay upon the table the report of the committee concerning regulations made under the Native Vegetation Act 1993.

PALLIATIVE CARE

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I seek leave to table a ministerial statement delivered today by the Hon. Dean Brown, Minister for Human Services, on the subject of palliative care.

Leave granted.

QUESTION TIME

OVERTAKING LANES

The Hon. CAROLYN PICKLES (Leader of the Opposition): I seek leave to make a brief explanation before asking the Minister for Transport a question about overtaking lanes.

Leave granted.

The Hon. CAROLYN PICKLES: I refer the minister to her announcement recently that two overtaking lanes would be built on the Berri to Loxton road in the Riverland as part of the state government's overtaking lanes strategy. During last year's estimates on 24 June 1999, the minister said:

> Within a week Transport SA, with my encouragement, will have finished a passing lane or overtaking lane strategy for all national highways and rural arterial roads and I am looking forward to being able to release this strategy shortly.

However, I understand the government's overtaking lane strategy is far from complete a year later, a fact that has been confirmed by her own department. My questions to the—

The Hon. Diana Laidlaw interjecting:

The Hon. CAROLYN PICKLES: I am asking you the question.

The Hon. Diana Laidlaw: Who has confirmed exactly? You tell me.

The PRESIDENT: Order!

The Hon. CAROLYN PICKLES: My questions are: will the minister confirm whether or not her strategy is complete as she promised and, if so, when will it be finalised and released to all stakeholders?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): The strategy is with me, and it is based on that strategy that I on behalf of the government was able to make the statement about the two overtaking lanes between Loxton and Berri. If the honourable member wishes to tell me who informed her that the strategy has not been prepared, I would be very much interested in receiving that information and following it up promptly.

Members interjecting:

The PRESIDENT: Order! There is a supplementary question.

The Hon. CARMEL ZOLLO: I have a supplementary question. Can the minister advise whether any overtaking lanes are proposed for Yorke Peninsula roads this financial year?

The Hon. DIANA LAIDLAW: Not this financial year. However, as part of the budget, we indicated a substantial increase in funding for roadworks between Port Wakefield and Kulpara and the turn-off to Ardrossan. In addition, we will be finalising the road works between Kadina and Wallaroo.

The Hon. CARMEL ZOLLO: Does the proposed roadworks include overtaking lanes?

The Hon. DIANA LAIDLAW: I indicated in my answer that there were no overtaking lanes proposed as part of those roadworks for Yorke Peninsula's financial year but that did mean that there was not substantial investment on Yorke Peninsula, and that I have just outlined.

The Hon. J.S.L. DAWKINS: Can the minister inform the Council whether there has been an increase in the amount of traffic on the Loxton to Berri road, known as the Bookpurnong road, since the construction of the Berri bridge?

The Hon. DIANA LAIDLAW: I can confirm that that is so—a 38 per cent increase in traffic, I understand. That is both heavy vehicle and general tourism traffic. More people are encouraged to travel because of economic development in the area and because there are not the holdups that people experienced in the past, having to wait substantial time to cross the river because of the ferries. I understand more people are even attending the football matches on Saturday because they know that there will not be holdups.

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: That is a very interesting interjection—

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: How pathetic: no wonder you are in opposition and are going to get out of this place. Unless there is increased traffic on roads, what is the justification for having an overtaking lane? The member should use some logic. What an inane interjection! But it is a revealing interjection in terms of transport planning. We have announced the overtaking lanes strategy. If there was any substance in the honourable members' original question—and I have indicated there is not—she would understand that already in terms of the overtaking lanes the first part of the strategy at $1.2 million was announced with the budget. That involves two sets of overtaking lanes going into Mount Gambier. In the next financial year, the strategy involves the two overtaking lanes between Berri and Loxton.

CORPORATIONS LAW

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Treasurer in his capacity as Minister for Industry and Trade a question about policy concerning industry in this state.

Leave granted.

The Hon. P. HOLLOWAY: In answer to a question on 4 May this year, the Attorney-General explained the legal ramifications for South Australia as a result of Hughes v The Queen. The Attorney was of the opinion that, in spite of the commonwealth requesting that South Australia refer power to the commonwealth in relation to the corporations law in order to overcome problems created by this case and an earlier case, re Wakim, it was the Attorney's opinion that he was 'not convinced that a referral of power was the only option'. The Attorney also said:

> . . . to put it quite bluntly the commonwealth has overestimated the urgency and underestimated the complexity of the task that needs to be done.

In the *Weekend Australian* of 8-9 July this year, it was reported that a further challenge to the corporations law has been mounted in the High Court. The article states that a businessman fighting a bankruptcy petition has 'attacked the validity of company registration under the 1991 corporations law, already weakened by a series of High Court rulings'. The Director of the Australian Securities and Investments Commission stated that, if this challenge was upheld by the High Court, 'the commercial consequences would be catastrophic'. The article continues:

> He said the legal existence of companies 'underpins our commercial life, and so many things that people take for granted. . . their investments, the way in which they buy and sell goods and services, their savings.'

My questions are:

1. Is the minister concerned with the implications of the High Court decision in the Hughes case—and subsequent challenges—for industry and small business in this state?

2. Is his department aware of what ramifications the Hughes case may have for the validity of schemes such as the one he recently put in place to prevent the exploitation of GST?

3. Does he agree with the stance taken by the Attorney-General to oppose any reference of corporation powers to the commonwealth that would overcome these current problems?

The Hon. R.I. LUCAS (Treasurer): As honourable members will know, I have considerable regard for my colleague the Attorney-General's views on these issues, and I always give them great prominence in the formulation of my own views on these issues. As always, I continue to have great faith in the Attorney's capacity in this area. I am happy to take the honourable member's questions on notice. I know it is an issue that concerns industry departments and business circles around Australia in relation to some of the High Court decisions. As the honourable member knows, I am not a lawyer and, therefore, will rely, to a very substantial degree, on the learned advice of my colleague the Attorney.

The Hon. P. HOLLOWAY: As a supplementary question, has the Treasurer's department drawn to his attention problems that may relate to the operation of the recently passed GST scheme as a consequence of these legal cases?

The Hon. R.I. LUCAS: I have had a number of discussions with my department, and representatives of business communities, in relation to this area. It is fair to say, as with some other areas relating to the High Court, that there is a lot of speculation from people, and many have widely differing views. One can get widely different views in legal circles about this issue as well. I will continue to take advice from my department on industry matters, and others. I—and the government—will continue to take advice on legal issues from the Attorney-General and his department.

HEALTH CARE, SOUTH-EAST

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Human Services, a question on the benefits of private health insurance and medical services in the South-East.

Leave granted.

An honourable member: Have you taken it up?

The Hon. T.G. ROBERTS: By way of interjection across the way, I have been asked whether I have taken out private health insurance.

An honourable member interjecting:

The Hon. T.G. ROBERTS: Yes, I have.

An honourable member: Have you got pharmacy cover?

The Hon. T.G. ROBERTS: I do get some private pharmacy advice. Since the federal government announced the changes in relation to health benefits and tariffs, I, like other members, have been asked for my opinion. I found it difficult to give each individual case an opinion and, in fact, I refrained from doing so. However, I have endeavoured to point out the nature of the changes in the legislation and how it impacts on those individuals where they live. Most of the requests have been from people I know personally in the South-East, but some have been from people in the metropolitan area.

There is still quite a bit of confusion as to the best way to conduct an individual's business in relation to health cover and health insurance. In the South-East there is confusion as to why they are required to pay the same tariff and receive far less benefit than people in the metropolitan area. It has been pointed out to me that in Mount Gambier the average waiting time to see the doctor, after receiving a pharmaceutical prescription, in some cases is between seven and 10 days. In a lot of cases people would not bother and the prescription would lapse. In fact, people would seek the advice of the pharmacist as to how to treat the illness, either for themselves or for a member of the family.

They were also asking questions regarding the services available for rehabilitation in the metropolitan area, including hydrotherapy. I understand that a campaign is being run in the Mount Gambier area to have a hydrotherapy pool placed somewhere in that area to overcome the difficulties that people face when they have to travel to Adelaide to avail themselves of these facilities. The same difficulties occur in relation to rehabilitation services. My question is: what health service improvements are envisaged for centres such as Mount Gambier in the near future so that people can make assessments as to their insurance needs?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I will refer the question to the minister and bring back a reply.

BUSINESS SURVEY

The Hon. L.H. DAVIS: I seek leave to make an explanation before asking the Leader of the Government and Treasurer, the Hon. Rob Lucas, a question about a business survey.

Leave granted.

The Hon. L.H. DAVIS: The *National Business Bulletin*, a well known monthly publication, in its July edition gave some prominence to a recently completed, very detailed survey of business indices state by state. Will the Treasurer advise the Council whether he has seen this survey and how South Australia performed?

The Hon. R.I. LUCAS (Treasurer): I thank the honourable member for his question. I must admit that, until an hour before question time, I had not seen the survey in the *National Business Bulletin* magazine. I am indebted to the Hon. Mr Davis's considerable research in digging up this story. It is the sort of ranking which appears to be done by the Tasmanian Department of Treasury and Finance, although it is not entirely clear. It is published in a national bulletin and ranks business opportunities in all states of Australia.

It clearly shows that, in 10 of the 17 indices, South Australia is ranked first or second. For example, South Australia is ranked first in terms of land and accommodation costs and mining and manufacturing industry-based costs. In areas such as labour costs, labour turnover, industrial disputation, freight costs and industry-based cost indices for accommodation, cafes and restaurants, finance and insurance, and property and business services, South Australia is ranked second.

As I said, it is very encouraging news and, given that it has now been highlighted, I would be very surprised if the *Advertiser* and, indeed, other sections of the media did not feature an independent assessment done by a Labor government interstate and its offices, it would appear, in terms of ranking states regarding their business opportunities. I certainly recall that the rankings of various states by other organisations in the past have been prominently portrayed in the *Advertiser* and in other newspapers when, on occasions, South Australia has not been shown in a flattering light, so I am sure that the *Advertiser* will be very keen to see this independent assessment, which, as I said, has been done by a treasury department for a Labor government, it would appear, and which is very favourable in terms of its rankings.

The only other point I make is that in none of the 17 indices is South Australia ranked last (sixth). In some, such as mineral resources endowment, it is clear that we have some disadvantages. That appears to be some measure of the availability or the existence, which I suppose is a better word, of the mining or mineral resources within the state, which clearly is not something that is directly within the responsibility of the state government in terms of its policies.

I thank the honourable member for highlighting this table (an independent assessment of the business opportunities in the states), and I look forward to not only the *Advertiser* but other sections of the media highlighting what is a good news story in terms of the cost of and the opportunities for doing business in the state of South Australia.

GLENELG TRAMS

The Hon. SANDRA KANCK: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about the refurbishment of the Glenelg trams.

Leave granted.

The Hon. SANDRA KANCK: My office has received a copy of correspondence between the minister and a constituent, Mr Ron Reiman. As the minister would be aware, Mr Reiman has an abiding passion for trams. In a letter dated 19 June 1999, the minister advised Mr Reiman that $5 million had been allocated over a three year period for the restoration of six H-class tram cars and that tenderers for the job would be advertised by July 1999.

The letter further stated that it was a condition of specification that the first set of tram cars be completed in time for the 70th anniversary of the Glenelg trams in December 1999. The 70th anniversary came and went with no refurbishment of the H-class tram cars. In a letter from the minister to Mr Reiman dated 17 April 2000, the minister states that TransAdelaide is continuing to progress the upgrading of the H-class trams which is expected to commence in late June or

early July—12 months after the work was originally planned to begin. My questions are:

1. Why the inordinate delay in the restoration of the six H-class trams?

2. Has the tender for the refurbishment of the H-class trams now been let? If so, when and to whom?

3. What is the timetable for the completion of the restoration of the six H-class trams?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I answered this question at some length during the estimates committee hearings this year, but for the honourable member's benefit I advise that the contract was let either late last month or early this month. It has gone through the probity process and cabinet approval and the like. The tram cars will be refurbished under a program that is scheduled to be completed by the end of the next calendar year (2001).

The reason for the delay is self-evident in a sense. The refurbishment is not only costly but an extremely skilled process because essentially every part has to be made by hand. There is no manufacturing process still available today to make the parts for a 70-year-old tram car, and they cannot be made in bulk which would help to reduce the cost of production.

It took some time to find, preferably in South Australia—and we were successful in doing that—a company that would be prepared to do the work with a whole-of-life guarantee for the quality of the work at the price of $5 million set by the government. All that has been solved, and the contract has been let.

MOTOR VEHICLES, ILLEGAL USE

The Hon. J.S.L. DAWKINS: Will the Attorney-General provide the details of section 86A(1) of the Criminal Law Consolidation Act, which relates to using a motor vehicle without consent, and the range of sentencing options available to magistrates under the Criminal Law (Sentencing) Act?

The Hon. K.T. GRIFFIN (Attorney-General): The shadow attorney-general, Mr Atkinson, has been having a bit of a spray about this in the past few days. He has challenged the view that I have expressed about the way in which the law operates, but in fact he is wrong. He has written to me—

The Hon. Diana Laidlaw: Again?

The Hon. K.T. GRIFFIN: Yes, again. He is very good at stirring up these things, but when it comes to facing up to the facts there are disagreements. I think that is how we should put it. It is true to say that he has written to me and has drawn my attention to the issue that he is raising. He asked me whether I could explain certain outcomes relating to the illegal use of a motor vehicle, he says, '. . . in view of what appears to be a mandatory minimum sentence in section 86A(1).' That subsection provides that a person who, on a road or elsewhere, drives, uses or interferes with a motor vehicle without first obtaining the consent of the owner of the vehicle is guilty of an offence. The penalty for a first offence is a maximum period of imprisonment for two years; and for a subsequent offence the penalty is imprisonment for not less than three months and not more than four years.

The penalty provisions in section 86A have to be read—and I have made this point publicly—in conjunction with the provisions of the Criminal Law (Sentencing) Act. The Criminal Law (Sentencing) Act identifies the principles that are to be applied in imposing sentence, and the matters that the court is required to take into account before imposing a penalty. That is the umbrella legislation in relation to sentencing in this state. It was initiated by a Labor government and supported by a Liberal opposition, and I do not think many people have disagreed with the principles that have been identified in that because it is all a matter of balance. Section 17 of the Criminal Law (Sentencing) Act provides:

> where a special act fixes a minimum penalty in respect of an offence and the court, having regard to—
>
> (a) the character, antecedents, age or physical or mental condition of the defendant; or
>
> (b) the fact that the offence was trifling; or
>
> (c) any other extenuating circumstances,
>
> is of the opinion that good reason exists for reducing the penalty below the minimum, the court may so reduce the penalty.

So there is a general principle which applies to what might, at first view, appear to be minimum penalties. Section 18 of the same act provides for a court to depart from a penalty provided by special act—and the Criminal Law Consolidation Act, the Road Traffic Act and the Motor Vehicles Act are among them—in some circumstances. For example, where a 'special act' prescribes only a sentence of imprisonment for the offence, the court may instead impose a fine; or a sentence of community service; or both a fine and a sentence of community service. If we go to section 20 of the Criminal Law (Sentencing) Act, we find that it provides:

> nothing in this division—
>
> (a) affects the sentence to be imposed by a court for murder or treason; or
>
> (b) derogates from a provision of a special act that expressly prohibits the reduction, mitigation or substitution of penalties or sentences.

So the effect of that section is that, if a special act expressly prohibits the reduction, mitigation or substitution of a penalty, the general sentencing provisions cannot override the provisions of the special act. If we look at section 86A(1) (to which reference has already been made), one can see that that does not expressly prohibit the application of sections 17 and 18 of the Criminal Law (Sentencing) Act.

If a penalty is regarded in this instance, or generally at summary by the police prosecutors, as too lenient there can be an appeal. In the limited time that is available, we found that in September 1999 in the case of SA Police against 'P'—it was a juvenile matter so the defendant was not identified—an appeal was instituted against the penalty imposed by the magistrate. In that instance the appeal was allowed with the sentence being found to be manifestly inadequate in view of the respondent's prior offending and the fact that he had previously been sentenced to a period of detention that had been suspended. One can see that there is a balance.

There are adequate powers there to guard against manifestly inadequate penalties, and police prosecutors, where they are prosecuting summary offences, do review the penalties and, if an appeal is warranted, take up an appeal. In this case that I have been able to track down, the court found that the sentence was manifestly inadequate and the penalty was reviewed. So that is the way in which the sentencing act and the provisions of the Criminal Law Consolidation Act interrelate, and I hope that that will now satisfy the shadow attorney-general that there is some rationality in the law and commonsense, and that maybe there will be another opportunity for him to find another issue on which we can have a similar sort of debate.

HIGHWAY ONE, PORT WAKEFIELD

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about National Highway One, where it meets the Kadina road near Port Wakefield.

Leave granted.

The Hon. CARMEL ZOLLO: I note today that the RAA is stepping up its campaign for changes to this major road junction in South Australia's Mid North. Mr Chris Thomson, the RAA's Traffic and Safety Manager, is reported as saying that the intersection is notorious, despite being reconstructed 18 months ago. Since then there have been 15 crashes at the location, including two fatal crashes and three or four accidents involving serious injury. He further comments:

> Most of the accidents have involved motorists turning right out of the Kadina road on to Highway One and traffic travelling north on Highway One.

Last May, in answer to a question without notice from me, the minister said:

> The elevation of the road is being raised, which would give motorists coming from the Kadina-Yorke Peninsula area greater site distances both to their left and to their right when they approach the intersection.

Also, the boards and signs alerting motorists about the speed limit had then been backed with large luminous boards, to make it easier for motorists to appreciate their responsibilities as they approach this intersection. Given this latest fatality which has prompted the RAA to warn school holiday motorists to take extra care, can the minister advise whether any further action is being considered for this intersection, either short term or long term?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): In relation to the crash on 8 July I am advised that Transport SA is awaiting advice from the police on the details of the crash. However, it is understood that the crash was a right of way crash involving a vehicle entering the junction from Yorke Peninsula into the path of a north-bound vehicle on the national highway. The honourable member will be aware from answers I have given to questions earlier on the same subject that when Transport SA sought advice last year from Professor Jack McLean at the university Road Accident Research Unit he recommended a 60km/h speed zone at the junction. The speed zone at this time remains at 80km/h, after Transport SA at my request consulted the police, local members of parliament and local communities about installing a 60km/h, rather than an 80km/h or 100km/h, speed limit. Generally the view was that there would be little observance on the national highway system at that intersection for a 60 km/h speed limit, so the speed limit today is 80 km/h.

Some recent work has been undertaken to improve the curved approach to the junction and to raise the road to improve visibility at the junction. That work was completed only on 29 May and generally has been very well received by the local community and the police. In fact, that work was undertaken at their request. In the meantime, give-way signs at the junction have been duplicated and placed on a backing board to increase their visibility. A further, special sign has been installed for southbound traffic from the peninsula warning drivers of the give-way sign ahead and advising drivers to watch for traffic from the right.

I understand that Transport SA will meet with the RAA shortly to discuss the RAA's concern, but I highlight that the RAA wants to see major changes to the site that might include grade separation or complete realignment of the peninsula approach to the junction, that is, an overpass further along the national highway. Before one would venture to undertake such an exercise, given the amount of traffic that uses the road, one would be very wise to canvass the whole picture of a bypass of Port Wakefield.

The honourable member might be aware that three or four years ago three options, at various cost, were put to the local community about a bypass of Port Wakefield. The local community was not keen to see Port Wakefield bypassed and the junction work was undertaken instead. I would not be in favour of the major expense involved with the construction of overpasses and grade separations at the junction of Yorke Peninsula road and the national highway just north of Port Wakefield without reopening the whole debate about a bypass road, which would be a more efficient use of resources and probably would be more compatible with national highway standards overall.

The government is very happy to speak with the RAA about all these options, but to choose grade separation at the junction of Yorke Peninsula and the national highway just north of Port Wakefield, simply for the purposes of turn-off traffic to Yorke Peninsula, seems an overcapitalisation of road infrastructure, particularly as heavy vehicles, and all others, would still have to proceed through Port Wakefield before entering the dual carriageway heading to Adelaide. I suspect that not one of those initiatives meets national highway standards, which we would want, if there is to be major investment at that site.

HINDMARSH SOCCER STADIUM

In reply to **Hon. J.F. STEFANI** (3 May).

The Hon. DIANA LAIDLAW: The Minister for Recreation, Sport and Racing has provided the following information:

1. Yes. The government has for the time being agreed to meet the full repayments. These payments have been met in response to written request from the Soccer Federation advising the relevant amounts. The amounts are set out in part 2 of the answer to this question.

2. Grandstand loan

Date	Amount
30 September 1999	$105 602.54
31 December 1999	$105 581.00
31 March 2000	$105 595.90

Fit-out loan

Date	Amount
13 August 1999	$48 789.11
13 November 1999	$48 721.40
13 February 2000	$48 710.00

RAIL SERVICES, OUTER HARBOR

In reply to **Hon. SANDRA KANCK** (29 March).

The Hon. DIANA LAIDLAW:

1. TransAdelaide has advised that current service levels on the Outer Harbor line will be maintained.

2. In line with the Liberal Passenger Transport Policy (1997) the Passenger Transport Board (PTB) is progressing the 10 year infrastructure investment plan for public transport, which will embrace the upgrade of metropolitan railway stations to a common nationally accepted standard in terms of lighting, signage, shelters, parking and platforms—plus disability access. The standards at some stations are likely to be elevated, dependent on the level of patronage at a station.

Meanwhile, an interchange such as Glanville, Noarlunga Centre, Salisbury and Blackwood would attract greater levels of funding as compared to lesser utilised stations.

3. As has always been the practice, any variation in standards between stations will be dictated by patronage levels—and forecast growth in demand for services.

4. The initial seven stations to be upgraded as part of the 'Safer Station' Project—

· Glanville Station

- Blackwood Station
- Elizabeth Station
- Gawler Station
- Salisbury Station
- Brighton Station
- Noarlunga Centre Station

5. No. However, to dispel any misgivings the PTB has adopted the concept of "Safer Stations" to advance the investment in the initial seven stations.

As part of a $7 million infrastructure upgrade over the next 12 months—

- $1.8 million will be invested in "Safer Station" upgrades.
- $1.5 million to upgrade other railway stations across the network.
- $600 000 to upgrade Adelaide Railway Station, with a new ticket office, ticket checking facilities, improved surveillance, and easier access to lost property and information services.
- $0.4 million for improved accessibility at 50 bus stops along "Go Zone" frequent bus service routes.
- $0.7 million for commuter car parks at Panalatinga Road—Reynella, Golden Grove and Seacliff, and additional bike lockers. TransAdelaide and the PTB will manage the upgrade program.

TRANSPORT, PUBLIC

In reply to **Hon. CAROLYN PICKLES** (12 April).

The Hon. DIANA LAIDLAW:

1. The requirement to manage the integration of public transport services is not new. Now there are five public transport providers, namely SERCO, Transitplus, Southlink, Torrens Transit and TransAdelaide (Rail and Tram). Prior to the new contracts, there were three, namely, TransAdelaide (Bus, Rail and Tram); SERCo and Hills Transit.

It is an important part of the Passenger Transport Board's (PTB) contracts to ensure that the Service Contractors put in place processes and systems that ensure service coordination and integration. The PTB has regular meetings with Service Contractors on this subject.

The PTB has provided each radio control point in TransAdelaide, SERCo, Torrens Transit, Southlink and TransitPlus with a 'trunked radio', to facilitate direct radio communication between the radio operators. This system is augmented by telephone, facsimile, e-mail and mobile telephone communication between contractors.

These means of radio communication will apply until such time as all Service Contractors make the transition to the South Australian Government Radio Network (SAGRN). Therefore, these interim measures of communication are not substantially different to the situation preceding this round of competitive tendering.

2. The radios comprising the bus traffic control operation have been devolved to depots.

3. As part of the competitive tendering process, contractors were required to provide safety plans, which reflected a standard equal to or greater than ISO 9002. The contractors will maintain these procedures and provide regular audit reports to the PTB.

PLAN AMENDMENT REPORTS

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I seek leave to make a brief ministerial statement to correct a date that I gave when speaking in the Matter of Interest debate last Wednesday on plan amendment reports.

Leave granted.

The Hon. DIANA LAIDLAW: I was always aware that the date of the potential plan amendment report and horticulture in the Mitcham area was 9 March 1999. Perhaps it was my error or I was not understood by *Hansard*, but *Hansard* reports 19 March, 10 days later, and I would like to correct the record to 9 March 1999.

VICTORIAN HEALTH SYSTEM

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Human Services, a question about Victorian bastardry.

Leave granted.

The Hon. A.J. REDFORD: Last week I had a round of constituents and Mr and Mrs Lamerton from Modbury Heights were referred to me concerning what could only be described as a tragedy of errors in relation to their treatment by the Victorian health system. In mid November last year, Mrs Lamerton reported to her doctor some slight pain in the back of her legs, and subsequently, in December, she had an x-ray on her spine and a CT scan was arranged for her lumbar spine. She was referred to the Royal Adelaide Hospital. At that stage, it was not particularly urgent and an appointment was made for her to see Professor Jones on 13 March. She was suffering only minor aches and pains and I am told that on 29 January they decided they would leave Adelaide for Melbourne for a three week stay.

When she arrived in Melbourne, her condition deteriorated and they went to the Royal Melbourne Hospital—they were not sure where else to go—and she was given some morphine and kept in all day. On the following day she was still in pain and she could not be moved, so they called the ambulance which took her to hospital. I am not sure whether it was on this occasion or on a subsequent occasion—because there were many—that she was told, 'You're South Australian; you should go back there for treatment.'

The Hon. Diana Laidlaw: That is what she was told?

The Hon. A.J. REDFORD: Yes. On 10 February her condition had continued to deteriorate and she was taken to the Austin Hospital where she was given morphine. She wanted to be admitted, but apparently there were no beds available. She was kept in day surgery all day and released. On the next day she went to physiotherapy and continued to do so until 16 February. On 17 February she went to a general practitioner, Dr Liew. Dr Liew was alarmed at her condition, called an ambulance and arranged for her to be admitted to hospital. At that stage, the hospital seemed to be more interested in travel arrangements back to Adelaide rather than her treatment in that hospital. She was discharged very quickly and she again went back for physiotherapy. On 29 February she saw Dr Liew who again said she should either go to hospital or—and I can understand Dr Liew's position—suggested that the best place to get treatment would be to return to Adelaide by air. Unfortunately, she could not, because she could not sit up as she was in so much pain.

This scenario went backwards and forwards until such time that she got so sick of the situation she determined that she would catch a train. I understand that the best part of her whole trip to Melbourne was that the train people did organise a wheelchair for her and collected her, and she is quite grateful for that. She also explains to me in some detail, which I am happy to refer to the minister, the trouble that the Victorian health system went to to arrange for her to be transported back to South Australia. I am pleased to report that, upon her return on 9 March, she immediately made an appointment to see a doctor, and she received excellent medical treatment, as I understand it, from the South Australian system on 14 March, having returned on 13 March. Indeed, she was admitted immediately to see a specialist at the Modbury Hospital.

She was away from 1 February until 13 March. She originally intended to stay in Victoria for three weeks and as it turned out—because of her health problems—she stayed there for six weeks. One would have thought that that might have been punishment enough! In the light of that my questions to the minster are:

1. What are the arrangements for South Australians visiting Victoria in relation to the securing of health care?

2. Will the minister investigate the circumstances as outlined to me and report back on whether it is safe to admit oneself to a hospital in Victoria, which is governed by Labor?

3. Do we treat Victorians similarly or can they expect better treatment when they come to a South Australian hospital?

4. Does the Victorian treatment apply to South Australian citizens in other states of Australia?

5. Is not South Australia a better place to be, if one falls ill, than either Victoria or New South Wales?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I would have thought that, from the example provided by the honourable member, it was self evident that the answer to the last question is 'Yes'. I will refer that question and all the other questions to the minister and bring back a reply.

GENETICALLY MODIFIED FOOD

The Hon. IAN GILFILLAN: I seek leave to make an explanation before asking the Attorney-General as Minister for Consumer Affairs a question relating to genetically modified food.

Leave granted.

The Hon. IAN GILFILLAN: Today is an anniversary: it is exactly four years ago that my colleague Sandra Kanck moved a private members' bill in this place entitled the Food Labelling Amendment bill. The bill sought, amongst other things, to require food that had been genetically modified to be labelled as such. Later that year on 6 November the Minister for Transport, the Hon. Diana Laidlaw, delivered a speech opposing the bill. That was her position on 6 November 1996. Four years later it is still the case that genetically modified food sold in South Australia is not required to be labelled as such. However, there have been important recent developments in this area.

A survey published by the Australian National University in August 1999 found that 93 per cent of Australians want clear labels on genetically modified food. A survey of over 2000 people by South Australia's own Human Services Department (also released in August 1999) found that not only over 90 per cent wanted the labelling of genetically modified food but that 55 per cent were prepared to pay more to have genetically modified food accurately labelled.

An honourable member interjecting:

The Hon. IAN GILFILLAN: Not then; they did not have to. However, on 1 June this year (only six weeks ago) the federal agriculture minister, Warren Truss, was quoted as saying that food with a small amount of genetically modified ingredients should not have to be labelled. Eight days later, on ABC Radio's *The Country Hour*, it was reported that the Prime Minister has sent a letter to all Premiers warning them that costly labelling requirements should not be imposed on businesses and we should keep in step with our international trading partners. The cost of labelling all food was calculated in the first instance by KPMG consultants at the request of the federal government. They did it twice: the first time they estimated the cost at $3 billion; they then amended it to only $300 million. Later advice that I have had from a highly reputable source in South Australia looking closely at the issue estimated it at $100 million.

The issue is back on the table for discussion on 28 July at another meeting of health ministers from each Australian state and territory and from New Zealand. However, given the publicly expressed attitude of the Prime Minister and his agriculture minister, there seems little prospect that consumers will get what they are demanding: clear and simple labelling on all genetically modified foods. Therefore my questions are:

1. Does the minister agree that the 90 per cent of South Australians who want genetically modified labelling of food are entitled to have it?

2. Will the minister support South Australia taking the lead in legislating for genetically modified labelling in the expectation that other states and territories will follow?

3. Does the minister agree that accurately labelled products made in South Australia will win greater acceptance from national and international markets?

The Hon. K.T. GRIFFIN (Attorney-General): One of the difficulties is to get a uniform approach across Australia. There is no point South Australians requiring labelling of their food in one way, Victorians requiring their food to be labelled in another way, and a different model in, say, New South Wales on the basis that most of our products are now available on a national basis and it would be impossible for manufacturers if they were required to label according to six or seven different regimes around Australia. As far as South Australia is concerned, if we were to lead the pack, it may well be that manufacturers in this state would suffer a disadvantage, rather than an advantage, in both national and international market places.

In addition, we need to be conscious of the fact that there are developing standards in different parts of the world. The European standard is still being developed. I understand that presently there is only a requirement to deal with two products—soya bean and canola—in respect of genetic modification and identification to the extent to which genetically modified organisms might be present in those two products. Work is being done in developing a European standard, and the United States is different again. The state government is seeking to work closely with other jurisdictions around Australia, and at the commonwealth level, to get an acceptable model which will not disadvantage us internationally but which will meet the needs of Australians.

As Minister for Consumer Affairs, as far as I am concerned labelling is always important. However, labelling food is the responsibility of the Minister for Human Services. Both the Minister for Human Services and the Minister for Primary Industries and Resources have been maintaining close consultation, not only between the two of them but also with other ministers who have an interest in this field. At this stage, I will not answer the questions beyond that point. However, I will look at the issues raised by the Hon. Mr Gilfillan and, if there are any additional matters I need to refer to by way of response, I will bring back a reply.

GAMING MACHINES

The Hon. NICK XENOPHON: I seek leave to make a brief explanation before asking the Treasurer a question in relation to gaming machine statistics.

Leave granted.

The Hon. NICK XENOPHON: A theme recurring through the Productivity Commission's report on Australia's gambling industry is that there ought to be a measure of informed consent on the part of consumers of gambling products. The report points out that, in terms of playing the black rhino poker machine, in order to get five black rhinos—

the $10 000 jackpot—it would take in excess of six million button presses of a single line play and $330 000 spent to have a 50 per cent chance of winning the $10 000 jackpot.

I have previously asked the Office of the Liquor and Gaming Commissioner for details of a number of jackpots of varying sizes paid out on gaming machines in South Australia, only to be advised that the information is recorded by the Independent Gaming Corporation's monitoring system but is not routinely provided to the Office of the Liquor and Gaming Commissioner and that it would be difficult and costly to retrieve the information from a software point of view and the perspective of restoration of data back-up tapes at the IGC so-called disaster site facility. The Commissioner also advised that the IGC is not covered by the Freedom of Information Act and he believed it would be inappropriate for him to seek this information. My questions to the Treasurer are:

1. Will he investigate the feasibility of retrieving information from the IGC as to the numbers of jackpots paid, particularly jackpots of $500, relative to the number of games played so that consumers may be better informed as to the odds of winning a major prize?

2. What powers does the Treasurer or Commissioner have to request such information from the IGC?

3. Notwithstanding the issues raised by the Commissioner for details of past major prizes paid, will the Treasurer advise of the feasibility of providing such information?

4. Will he advise the feasibility of providing prospective information on major prizes and games played?

5. As a matter of broad principle, does the Treasurer support the release of such information to consumers?

The Hon. R.I. LUCAS (Treasurer): I will take advice on the honourable member's question and bring back a reply. I think it would be fair to say that the prospect of scoring five black rhinos is very slim indeed.

The Hon. K.T. Griffin: What about white ones?

The Hon. R.I. LUCAS: White ones, black ones, or whatever else it might be. I think most people realise that, if you go into a lottery or if you play gaming machines seeking to win the jackpot, you do so on the basis of a very slim chance of being successful.

The Hon. Nick Xenophon: It is a question of how slim, though.

The Hon. R.I. LUCAS: Whether it is one in a million, one in a couple of million or one in a few million, I do not think it will change the mindset of people who are gambling. If you tell me that my chances of winning X-Lotto on a Saturday are one in a squillion, or whatever it may be, as opposed to one in a million, it will not make me less likely to participate. We all know and appreciate that the chances of winning the jackpot or X-Lotto are very slim indeed. I will take advice as to what information is available or might be made available and bring back a reply.

DRYLAND SALINITY

The Hon. T.G. CAMERON: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for Environment, questions regarding dryland salinity.

Leave granted.

The Hon. T.G. CAMERON: University of Western Australia Associate Professor David Pennell recently stated publicly that the current approach of integrated catchment management to the problem of dryland salinity is misguided. Professor Pennell argues that millions of dollars are largely being wasted fighting dryland salinity because it will not solve the problem. He argues, instead, that salinity should be treated on site. Up to now, adopted policies have concentrated on a broad brush approach. Professor Pennell argues that what is needed is to treat patches of salinity on site through the development of profitable perennial crops so that farmers can minimise and reduce salt problems whilst making a living. My questions are:

1. Does the minister agree with Professor Pennell's view that money is being wasted using current techniques to combat dryland salinity?

2. What research has PIRSA undertaken in the area of perennial crops to help reduce salinity levels in South Australia?

3. What is the government's short to medium term strategy for halting the spread of dryland salinity?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I will refer all the honourable member's questions to the minister and bring back a reply.

GOODS AND SERVICES TAX

The Hon. R.R. ROBERTS: I seek leave to make an explanation before asking the Minister for Disability Services—I do not know whether he is representing the Minister for Administrative Services—a question about workers' rights and the GST.

Leave granted.

The Hon. R.R. ROBERTS: I have been contacted by people working for unions in the WorkCover area who are concerned about the introduction of the GST and its effect on the entitlements of injured workers. My constituents understand that the minister, the Hon. Dr Armitage—and I do not know whether it also includes the Hon. Mr Lawson—planned to put through cabinet by the end of June new regulations to take into account the effects of the GST on workers' expenses such as accommodation, funerals, meals, representation at tribunals and redemptions. I am led to believe that the Hon. Dr Armitage had the corporation's draft regulations on his desk for three weeks without looking at them. At least that is the accusation. Hence, to some extent, this may have caused the delay. My questions to the minister are:

1. Where are the regulations with respect to the financial arrangements in respect of GST for workers?

2. Will the government guarantee that no injured workers will be disadvantaged financially because of the government's tardiness over the introduction of new regulations with respect to remuneration arrangements for injured workers due to the introduction of the GST?

The Hon. R.D. LAWSON (Minister for Disability Services): I will take the honourable member's question on notice and bring back a prompt reply.

SHACKS

In reply to **Hon. SANDRA KANCK** (30 May).

The Hon. K.T. GRIFFIN: I have been advised of the following information:

Firstly, the number of shacks which have been converted to freehold or are in the process of being converted to freehold is 1 374 rather than the 1 700 claimed by the honourable member.

As I have previously indicated, where native title has not been clearly extinguished, Crown Solicitor's advice has been obtained. Currently, the government is in the early stages of negotiations with a view to reaching indigenous land use agreements over 2 shack areas.

There are some shack areas where additional infrastructure is required for shack holders to meet the shack site criteria set by the government. A typical example is where public roads are being created over existing roads on Crown land to comply with the public road access criteria. In those instances, the Government is issuing notices pursuant to section 24KA of the Native Title Act 1993 (Cth).

Finally, I am informed that because miscellaneous leases were traditionally issued for the minimum land required for the actual shack, the leased lots are often too small to meet the shack freeholding criteria. Where there is adjoining Crown land, the lessee may seek to have the boundary re-drawn so that the allotment is of a sufficient size to meet the criteria. This practice may some native title implications in which case the Government will seek to negotiate an indigenous land use agreement with the relevant claimant group.

EMERGENCY SERVICES LEVY

In reply to **Hon. CARMEL ZOLLO** (25 May).

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

South Australia relies on around 30 000 volunteers each year to provide essential emergency services to save lives and property.

The state government has a strong commitment to the volunteer base who provide emergency services. The introduction of the Emergency Services Levy has contributed to ensuring that vital equipment, infrastructure, training and other supports are provided to emergency services volunteers.

The issue of providing additional supports (for instance in the form of a concession on the emergency services levy) has been raised with the Emergency Services Reference Panel and was identified in the report of the independent steering committee which recommended the implementation of the levy.

The introduction of a rebate or concessional scheme on the emergency services levy for volunteers is a problematic and complex issue and proposes a significant number of policy and administrative difficulties. These include:

- Potential for a concession to be perceived as demeaning or devaluing the role of volunteers.
- Difficulties associated with determining the type of concession to apply, for example, whether to provide a levy concession on either the property or mobile property components, or both. This may create difficulties as some emergency services volunteers may not own either fixed or mobile property and therefore the recognition value will not apply.
- Many individuals volunteer across a number of emergency services (e.g., both CFS and SES) which could escalate the cost and relative complexity of administrating such a scheme.
- A large number of community groups and organisations have a peripheral involvement in the provision of emergency services, e.g., Salvation Army provide catering during disaster incidents and Lions Clubs support the painting of property identification on kerbsides to assist in emergency service response. Applying a concession only to emergency service volunteers would exclude opportunities to recognise the role of volunteers in such community groups who also assist in emergencies.
- There are also difficulties associated with the notion of an 'active volunteer' which is complicated by membership of emergency services by multiple family members, clarification of the period of membership and that a number of support services and activities (eg. training) are also provided by a volunteer base.

Given the difficulties associated with introducing a concession to emergency services volunteers, the Government has established the Emergency Services Grants Program which represents a more equitable and fair way of providing additional recognition and support to volunteers.

A total of $1 million has been made available in 1999-2000 to assist in the implementation of projects which focus on the prevention of emergencies, enhancing the response to emergencies and raising community awareness of emergencies and how to deal with them.

The grants are available to emergency services and also to community groups and organisations. Round One of the Grants has already been conducted, with $501 393 being allocated to 130 separate organisations and it is expected that the outcome of round two will be announced in the near future.

In reply to **Hon. J.F. STEFANI** (23 May).

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

The Emergency Services Reference Panel, comprising Ms Annette Eiffe, Mr Robert Kidman and Dr Billie Slater, was established to receive written submissions from any individual who believed that the levy in their circumstances was unfair or unjust and therefore may be considered an unintended consequence of the application of the levy.

The reference panel received a total of 221 written submissions from a broad range of community members, organisations, small businesses and charitable institutions.

As the panel was established to advise Government on the unintended consequences of the emergency services levy, the final report was submitted to State Cabinet and therefore subject to Cabinet privacy provisions. It is therefore not appropriate to release the report nor the recommendations contained in the report.

However, the government has adopted the recommendations made by the Reference Panel and announced in May 2000 a $24 million reduction in the amount of levy collected from the community.

These changes include expanding the groups eligible for a $40 concession for the fixed property component of the levy, reducing the levy on motor vehicles to $24, removing the levy on trailers, caravans and recreational boats, reducing the levy on residential, commercial, rural properties and for charitable organisations.

Also, we have changed the geographic boundaries to ensure that people residing in the peri- urban areas such as the District Councils of Barossa, Mount Barker, Alexandrina, Victor Harbor and Yankalilla, will pay a reduced levy on property. Further, people with properties of capital value less than $1 000 in rural and remote regions (Regional Area 2 and Regional Area 3) will not have to pay the levy.

Therefore, the government has addressed community concern over the unintended consequences of the levy and ensures a fair contribution to the cost of emergency services by the South Australian community. A minor number of other recommendations contained in the report which focus on policy issues will be addressed by government.

WANDILO FOREST

In reply to **Hon. J.F. STEFANI** (12 April).

The Hon. K.T. GRIFFIN: The Minister for Government Enterprises and the Minister for Police, Correctional Services and Emergency Services has been advised by the South Australian Country Fire Service of the following response:

Saturday 19 February 2000 was forecast to be a very bad fire weather day and a total fire ban was declared for both the Upper and Lower South-East. At the time that the fire was reported the actual weather conditions in the district were extreme. (Temperature 36.6, relative humidity 18 per cent, winds northerly at 37 kms/hour gusting to 70 kms/hour). These conditions meant that any fire would become extremely difficult to control very quickly.

The fire which occurred on 19 February 2000 involved a total area of 1091.4 hectares. This included 397.9 hectares of pine plantation, 417.4 hectares of native forest with the remainder being private property comprising fire breaks, grazing land and a bark composting site.

As is the normal practice in the Lower South-East, a joint CFS/ForestrySA Incident Management Team (IMT) was established very early in the fire. The joint IMT consisted of senior ForestrySA Officers (who are also CFS officers) and senior CFS officers from Mt Gambier CFS Group. The IMT quickly established a joint Forward Control Point (FCP) adjacent to the Wandilo Fire Station. It is essential however, that the Joint Incident Management Team coordinates all fire control strategies used during the control of a major fire. In this case the joint IMT did use bulldozers in a coordinated manner to ensure the safety of the fire crews and the success of the overall fire control objectives.

Once the Forward Control Point was established, all key fire control strategies were coordinated by the joint Incident Management Team with the full involvement of senior local CFS officers. A number of fire control strategies, such as the use of bulldozers to clear fire breaks, were considered by the IMT and were implemented taking into consideration the resources available, the prevailing extreme weather conditions and the safety of the crews on the fire-line. Bulldozers were deployed to establish fire control lines within the

first two hours of the start of the fire. One bulldozer was owned by ForestrySA and a further two units were provided by private contractors. All three machines continued to work throughout the following night until the fire was considered to be controlled. The use of heavy earth moving machinery to clear fire breaks during a fire is considered to be a valid fire control strategy by both the CFS and ForestrySA.

National Parks & Wildlife Service did not have officers present as the fire did not involve any land under their control nor did they have any firefighting resources committed to the fire.

1. In answer to your question regarding specific guidelines giving CFS permission to create fire breaks. Section 54 of the Country Fires Act 1989 provides clear authority to the CFS to take actions as required to control a fire. In particular Section 54 (1) (e) enables a CFS officer to 'cause firebreaks to be ploughed or cleared on any land'. While Section 54 (3) requires a CFS Officer to, '(where practical) consult with the owner or occupier of the land' in this case the owner ForestrySA who were represented by senior managers within the IMT. Thus the consultation process happened relatively easily and was managed as part of the overall decision making process for the control of the fire. In this instance the collaboration was achieved by some local options, which are not as clear in the legislation. Section 54 (6) specifies that for 'fires on a Government Reserve, and the person in charge of the Reserve . . . is present at the scene, . . . then no person (other than the Chief Officer) may exercise any power conferred in this section'. The legal limitations of this sub section have caused difficulties in some areas of the State. The government intends reviewing this legal position to reflect and enshrine the collaboration in this instance. The general intent will be to support the taking of initial suppression actions by removing any consultation which might be inferred to be needed with remote (and difficult to contact) people, while strengthening the consultation with Government officers who are present at the scene of such an incident.

2. The CFS established practical coordination procedures for the control of fires and other emergencies by implementing the Australian Inter-Agency Incident Control System (AIIMS-ICS) for all fire management agencies in South Australia. The Incident Control System (ICS) uses a four person Incident Management Team consisting of an incident controller, an operations officer, a planning officer and a logistics officer. In the Wandilo event, a joint Incident Management Team was established very quickly with representation from both the local CFS group and ForestrySA.

The legislation governing the CFS was initially framed before the full adoption of AIIMS-ICS across Australia. In addition, the legislation under Section 53 of the Country Fires Act appoints the most senior member of the CFS in attendance as being in 'control . . . of all persons and fire brigades present', however Section 54 places limitations on their action and neither sections acknowledge the control needs for escalating of incidents from small incipient events up into large and complex tactical events. The government is reviewing Section 53 of the Act to better reflect these changing circumstances of these events so that initial officers are clear on their responsibilities, but major events may be managed by an AIIMS-ICS team such as the team assembled for the Wandilo fire. We will be pleased to announce our review of the legislation, to clarify the procedures for incident coordination between the three agencies involved in wildfire.

POLICE, EDITHBURGH

In reply to **Hon. CARMEL ZOLLO** (28 March).

The Hon. K.T. GRIFFIN: The Minister for Police, Correctional Services and Emergency Services has been advised by police of the following information:

1. The member at Edithburgh commenced leave on Workcover for a work related injury on 4 February 2000. Initial medical opinion indicated a 12 month recovery period, however additional specialist advice was that the length of incapacity would be reduced and he resumed duties on 13 April 2000.

2. During the member's absence from Edithburgh Yorketown police relieved the station. The office was staffed 2-3 days a week and Yorketown Police attended any call-outs that occurred outside of this period.

3. No complaints were received or problems identified by members of the community during this period.

WANDILO FOREST

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

The Hon. K.T. GRIFFIN: The Minister for Government Enterprises and the Minister for Police, Correctional Services and Emergency Services has been advised by the South Australian Country Fire Service of the following response:

The use of water bombing aircraft in the Lower South East has assisted in the control of a number of large and small fires in both plantations and grasslands over a number of years. The CFS have established a fire bomber service for the Mt Lofty Ranges and general areas of the State and the Softwoods Forest Owners have supplemented this in the South East with an additional fire bomber for that area. Having one water bomber (on standby in Mt Gambier on high fire risk days) and access to additional water bombers from Adelaide, when required, greatly assists fire controllers when used in conjunction with well-managed ground-based resources. Water bombing aircraft provide fire controllers with an extremely valuable tool, however they should not be seen as a panacea. A successful fire management plan incorporates a system of early detection (in the Lower South East—fire towers and fire spotting aircraft), a system to respond resources to the fire very quickly (automatic dispatch on bad days) and the effective use of both well coordinated ground forces and air support.

The Country Fire Service is currently reviewing the arrangements with regard to the use of water bombers. The effectiveness of the combined aircraft and ground force attack in the Mt Lofty Ranges has been monitored by the CFS and the government, and this government's initiative has been widely acclaimed for its significant improvement in reducing the size of fires, their intensity, the threat to lives and property, and the shorter duration of volunteer deployment. This success has lead to the review of the fire bombing arrangements in the Mt Lofty Ranges as well as the South East, and the potential improvements for that high asset community. The government is currently assessing the potential benefits of extending the Mt Lofty bombing contract to cover the whole of the declared bushfire season. The government is also assessing a more equitable mechanism to coordinate and provide fire bombing assistance in the South East. The first issue under consideration is the funding mechanisms to provide service to all landowners in the South East (not just the Softwood Plantations).

The second issue is the review of the fire bombing coordination with the ground forces, due to the changing agriculture and domicile areas in the Lower South East. The increased capital cost in agribusinesses and the impact of the forecasted doubling of afforested areas are two important elements in this review. When these arrangements have been confirmed for the 2000-2001 Fire Danger Season, we will be pleased to announce how the use of aircraft will better support the efforts of CFS volunteer and other fire management agencies in the South East.

AMBULANCE SERVICE

In reply to **Hon. IAN GILFILLAN** (19 October 1999).

The Hon. K.T. GRIFFIN: The Minister for Police, Correctional Services and Emergency Services has been advised by the SA Ambulance Service of the following response in relation to a number of questions asked:

1. Does the government intend to allow the Ambulance Service to keep on steadily increasing its reliance on taxpayer subsidy at the same rate of growth, that is a growth rate of 36 per cent a year?

As an essential community service, it is appropriate for taxpayer support to be provided to SA Ambulance Service, as is done in other states. This assists targeted groups under community service obligations, including pensioners, aboriginal patients, and indigent cases. The government has commissioned a detailed report from KPMG and Cabinet has approved some financial restructuring to move towards greater financial viability for SAAS.

2. Will the government allocate funding from the emergency services levy in future to cover ambulance funding shortfall?

No. Funding for ambulance assistance for rescue activities is provided to SAAS from the levy fund.

3. To enable this to happen, does the government have a Crown Law opinion on whether ambulance services may be funded under the Emergency Services Funding Act, or are pensioners and families who subscribe to ambulance about to be hit with another increase in the vicinity of 33 percent or more?

As previously advised by the Attorney General, the Crown Solicitor has provided advice on the limitations of funding SAAS from the Emergency Services Fund. Cabinet has approved the

standard 2.8 per cent increase in ambulance transport fees and Ambulance Cover subscriptions.

4. Finally, will the government consider a move to a full user-pays scheme for ambulance services?

The virtually universal experience in other Australian states and in many cases overseas is that patients, many of whom are of limited means, are unable to fully fund the cost of ambulance services they receive. Some government subsidy for certain groups at risk, together with appropriate insurance arrangements, are typically found necessary. It is worth noting that SAAS currently operates almost exactly in line with the average cost of ambulance services in Australia and, even at that level, the government believes that full-cost recovery from patients is unlikely to be acceptable to the community.

BUILDING INDUSTRY

In reply to **Hon. A.J. REDFORD** (28 July 1999).

The Hon. K.T. GRIFFIN: The Minister for Government Enterprises has provided the following information:

1. The standards applicable to toilets on building sites in South Australia are provided by the Occupational Health Safety and Welfare Regulations, 1995—Division 2 amenities. This refers to the minimum requirements that must be met for permanent and temporary workplaces for sewered and non sewered sites.

The Guidelines for Workplace Amenities and Accommodation of June 1997 published by the WorkCover Corporation provides more specific details on aspects of toilets relating to privacy, lighting and ventilation, security, etc. They further elaborate on minimum standards for water closets, chemical closets and bore hole privies in this State. Since building sites are usually of short term duration, on most occasions they are considered 'temporary workplaces' The provision of chemical closets is preferred when temporary toilets are required.

While regulations allow for the use of an earth closet in certain circumstances there is a responsibility to ensure that such closets do not cause contamination and are maintained in a hygienic condition. Due to generally short duration of need, this type of toilet is in use in the cottage industry (general housing sector). However, the provision of chemical toilets is preferred when temporary toilets are required as they are more hygienic for workers and reduce the likelihood of adverse worksite environmental aspects such as ground water contamination.

Both the Occupational Health Safety and Welfare Regulations 1995 and Guidelines for Workplace Amenities 1997 were formulated with widespread industry consultation and are considered adequate to meet the needs of the building industry and associated workers. The Workplace Services Inspectorate actively advises and enforces the requirements under this legislation.

Other than in exceptional circumstances, inspectors are most likely to take mainly an advisory approach to complaints about toilet amenities. In more significant cases where the problem cannot be rectified by discussion, an inspector might consider an improvement notice. A complaint about toilet facilities is unlikely to lead to prosecution.

I note the honourable member's concern regarding the potential risks to workers' health due to unsanitary conditions and advise that there is additional legislation which incorporates this topic which is administered by local councils. The Public and Environmental Health Act, 1987 provides for adequate sanitation and hygiene requirements to safeguard workers' health and discharge of wastes from the premises. It is necessary to refer to council environmental officers to ascertain their role, given that there may be health implications to persons arising from some temporary facilities such as bore hole toilets.

2. The honourable member is right in indicating that the principle contractor/constructor is regarded as an employer. As such the principle contractor/constructor has responsibility for providing and maintaining access for workers to amenities and that sanitary conditions are adequately maintained. This extends to utilising sub-contractors.

When Department for Administrative and Information Services construction inspectors find or are made aware of problems associated with temporary toilets on building sites they act promptly to rectify the situation. Over the past 6 months Inspectors have received six complaints about toilet facilities on building sites. These complaints were initiated from the cottage industry where borehole privies and chemical toilets were used.

Subsequently, three Improvement notices were issued and facilities upgraded to comply with these notices.

There are a number of ways workers or members of the public can get unsatisfactory workplace amenity situations on building sites rectified. Employees can raise the issues with their health and safety representative, safety officer, union organiser or contact the Department for Administrative and Information Services.

Department for Administrative and Information Services inspectors are continuously conducting onsite inspections and monitoring building site operations across this state. Department for Administrative and Information Services proactively advise and inform all relevant parties on addressing their occupational health and safety obligations and responsibilities. Serious workplace issues are dealt with promptly in accordance with our customer service policy to ensure workers' health and safety is being safeguarded.

REGIONAL HOUSING

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the minister representing the Minister for Human Services a question about regional housing.

Leave granted.

The Hon. CARMEL ZOLLO: I note that regional housing has been allocated $46.5 million in recurrent funding for the year 2000-01 to provide (through nine regional offices) a range of housing related services for people in need. Will the minister detail the amounts provided to each of those nine regional offices, the specific housing programs under which these services will be delivered, and the respective amounts for the previous three financial years?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I will refer the honourable member's question to the minister and bring back a reply.

GOODS AND SERVICES TAX

The Hon. CAROLYN PICKLES (Leader of the Opposition): My question, which is about the GST, is directed to the Minister for Transport and Urban Planning. What is the total cost of making all the minister's portfolio areas GST compliant, and will the minister provide a list of fees and charges in her portfolio areas which have increased because of the GST?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): All those fees and charges will have been published in the *Government Gazette* at the time of the budget, so I refer the honourable member to that publication. However, the GST component of those increases will not necessarily be identified in that publication, so I will endeavour to define that, and I will also seek an answer to the honourable member's first question.

NATIVE TITLE (SOUTH AUSTRALIA) (VALIDATION AND CONFIRMATION) AMENDMENT BILL

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

That this bill be now read a second time.

The procedure which I follow is not without some precedent. It is directed towards endeavouring to get the legislation at least through the second reading with a view to keeping it alive. It is—

The Hon. Carolyn Pickles: Why?

The Hon. Sandra Kanck: Why?

The Hon. K.T. GRIFFIN: It's all very well for the Hon. Carolyn Pickles and the Hon. Sandra Kanck to say, 'Why?'. If they look carefully at the legislation and listen to what has actually been said about it in this Council and the community, they will recognise that it is important for those who presently occupy crown leases—including war service leases perpetual and other leases which, on the principles established by the Mabo and Wik cases, have extinguished native title—for those who are the proprietors and living on those lands, that the assurance given by this legislation actually becomes a reality and that their lands are not subject to a claim. As I have said in the debate on this before, the government is strongly of the view, and other jurisdictions around Australia have agreed—Labor and Liberal, the National Party, and Country Liberal Party in the Northern Territory—that, on the principles established by the Mabo and Wik cases, the leases that are on the list of extinguishing tenures are tenures that have in fact extinguished native title.

If at any time in the future there is a claim that includes any of these lands, if the legislation has not been passed, it merely means that the issues, one by one, have to be fought through the courts. The conclusion the government reaches is that, because native title has been extinguished by these tenures, it is an unnecessary burden on all those who will be parties—native title claimants, occupiers, lessees-owners (because they are akin to owners with that sort of tenure) and the government. Surely it is sensible, recognising that this comprises 7 per cent of the state where those extinguishing tenures have been in place for quite a long period of time, that we support the validation and confirmation legislation.

The opposition and the Democrats can argue about that: there will be every opportunity for them to do that. With respect, I think it is short-sighted if they oppose the second reading, but that is their entitlement if they wish to do so. South Australia has an excellent record in terms of the way in which it deals with these sorts of issues and is leading the way with the approach to indigenous land use agreements that will undoubtedly more effectively deal with those native title claims that relate to about 26 active South Australian claims across this state.

The indigenous land use agreement negotiation procedure is not something that is being debated today. We are talking about 5 per cent of the state that is subject of Crown lease perpetual in one form or another, and another 2 per cent that is subject to other forms of leases, all of which are extinguishing tenures.

I did indicate in the debate earlier on this issue that, as a result of consultations, the government was prepared to make several concessions, one of which was to remove from the bill the extinguishing tenures that are not current. For example, if a marginal lease perpetual is no longer current and occupied we would take that from the lease, but we do not concede that that has not been an extinguishing tenure because, according to the principles of the High Court, one goes back to the grant of the tenure to determine whether or not the native title has been extinguished.

What we have said in relation to that is that we will continue discussions about that and reserve the right to argue both in the court—if we get to that point, if there is a claim over any of the no longer current tenures that we say are extinguishing tenures—or (and we will argue strongly) that native title has been extinguished; and if we decide to come back with a second batch of legislation, those leases will be part of that legislation. But for the moment, to take the pressure off and to get through those tenures which are current, we have made that concession.

We also indicated that we would concede that, whilst we do not agree that native title has been extinguished, where there is a lease that provides for access to land by Aboriginal people we would exclude that from the list of extinguishing tenures. What I have also indicated is that, if this bill is now read a second time—and I hope that it will be—we will not go into committee today. There will be an opportunity, if members have any questions or want to make any comments other than in the second reading, to raise those issues this week and the formal committee consideration, clause by clause, will be done in the next session, when we will restore it to the Notice Paper and deal with it then.

That will give us a further time to continue the consultation process, which has been going since December 1998, in the hope that we may get an agreement, although sometimes one fears that the hope is somewhat faint. So that is the process I am suggesting that we adopt. I repeat that South Australia is the last mainland state that is dealing with this issue. Labor administrations and non-Labor administrations have actually supported this sort of legislation around Australia. It is time for South Australia to do the same. But I indicate that we will not conclude the consideration of the committee until the next session.

The Hon. T. CROTHERS: Might I in the opening of my contribution to this reintroduced second reading thank the Attorney for making it possible for me to make this contribution via the use of the Roxby Downs tactic. This I am sure will be known in future political history in this state in the games of political chess that are played as the Griffin gambit. If I may, I want to say a number of other things relative to the bill, which may help people during that period of three months, which the Attorney speaks about, when interested parties can get together to try to reach some sort of agreement relative to this matter, and hopefully they will do that, because at this stage I am still committed to opposing the bill at its third reading. However, time will tell over the intervening period. But I want to put some caveats on that, if I may, somewhere up the track in this contribution of mine.

Mr President, when last this bill came before the Council I took a point of order on you, Sir, with respect to my right to speak to the second reading. Your ruling was quite in order with standing orders and I apologise for any inconvenience or embarrassment that I might have caused your good self when you did so rule correctly. Please accept my apology. In addition to that, and because my friend is a democrat, only on one occasion have myself and the leader of SA First opposed a bill at its second reading stage. We believe that governments of the day have the right in committee to put their point of view and to put their point of view succinctly, and if that can assuage or convince a number of members of this chamber in respect to the rational rectitudinality and the logic of their position, then so be it.

Indeed, this is so when one is considering a matter of this importance. When one considers the 1967 referenda when, amongst other things, what was decided was to give Aboriginal dwellers in Australia full rights as Australian citizens and indeed to give them the right to vote, then if I am going to be a defender of the democracy that was bestowed on them, then how dare I—although I did, for tactical reasons—oppose the second reading of this bill? I want to say that, because of my friend Terry Cameron's view on this, the leader of SA First, I owe him a great debt of gratitude. We

have had a friendship over the years, and I would say mateship, although it might sound funny for someone with an Irish accent to be talking about the Australian form of mateship. But it was through that form of mateship that was developed by the old bush workers of the 1860s and carried right on through to the end of the Second World War that there is that type of affinity between myself and Terry Cameron, and indeed even Terry Roberts—I hope you get preselection next time. There is that sort of mateship and trust between the troika corner here—and pardon me for using the Muscovite term.

The mateship I have with Terry Cameron, and the trust, would pass any understanding of members of this chamber. So I thank him for that exhibition of courage because, if his candidates are run at the next election, he will be looking to rural dwellers, particularly in the pastoral areas, to get some support relative to his own party's position as it may or may not relate to the state. Having paid that tribute to the triumvirate, the troika, of individuals who have given me the opportunity one way or tother to speak on this matter, I will set down how I see that this bill should be approached.

I have taken issue with some of the Yorke Peninsula community because, after I made my speech on native title, a native title claim was suddenly filed relative to Yorke Peninsula. I said that its timing was very bad from my point of view and I have been given written assurances as late as today that that action is in no way intended to invalidate existing leases or anything else in respect of that matter, such as residents' rights, etc. I accept that. As I said in my other contribution on this bill, this state is unique relative to its position on matters that relate to our Aboriginal brothers and sisters.

I know of nothing in the Attorney's second reading speech that would sway me from opposing the bill. I make it clear that one of the rights that was bestowed on Aboriginal people when they won Australian citizenship was access to our courts in respect of having matters dealt with over which there are some question marks. That right still exists and long may that remain so because, imperfect as the Anglo-Saxon or Westminster legal system is, it is still better than that which prevails in many other nations around the world. That right must prevail.

However, having said that, I should make one point. I draw a distinct line between Aboriginals who have been brought up in an urban setting and Aboriginals who have been brought up in a rural setting. They are the same as their white brothers and sisters and it is almost as if we are dealing with different tribes—white people brought up in the city versus white people brought up in the country or Aboriginal people brought up in the city versus Aboriginal people brought up in the country. I refer to the similar but not totally parallel situation that exists in Canada with the Inuit and the Nunavut or Northwest Territories that have recently been ceded in a self-governing way to the Inuit or Eskimo people. Those territories were formerly administered from Ottawa on behalf of the Canadian federal government.

I refer also to some of the arrangements that have been made in New Zealand in respect of its indigenous people. If the issue is about money, let us say so. Let the Aboriginal people say it is about money and say, as the Maoris and Inuit did in part, that a sum of money will discharge all the obligations of the rest of the community if it is paid up-front and in full. Let them say that. Let them not try to use our court system to advance Mabo or Wik to the detriment of some 20 million other Australians.

I speak here in support of the Aboriginal community in opposition to the second reading of this bill. However, I advise the Attorney-General that, if there is a proliferation of claims that are outlandish, that do not address the problems that confront Aboriginal people, because of the Wilson case and the other case in Western Australia, he can feel free to bring back his bill and I, as representative of not just the Aboriginal community but in the broad democratic sense of 1.5 million South Australians—white, coloured, Asiatic or Negroid—might well have a change of heart.

Some of my Aboriginal brothers and sisters in the Far North of this state are completely different from rural dwelling Aboriginals. They have sacred sites in their homelands and I have visited Mimili, Fregon, Ernabella and Indulkana, and the Aboriginal dwellers who think that Ernabella is too big to live in, who come in from the hinterland of those territories, are the salt of the earth. They are the people for whom all the money ever made on earth could not buy their land for them. They are the real keepers of the sacred flame and the sacred site.

What I am saying about money would not have the same application here as it does, say, in the former Northwest Territories of Canada where, because of snow and ice, the Inuit were a much more nomadic race than the indigenous people in Australia and South Australia, particularly in this dry state where there was perhaps less movement than in other states. Again, I refer back to the Lord Glenelg-Fife Angas axis and the date of charter which evolved from that meeting and which was signed in 1834.

I hope that this three-month interregnum will give the Attorney-General the opportunity to meet with the representatives of Aboriginal interests in respect of this matter with a view to bringing back to parliament some form of consensus. I reiterate that, because I represent not just the Aboriginals in the South Australian community but all South Australians, whatever their ethnicity, if I see a proliferation of unusual claims that are used to widen the ambit of Mabo or Wik through the court system, I might well take a different attitude.

The Aboriginal people have been disadvantaged for so long, some 150 years until Mabo, that they deserve to have mercy tempered with the protection of justice that the courts can provide them. I thank the Attorney, the President and my friend the Hon. Mr Cameron for providing me with this opportunity. If the matter goes to the third reading, if it is brought to my attention again and if people have not been flexible enough—and I refer to the Crown—in respect of trying to cross ether and touch fingers with our Aboriginal brothers and sisters, as the matter progresses clause by clause in the next session of parliament some three months hence I shall oppose the bill at its third reading.

My note of caution to my Aboriginal brothers and sisters in respect of outlandish claims stands. At the end of the day, democrat that I am, I have to recognise that I have been elected to represent all South Australians. Aboriginals have a special corner of my heart and to that end I shall not support the third reading, provided that a genuine effort has been made by the government negotiating parties to reach across the ether and touch fingers with my Aboriginal brothers and sisters.

The Hon. SANDRA KANCK: I oppose this new second reading and express my disappointment that we are revisiting it using this device. I also would like to revisit what happened last week because the *Hansard* record is in fact too kind.

There was some debate at the time as to whether or not the President had put the question. In fact, the President had put the question. He had said: 'Those of that opinion say "aye"' and the Attorney-General said 'Yes', and when the President went to put the second half of that question the Hon. Trevor Crothers spoke out. The *Hansard* record does not record it as clearly as that, and I will be waiting with interest to see the final version of *Hansard*. I hope that further pressure has not been put on the *Hansard* reporters to, in some way, edit what occurred.

I also noted the examples that the Attorney-General gave in his first summing up of the second reading—and we will see what he has to say this time—in which over and over again he gave examples where someone else's use of the land for 14 years, 45 years, 50 years or over 100 years always trumps 40 000 years of relationship with the land. That is effectively what this bill says.

Before voting again on the second reading of this bill, I urge each member of the Council to reflect carefully upon the history of Aboriginal and European relations in Australia. It is a history which shaped the very core of black and white relations. In the courts, the legal fiction that Australia was terra nullius was employed to Aboriginal sovereignty, whilst on the frontier the barrel of the gun effected the physical dispossession of the traditional owners. The spoils of the conquest went to the victors and Aboriginal Australia was pushed to the margins of the land that they had once called theirs. However, I was told in school that Australia had been peacefully settled: it is only in the latter half of the twentieth century that the truth of the painful legacy has begun to emerge. We now know of a complex story of misunderstanding, violence and intimidation.

In the Wik judgment the High Court revisited terra nullius and found it was wrong in fact and in law. The Mabo judgment provided—and still provides—a means to atone for past injustices. I do not believe that we can spurn that opportunity but, unfortunately, that is what this bill does. This bill diminishes what survives of native title in South Australia. It legislatively extinguishes native title over 7 per cent of South Australia. The Attorney says that he is only giving effect to the common law, that native title is already extinguished in these areas and we will be saving time and money by passing this bill. I remind members that this is the same Attorney who told us that pastoral leases extinguished native title at common law—the High Court took a different view.

I have been concerned at the paucity of information that has emerged regarding the leases contained in the schedule of this bill, and I wonder why there has been this need for secrecy. I certainly cannot find a satisfactory answer and I will not be party to extinguishing any part of native title in this state. Australians consider themselves to be generous people, egalitarian people. Native title fits comfortably within the Australian ethos: it is about sharing the land, accommodating different uses of the land. Our response to the emergence of native title puts those perceptions to the test. By diminishing this ancient form of land title we diminish our most cherished ideals. I urge members not to support the second reading.

The Hon. T.G. ROBERTS: I indicate that we will not be supporting the progress of the bill past the second reading. We indicated that on the first occasion. I understand the government's position in relation to wanting to get it into committee to see whether there is any agreement on some of the more contentious parts of the legislation in this chamber so that it can progress to the lower house and into legislation. The whole nub of the relationship between negotiators in this state lies in the progress of this bill. As I have noted in this chamber on many occasions, we in this state have enjoyed a better relationship with the stakeholders than any other state and, in many cases, to the loss of many of our Aboriginal people, we have allowed negotiations to continue alongside legislative support that may have been called for in the courts, but, in many cases, was not. We have allowed many cases to be negotiated around tables rather than in courtrooms to bring about solutions that people have found necessary to progress the aims and ideals of mining.

We have addressed retrospectively some of the problems that have been caused by not addressing those problems properly in the first place—and those problems have not only emanated from the current government. For all those people who are practitioners in dealing with the balancing programs in respect of the rights of our indigenous groups, particularly in the northern and remote regions, the arduous task of distance and poor communications (which I have raised in this chamber previously) make it very difficult to treat native title legislation the same as any other piece of legislation. Therefore, special consideration should be given by both the government and the opposition to the way in which we process legislation dealing with native title.

There is a federal tribunal and a state tribunal. At the moment, I understand that an undertaking is being put forward by representatives of Aboriginal groups, a stakeholders' infrastructure, if you like, or an umbrella process, whereby commitments are being given to allow those negotiations to continue so that all stakeholders' interests are negotiated fairly with legal representation and with representation from elders, pastoralists and mining companies so that consensus can be drawn from the difficult task of examining individually those developments that are required by government from time to time to advance the interests of all South Australians, and that undertakings have been given to ensure that development is not hindered by the progress of justice in relation to dealing with Aboriginal people in a fair and equitable way.

I would have thought that those undertakings and the relationship between those negotiating bodies could have been tested a little further, and perhaps a bill with a little more confidence in those stakeholders could have been brought before the Council with a consensus position between all parties. Unfortunately, that has not happened. With the Native Title (South Australia) (Miscellaneous) Amendment Bill, we were able to get a general consensus around the process where, in the first instance, we were told there would be differences of opinion and we might have to take less than a bipartisan position. However, we did get the miscellaneous bill through and all stakeholders sat down for a little bit longer than perhaps governments would require.

There are special needs and circumstances in dealing with these matters. The difficulties of getting solutions to these problems have been with us for a long time. I am not saying that even if this legislation were to pass we would not still be negotiating changes or alterations to legislation or that there would be challenges to the legislative outcomes in the courts if we were to progress any sort of legislation without due consideration for a consensus and for all stakeholders to sign off on a general principle of progress.

We have had outcomes before in this Council that might appear to be political solutions to difficult problems. However, when they reach the courts either those political

decisions are altered or the outcomes are varied, so that we have to return to debate some of those issues and problems.

I do not separate out the difficulties that native title brings for different Aboriginal groups and organisations because, in my experience, it is very hard to measure the difficulties that exist where the loss of a claim perhaps in the Adnjamathanha, Kokotha or Arabunna territories does not appear as a bubble of a problem in Port Augusta but might appear as a bubble of a problem in the metropolitan area. I think all the difficulties we have in dealing with native title have repercussions right across the state: in fact, repercussions do cross state boundaries.

The way in which we should look at legislative processes should be subject to a special round table discussion between the government, the opposition and the minor parties. We tend to take into account native title legislation as it appears and give the same application to dealing with native title as we do with all other legislation. However, where you are dealing with cultural and spiritual links as well as monetary outcomes and where there are variations and differences in communities as to the different priorities, then all those priorities need to be considered. As legislators we need to have a view on which right has to be protected. Do we protect the spiritual and cultural as a priority over access and control? Do we protect the monetary outcomes that might flow to various groups and individuals over the cultural and spiritual struggles that many Aboriginal people have in protecting the rights that they see morally but not legally or legislatively?

They are some of the questions that I think we do not tend to consider strongly enough. I know that they have to be part of a special consideration when discussions are taken into the federal and state arena around the registration of claims. I think the telling point in this legislation—I will not go back through the counterpoints that have been made by groups representing Aboriginal people—was when the Attorney concluded his second reading contribution on the first bill. I will leave those points to the negotiators to raise. I hope there will be further meetings during the parliamentary recess before we look at any further legislation.

What the opposition is most concerned about is the fact that the community has shown that it does not want to see any further whittling away of Aboriginal rights in dealing with state and federal governments, and that the wrongs of the past have placed many indigenous people at a disadvantage socially and with respect to their spiritual culture. A line has to be drawn in the sand to make sure that no further rights are taken away while at the same time trying to advance their position to—

The Hon. T. Crothers: No retrospectivity.

The Hon. T.G. ROBERTS: I agree with the honourable member's interjection. We must advance the rights of Aboriginal people to the stage where all Australians believe that the wrongs that need to be righted have been put onto a plane where we can start to advance the financial, social and cultural welfare of our indigenous Australians to a point where they feel that the respect they deserve and have earned through their patience in dealing with this issue is rewarded. I have said in this Council on many occasions that we are fortunate that our indigenous people are of the nature that they are and that they are prepared to take losses without violence and are prepared to come back to the negotiating table to talk as long as the goodwill and respect is there to try to advance their position to enable them to live in a dignified way while protecting their culture and heritage. We have to take note of that goodwill: we do not want to spend it all.

The opposition would like the government to revisit the bill. I think undertakings can be given to the government that the vexatious and the frivolous can be eliminated. The honourable member referred to the claim on Yorke Peninsula just recently. The general community do not understand how claims have to proceed, and it is not made any easier by the way the media presents the claims and the roles and responsibilities of governments, individuals and claimants. It almost goes back to the Tim Fisher days of 'buckets of extinguishment' and the Prime Minister holding up a map of where we were about to lose our sovereignty because of these claims. We have progressed from that sort of rhetoric. I hope that we are able to—in a mature way—remove the frivolous and vexatious and ensure that paranoia does not exist on either side of the chamber in relation to wins and losses and that we do not see the negotiations in terms of wins and losses, that we see the negotiations proceeding so that the rights of the free title holders and the native title holders are balanced.

Regarding the questionable claims in terms of some of the tenements and some areas where people have fears and blanket protection is not provided by extinguishment, negotiators on behalf of Aboriginal people would like to be able to examine them and rule them out one way or another. I believe there could be a process that allows for that that does not send the state into a downturn. There are people of good will working on both sides who will hopefully facilitate that. If we are put in a position where the courts are to determine each and every outcome, I share the Attorney's concern about the spiralling costs of those claims. However, I am sure there are ways to get around that.

If the courts have to be used to protect the baseline interests of Aboriginal people in progressing their claims, it is up to us to ensure that legislation does not put those claimants on a weakened footing from the start. We hope that this bill is the catalyst for a different round of progress and that, when we come back to this chamber in October, the Attorney-General can tell the Council that agreement has been reached in the true spirit of a South Australian way of progressing difficult legislation that impacts on our indigenous people. We hope we will have overcome the differences on both sides of the Council and that this will perhaps satisfy the commonwealth's curiosity whereby it picks up some of the recommendations of this state and uses them as guidelines for assisting it—and other states that do not have the relationships that we in this state have—to continue the negotiating process without the conflict that goes with some of the settlements that have been handed down in Queensland, the Northern Territory and Western Australia.

The Hon. T.G. CAMERON: I indicate my support for the second reading. My practice is to support the second reading of all bills that come before the Legislative Council. I deviated from that practice last week, but that has already been covered by the Hon. Trevor Crothers. I will be supporting the second reading, but I would not want the government to interpret that as automatic support for the third reading.

The Hon. K.T. GRIFFIN (Attorney-General): I take exception to the implication in what the Hon. Sandra Kanck said that in some way I have tampered with *Hansard*. I do not know what her complaint is with *Hansard* as it is printed. I have just had a quick look at it; the copy, fortunately, is in my bill folder. I had not seen it before she raised the issue. Time does not permit that. If she has a genuine complaint about it, she had better let us know what it is. I have never tampered

with *Hansard*, I do not intend to, I never have and I never will. I take exception to the implication in what she said that I, or someone on my behalf, might have tampered with *Hansard*, or at least put pressure on *Hansard* to correct what she says really happened. I do not know what her complaint is with that—

The Hon. T.G. Cameron: She has just got it wrong again.

The Hon. K.T. GRIFFIN: It has to be put on the record that I take exception to the implication in what she is saying. The Hon. Sandra Kanck says that she regrets that this device—namely, this procedure—is being adopted. The fact is that this is a perfectly proper procedure under the standing orders. I make no apology for trying to keep this issue alive, because I think this is an important piece of legislation regardless of the disagreements that we have about it, and it is important that we endeavour to progress it. Over the next two or three months, hopefully we will reach a point where there is agreement.

I cannot believe that leases such as crown leases perpetual—which is almost as good, if not as good, as freehold—could ever be put into the category of not having had native title extinguished. That comprises 5 per cent of the tenures on the list. I hope we will be able to resolve those issues in the time that we now have.

The Hon. Sandra Kanck also said that the Mabo judgment provides the means to remedy the wrongs of the past and to look to the future and that this bill diminishes rights. I agree with the first point; I disagree with the second. The fact is that all the principles which have been enunciated in the Mabo decision are principles which the South Australian government has endeavoured to follow faithfully in relation to not only this legislation but those issues which have arisen in respect of native title since the Mabo decision was made.

With respect, the bill does not diminish rights. I know that that might be a perception but, if one looks carefully at the grants and tenures which are included on the list, in my view there can be no argument but that they do represent tenures which have been properly identified as extinguishing tenures following the principles of the Mabo judgment.

The Hon. T.G. Roberts: What about the schedules?

The Hon. K.T. GRIFFIN: That's what we're talking about. The schedules apply the principles in the Mabo decision; they are extinguishing tenures.

The Hon. T.G. Roberts interjecting:

The Hon. K.T. GRIFFIN: I don't believe that that's the case. What I have been asking for—and we have been asking for this for a long time—is: if anyone has a complaint about any of the tenures on the list, let us know and we will work through it. We have no problems with providing information unless it is nit-picking.

We have provided a wealth of information. It was only on 29 June that we got the first concrete examples of tenures which, it was argued, have not extinguished native title. That was nearly two years after the schedule was enacted and many months since we offered to consider any representations about tenures on the list.

I already indicated, as I said when moving the second reading on this second occasion, that we were prepared to make several concessions in relation to non-current tenures and tenures where there may have been some reference to access by Aboriginal people, to take them off the list but not to concede that they have not extinguished native title. We still believe strongly that the granting of those tenures extinguished native title.

I turn now to the Hon. Trevor Crothers' comments. I acknowledge the basis upon which he and the Hon. Terry Cameron indicate their support for the second reading of this bill: that is, to enable it to be kept alive and the issues further considered. As I said earlier, if there are questions and issues on members' minds at present, we can go into committee on clause 1 but not pass anything. Those matters can be raised and I can give some responses, and the matter can go to committee in the next session. The offer is there to provide information and to facilitate the consideration of this bill.

The Hon. T. Crothers interjecting:

The Hon. K.T. GRIFFIN: I don't mind how we do it; I'm quite happy one way or the other. However, it is important that, ultimately, the issue be on the public table and the public record.

The Hon. T. Crothers interjecting:

The Hon. K.T. GRIFFIN: I don't mind how we do it, but I am anxious to progress it. I have not been one for confrontation on these issues, but there comes a time when decisions must be taken. If people regard that as confrontational, so be it. I have a policy of endeavouring to resolve issues by consultation if at all possible.

Evidence of that goes back to, I think, 1982 when, finally, we satisfactorily resolved negotiations on the Pitjantjatjara Land Rights Act of that year, and since then there has been no shortage of opportunities to demonstrate with respect to this and other issues that, if we can resolve these sorts of difficult issues by agreement, that is a much more preferable course to follow than confrontation, remembering that everyone has to continue living together into the future and working together as members of the South Australian community.

However, ultimately there comes a point where decisions must be taken. If that means that we then have this sort of debate in this chamber, in the parliament or even in the public arena, then so be it. Ultimately, those sorts of issues have to be out there in the public arena.

The Hon. Terry Roberts made a number of observations. I am pleased that he has acknowledged that we in South Australia are not in the same category as some of our interstate colleagues—that is, parliamentary colleagues, not necessarily Liberal colleagues—in relation to native title issues. It was this government which made representations quite vigorously to Canberra that provision should be made in the Wik 10 point plan for indigenous land use agreements.

There are other issues on which we disagree with the commonwealth—section 43 (an alternative right to negotiate) is one of those—and we are continuing to endeavour to get change so that South Australia can have an effective alternative right to negotiate a scheme for petroleum. It is already in place for opal mining and mining generally. Having an alternative right to negotiate is widely acknowledged as being very important.

There is goodwill on the part of the government in relation to the resolution of these issues. Whilst, I think, the Hon. Trevor Crothers said that the parties have the right to test their claims in the court, the fact is that that will cost a huge amount of money and create a significant amount of tension, and it may not get the result which native title claimants, in particular, actually want.

The Hon. T. Crothers interjecting:

The Hon. K.T. GRIFFIN: One can go into a test case. The De Rose Hill test case has been around for five years, and it will not come on for hearing for at least another year. If people want to live their lives in a litigious environment

waiting for the courts to deal with these matters and even then not necessarily get a satisfactory outcome or be denied native title or have native title agreed with but the terms of that having to go back to court for further investigation, that is fine, but that is not my way of doing things.

The Hon. T. Crothers: That's the fault of the courts; it is not the fault of the plaintiffs.

The Hon. K.T. GRIFFIN: With respect, it's not the fault of the courts, it is because so much information is required. There is a process, whether it be arbitration, mediation or contentious litigation. The facts have to be enunciated, elicited and identified.

The Hon. T. Crothers interjecting:

The Hon. K.T. GRIFFIN: No, we are not suggesting that at all, but what we are suggesting is that, if we can have some successful negotiations for indigenous land use agreements, that will obviate the need to go to court. The government has placed a great deal of emphasis on endeavouring to negotiate indigenous land use agreements, and we are currently in the process of a fairly intense period of negotiation. I am pleased to say that the Aboriginal Lands Rights Movement, native title claimants, the Farmers Federation and the Chamber of Mines are all very positive about endeavouring to get a satisfactory outcome to that process. However, whether or not we get to that point remains to be seen.

There are some positive things happening. I acknowledge that the bill creates some differences of view, and they are represented in the public arena in different ways. All I can say about it is that the government has a very strong view that this is an important piece of legislation which should be enacted, and over the intervening period, between now and the commencement of the next session, we will endeavour to get a satisfactory resolution to it.

The Council divided on the second reading:

AYES (11)

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

NOES (8)

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

PAIR(S)

Stefani, J. F.	Weatherill, G.

Majority of 3 for the ayes.

Second reading thus carried.

CONTROLLED SUBSTANCES (DRUG OFFENCE DIVERSION) AMENDMENT BILL

In committee.

Clause 1.

The Hon. T.G. CAMERON: I did not speak to the second reading of the bill, but I wish now to place a few comments on the record. The bill results from a Council of Australian Governments meeting in April 1999 and the National Drugs Strategic Framework of 1998-2003 when it was agreed that police drug diversion programs should be established. An integral part of this is that adults caught in possession or using small quantities of illicit drugs should be diverted from the criminal justice system and treated with assessment and education, and I support that.

This already occurs in South Australia under the drug assessment and aid panels. Apparently, South Australia can receive funding from the commonwealth to the tune of $9.2 million over a four year period to develop such a police diversion program for people using illicit drugs. The legislation before us contains a number of provisions. It gives the minister the power to accredit drug assessment services; provide means for the assessment service to operate, including the power to set the details of the assessment of diverted people; and to order treatment. People alleged to have committed a simple possession offence must be given the option of diversion, which will suspend their prosecution. People cannot be prosecuted for a simple possession offence unless they refuse treatment or are terminated from the referral process. It allows for the transition between the drug assessment and aid panels and those proposed in the bill.

My office has had conversations with social workers and people who claim to be members of a drug assessment and aid panel, and the only conclusion that we can come to is that the driving force behind the bill is the incentive of the money from COAG, with Howard government policy pushing it. People arrested and charged with a simple possession offence are already automatically diverted. The bill will give them the option of not being diverted when they are arrested, and for them to be charged. But, can we expect people who are under the influence of drugs to make a competent choice? The relationship between the police and offenders is based on conflict, and offenders are less likely to cooperate with the police and accept a diversion offer; and those who are arrested with groups may resist the choice because of peer pressure.

This may well lead to fewer people being diverted, not more. The Attorney-General said on 5 July (page 1484) that people should not be diverted every time, because 'people cannot be treated for drug addiction against their will'. I do not consider that as an argument against mandatory diversion, especially when many people may well make an unsound judgment and be under the influence of drugs. Under the Attorney-General's scheme they would have to choose while initially under arrest and being charged, and this could well be when people are likely to make irrational decisions.

The interim report of the program, as highlighted by the Attorney-General, is only a rough and incomplete one, but they have handed down findings against the drug aid and assessment panels, including:

- There was not formal monitoring of DAAP. Why does the government not set up a monitoring process?
- There has been no systematic or standardised approach for treatment or other intervention. The government complains that the system is too rigid and out of date, but now it complains that it is too flexible. However, the system requires that treatment is given to both social users and hard core addicts, and it is inconceivable that they should be subject to the same program as each other.
- The training for stakeholders is not in place. That is a funding issue.
- Access to DAAP is a problem. Once again, that is a funding issue.
- Problems with accessing referral services in a timely manner. Again, another funding issue.
- Limited conditions imposed on clients for pragmatic reasons. That just seems to be necessary for some people.

- Communication between DAAP and other stakeholders can be improved through funding and training issues.
- DAAP is not meeting the needs of some groups. Well, again, that is due to a lack of funding.

I understand that DAAP has funding of some $200 000 per year, and many of the issues addressed in the report could be alleviated or eliminated with increased funding. For COAG funding, a program must be submitted to the commonwealth for approval. If it is approved funding is given. The system does not have to be new, just developed and tweaked so it falls within the commonwealth guidelines. These guidelines are open to negotiation and, if our system were tweaked enough, plus the additional funding, it could well be amongst the finest system in Australia. I see this bill as a step back from that.

The bill also has some uncertainty in it. The power of the minister to accredit assessment and treatment services does not specify conditions of accreditation or treatment standards, which places the specialists who have worked with drug users for many years as possible exclusions from the program. I am not saying that they will be, but I submit that the legislation as it has been put forward could well mean that that could occur.

The government is asking for a new program to be built from scratch but it does not require it, especially in this ill-conceived and unclear way. Tweaking and revising the current system I believe is a far more prudent and responsible course of action. Whilst I appreciate the funding that the state government may well receive if this bill goes forward, I make the point that we are replacing a system that is people-based with a bureaucratic designed model. We have a system in place that, despite its flaws, is the most renowned and progressive in Australia.

Reinventing it will not necessarily help, and I submit that it could well drag us down to the level of the other states that are far behind us in our system of rehabilitation. Our system can do with a review and restructure, and members of DAAP have admitted this, but the proposed legislation is not acceptable because I believe it is based around money and politics and not people. SA First will be opposing the bill.

The Hon. NICK XENOPHON: I did not have an opportunity during the second reading stage to speak in relation to this bill. I would have supported the second reading, but, in terms of the third reading, I cannot support the bill, for a number of reasons. I do not question the sincerity of the Attorney or this government in dealing with what is a very vexed issue, an issue that really is a scourge in our community that causes enormous angst and pain, particularly amongst those who have lost a loved one through a drug overdose. I endorse the general thrust of the remarks of the Hon. Terry Cameron with respect to this issue. I think, to paraphrase the Hon. Terry Cameron, there is no compelling evidence that the current system is broke so why should the wheel be reinvented?

The Hon. M.J. Elliott interjecting:

The Hon. NICK XENOPHON: The Hon. Mike Elliott makes the point that the wheel is too small and it is under-funded, and that is something that I will address shortly. I want to raise a number of issues with respect to my opposition to this bill. This bill, in my view, narrows the current system of diversion. The current system ensures that every person apprehended under the Controlled Substances Act is diverted to the drug aid and assessment panels (DAAP), provided that quantities are not for sale or supply. The DAAP is a statutory authority to divert to treatment post assessment. The offence is the trigger for diversion, not the process negotiated between the police and the person charged.

I believe that this bill would put the police in an invidious position in many cases, and I do not think that is a desirable outcome. We need also to reflect on the time of arrest. It is often rife with tension, with conflict, and the diversion process can easily be broken down, especially in cases involving Aboriginal persons, youth and people who are intoxicated at the time of arrest. There is a whole range of reasons whereby the arrest process itself can be rife with tension and conflict. That is in no way a reflection or criticism of the police force. It is just a fact of life in some of these cases when arrests are made.

This proposed system will not guarantee that every person will be the subject of a diversion order, as these changes will narrow the criteria towards early users with limited priors. In fact most people with drug habits will have criminal histories, and this in itself should not prevent assessment and treatment. When it comes to someone with a serious drug problem we ought to always attempt to assist that person. I think it could be argued that with people with a long list of priors a diversion program could be just as effective, or even more effective, because it is often that these are the people who are in the most need of assistance, because their lives are really hitting rock bottom.

In terms of increased court costs, I have a concern that these proposed amendments will result in more persons being before the courts, and clogging the courts, in dealing with this in terms of users rather than traffickers, as a primary health issue and a broader societal issue. I cannot see that there is justification for the change. I do not believe that these changes originate from identified problems with the DAAP system. I note that the Leader of the Opposition, Hon. Carolyn Pickles, did make reference to some report on the DAAP, and she asked the Attorney whether there were defamation proceedings issued with respect to that.

Obviously, if there are, that circumscribes what honourable members can say, in particular the Attorney, but I think that indicates that, in terms of the comprehensive assessment of this program, there has not really been one, and there is not any conclusive evidence that the DAAP is not performing adequately, or, if not performing adequately, it is not because of any systemic problems in the DAAP. It seems to be a funding problem. I believe that the DAAP can be more effective from using these federal resources. I cannot see how it could contradict the COAG moneys available, and I would have thought that in fact the DAAP would be more consistent with the principle of building upon existing systems, in terms of a good outcome. So I am quite sceptical about the claims in relation to the COAG funding being affected.

In terms of privacy issues, I think the point ought to be made that the new system of utilising community agencies for assessment could well involve sensitive information, criminal history and health records, and often those health records with IV drug users would involve details about whether that person is HIV positive or suffers from hepatitis C. It would mean that those confidential records would be accessed by a much greater number of people, rather than a specialised drug assessment panel system that we have now.

In terms of the issue of natural justice, I think the point ought to be made that persons charged under the proposed changes will need to make a decision for referral at the time of arrest. That could well result in no ability to seek legal advice, and DAAP must have a lawyer present during the diversion process. In the new system there is no provision for

lawyers and there is an issue of the client's legal rights being diminished. My primary concern is that there ought to be a good outcome in terms of people affected by those who are addicted to substances and members of the broader community who are affected in a wide range of ways by people who have a serious drug problem.

In summary, I do not question the good intentions of the government in relation to this bill, but I have not been presented with a compelling case that the current system ought to be changed as proposed by this bill, and for that reason I will oppose the third reading.

The Hon. K.T. GRIFFIN: I am disappointed that it appears that there is not going to be majority support for the bill, it having got this far. That will be to the disadvantage of those who might be offenders as well as to the state as a whole. I acknowledge that dealing with drug offenders, where the offences relate to possession for personal use and use of drugs, is a contentious issue and that there will be differing views about the best way in which we can deal with those people in the criminal justice system.

The government believed in good faith that, through the bill that is currently before the committee, triggered by a consideration of the COAG initiatives in relation to illicit drug strategy, we were moving in a direction that would give much more flexibility to involve many more people apprehended for those sorts of drug offences than currently is possible and is occurring under the drug aid and assessment panel system. I have a very strong view that the drug aid and assessment panel system, which I acknowledge has been in place for nearly 15 years, has provided a reasonable service, but it is time to move on.

The system had not been evaluated until the last few months and the interim report of that evaluation has indicated quite clearly that there are some major difficulties. It is not just an issue of resourcing: it is an issue of structure. For example, we cannot change the membership of the drug aid and assessment panels and we cannot alter the means by which the offenders are dealt with. It is DAAP that makes the decision whether an offender is sent for treatment or goes back to court to be prosecuted. It does not have any flexibility to deal with drug offenders in a culturally appropriate way. Aboriginal communities are concerned about that, in particular, and DAAP is neither equipped nor structured to deal with those sorts of issues.

In relation to the country, for example, in Ceduna an offender basically has a telephone consultation with DAAP. That can hardly be satisfactory. There is no provision for DAAP to be able to spread its wings and to sit as different panels, to get out into the country regions and for services to be provided at a local level. In this legislation, the government was trying to allow the Minister for Human Services to continue with a drug aid and assessment panel system if he and his advisers believed that that was an appropriate way to address the issues, but that it would not have the powers that it presently has to determine whether a person goes down one course or is directed in another. We were also trying to give—

The Hon. M.J. Elliott: Somebody else still determines it.

The Hon. K.T. GRIFFIN: It is the drug aid and assessment panel. There is some fear about police having the power or the responsibility to direct off to assessment providers who are to be accredited by the minister and who may be operating at the local and community level rather than acting centrally. I do not believe that so-called tweaking of the current system is possible, certainly not as the legislation currently provides. The review of DAAP has already thrown up a number of criticisms of the present system and, in the legislation before the committee, we were endeavouring to address those while maintaining the opportunity for a DAAP system to operate without the wide powers that DAAP presently has.

I know that DAAP and its officers have been particularly active in lobbying. They have been on talkback radio and have made a wide range of public comment defending their own patch. One would expect them to defend a patch in which they have been working for a number of years. We will deal with some of the issues on this clause and then give some further consideration to the way in which we can deal with this issue. It is true to say that the trigger for this was substantial commonwealth funding, to be supplemented by state funding. Obviously there will be a concern that we will not have access to commonwealth funding as a result of the failure of this legislation to pass, except in relation to juvenile offenders, where we already have a significant amount of flexibility. I am not saying that the money will not come, but all the guidelines and all the indications show clearly that, because we lack flexibility in our system, it is unlikely that we will qualify.

The Hon. M.J. ELLIOTT: I have stuck my head up above ground level a bit more than most MPs on drug issues. When you stick your head up, somebody usually has a go or makes contact and expresses concerns. I have not, on a single occasion, received any complaint or expression of concern about DAAP, and that is significant. The only expressions of concern that I have had in relation to DAAP, as I said during the second reading stage, related to its capacity to see people quickly, which I recall the Attorney raised as a point of criticism because people have to wait three or four months. It is simply a matter of resourcing, and DAAP does not have the resources to see the number of people who need to be seen. There has been a criticism about timeliness but, as with any underfunded agency, that can be a problem.

The other criticism that I have heard relates to DAAP's capacity to send people to treatment, when all the treatment programs in this state are grossly under funded. There are simply not enough places in treatment available for people who voluntarily want to get in it, let alone those who are referred. So far as there being expressions of concern, they have not been about DAAP but about the level of support and infrastructure in relation to drug treatment. That has been the problem. Frankly, I am stunned that we now have a proposal. You just have to ask: 'Where on earth is this coming from? Who is driving it? What is the agenda?' I know a lot of people working in the drug area, and I know a lot of people personally, and none of them has been expressing—

The Hon. Carolyn Pickles interjecting:

The Hon. M.J. ELLIOTT: I just do not know where it is coming from. When I saw the legislation, I was absolutely dumbfounded to see that DAAP was going to go and the sort of arguments about the need for special programs being available in country areas for Aboriginal people. If members read the current act, they will see that there is not a single panel: there is a capacity for 'panels', and there is nothing to stop the government from setting up panels which might specialise in working with Aboriginal people, people from a range of different ethnic backgrounds and people in country areas. That is all possible under the current legislation. I do think, if you want consistency of approach, you are more likely to get it with a single gatekeeper than if you have

police referring different people off to different treatment programs which, in themselves, have no consistency.

It is important that people go through the first gate and through the DAAP process and that there be a very wide range of treatment programs. The treatment programs will be appropriate and different programs will be suitable for different people. That is something I have argued consistently in this place on the drug issue, that is, that different people have different needs at different times in the process of their drug problem. A person who has had a simple possession problem does not need the same sort of response as a person who has been using heroin for 20 years. You can then overlay, as I said, where people live, their family background and their ethnic background.

There is a whole range of other things that then come into force which will mean that different programs will be appropriate. Some people need very high levels of support not only in terms of alternative drug treatments but in terms of levels of social and psychological support and support to find more permanent accommodation. There is a range of social supports that one might want to apply: everyone will be different. As I read the government's legislation, individual police officers will be the gatekeepers and they will virtually make the decision as to what program people will head towards.

The Hon. T.G. Cameron interjecting:

The Hon. M.J. ELLIOTT: I have no problems with police doing policing jobs, but I do not think it is a policing job to act as a gatekeeper, determining in what direction people head, what programs—

The Hon. K.T. Griffin interjecting:

The Hon. M.J. ELLIOTT: I am sorry: given the way your bill is drafted, that is precisely the way it will work. In my view, you do need a gate: I think that DAAP is appropriate. I have no problems if there are suggestions that elements of DAAP need to be looked at more closely. If there have not been ongoing assessments of DAAP and its success—whatever 'success' means when you get into this area—then, by all means, let us do those sorts of things. There are a range of criticisms which I think are criticisms of governments that have allowed DAAP to continue for a such a long period without perhaps earlier review and tweaking along the way, rather than going from what would have perhaps been a series of tweaks, but constantly heading in a progressive direction, to what is a total dismantling of what we have and a piece of legislation that gives us a great deal of uncertainty.

Nothing in what the government has said gives us a clear picture of what we will end up with later on. It looks to me like a whole lot of outsourcing, as we have seen with federal governments as much as state governments, where they want to pass the buck to the Salvation Army, Anglicare and a whole lot of other groups which are already stretched beyond their limit and which do not have the capacity to provide the services they are asked to provide. They are not sure where the next blanket will come from in terms of the increasing numbers of the mentally ill and the unemployed who are being thrown into their laps, yet the government, on my reading, wants to throw the drug problem into their laps as well—that is my reading of it—and does not want to take any responsibility in this area.

It is not acceptable to the Democrats. If we are to debate how the DAAP process might work better or what other services the government will provide—real services that actually help people—then we can have a sensible debate, but I do not think that this bill is the basis for sensible debate at all. As I said before, I want to know whose agenda is this; who is driving it; and where is it coming from? It does not seem to be coming from the drug treatment field, and I do not just mean DAAP: I mean I have not heard anyone working in the drug treatment area suggesting anything like this.

The Hon. CAROLYN PICKLES: The Hon. Trevor Griffin put out a press release on 10 July and stated quite categorically that South Australia was in a position to qualify for $9.2 million income commonwealth funding over four years, in addition to the state funding and, if the proposed legislation was not passed, this offer would not be available. He has qualified those remarks somewhat in his contributions in the committee stage. My view is that this is a contradiction of the COAG communique, which in principle 6 states:

> This approach should, wherever possible, build on existing structures to ensure value for money within the spirit of the COAG communique.

It would seem to me that the DAAP existing structure was within the COAG communique and therefore, as does the Hon. Mr Elliott, I wonder what has prompted the Attorney-General to bring this legislation before the parliament with, it would appear, absolutely no consultation with people involved whatsoever.

It would seem to me also that the Attorney-General in his press release put undue influence upon the opposition in opposing this legislation, because it would appear that this bill is opposed by everyone—I have not heard the Hon. Trevor Crothers give his contribution—in this place except the government. I am not quite sure where it came from or what prompted the government to drag this out of the ether, and it seems to me that—

The Hon. M.J. Elliott interjecting:

The Hon. CAROLYN PICKLES: Perhaps it was a whiff of ether. Perhaps it was someone having a bit too much marijuana to smoke—who knows? It would seem to me that the statements contained in his press release are at odds with the statements he has made in parliament which are at odds with principle 6 of the COAG communique.

The Hon. K.T. GRIFFIN: It has quite obviously come from a concern that the current system is not working: one size does not fit all—and that is what happens with DAAP—

The Hon. Carolyn Pickles interjecting:

The Hon. K.T. GRIFFIN: I do not know how widely you mix.

The Hon. M.J. Elliott interjecting:

The Hon. K.T. GRIFFIN: The people with whom we have consulted are concerned about the way in which DAAP is providing a service. The whole object of this is to give more choice and flexibility—

The Hon. M.J. Elliott: What type of people are they calling for?

The Hon. K.T. GRIFFIN: I do not have a full list of all those with whom there has been consultation, but the Drug and Alcohol Services Council—

The Hon. M.J. Elliott: Have they sanctioned this or were they consulted?

The Hon. K.T. GRIFFIN: They were consulted. The Drug and Alcohol Services Council, agencies funded by it, the Aboriginal Drug and Alcohol Services Council, Aboriginal organisations, the Adelaide Central Mission, the Salvation Army and a range of government and non-government agencies were involved. Now I can—

The Hon. Carolyn Pickles: They are not supporting this method.

The Hon. K.T. GRIFFIN: They were certainly consulted about it, because they are prepared to be involved much more actively in the treatment process. What the Hon. Mr Elliott said is wrong—that is, that the police will in fact be gatekeepers. The police are not gatekeepers. They do the arrest and at that point they are required by the bill to offer the opportunity for a person to be referred to an assessment service. The assessment service—

The Hon. M.J. Elliott: Who determines which service?

The Hon. K.T. GRIFFIN: The assessment service will be under the auspices of the Drug and Alcohol Services Council. There may be several assessment services within a locality. The Drug and Alcohol Services Council will be the booking agency. It will be booking persons into particular assessment services. The police are the only arresting or charging agency, and they will be required to refer off to the assessment service.

The Hon. M.J. Elliott: Which assessment service?

The Hon. K.T. GRIFFIN: They will be accredited by the minister—

The Hon. M.J. Elliott: Who chooses which one?

The Hon. K.T. GRIFFIN: They will be chosen ultimately by the Drug and Alcohol Services Council, which will have the booking service.

The Hon. M.J. Elliott: Does the police officer choose which one?

The Hon. K.T. GRIFFIN: No, the police officer does not—I keep telling you that. The police officer does not make the choice. The Drug and Alcohol Services Council makes the decision. It runs the 24 hour booking service.

The Hon. M.J. Elliott: As to which service will be involved? How do they decide without the background information?

The Hon. K.T. GRIFFIN: To the assessment service. You must have an assessment service. That is what DAAP does at the moment. The booking service is administered in consultation with the person who has been arrested or charged. It is all very well to stay with the past, but it is pretty important to look to the future. I do not disagree that perhaps DAAP should have been evaluated at an earlier time, but members should remember that it has been in operation now since the mid 1980s and we are in an environment where it is being assessed; there is an interim evaluation of DAAP. The interim evaluation has indicated quite clearly that there need to be significant changes and, unless you change the legislation, you will not get the changes.

The Hon. CAROLYN PICKLES: Is the independent evaluation available for honourable members to peruse?

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

The Hon. M.J. ELLIOTT: When is the final evaluation expected to be available?

The Hon. K.T. GRIFFIN: It is due later this year. I cannot give the exact date but I will endeavour to find out.

The Hon. M.J. ELLIOTT: I am not sure that I have heard the Attorney-General react to a complaint or suggestion that the evaluating team spent about 1½ hours observing DAAP at work. Can he confirm or deny that?

The Hon. K.T. GRIFFIN: I am not privy to that. I will take the question on notice. Let us face it, if you are sitting and observing that is one thing; if you talk to people about their experiences with the system that is a more effective way of identifying what the problems might be. If you just sit and watch you gain very little information about the way in which something works and how it affects people's lives.

The Hon. M.J. ELLIOTT: Can the Attorney-General say whether this evaluation team took a random sample of clients of DAAP and carried out an evaluation by checking out their reaction as distinct from talking with various bureaucracies?

The Hon. K.T. GRIFFIN: I suggest that, if the honourable member has a lot of questions about DAAP, he run through them now and I will take the questions on notice and bring back some replies before the debate is concluded.

The Hon. M.J. ELLIOTT: This requires a good deal more attention than we are going to get out of a committee stage in the last week of a parliament. I am more than happy to sit down with members of the government, the government bureaucracy and the evaluators themselves and take a closer look at the alleged problems as well as talking with DAAP and so on. There has not been the opportunity to do any of that in the past couple of weeks. I know that we will not resolve it in the next couple of sitting days. I think it would be much more sensible to allow a more thorough discussion to take place outside this place in the first instance.

The Hon. K.T. GRIFFIN: It is rather disappointing that we have got to this point. This bill was introduced seven weeks ago on 25 May. I would have thought that over the period of the estimates committees (which was three weeks) there would have been an opportunity for members opposite to make their inquiries, seek their information and put their questions on the record. However, here we are in the last sitting week when everybody has known that we want to get this through for the purpose of dealing adequately with the federal government and members are saying that they have not had enough time to consider it. It happens with all of our legislation that we end up waiting sometimes for six months for bills to finally be addressed. I do not think that that is a particularly satisfactory way of dealing with legislation.

The Hon. CAROLYN PICKLES: The Attorney is very well aware that when the opposition and the Australian Democrats are asked to deal with an urgent bill we deal with it urgently. It has become quite a habit of this government to drop important legislation into the parliament which they want through in a few days. If it is in the best interests of the state we normally, as an opposition, concur with that. We have done so on a number bills this session—

The Hon. M.J. Elliott: The ETSA bill.

The Hon. CAROLYN PICKLES: The ETSA bill and the Alice Springs to Darwin rail link bill, and a number of other bills that the Attorney has brought in and with which we cooperated. This one has had such a huge amount of opposition that—

The Hon. M.J. Elliott interjecting:

The Hon. CAROLYN PICKLES: Not one person is supporting it. So, I keep asking the Attorney: from where has it come, out of the ether? No-one seems to have really been pressing for it. The Attorney's only conclusion is that we have had it in the state for a number of years and it is time that we changed it. My view is 'if it ain't broke don't fix it'.

The Hon. K.T. GRIFFIN: Certainly, the legislation has some problems that need to be addressed. The government took the view that in the light of—

The Hon. Carolyn Pickles: Spend some time negotiating.

The Hon. K.T. GRIFFIN: With whom do we have to negotiate?

The Hon. Carolyn Pickles: The people who are writing to us.

The Hon. K.T. GRIFFIN: I am not aware that the government has received any of those sorts of observations from people. I know that there has been some criticism by

one or two officers of DAAP in the public media, but I am not aware that they are writing to the government expressing those concerns. Maybe it is a very limited clientele that is making their communications to members of the opposition and the Democrats and not to the government. I think in the light of the issues that have been raised I will take the various questions on notice and bring back a reply. Rather than proceeding with it today, I will try to bring back responses tomorrow so that there is a bit more information on the table. Do you want to vote on clause 1?

Members interjecting:

The Hon. K.T. GRIFFIN: All right, we will vote on clause 1.

The Hon. CARMEL ZOLLO: Can the Attorney say what is the minimum criteria to obtain accreditation, and how many services does he anticipate will be accredited?

The Hon. K.T. GRIFFIN: It depends very much on the number of agencies that ultimately wish to participate. I have indicated quite clearly—and the legislation is clear—that it does allow the Minister for Human Services to maintain the drug aid and assessment panels but not with the powers which are presently vested in the drug aid and assessment panel.

An honourable member: Who ends up with the power?

The Hon. K.T. GRIFFIN: Well, the power—

The Hon. Carmel Zollo: Can you give examples of who is likely to be accredited?

The Hon. K.T. GRIFFIN: I have given the honourable member the names of the agencies that have been consulted—or those that have come to mind. I am happy to get some more information on the extent and the names of the other agencies that might have been consulted. This is framework legislation and, if the honourable member wants to put the criteria for accreditation into the legislation, she can come up with some ideas for us to do that. Over the next few months it is intended that those criteria will be developed: government and non-government agencies will be given an opportunity to participate in that process, as well as to identify the criteria for accreditation. At present, various agencies are accredited by government for different purposes, and that is the way we intend to develop the process.

Clause negatived.

Progress reported; committee to sit again.

PETROLEUM BILL

In committee.

Clause 1 passed.

Clause 2.

The Hon. SANDRA KANCK: Out of idle curiosity, how soon will this legislation come into operation? I suspect that question is probably related to the regulations being ready and I know that there are draft regulations. However, I am curious whether anything is likely to delay the bill coming into operation?

The Hon. K.T. GRIFFIN: We are hoping that it will be about two months.

Clause passed.

Clause 3.

The Hon. SANDRA KANCK: I am really impressed that there is an environmental objective in the bill, unlike the Offshore Minerals Bill, which I have debated before. I am also pleased that the bill recognises the need for a consultative process. In regard to paragraph (g), what risks are inherent in regulated activities from which we are trying to protect members of the public?

The Hon. K.T. GRIFFIN: It relates mainly to high pressure gas pipelines.

Clause passed.

Clause 4.

The Hon. SANDRA KANCK: I move:

Page 9, after line 5—Insert:

'department' means the department of the public service assigned to assist the minister in the administration of this act;

This amendment will be needed in relation to my amendment to clause 106, which refers to the department's web site.

The Hon. K.T. GRIFFIN: There is no objection to that.

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

Amendment carried.

The Hon. SANDRA KANCK: I move:

Page 9, after line 14—insert:

and

(e) the amenity values of an area;

This amendment adds to the definition of 'environment'. I have used the wording from the Environment Protection Act. When dealing with the environment, it seems logical to have the same definitions in our acts.

The Hon. K.T. GRIFFIN: There is no objection.

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

Amendment carried.

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

Page 9, line 18—Insert:

'GST' means the tax payable under the GST law;

'GST' component' means a component attributable to a liability to GST;

'GST law' means—

(a) A New Tax System (Goods and Services Tax) Act 1999 (Cwth); and

(b) the related legislation of the commonwealth dealing with the imposition of a tax on the supply of goods and services;

This amendment relates to issues relevant to the GST.

The Hon. P. HOLLOWAY: The opposition supports the amendments.

The Hon. SANDRA KANCK: In relation to the definition of 'geothermal energy' which we appear to be changing with the Attorney's amendment, why was 200 degrees set as the going temperature in the bill in its original form?

The Hon. K.T. GRIFFIN: The original thought was that hot water would be excluded, but the industry has indicated that it should be kept flexible because it may be possible to get it down to a temperature lower than 200 degrees. That is the reason why the temperature exceeding 200 degrees celsius is deleted; the definition makes it more flexible.

Amendment carried; clause as amended passed.

Clauses 5 and 6 passed.

Clause 7.

The Hon. SANDRA KANCK: Clause 7 deals with delegation. What sort of powers will be delegated, and will they be delegated to anyone in the industry? In fact, I seek an assurance that powers will not be delegated to people in the industry.

The Hon. K.T. GRIFFIN: It is not intended to delegate to persons outside the public sector. Obviously, there needs to be delegation for approvals, cancellations, suspensions and a range of activity which this legislation addresses, and the power of delegation is an important means of administration. However, I am assured that it is not intended that there be a delegation to those outside the public sector.

Clause passed.

Clauses 8 and 9 passed.

Clause 10.

The Hon. SANDRA KANCK: Clause 10 relates to regulated activities. Subclause (2) provides that exploratory operations conducted at a height of 500 metres or more will not be classified as a regulated activity. What sort of exploration activities can occur above ground in a space that is less than 500 metres from the ground?

The Hon. K.T. GRIFFIN: There may be visual observations. Aeromagnetic surveys are frequently conducted at an altitude of less than 500 metres, and they are included below 500 metres because of the potential impact on local communities.

Clause passed.

Clauses 11 to 15 passed.

Clause 16.

The Hon. SANDRA KANCK: What accrues to the government or the department or those involved in the industry from having an area declared 'highly prospective'?

The Hon. K.T. GRIFFIN: If an area is declared 'highly prospective', it means that tenders will be called for access to those areas and applications across the counter will not be accepted. If regions are declared 'highly prospective', that is for the purpose of the minister's requiring access to be granted ultimately as a result of a tender process.

The Hon. SANDRA KANCK: The bill provides that '. . . the minister may, by notice in the *Gazette*, designate that part of the state as a highly prospective region.' Are the words 'highly prospective region' the actual words that will be declared in the *Gazette*?

The Hon. K.T. GRIFFIN: It could be for geothermal energy; it could be for petroleum. Those are the words. As a matter of statutory interpretation, if you do not use those words, it may be that the beneficial consequences which flow from the declaration will be in question. It is intended to use those words in accordance with the act, which this bill will become, and also to designate the energy form for which it is proposed to make the designation of the region.

The Hon. SANDRA KANCK: I think it would be important to use those words as they are stated in the bill which will become the act. Does the term 'highly prospective' necessarily imply 'highly profitable'? I ask this question because it is feasible that we might find a large deposit of, say, brown coal close to the surface and easily mined but, if you take into account Australia's greenhouse obligations, even though their might be a lot of brown coal and it might be easily extracted, it might not necessarily be worthwhile mining. If something like that was found, would that be declared 'highly prospective'?

The Hon. K.T. GRIFFIN: The act does not cover the mining of coal.

The Hon. SANDRA KANCK: I have used the wrong example. When a resource is found, who will decide that it is 'highly prospective'?

The Hon. K.T. GRIFFIN: That is likely to be determined largely on the basis of previous exploration activity and the information which has been gathered from that. For example, there may have been some seismic activity or some actual drilling. Those are the sorts of factors that would be taken into consideration in determining the prospectivity of the region.

The Hon. SANDRA KANCK: The bill provides for some sort of a committee to be set up. Will that committee be involved in giving advice on these sorts of matters?

The Hon. K.T. GRIFFIN: The honourable member refers to clause 125 'Constitution of the advisory committee'. It is not intended that that committee be involved in those sorts of decisions.

Clause passed.

Clause 17.

The Hon. SANDRA KANCK: This clause introduces the concept of a speculative survey licence, which is new to me. Are there precedents anywhere else for such a licence; and, if so, where?

The Hon. K.T. GRIFFIN: Mainly in offshore areas. I am told that, only a year or so ago, $10 million was spent on offshore surveys under a speculative survey licence.

The Hon. SANDRA KANCK: I note that this type of a licence prevents exploration beyond a depth of 300 metres. Why has that qualification been included in the bill and, in contrast, are any depth limitations to be placed on a full exploration licence?

The Hon. K.T. GRIFFIN: It is up to a depth of 300 metres and certainly not beyond 300 metres. I am informed that that is the maximum depth of holes for the purposes of seismic surveys.

The Hon. SANDRA KANCK: That seems to be a peculiar reason for having a limit set on it. If the technology alters, will the act require alteration?

The Hon. K.T. GRIFFIN: The purpose of this licence is to obtain geophysical survey data not to actually drill for oil.

Clause passed.

Clause 18 passed.

Clause 19.

The Hon. SANDRA KANCK: The preliminary survey licence allows for renewal with a maximum aggregate of five years. Why, in contrast, is the speculative licence open-ended?

The Hon. K.T. GRIFFIN: It does not give you a right to a resource. There is nothing to stop someone else, whilst you have a speculative survey licence, from making an application for an exploration licence.

Clause passed.

Clause 20.

The Hon. SANDRA KANCK: This clause is about consultation preceding the grant or renewal of a speculative survey licence. Obviously, this process is set out because this type of licence will not confer an exclusive right to explore, but what happens if company A is not happy with company B exploring on the same patch of land and sets out to thwart company B by not being willing to come to an agreement?

The Hon. K.T. GRIFFIN: Obviously, it is desirable that they reach agreement. If they cannot, then the minister can still make the decision to issue the licence. The motivation is to try to get a resolution, but if one cannot then the minister can still go ahead and issue it. I refer the honourable member to part 15.

Clause passed.

Clause 21 passed.

Clause 22.

The Hon. SANDRA KANCK: This clause is about calling for tenders. Clause 16 provides that, when the minister declares an area to be highly prospective for a particular regulated resource, high prospectivity classification will relate only to the particular regulated resource. Bearing this in mind, clause 22(1) requires the minister to call for tenders where the exploration licence will be in a highly prospective region. I wanted to check whether there is a problem with the wording in that a resource that has not been declared to be the subject of a highly prospective region could be the subject of the process set in place to cover a different regulated

resource.

The Hon. K.T. GRIFFIN: The short answer is 'No', and I will now try to explain. It is possible to have it layer upon layer, so you can have it highly prospective in relation to one energy source and not in relation to others; and within that you can have a smaller part, which is not necessarily the whole, also declared to be highly prospective for another resource. So, there is that capacity to build layer upon layer.

The Hon. SANDRA KANCK: Subclause (6) relates to the process of tendering. If a company or a person has tendered and been unsuccessful, is there any appeal process envisaged?

The Hon. K.T. GRIFFIN: Part 15 applies, and particularly clause 123, which provides:

The following are reviewable administrative acts:

Then it lists a number of them, including 'a decision to grant or refuse an application for a licence'.

Clause passed.

Clauses 23 and 24 passed.

Clause 25.

The Hon. SANDRA KANCK: I want to note and again acknowledge the reporting and accountability provisions that are built in here. Will a work program have dates for completion of activities associated with the licence?

The Hon. K.T. GRIFFIN: Yes.

Clause passed.

Clause 26.

The Hon. SANDRA KANCK: I do not have a question on this, simply another observation and pat on the back.

The Hon. K.T. Griffin: I like that.

The Hon. SANDRA KANCK: I knew you would appreciate that.

The Hon. K.T. Griffin: I cannot really take all the credit.

The Hon. SANDRA KANCK: I think you should while you can. I acknowledge that subclause (3) is a very good provision because it focuses the effort to excise part of the area.

Clause passed.

Clause 27 passed.

Clause 28.

The Hon. SANDRA KANCK: We are debating a series of different licences: we have debated a speculative survey licence and an exploration licence, and at this point we are talking about a retention licence. Is what we are seeing here a natural progression? Is this the way we will see companies go—from one to another—or could a company come in at different points?

The Hon. K.T. GRIFFIN: Someone may come in, say, at the exploration licence stage, and may immediately move to a production licence; but, if there is a question mark about the viability of the resource that has been discovered, it may be that there is a retention licence. Yes, it is possible to come in at different stages and also to jump stages.

Clause passed.

Clause 29.

The Hon. SANDRA KANCK: Paragraph (b) refers to other regulated activities specified in the retention licence. What other regulated activities are envisaged?

The Hon. K.T. GRIFFIN: It may be that a road or an airstrip has to be built, and that will be part of the regulated activities.

Clause passed.

Clauses 30 to 34 passed.

Clause 35.

The Hon. SANDRA KANCK: This clause relates to the grant of a production licence and provides that the production licence be granted if the person holds (or held at the time of the application) an exploration or retention licence over the particular area. If a company had an exploration or retention licence over an area and another company took control at that point, would the new company have to first seek an exploration or retention licence, or would it just carry through?

The Hon. K.T. GRIFFIN: A company can acquire another company's interest, but of course that is subject to the approval of the minister.

Clause passed.

Clauses 36 to 41 passed.

Clause 42.

The Hon. SANDRA KANCK: I seek more explanation on this clause. I would like to know just what interest the government has in wanting this working relationship between two competing companies. Who does gain an advantage out of this?

The Hon. K.T. GRIFFIN: The object of this is to ensure that a field is treated as a whole and not on a piecemeal basis, so that if you have a field it is managed as a whole. If in one part there is activity it ensures that that will not be detrimental to activity in another part. It is all conveniently brought together.

The Hon. Sandra Kanck interjecting:

The Hon. K.T. GRIFFIN: If you have different operators, different licensees, in the same field and one is doing some work in its area which is going to affect the work being done in another's area, quite obviously that may well be to the detriment of the field rather than to the benefit of the field. It is better to manage the field as a whole so that there is not that disproportionate effect on different licensees.

The Hon. SANDRA KANCK: Could the Attorney give me an example of what sort of activity one company could take that could be of detriment to another?

The Hon. K.T. GRIFFIN: There may be a field where there are two production licences and one is in production earlier than another, with the latter still waiting for approvals or native title clearances. It is quite possible for the one which is getting in early to actually drain the other's part of the field. So the whole object is to manage it as a whole so that it is dealt with equitably and efficiently.

Clause passed.

Clause 43.

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

Page 26, lines 33 to 36, page 27, lines 1 to 4—Leave out subclauses (6) and (7) and insert:

(6) The value at the wellhead of a regulated substance is a value calculated by subtracting from the price (exclusive of any GST component) that could reasonably be realised on sale of the substance to a genuine purchaser at arm's length from the producer all reasonable expenses (exclusive of any GST component) reasonably incurred by the producer—

(a) in treating, processing or refining the substance; and

(b) in transporting the substance from the wellhead to the point of delivery; and

(7) The value at the wellhead of geothermal energy is a value calculated by subtracting from the price (exclusive of any GST component) that could reasonably be realised on sale of the energy to a genuine purchaser at arm's length from the producer all reasonable expenses (exclusive of any GST component) reasonably incurred by the producer in getting the energy to the point of delivery to the purchaser.

This is another part of the GST; it is consequential on the earlier amendments—or it might be said that the earlier amendments are consequential on this one. It is to clarify how

the implications of the new GST legislation on the royalty provisions in the bill will be handled. The Crown Solicitor has given advice and that has resulted in an amendment that will ensure that any royalty payable is calculated on a GST exclusive basis; that is, the amount of GST for which the licensee is liable on the sale of the regulated substance and the input credits to which the licensee is entitled for goods and services purchased in realising that sale are to be excluded from the calculation of wellhead value, and hence the royalty payable. My advice is that the net effect of the amendments—that is as a whole—are of marginal significance to royalty payable and will reduce compliance costs to both government and industry. It is understood that all other state and territory governments are considering similar arrangements.

The Hon. P. HOLLOWAY: I indicate that the opposition will support these amendments. We have had a number of bills in recent times which apply the GST to various activities which are under state jurisdiction. Notwithstanding what view we might have on the GST itself, we accept that it is necessary for the states to change their legislation so that the GST can be applied with a minimum of hindrance to the industry. I just make the observation, as I did during question time today, that one of the problems we might have, if the High Court decision is upheld in some of the cases that evolve out of the Hughes case, concerns what the ultimate effect of these schemes might be.

Amendment carried.

The Hon. SANDRA KANCK: In regard to the rates of royalties as these are set here, how were these figures arrived at? Having dealt with mining stuff recently I am surprised at the differences in the royalty rate for petroleum or geothermal energy as compared to mining resources.

The Hon. K.T. GRIFFIN: I am told that 10 per cent is the norm around Australia for regulated substance, except in Western Australia where it might be a little higher, but not significantly so. Geothermal energy was pitched at 2.5 per cent on the basis that it competes with coal. In the South Australian Mining Act it is 2.5 per cent for coal. I am not able speak for what happens in other jurisdictions about that.

The Hon. SANDRA KANCK: I wanted to make sure that my interpretation of clause 43(3) is correct, particularly in relation to paragraph (a)(iii), where a royalty will not be payable if that regulated substance is used in the course of productive operations. I am assuming that that means something like burning the oil to produce power at the site, or something like that. Is that what it means?

The Hon. K.T. GRIFFIN: Correct.

Clause as amended passed.

Clause 44.

The Hon. SANDRA KANCK: Clause 44 deals with penalties for late payment. I would like to know how long after the payment becomes due will it be deemed as being late.

The Hon. K.T. GRIFFIN: Because there has not been a late payment, it is theoretical in practice. The royalty statement and the royalty payment have to be made within 30 days, but there is no reason to suggest that that will be the point at which the penalty is payable if it is not paid on that date. If the act says it has to be paid within 30 days, and if it is overdue, that might be the criterion by which it is determined that penalty must be paid. That is something that is still to be developed.

The Hon. SANDRA KANCK: Will we see that in the regulations?

The Hon. K.T. GRIFFIN: It was not intended to put that into regulation. It was intended that that would be dealt with administratively.

The Hon. SANDRA KANCK: I thought that one of the things that we were trying to do was create certainty for industry. We need to be very clear so that industry can know.

The Hon. K.T. Griffin: It will be in the administrative directions.

The Hon. SANDRA KANCK: In relation to that ministerial flexibility, subclause (2) provides that the minister may, for any proper reason, remit penalty interest or a fine imposed under subclause (1) wholly or in part. What is a proper reason?

The Hon. K.T. GRIFFIN: The problem arises with very large royalty payments, perhaps $4 million for a month. Paragraph (b) of subclause (1) provides:

> The minister may impose on the licensee a fine of an amount fixed by the minister up to a limit of $1 000 or 10 per cent of the outstanding royalty, whichever is the greater.

It would be quite unfair if the payment is a day late to impose a 10 per cent penalty on $4 million. It is just the need to have some flexibility.

The Hon. SANDRA KANCK: I am a bit concerned when we talk about certainty for industry that we do not have it spelled out. If one day is okay to be late, is 10 days okay? What is the cut-off point?

The Hon. K.T. GRIFFIN: I think there is certainty because the maximum is prescribed. That is the certainty that can be given. I presume that there will be some sort of administrative determination that provides for a licensee who is a day late or 10 days late. It depends on the amount. If a licensee pays a royalty of only $1 000, it might be that that licensee pays a different proportion up to the maximum than someone who pays $4 million, where the impact is much more severe. I expect there will be certainty eventually before this comes into operation and the certainty is that there is a maximum. Licensees know that, if they are late, that is what the law allows to be charged. The uncertainty is how much less they are going to pay.

Clause passed.

Clauses 45 to 47 passed.

[Sitting suspended from 6 to 7.45 p.m.]

Clause 48.

The Hon. SANDRA KANCK: I am interested in the fact that the maximum penalty is set at $120 000, because it seems to be a very heavy penalty. What sort of alteration or modification is the minister expecting could happen, and what would be the impact of it that would demand a penalty of up to $120 000?

The Hon. K.T. GRIFFIN: The risk is that the pipeline might be repaired to a standard lower than the Australian standard, and it is because of the risk of real danger resulting from that that the penalty is high: that is, it is a greater risk, exploding pipeline, serious damage.

Clause passed.

Clause 49 passed.

Clause 50.

The Hon. SANDRA KANCK: In relation to subclause (2) referring to a body corporate, I thought we were dealing with companies in this bill. What is a body corporate? What sort of entity does this clause deal with?

The Hon. K.T. GRIFFIN: It is in the present act and it is there to facilitate bodies corporate who might be lessees or

owners of property over which easements are requested and, notwithstanding anything in their memorandum and articles of association, it authorises them to grant an easement. It is a facilitating provision.

Clause passed.

Clause 51.

The Hon. SANDRA KANCK: Clause 51 introduces a term I have never heard of before which is an 'easement in gross'. I would like an explanation of it because, when I went to the detailed explanation that accompanies the bill, it simply replicates the wording of the clause, and I am no wiser at all as to what this term means.

The Hon. K.T. GRIFFIN: We have legislated for 'easement in gross' under the Real Property Act. Ordinarily, easements must have a dominant tenement and a servient tenement. The servient tenement is the one over which the easement is granted: the dominant tenement is the property to which the easement is attached. There was a provision for public authorities to be authorised to take easements in gross, so that you could have an easement over which a powerline ran which was not attached to any particular dominant tenement. It was not as though you had the power station which was in the name of the electricity authority and then the easement sort of tracked out several hundred kilometres from there. They could just have the easement: it was not attached to any particular piece of land. That has been extended.

We amended that about two or three years ago. Now by proclamation (I think it is) we can authorise private bodies to take easements in gross so that pipeline companies will be able to take easements over property over which their pipeline passes without that easement having to be attached to a dominant tenement.

Clause passed.

Clause 52.

The Hon. SANDRA KANCK: Clause 52 is in relation to the compulsory acquisition of land. If land is compulsorily acquired, will the owners of the land be guaranteed a fair return on it?

The Hon. K.T. GRIFFIN: The Land Acquisition Act provides that there has to be proper and fair compensation. The Land Acquisition Act sets out the procedures by which acquisition may occur. It also sets out the basis upon which valuations are made and compensation paid.

Clause passed.

Clauses 53 and 54 passed.

Clause 55.

The Hon. SANDRA KANCK: Clause 55 deals with resumption of a pipeline or pipelines. If the previous operator was also the owner of the pipeline as opposed to the licence holder of the pipeline, does this say that they are not entitled to use their own pipeline?

The Hon. K.T. GRIFFIN: My understanding is that this is ultimately related to the removal of pipelines that are not being used. Subclauses (5) and (6) provide:

> (5) The owner of the pipeline may within six months after the notice is given take up and remove the pipeline and associated structures. . . and restore the relevant land as far as practicable to its former condition.
>
> (6) After the six month period has ended, the minister may. . .
>
> (a) . . . remove buildings, structures and fixtures. . . restore the land. . .

And so on. It is a mechanism. Subclause (9) provides:

> If an easement is vested in the Crown. . . the minister may, by notice. . . surrender and. . . extinguish the easement.

As I understand this provision, it is related to trying to get rid of superfluous infrastructure around the country side so that we do not have decaying pipelines crisscrossing the country side.

Clause passed.

Clauses 56 to 58 passed.

Clause 59.

The Hon. SANDRA KANCK: Clause 59 deals with relationships with other licences. As I read this—and I am willing to be corrected—it is saying that, if primary licence holder A and primary licence holder B have adjacent holdings, and primary licence holder A gets an associated facilities licence which allows it to operate on the licence area of primary licence holder B, primary licence holder B will be able to do no more than discuss the terms and conditions and would not have the right to say 'No' in any way. Is that what it is saying?

The Hon. K.T. GRIFFIN: That is right. However, I should draw the honourable member's attention to subclause (4), which provides:

> . . . compensation for diminution of the rights conferred by that licence—
>
> (a) to be agreed by the licensees; or
>
> (b) in default of agreement, to be determined by the relevant court.

So, yes, it may be put there without the agreement of licence holder B. However, if it is, licence holder B is entitled to compensation.

The Hon. SANDRA KANCK: I am curious to know about the consultation process that occurred in putting this legislation together and what the industry had to say about this, because one of things that crossed my mind when you have two companies operating so closely together is that there could be the risk, in a competitive environment, of industrial espionage.

The Hon. K.T. GRIFFIN: Clause 123 deals with appeals: there is a right of appeal. I am advised that that clause was tightened up to allow the appeal as a result of industry consultation. There are operators like Santos who, as I understand it, are now reasonably comfortable with the proposition.

Clause passed.

Clauses 60 and 61 passed.

Clause 62.

The Hon. SANDRA KANCK: Clause 62 is about disputed entry and subclause (1) provides:

> An occupier of the land (other than the lessee under a pastoral lease) may, by giving notice of objection to the licensee, object to the licensee's proposed entry.

To reword it, it is saying that everyone else can object except someone who has a pastoral lease. In that consultation phase that occurred with the legislation, what did the Farmers Federation have to say about this clause?

The Hon. K.T. GRIFFIN: This is the position in the current act so, as I understand it, there was no alteration.

Clause passed.

Clause 63.

The Hon. SANDRA KANCK: Clause 63 deals with the landowner's right to compensation and provides:

> (1) The owner—

and I stress the word 'owner'—

> of land is entitled to compensation from a licensee who enters the land and carries out regulated activities under this act.

I am referring again to pastoralists who are not the owners of the land. Would pastoralists not be entitled to any compensation; if that is the case, is government entitled to compensation?

The Hon. K.T. GRIFFIN: The definition of 'owner' is:

(a) a person who holds a registered estate or interest in the land; or
(b) a person who holds native title in the land; or
(c) a person who has, by statute, the care, control or management of land; or
(d) a person who is lawfully in occupation of the land.

I think that covers it.

The Hon. SANDRA KANCK: Does damage to the land include damage to any roads?

The Hon. K.T. GRIFFIN: The issue of damage has to be looked at under paragraphs (b) and (c), and paragraph (c) provides:

damage to, or disturbance of, any business or other activity lawfully conducted on the land.

It is believed that damage to private roads, which would be in the ownership of the owner of the land, would be covered. It raises an interesting question about any public roads through the property, but my guess is that public roads would be dealt with separately under the general law relating to highways. I think under the Highways Act if it is a public road and you damage it—not just by driving over it but if you dig it up or something like that—you have a liability. That is my recollection.

Clause passed.

Clauses 64 to 67 passed.

Clause 68.

The Hon. SANDRA KANCK: I am again looking for clarification of what all this means. Am I right in reading this to mean that a company will need separate licences for geothermal energy and for any other regulated resource?

The Hon. K.T. GRIFFIN: There are two licences: one relates to geothermal energy and the other is petroleum and gas (carbon dioxide and so on). It is possible to cover the lot, but you have two separate licences for that purpose.

The Hon. SANDRA KANCK: What is the purpose of separating them?

The Hon. K.T. GRIFFIN: The geothermal industry specifically requested separation during consultation on the bill. Separate licences also enables someone who is prospecting for petroleum to prospect for and to deal with geothermal energy. So it enables a split.

Clause passed.

Clause 69 passed.

Clause 70.

The Hon. SANDRA KANCK: If I read clause 70 correctly, a licensee who looks for petroleum and finds a geothermal source will not have the right to that geothermal source because that is not what his licence covers. Is that what it means?

The Hon. K.T. GRIFFIN: That is correct.

The Hon. SANDRA KANCK: It seems peculiar. Part of the reason that I was asking about the separation of the two licences is that you would think that you would reward the company that made the discovery, but it sounds as if the rights will go to the licensee who was supposed to be prospecting for geothermal energy. However, I assume that the industry must be happy with it because it has survived the consultation phase.

The Hon. K.T. GRIFFIN: It went through the consultation phase without a hitch and, if someone wanted an exploration licence for both, they would be able to apply for it.

Clause passed.

Progress reported; committee to sit again.

GROUND WATER (QUALCO-SUNLANDS) CONTROL BILL

Adjourned debate on second reading.

(Continued from 5 July. Page 1494.)

The Hon. T.G. ROBERTS: The opposition will be supporting the Ground Water (Qualco-Sunlands) Control Bill. This project was introduced into the Riverland to improve the quality of water in the long term and to arrest some of the bad practices that have existed in the Riverland area, particularly in the Qualco-Sunlands region. The Qualco-Sunlands district is immediately downstream from Waikerie and comprises 2 700 hectares of high quality, high value horticultural crops. Although the description of the area is in the second reading explanation, I will simplify it by saying that a complicated layer of clays has produced a layer of underlying material which has allowed for increased seepage of saline drainage water into the Murray River. This government and other governments will have to deal with not only bad irrigation practices and bad pumping practices but some of the bad practices produced by the drilling of bores in the Riverland and in the South-East.

Capping is going on in the arid regions as well as the Qualco-Sunlands district, and identifying and carrying out this work is expensive. It is generally too expensive for single landowners to be involved in. If we relied on a single landowner to come up with the funds to correct some of these bad practices without going bankrupt in the process, the work would never get done. The landowner does not report the problem because of the fear of bankruptcy or because they may be made responsible for fixing the problem themselves. So there is a reluctance to report these matters in the first instance.

The government must grasp the nettle and make the running on a lot of these issues, particularly in the pastoral lands, the South-East and the Riverland, if they want to correct damage done to the unconfined aquifers and, in this case, the confined aquifers. It will have to spend the money required to fix the problems. This bill has all the right components. There is a commonwealth—state component, and there is a collective irrigator's cost to make sure that the head costs do not fall on one irrigator. The formula is one with which, I think in a bipartisan way, we can agree, not only for the Qualco-Sunlands district but other parts of the state to try to improve the quality of water in those areas and prevent the salinisation of good quality water and, in this case, the increased salinisation of the Murray River.

My understanding of the bill is that the commonwealth and the state will pay 55 per cent of the total cost and the irrigators 45 per cent. The capital up-front costs will be paid jointly through state NHT contributions ($3.5 million) and the local water catchment authority ($3.5 million), and the ongoing cost of about $260 000 a year will be paid for by the irrigators through the trust. I understand that that amount will be indexed over 30 years.

Although the cost is considerable, the savings to the environment will also be considerable. This scheme will allow current irrigators to remain on their properties and assist in overseeing the fixing up and completion of a scheme

that will control irrigation and reduce and remove groundwater mounds so that the fear of any further damage to those irrigators or others downstream on the Murray River will be removed. A lot of mitigation schemes will be adopted in relation to salinity. This is just one of those schemes, and it is supported by the opposition.

The Hon. M.J. ELLIOTT: I indicate the Democrats' support for the second reading of this bill. In the Qualco-Sunlands district, as in all areas of the Riverland, when water is applied a certain amount is used by the plants and the rest moves down until it strikes an impervious layer and/or an existing watertable and then perches above it. What we have now in the Qualco-Sunlands district is a mound of water. That mound, as I understand it, is placing pressure on underlying groundwater that has been there for a considerable time. This is a natural body of water that is situated lower, but it happens to be very high in salinity. That mound and the pressure that is being created is causing the sideways displacement of this highly saline groundwater which is finding its way into the River Murray.

This is not the only place where this has happened. A significant groundwater mound was developing in the Loxton area, and the Noora Basin scheme addressed that problem (amongst other problems) further upstream. In this case, I understand that there has been extensive consultation with local irrigators, who are agreeable to this legislation. In effect, they will be given the opportunity to opt into the scheme. If they fail to opt in, they will probably be taking risks in terms of the costs they might face later because of problems that might be created by their failure to participate.

Clearly, we cannot allow existing irrigation practices to continue. By the time the Murray reaches the Waikerie district, the salinity is already marginal and the significant extra levels of salt create a cost not just for irrigators further downstream but in terms of reduced production—salinity at the sort of levels that exist in that area does affect production—and there is also a significant cost for users in Adelaide. The reason why hot water services in Adelaide last for only about five years is significantly because of the high level of salt in our water.

I have not seen a real estimate, but the annual cost to Adelaide of the salinity of the river would probably run into hundreds of millions of dollars. Hot water services are the obvious things, but the corrosion of pipes, taps, other fittings and industrial devices is highly significant. So, salinity is just not a problem for irrigators; it is also a problem for domestic and industrial users—and a highly significant one at that. As indicated, the Democrats support the second reading of this bill and its passage through the later stages.

The Hon. J.S.L. DAWKINS: I rise to support this bill. I thank the Hon. Terry Roberts and the Hon. Mike Elliott for their indications of support. The Qualco-Sunlands district is an area which I have got to know somewhat better during the past 2½ years or so. It is immediately downstream of Waikerie on the Murray River. It comprises about 2 700 hectares of high value horticultural crops (mainly citrus and vines) which are irrigated by sprinkler irrigation systems.

My understanding is that large-scale irrigation development in that district commenced in the 1960s. Drainage waters from irrigation applications have resulted in sustainability difficulties in a number of the irrigated properties as shallow water tables developed on underlying clay layers. Until recently, the local management strategy was to install bores to drain excess water through the clay layers to the underlying materials. This resulted in a groundwater mound developing under the region and increased seepage of saline drainage water to the Murray River.

It is clear that the continuation of this practice is unsustainable for both irrigation development and the Murray River and for those who use Murray water for a range of purposes, as the Hon. Mr Elliott has just indicated. The irrigators in the district formed themselves into an organisation called Qualco-Sunlands Drainage District Incorporated. With funds made available through the Murray-Darling Basin's drainage program, that body assessed future drainage management options and subsequently developed a comprehensive plan of action which includes new drainage infrastructure.

The scheme will prevent and reverse the salinisation and water logging of prime horticultural land due to the irrigation induced groundwater mound under the district. There will be a significant reduction in the local saline groundwater discharge into the Murray River and hence an improvement in the river water's salinity levels over the next 30 years.

A grower motivated drive to improve irrigation efficiency is also occurring. Over time, this will reduce the volume of drainage water generated. In addition, the scheme will enhance economic development in the district by enabling future sustainable development without the additional impact of salinity or drainage on the Murray River.

The capital cost of the works is approximately $7 million and the operating cost will be $260 000 per annum. Funds for the capital component of the scheme have been approved by the Natural Heritage Trust: 50 per cent to be provided by the commonwealth government and 50 per cent by the state through the Murray River Water Catchment Management Board and state NHT contributions. Irrigators will fund operating costs to achieve sustainability and salinity reduction benefits over 30 years (as highlighted by the Hon. Terry Roberts) to meet their agreed cost share of the project. On completion, the scheme will control the irrigation induced groundwater mound and lead to sustainable irrigation of high value crops and, of course, export crops in the district.

In addition, all irrigators contributing to the scheme will achieve a zero salinity impact on the Murray River. Any new development in the district will be required to achieve that zero salinity impact and will be able to do so through access to the scheme. The salinity benefits from the scheme will assist South Australia to meet its salinity impact obligations from irrigation development. Through the Minister for Water Resources the state intends to use the salinity benefits generated by the scheme's operation to claim salinity credits under the Murray-Darling Basin salinity and drainage strategy. Recently I came across an article in the *River News* dated 14 June which stated:

> Qualco-Sunlands district drainage scheme has entered its ground water control project in this year's State Engineering Excellence Awards after recommendations from the Institute of Australian Engineers.
>
> The awards are divided into 11 categories to accommodate the diversity of engineering achievements and QSDD project manager, Mr Jim Zissopoulos said that the ground water control scheme encompasses three of those categories.

I understand that the scheme has been entered as an innovative and environmental infrastructure project. The newspaper article went on to quote Mr Zissopoulos as follows:

> . . . the scheme is unique in that it uses an advanced seven layer numerical ground water flow model that simulates the complex ground water system beneath the district and can predict future performance under various management strategies. Elements of the

scheme comprise 15 strategically located production wells with the capacity for eight additional drainage bores and the reuse of low salinity drainage water as well as dual usage of the QSDD and MDBC [Murray-Darling Basin Commission] infrastructure, including pipelines and the Stockyard Plains Disposal Basin.

The benefits gained will provide sustainable irrigated horticulture in the district and improve the health of the Murray River and its floodplain environment. It is anticipated the scheme will reduce the water table by three metres over a decade, reduce saline ground water discharge to the river by an average of 6EC units over 30 years and reduce floodplain degradation and slippage.

Other benefits to the land will assist in rehabilitating salt affected land, maintaining and improving crop yields and giving the capacity for the expansion of the irrigated area by 40 to 50 per cent.

I was interested to note the comments of the member for Kaurna in another place in relation to this bill. While he supported the bill, as did his colleague the Hon. Terry Roberts, I could not help but note his opening comments as follows:

This interesting and novel socialist measure that the government is introducing is a way of collectivising irrigators in this section of the Riverland and ensuring that their practices are conducted in a way that minimises damage to the river.

The Hon. T.G. Roberts: I didn't even say that—a good socialist!

The Hon. J.S.L. DAWKINS: You didn't say that, Mr Roberts. When one considers the high level of cooperation among government departments, the Crown Solicitor's Office, the project officers for the drainage district, the irrigators and the total community—and there has been a considerable amount of consultation and communication over this project for some time; in fact, there has been quite a deal of patience on all sides—I found that to be quite a strange remark. With regard to this scheme, the irrigation operators have determined that they need to change their practices and improve the way in which the district functions as an area of irrigation excellence. So, for the member for Kaurna to talk about 'novel socialist measure' and 'collectivising' is rather strange to me.

I commend all involved in the work that has been done towards this scheme. I wish Qualco-Sunlands District Drainage Incorporated all the best in the state engineering excellence awards. I commend the bill to the Council.

The Hon. A.J. REDFORD secured the adjournment of the debate.

PETROLEUM BILL

In committee (resumed on motion).

(Continued from page 1571.)

Clause 71.

The Hon. SANDRA KANCK: This clause deals with the excision of licence areas. It provides:

If—

(a) a retention licence is granted to the holder of an exploration licence or production licence in respect of part only of the area comprised in the earlier licence;

What are we referring to with 'the earlier licence'? There are so many variations of licences in this bill.

The Hon. K.T. GRIFFIN: It is either an exploration licence or a production licence. That is the earlier licence to which reference is made.

Clause passed.

Clauses 72 and 73 passed.

Clause 74.

The Hon. SANDRA KANCK: What sort of activities would be described as high level official supervision activities?

The Hon. K.T. GRIFFIN: These issues will generally be dealt with in the regulations, which are being drafted at the moment. The essence of the provision is as it says: if a licensee has demonstrated competence to comply with the requirements of the act and the conditions of the licence, if they have a good track record, or if they have environmental experts supervising their activities, that is when the activities are likely to be classified as requiring low level official supervision. It is discretionary, though.

The Hon. SANDRA KANCK: Who would be providing that supervision?

The Hon. K.T. GRIFFIN: Officers within the department.

The Hon. SANDRA KANCK: How is that provided? I ask that because members may recall that about five years ago we had the leak of Olympic Dam at Roxby Downs. Although the Western Mining Corporation had been passing information onto the department, it did not show up, and the people who were looking at it in the department did not pick it up. How will we ensure that something like that does happen in this situation if it is only done on this discretionary basis?

The Hon. K.T. GRIFFIN: I think we have to start from the position, and we do start from the position, that if supervision is required then officers in government have if not a statutory obligation then at least a moral and ethical obligation as to what is good business and public sector management. I guess in the end one can never avoid some failing of human nature. The way in which this is structured will be to manage by objective, so that in relation to Roxby Downs, for example, the objective will be clearly stated: 'This dam must not leak.' The management from the departmental officers will be directed towards satisfying that objective—and the same with other objectives. In the end I do not think that is the sort of thing that you can specify precisely in a statute or in regulation, because it is incapable of easy definition; in fact, it is probably incapable of definition at all.

Clause passed.

New clause 74A.

The Hon. SANDRA KANCK: I move:

Page 37, after line 31—Insert new clause as follows:

Mandatory condition about resources required for compliance with environmental obligations

74A. It is a mandatory condition of every licence that the licensee must have adequate technical and financial resources to ensure compliance with licensee's environmental obligations (including the rehabilitation of land adversely affected by regulated activities carried out under the licence).

With the opening up of leases which were previously under Santos's control we face the prospect—it is only a prospect and not a definite thing, but it could happen—that we could have some cowboys come into the area who are eager to make money without taking environmental responsibility. Santos was a known quantity, a large company with a public profile, one that it would not want to be tarnished by accusations of environmental vandalism. This amendment will allow the department to say no to a company whose credentials are doubtful. It is also a very important amendment, I believe, as the bill does not speak about rehabilitation, per se, and this amendment introduces that concept into the bill.

In my discussions with the department I was told that rehabilitation is a costly exercise, but it was also clear in the discussions that I had with it that it is not at all sympathetic to the idea of a rehabilitation fund being set up. Given that obviously if I had put in an amendment for a rehabilitation fund it would have been lost, I thought it was necessary to come up with some way to ensure that any company which seeks any of the various licences under this act should have the technical and financial resources to undertake the necessary rehabilitation.

The Hon. K.T. GRIFFIN: The departmental objective is to ensure that the cowboys in the industry are, if not excluded, then properly regulated. It is one of the reasons why the high level and low level supervision regimes are being established. Except for one matter, and it is a drafting matter, the government is prepared to agree with the amendment. The drafting matter is that the word 'the' has been left out before the words 'licensee's environmental obligations'.

The Hon. SANDRA KANCK: I seek leave to have new clause 74A, as moved, amended, with the addition of the word 'the' before the word 'licensee's'.

Leave granted; new clause amended.

The Hon. P. HOLLOWAY: I indicate that the opposition supports the new clause. We believe that the provision that the Hon. Sandra Kanck is seeking to incorporate in this bill is a worthy one. It is appropriate that people who are operating in this area should have adequate financial resources to deal with any problem that might arise. So we are happy to support it.

New clause as amended inserted.

Clause 75.

The Hon. SANDRA KANCK: Clause 75 deals with discretionary conditions of the licence that the minister may consider appropriate. Subclause (2), if I am reading it correctly, suggests that insurance cover could be an example of discretionary conditions that could be placed on a licence. Then subclause (3) allows the minister to revoke it. Surely such things as an insurance cover ought to be a must and not a matter of discretion.

The Hon. K.T. GRIFFIN: It is a probably a rather curious juxtaposition of subclauses (2) and (3). Subclause (2) is intended to give an example of a discretionary condition, and it is agreed that insurance is an important condition. But I am told that there has been no revocation of requirements for insurance. Notwithstanding that that example has been given in subclause (2), it rather suggests with subclause (3) that that might not be approved or may be revoked. I just think it is a strange juxtaposition which should not be taken to suggest that that is one of the conditions that, although discretionary, is likely to be subject to revocation.

Clause passed.

Clause 76 passed.

Clause 77.

The Hon. SANDRA KANCK: In subclause (3) the term 'proper reason' is used again, as follows:

> The minister may for any proper reason remit penalty interest or a fine imposed under subsection (2) wholly or in part.

I ask: what is a proper reason in this case?

The Hon. K.T. GRIFFIN: It is certainly not a capricious reason. It is a similar issue to the one we talked about earlier in relation to royalties. If a licensee is a few days late in paying the fee, should there not be some discretion as to the amount of the penalty that might be imposed? It might be that there was some reason for the payment being late. It might be that the computing system broke down or that funds were not transferred on time because of an electronic glitch from the parent company to the licensee. Who knows? There is a range of those possibilities, but it is much the same as the explanation I gave earlier in relation to the royalty issue.

Clause passed.

Clause 78 passed.

Clause 79.

The Hon. SANDRA KANCK: Again I am seeking clarification just to ensure that I have picked up the right meaning in this provision. Does this mean that a pastoral lease or part of it could be resumed by the government to allow for petroleum industry activities?

The Hon. K.T. GRIFFIN: As I understand it under the Crown Lands Act and the Pastoral Land Management and Conservation Act, there is already a power in the Crown to resume parts of a lease. They can be excised from pastoral leases or Crown leases in the circumstances envisaged. All this does is reassert that, if the land is required for carrying on regulated activities or purposes incidental to that, they are to be deemed public work or a public purpose. That means they get the benefit of the resumption provisions in the two pieces of legislation.

Clause passed.

Clause 80 passed.

Clause 81.

The Hon. SANDRA KANCK: Subclause (2) relates to consolidation of licence areas. If the minister revokes a licence in order to consolidate a licence holding of a competitor, would the loser be entitled to any compensation?

The Hon. K.T. GRIFFIN: It is not intended that this will allow the revocation of a licence and the issue of a new licence where they are held by different licensees. This is to enable consolidation of areas subject to licences in the name of the same licensee.

Clause passed.

Clause 82 passed.

Clause 83.

The Hon. SANDRA KANCK: I am querying the position of a comma in this clause. Ought there to be a comma after 'including'? Is it intended that paragraph (a) refer to a record of all regulated activities carried out under the licence, maps and plans? Or does it mean to refer to all regulated activities carried out under a licence including, where appropriate, maps and plans? Is it talking about the licence, maps and plans as three consecutive things?

The Hon. K.T. GRIFFIN: I am sure that we will organise for the clerical error to be corrected.

The Hon. Sandra Kanck: I am not sure that it is.

The Hon. K.T. GRIFFIN: It is. The comma should come after 'including' rather than after 'licence'.

The Hon. SANDRA KANCK: That is what I thought, but I was not totally clear.

Clause passed.

Clause 84.

The Hon. SANDRA KANCK: This is about reporting of certain incidents and it provides two classifications—serious incidents and reportable incidents. The fine attached to these is an administrative penalty, and I do not know how much an administrative penalty is. Given the Esso explosion in Victoria, would an administrative penalty suffice under those circumstances? How much is an administrative penalty and would it suffice if a Longford type situation occurred in South Australia?

The Hon. K.T. GRIFFIN: Longford did not have anything to do with non-reporting. This is about reporting and failure to report. It is not about the state of the equipment or the nature of the behaviour from which a serious incident might have arisen. The non-reporting administrative penalty regime is in section 135. While I think of it, the definition of 'administrative penalty' (which I am sure will be clerically corrected) in clause 4 says 'See section 134', when in fact it should be 'See section 135'. I am sure that will be corrected. We, too, can find errors like that.

Clause passed.

Clause 85.

The Hon. SANDRA KANCK: As I read clause 85, it sounds to me that the information that is required can be produced by the licensee. At what point would the government opt for an independent report?

The Hon. K.T. GRIFFIN: This is basically to prevent something like Longford. The way in which I understand it is proposed to be administered is, if the department's own assessment of the information (which has been received from the licensee) is that either they are unsure of the quality of that work or they are unsure of the assessment, they will bring in an independent expert to give advice. Essentially, it will be monitored in-house and obviously standards will have to be set, if they are not already set (and I suspect they are already set). Then, if the standards are not met, a consultant may well be engaged for the purpose of checking the information which has been provided by the licensee.

Clause passed.

Clauses 86 to 88 passed.

Clause 89.

The Hon. SANDRA KANCK: This clause provides:

> The minister may, by agreement with the licensee, suspend a licence for a specified period.

It seems such a peculiar thing that both the minister and the licensee would want to have the licence suspended that I simply wanted to know the circumstances under which this would be sought.

The Hon. K.T. GRIFFIN: There may be some things which the licensee is not able to do in conformity with its licence conditions. It may be that there is a flood, a storm or some other force majeure which prevents it from complying with a condition and, in those circumstances, it may well ask the minister to suspend the licence for a period sufficient to enable the licensee to satisfy the obligations of the licence.

Clause passed.

Clauses 90 and 91 passed.

Clause 92.

The Hon. SANDRA KANCK: This again is one that that struck me as peculiar in that it allows some person, on some occasions, under authorisation to interfere with regulated activities. What would this interference consist of?

The Hon. K.T. GRIFFIN: It may be that an inspector is authorised under the act to do something which might interfere with regulated activities. If you take overlapping licences, it may be that one of the them is authorised to do something which interferes with the other. Presumably they will be matched up, but that might be regarded as interference. I suppose the obvious example is inspectors who are authorised to do certain things actually doing them in a way which can only interfere with the regulated activities but interfere lawfully.

Clause passed.

Clause 93 passed.

Clause 94.

The Hon. SANDRA KANCK: I move:

> Page 45, after line 10—Insert:
>
> and
>
> (c) ensure that land adversely affected by regulated activities is properly rehabilitated.

I have already indicated that I am impressed by the bill in terms of having an environmental objective. We are just beginning to deal with part 12, which is headed 'Environmental protection' and which again makes it surprising that there is no mention of rehabilitation. Because I want to ensure that the South Australian taxpayer does not have to foot the bill because of a lack of accountability by a licence holder, I believe that it is important that rehabilitation be included as a basic principle in the objects of part 12, and that is what this amendment does.

The Hon. P. HOLLOWAY: I indicate that the opposition supports the amendment. At this point, as we enter this part of the bill dealing with environmental protection, I wish to take the opportunity to compliment the department and its officers for the ground breaking work they have performed in developing environmental assessment procedures; and the field guide which has been developed to assess the level of environmental rehabilitation of abandoned well sites, for example, is a worthy innovation because it makes the subjective task of assessing rehabilitation for minimal visual impact as objective and as scientific as is possible to do. I believe that this method will be followed by other jurisdictions and probably in other applications. I use this opportunity to compliment the department on the work that it has done in this area.

The Hon. SANDRA KANCK: Having gone through the compliments again, I also indicate my concern with the existing wording in subclauses (a) and (b) where we have this term 'as far as reasonably practicable', which is terribly open ended. Who will determine this and on what basis? The Attorney will notice that my amendment does not say 'as far as reasonably practicable'.

The Hon. K.T. GRIFFIN: The environmental issues are dealt with in statements of environmental objectives. One of the examples that is pertinent is the rolling of a seismic line—rather than digging it up and clearing it, rolling it. It is not reasonably practicable to go back and prop up every tree but one would expect that that land would recover from that activity over time. That is probably an example of 'reasonably practicable'. All of it is judged in accordance with the objectives that are set for a particular project.

Amendment carried; clause as amended passed.

Clause 95 passed.

Clause 96.

The Hon. SANDRA KANCK: Clause 96 is about the environmental impact report. I appreciate that in subclause (2)(c) there is a recognition of Aboriginal culture. What does 'insofar as those values are relevant to the assessment' mean? Who will determine relevance and will the Office of State Aboriginal Affairs be consulted at this point?

The Hon. K.T. GRIFFIN: It is intended that there be consultation with the Department for Environment and Heritage as well as the Office of State Aboriginal Affairs as part of the preparation of an environmental impact report. Remembering that this is a report, subclause (2)(a) makes a statement about the obvious; that is, if one is proposing a seismic line to be run, issues of Aboriginal values are relevant because it may pass through sacred sites and so on. If, on the other hand, there is a localised facility to be built, then the

values are relevant but there may be no issues of Aboriginal significance in the area so, to that extent, they are not 'cultural, amenity and other values' if they do not exist.

Clause passed.

Clause 97 passed.

Clause 98.

The Hon. SANDRA KANCK: In regard to the preparation of a statement of environmental objectives, who would prepare it and at what point would the minister make a decision that the statement of environmental objectives would need to be revised?

The Hon. K.T. GRIFFIN: If the statement is prepared in draft form by the proponent or the prospective licensee, the department for mines will assess it in consultation with the Department for Environment and Heritage, the Office of State Aboriginal Affairs, the Department of Water Resources and other relevant bodies.

Clause passed.

Clause 99.

The Hon. SANDRA KANCK: I move:

Page 47, after line 4—Insert subclause as follows:
(1A) One of the environmental objectives must be the rehabilitation of land adversely affected by regulated activities.

This is part of a series of amendments that are aimed at ensuring that the environmental object of this bill is acted upon appropriately. Clause 98 of the bill stipulates that a statement of environmental objectives is to be prepared for regulated activities and that the basis of that statement of environmental objectives will be for low or medium impact activities via an environmental impact report, while for high impact activities it will be via an environmental impact assessment under part 8 of the Development Act.

Clause 99(1)(c) spells out that the statement of environmental objectives 'must include conditions and requirements to be complied with in order to achieve the stated objectives'. My amendment spells out what one of those conditions will be; that is, that the licensee must provide security to ensure that rehabilitation can occur. Obviously, if the licensee fulfils the requirement, that security will not need to be used. So, I think this is a case of it being better to be safe than sorry. I suppose this could be accomplished via regulation but parliament would have no say in the wording of the regulation and we would not, therefore, be certain that any regulations that are drawn up would deal with this.

The Hon. K.T. GRIFFIN: The government is prepared to agree with the amendment to clause 99 by adding subclause (1A).

Amendment carried.

The Hon. SANDRA KANCK: I move:

Page 47, lines 6 to 8—Leave out paragraph (a) and insert:
(a) may provide for and, for high impact activities, must provide for a report or periodic reports (to be obtained by the Minister at the expense of the licensee) from an independent expert on the environmental consequences of the activities; and

This amendment substitutes a new subclause (2)(a). As currently worded, the provision of reports in (2)(a) is only required in appropriate cases, with no clarification of what that means. This may be another example of the government intending to clarify this via regulation, but it is important that parliament has a say at the outset. My amendment makes it clear that, in the case of high impact activities, such a report will not be a 'may' but a 'must'. In addition, my amendment requires that the minister is responsible for the preparation of the report and the licensee would be billed for the work, so as to maximise the independence of the report. I suggest that the EPA would be the ideal body to do that.

The Hon. K.T. GRIFFIN: The government is prepared to agree with the amendment.

Amendment carried.

The Hon. SANDRA KANCK: What is an example of a 'system' in subclause (2)(b)?

The Hon. K.T. GRIFFIN: As I understand it, it is based on experience and record-keeping. For example, if you are running a seismic line out, the objective is to ensure full rehabilitation, but there should be a system in place from photographs, physical observations and past experience to indicate how quickly that will rehabilitate and whether there are special needs for rehabilitation to occur as quickly as nature will allow, perhaps with assistance from human beings. So the system is in place and, on the basis of past experience, objectives and measurable indicators by which progress is achieved can be identified.

Clause as amended passed.

Clause 100 passed.

Clause 101.

The Hon. SANDRA KANCK: I move:

Page 47, line 33—Leave out '30' and insert '60'.

This amendment increases from 30 days to 60 days the consultative time when a statement of environmental objectives has been prepared. The consultation period under the Development Act for an environmental impact assessment is three months. It seems reasonable that the consultative period for a statement of environmental objectives under the Petroleum Act should be close to that. However, because we are dealing with medium impact activities, it may not be necessary to have consultation for a full three months, so I suggest a middle period of 60 days.

The Hon. K.T. GRIFFIN: The government will not support the amendment. The 30 business day public comment period was chosen specifically to be consistent with the public environmental report process under the Development Act 1993, which requires a 30 day public comment period. If the reporting period in this clause is extended to 60 days, inconsistencies with existing and accepted assessment processes will be raised. There is also the risk that there will be considerable resentment from the industry. The industry, justifiably, could argue that there are double standards between industry sectors. Accordingly, we oppose the amendment.

The Hon. P. HOLLOWAY: The opposition also opposes the amendment. I understand why the Hon. Sandra Kanck wants to extend the comment period, but there is always a trade-off between providing an adequate period for people to publicly comment and providing some certainty or limit to the process. The debate on the Development Act was very lengthy. The development procedures of this state have been analysed at length over the past decade. A 30 day period was applied to the public environmental report period, and we believe there is merit in the idea that it should be consistent with a similar process here.

The statement of environmental objectives for medium impact activities is analogous to the PER process under the Development Act, which is why we support keeping the reporting period consistent. I have no doubt that environmental groups interested in commenting on such things will be able to do what they wish to do within that period. I also note that subclause (2)(b) provides for at least 30 days. The 30 day

period is a minimum; it is not a fixed period. For the reasons I have given, we will not support the amendment.

Amendment negatived; clause passed.

Clause 102.

The Hon. SANDRA KANCK: Clause 101 provides for a consultative process for medium impact activities, yet in clause 102 there is no consulting process for high impact activities. Why have those who drafted this bill considered it important enough to have consultation at the medium impact level but not at the high impact level?

The Hon. K.T. GRIFFIN: All high impact processes are proposed to be covered under part 8 of the Development Act. Part 8 of the Development Act requires an EIS process, so consultation will be provided under that act.

Clause passed.

Clauses 103 and 104 passed.

Clause 105.

The Hon. SANDRA KANCK: I move:

Page 49, lines 11 and 12—Leave out paragraph (d) and insert:

(d) a copy of every current statement (or revised statement) of environmental objectives approved under this act and a copy of the environmental impact report on which the statement is based; and

This clause deals with the environmental register. Subclause (2)(d) provides that the register must contain 'a copy of every current statement (or revised statement) of environmental objectives approved under this act.' My amendment seeks to include in the environmental register a copy of the environmental impact report on which the statement of environmental objectives is based.

I think this is necessary because any person checking the register needs to be able to check that the statement of environmental objectives bears some resemblance to the environmental impact report. Having it on the register would allow any discrepancies between the two to be noted and questions asked, if necessary. I think this is important, because it brings about a degree of accountability for what the department is doing. I have no doubt that it would not happen in any other way, but if there was any inconsistency it would be there for all to see and it would mean that questions could be asked about it.

The Hon. K.T. GRIFFIN: Agreed.

The Hon. P. HOLLOWAY: We agree with the amendment.

Amendment carried; clause as amended passed.

Clause 106.

The Hon. SANDRA KANCK: I move:

Page 49—

Lines 18 and 19—Leave out ',on payment of the prescribed inspection fee,' and insert ',without fee,'.

After line 20—Insert:

(2) The minister must ensure that copies of material on the environmental register can be purchased for a reasonable fee at the public office, or public offices, at which the register is kept available for inspection.

(3) The minister must ensure that the environmental register can be inspected at the department's website.

These amendments draw a distinction between examining the register and obtaining copies of material on the register. I believe that, as a matter of principle, looking at the register should cost nothing, but I think it is fair that a cost should be attached to the provision of any documents from within the register. The clause as currently worded allows inspection of the register but does not guarantee that copies will be available.

The Environmental Defender's Office, together with another department, recently was denied a copy of material from an agency on the basis that the act required the agency only to make information available for inspection. My second amendment will ensure that copies will be available but that the department will be able to recoup the cost. It is important that we draw a distinction between examining the register and making copies.

The Hon. K.T. GRIFFIN: Agreed.

The Hon. P. HOLLOWAY: The opposition agrees with the amendments. I note that provision is made for access to the department's website. I make the observation that, increasingly, access to government reports and documents will be through websites. I do not know whether any statistics are available, but I suspect that the provision of these sorts of reports is one area where the internet is taking over much more rapidly than other areas. The opposition welcomes this development.

Amendments carried; clause as amended passed.

Clause 107.

The Hon. SANDRA KANCK: I move:

Page 49, after line 36—Insert subclause as follows:

(5) If a direction is given under this section, the minister must review the adequacy of the relevant statement of environmental objectives and, if it appears on the review that a revised statement of environmental objectives is necessary to prevent continuation or recurrence of undue damage to the environment, the minister must take the necessary steps to have a revised statement of environmental objectives for the relevant activities prepared and brought into force.

I see no provision in this bill for environmental objectives to be removed. The behaviour of a company might change, or a responsible company might have a change of management and become irresponsible, or a company might be in financial difficulties and take short-cuts. Obviously, the government must envisage that such things might occur, otherwise it would not have provided this clause in the bill. If things have got so bad that the minister feels that it is imperative to intervene and provide directions to a company, it seems to me that there would be a very good case for a review of the statement of environmental objectives.

The Hon. K.T. GRIFFIN: Agreed.

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

Amendment carried; clause as amended passed.

Clause 108.

The Hon. SANDRA KANCK: Why is rehabilitation an option in this clause?

The Hon. K.T. GRIFFIN: It is not. I do not see that the way in which it is drafted provides an option. It provides that the minister may, by written notice direct the licensee or former licensee to take specified action. If the licensee or the former licensee is doing what he or she or it is required to do, there is no purpose in giving a direction.

The Hon. SANDRA KANCK: It provides that the direction may require the removal of abandoned equipment and facilities. It does not say that it must.

The Hon. K.T. GRIFFIN: It must be discretionary in order to meet every particular circumstance. If a direction is given, it may only need to relate to a reasonable time for compliance with the direction. For example, if there are abandoned equipment and facilities, obviously, if it does not look like they are going to be removed, in those circumstances the minister can direct the removal of that abandoned equipment. It makes a bit of a nonsense of it to say that the minister must give written notice and must require the

removal of abandoned equipment and facilities by virtue of the operation of this notice. This notice, as I understand it, is there in reserve if it is necessary to give a notice where there has been a failure to comply.

Clause passed.

Clause 109.

The Hon. SANDRA KANCK: If the ERD Court revokes a direction, what happens next?

The Hon. K.T. GRIFFIN: It may be that the court finds that the environmental direction was inappropriately or improperly given or that the terms of the direction are not appropriate. It will be noted that, on review, the ERD Court can confirm the direction with or without modification. So, the court has the power to modify that direction according to the evidence which is presented and what it believes is the equity of the situation or it can revoke the direction.

This is all based upon the right to have a direction reviewed with a view, if there is something inappropriate about it, to something which might be more appropriate being put in place. So, the court has that discretion. If it revokes an environmental direction, presumably that is only because it is inappropriate, improper or inadequate.

Clause passed.

Clause 110.

The Hon. SANDRA KANCK: The clause makes it clear that a licensee or a former licensee is required to compensate for any damage that has been done. What happens if a company has gone bankrupt? Is there any way out for that company, or will the government be able to pursue it?

The Hon. K.T. GRIFFIN: The question the honourable member raises is the very reason why there is high or low level supervision. If a corporation is believed to be shaky, it is appropriate to put in place high level supervision to try to guard against any work being done which, if the company is shaky, might not subsequently be rehabilitated. I think that is really the essence of it.

Clause passed.

Clause 111.

The Hon. SANDRA KANCK: What is a 'farm in agreement' in paragraph (b)?

The Hon. K.T. GRIFFIN: A farm in agreement is where you might be a licensee but you want others to assist you in doing the work. So, in return for perhaps a share of the lease, you will come to an arrangement with another corporation which has the resources to do some of the work for you. It will do that work and, instead of getting cash in return, it will get a share or an interest in the licence, subject to the approval of the minister.

Clause passed.

Clauses 112 to 114 passed.

Clause 115.

The Hon. SANDRA KANCK: I move:

Page 52—

Lines 11 and 12—Leave out ', on payment of the prescribed inspection fee,' and insert—

, without fee,

After line 13—Insert:

(2) The minister must ensure that copies of material on the public register can be purchased for a reasonable fee at the public office, or public offices, at which the register is kept available for inspection.

(3) The minister must ensure that the public register can be inspected at the department's website (but is not required to have available for inspection on the website material that was included in the register before the commencement of this act unless the minister has the material in the form of electronic data).

I repeat my view that, as a general principle, inspection should always be free but costs attached to providing the information should always attach (similar to my amendments to clause 116), including information being available on the web site. In the briefings that I had on the bill, I was advised of the existence of the web site. Obviously, this is the way we will move in the future, and I believe it is important that it be recognised in the legislation.

The Hon. K.T. GRIFFIN: The amendments are agreed to.

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

Amendments carried; clause as amended passed.

Clause 116 passed.

Clause 117.

The Hon. SANDRA KANCK: We have the provision in the bill that allows the environmental register and the public register to be inspected; why not the commercial register?

The Hon. K.T. GRIFFIN: It is likely to contain material that is commercial in confidence.

Clause passed.

Clauses 118 to 121 passed.

Clause 122.

The Hon. SANDRA KANCK: I move:

Page 54, after line 22—Insert subclause as follows:

(3) As soon as practicable after the completion of an authorised investigation, the minister must have a report on the results of the investigation prepared and laid before both houses of parliament.

The clause as it stands allows the minister to publish a report on the results of an authorised investigation, but it says nothing about the issuing of that publication. My amendment will require that the report be tabled in parliament as soon as practicable after the investigation has been completed.

The Hon. K.T. GRIFFIN: The amendment is agreed to.

The Hon. P. HOLLOWAY: We are always happy to support these accountability amendments.

Amendment carried; clause as amended passed.

Clauses 123 and 124 passed.

Clause 125.

The Hon. SANDRA KANCK: I move:

Page 56, line 1—Leave out subclause (2) and insert:

(2) The advisory committee will consist of people with experience relevant to the questions the committee is to consider.

As currently worded, the advisory committee is to consist only of persons with experience in the relevant industry. If a matter involved—and this is particularly where I am concerned—exploration in the Coongie Lakes area, there would be a great deal of sense in having people on that committee with relevant environmental expertise. As it is worded, they could not be included on the committee because they are not part of the relevant industry. I think it would be self-defeating for the department not to make the best use of that expertise. My amendment generalises the wording to give greater flexibility to the minister in deciding the make-up of the committee.

The Hon. K.T. GRIFFIN: I support the amendment. I seek leave to amend my amendment as follows:

Replace the words 'Department of the minister' with the word 'department'.

That is consequential on the amendment to clause 4 moved by the Hon. Sandra Kanck.

Leave granted; amendment amended.

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

Page 56, after line 1—Insert:

(1a) A person who is a member of the department, or who has a direct or indirect interest in a licence in force under this act, is not eligible for appointment to an advisory committee.

This amendment is made in response to the concern raised in the House of Assembly by the Deputy Leader of the Opposition, who raised it in the context of the need for an amendment to clause 124 to exclude any licensee or member of the department from the advisory committee constituted by the minister to review administrative acts if requested to do so.

The Hon. P. HOLLOWAY: We support both amendments.

The Hon. Sandra Kanck's amendment carried; the Hon. Mr Griffin's amendment carried; clause as amended passed.

Clauses 126 to 132 passed.

Clause 133.

The Hon. SANDRA KANCK: I move:

Page 57, after line 34—Insert subclause as follows:

(3) A note of each decision to extend a time limit under this section must be included in the public register.

The clause provides:

The minister has a discretion to extend time limits fixed by or under this act.

I hope that any extension of time limits will occur only under exceptional circumstances. I would not like to see the adoption of 'the rules were made to be broken' approach.

I think it is very important as a state that we are seen to be consistent and that industry can trust what is offered here, and any decision to break the rules must be treated with great seriousness. What my amendment does is that whenever there is an extension of the time limits that is noted on the public register. I think by having that information publicly accessible as a parliament we will be putting pressure on the minister to ensure that a decision to extend time limits is treated with the gravity that it does deserve.

The Hon. K.T. GRIFFIN: Amendment agreed.

Amendment carried; clause as amended passed.

Remaining clauses (134 to 137), schedule and title passed.

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

That this bill be now read a third time.

The Hon. SANDRA KANCK: I know that this has been rather slow for members and I apologise to anyone who has felt frustrated by it, but it did, I believe, require serious attention and I went through the process of asking the questions because I wanted some of these answers to appear on the record. I want to thank a number of people for their forbearance, Parliamentary Counsel in particular. From the first time I gave instructions to when we finally got something on file we went through a further series of five draftings to get to it, and hence the delay in getting to this point. I also want to thank the officers of the department, in particular Bob Laws and Michael Malavazos. They came and briefed me twice and were available by phone and fax to discuss things. It is a privilege to know that we have such dedicated public servants still in our midst. I would also like to thank the Environmental Defenders Office and the Friends of Innamincka and Strzelecki Regional Reserves for the input that they have given to me. I believe that as a consequence of this—and I know that the Attorney has been a bit frustrated at the delays—we have a bill here, and subsequently an act that will be workable and one that industry will have a great deal of respect for, because things are spelt out so well.

The Hon. A.J. REDFORD: I have sat here and listened to the Hon. Sandra Kanck all evening and I think she has discharged her duties well. I might not agree with everything she says, but the nature of this place is that we test the legislation, and she is to be congratulated. I must say that I do not agree with a lot that she said, but that is her right.

Bill read a third time and passed.

SOUTH AUSTRALIAN FORESTRY CORPORATION BILL

In Committee.

Clauses 1 to 6 passed.

Clause 7.

The Hon. P. HOLLOWAY: Clause 7 sets out the functions of the, to be established, South Australian Forestry Corporation. I would like to read into the record a letter that was sent to my colleague the shadow minister for the environment from the Nature Conservation Society of South Australia Inc., as follows:

The Nature Conservation Society of South Australia seeks your support in its attempt to persuade the government to transfer areas of remnant vegetation currently held in native forest reserves to the control and management of National Parks and Wildlife SA. The society believes the Woods and Forests Land and Forestry Corporation Bill is scheduled to be read in the Legislative Council during the next few weeks and requests that you raise the issue of transfer of native forests to the National Parks and Wildlife SA before corporatisation occurs, during parliamentary debate.

The society has recently written to the Minister for the Environment outlining the benefits to biodiversity conservation such a transfer would entail, at no extra cost to the government. Details of the information contained in that letter are provided for your information.

The principle issue is that this presents an opportunity for the government to significantly expand and consolidate this state's reserve system under the imminent privatisation of Forestry SA through the South Australian Forestry Corporation Act 2000. The society believes this represents an excellent opportunity for the government to acquire areas of land with good conservation value to be incorporated at no cost into the National Parks and Wildlife reserve system.

Native forest reserves occupy around 20 per cent of SA forestry land. Although these areas are protected by the Native Vegetation Act and consequently cannot be cleared or utilised for primary production, the society is concerned that the conservation of important areas of biodiversity within the native forests currently managed by Forestry SA will be compromised or overlooked under new private ownership—where biodiversity conservation is not core business. As a consequence, the society urges that the government consider the transfer of these areas of native forest and the current staffing levels and resources to the control of the NPWSA in the Department for Environment, prior to the passing of the act.

The society would like to point out that the precedent for the divesting of such high biodiversity value land already exists. The transfer of the grassy woodlands of Mount Brown forest reserve to NPWSA and its gazettal as Mount Brown Conservation Park was a significant contribution to the government CAR reserve initiative.

In 1997 the society worked hard for the transfer of Mount Billy water reserve from SA Water into the reserve system. Although this campaign was successful, the process was unnecessarily difficult as the transfer was not an integral part of the privatisation of SA Water operations.

The society is aware of a number of native forest reserves which would be of significant asset to the reserve system. In some cases forest reserves are immediately adjacent to parks. Transfer of tenure would boost the size and conservation value of these parks—e.g., there is approximately 6 500 hectares of high conservation land near to Para Wirra Recreation Park. Island biogeography principles clearly indicate that biodiversity values are linked to the size of the area conserved.

In other cases the vegetation communities found in forest reserves are under-represented in the reserve system. Examples of these include Wirrabara and Kings Paddock, both of which support

important remnant grassy woodland habitat which is presently poorly represented in the reserve system.

Elsewhere, transfer of forest reserves would fill in gaps in habitat/vegetation communities which have no formal protection under the reserve system. Transfer of this land would not only be an asset to biodiversity conservation but would also be a good public relations exercise for the government in terms of its commitment to the CAR reserve initiative.

The Regional Biodiversity Plan for the South-East of South Australia notes that Forestry SA currently manages the largest area of remnant native vegetation in the Lower South-East and that this land contains significant populations of a number of plant and animal species and plant communities of high conservation significance at a state and regional level. Native forest reserves in the region such as Honan's Scrub, Grundy's Lane and Snow Gum Reserve are known to have a significant number of state rare and threatened species. In the case of Snow Gum, this is the biggest and best area of *Eucalyptus viminalis*. . . mix in the state (note there is no *E. viminalis* protected under the reserve system). Examples of other rare or endangered plant communities with either poor or no representation in the reserve system include *Eucalyptus ovata* woodland and *Eucalyptus willisii ssp willisii* open forest. These communities are currently found in native forest reserves and their addition into the state reserve system would greatly assist the targets sought under the CAR reserve initiative.

There are examples of several plant communities which are soley represented in native forest reserves with no protection under the government reserve system. In the case of *Glycine microphylla*, the species was thought to be extinct until it was discovered that its only known location in the state is in Honan's Scrub native forest reserve.

Eucalyptus arenacea/baxteri woodland is also poorly represented and examples of this vegetation association currently protected under native forest reserves provide an important food source for the nationally endangered red-tailed black cockatoo.

In conclusion, the society would like to re-emphasise that the transfer of key forestry reserves and staff resources throughout the state would significantly address major gaps in biodiversity conservation in protected areas at no cost to the government. Furthermore, the transfer of these areas to the department for environment would allow for improved and streamlined management.

I note that the Nature Conservation Society was under the impression that this legislation would lead to the privatisation of Forestry SA. While one can well understand why groups might think that, given this government's record, I note that the minister has given his assurance that corporatisation will not be a step to privatisation. I guess that we will have to wait and see.

The point that is made by the Nature Conservation Society is an important one. There is no doubt that Forestry SA, which is now being corporatised—in other words, it is being made into a body that exists essentially to make money—has within its reserves some significant areas of native forest that are of high environmental value. That raises the question as to exactly what this bill is all about. Why are we making Forestry SA into a corporation when it has a number of functions that are clearly not commercial? The Nature Conservation Society is suggesting that, if the government wants to make this body into a commercial entity, why keep native reserves in that commercial entity, why not transfer them over to the appropriate body, which it considers to be the department for the environment, which, along with the resources, could more adequately manage those reserves. That is a fair enough question.

I invite the Attorney to comment on the suggestion of the Nature Conservation Society but the Attorney night also like to answer the question as to why we are going down this track. Why are we corporatising our forests when this considerable non-commercial activity remains within the organisation?

The Hon. IAN GILFILLAN: I thought it might be useful from the point of view of the committee if I also made an observation on a similar line so that the Attorney has a chance to deal with the two issues simultaneously. In his summing up of the second reading speeches, the Attorney referred to the community service obligations that will be imposed on the new corporation. He said that these CSOs are currently under negotiation between Forestry SA, the Office for Government Enterprises and the Department of Treasury and Finance. He then listed some examples of activities that were expected to be funded as community service obligations. These included management of native forest reserves.

The Democrats have been contacted by the Nature Conservation Society of South Australia, which is concerned that, under the heading of 'management', there might not be any resources allocated specifically to the important task of biodiversity conservation. We received a very similar communication to that referred to by the Hon. Paul Holloway. Biodiversity conservation is being recognised as one of the most important environmental issues in the world as we head into the 21st century. The commonwealth parliament has recognised this with its new Environment Protection and Biodiversity Conservation Act, which comes into force on 16 July, replacing a host of other out-of-date commonwealth environmental statutes.

In South Australia, the Nature Conservation Society points out that native forest reserves occupy around 20 per cent of SA Forestry land. In the South-East of the state, Forestry SA manages the largest area of remnant native vegetation in the Lower South-East. Native forest reserves in the South-East region such as Honan's Scrub, Grundy's Lane and Snow Gum Reserve are known to have a significant number of state rare and threatened species, including several species that are not represented at all in the state's national parks reserve system.

The society acknowledges that the reserves are protected by the Native Vegetation Act and cannot be cleared or utilised for primary production. Its preferred solution would be to have these reserves, or many of them, transferred to National Parks and Wildlife SA and regazetted as national parks, as has been done already for the Mount Brown forest reserve, now the Mount Brown Conservation Park. The same thing has been done with SA Water's Mount Billy reserve. However, regardless of which agency has care and control of the land, the most important issue is whether the task of biodiversity conservation in these reserves is to be funded, either through the Department for Environment, Heritage and Aboriginal Affairs or through community service obligations on the new SA Forestry corporation, and I look forward to the Attorney giving us any assurances he can in that regard.

The Hon. K.T. GRIFFIN: The whole object of the corporatisation process is to focus much more effectively on the economic rationale for the existence of those forests of a commercial nature, and there is an intention, because of the obligations placed upon the corporation under the Public Corporations Act, to ensure that that is much more the focus in the corporatised entity than it is as presently constituted. In addition to that, in a corporatised entity and in accordance with the provisions of the Public Corporations Act, the community service obligations of the new corporation in relation to the sorts of areas of land to which both members have referred will be more rigorously identified and administered, so clear community service obligations will be identified and properly managed. That is done at the present time to a very large extent, but not as rigorously and as clearly identifiably as is proposed under the corporatised entity.

The corporatisation process is necessary to ensure that there is rigour and transparency and that the community service obligations are properly identified, costed and managed. In terms of the other issue raised by the Hon. Mr Gilfillan about whether some of the property that will become part of the community service obligation could be transferred across to national parks, of course that is always an option. However, that is not in the government's contemplation at the present time. This corporatisation model certainly does not preclude that happening at some time in the future, but certainly there has been no conscious decision of government to move down that path at the present time.

The Hon. IAN GILFILLAN: Can the Attorney see any objection or obstacle to eventually going down that path?

The Hon. K.T. GRIFFIN: Not being the minister responsible for forests and not having any knowledge of the areas to which the honourable member refers, I do not think I can properly answer that question. It would require an assessment of each piece of land, which might be the subject of that sort of decision, looking at the policy reasons why or why it should not occur. I am not in a position to give any indication of whether or not that should be done or could be done in the future. Certainly it could be done: whether or not it should be done is something that I do not have sufficient knowledge about, and the advisers are not in a position to give me that information either.

The Hon. P. HOLLOWAY: It does not engender a lot of confidence in this process of corporatisation of the South Australian forests when the details of the budget for community service obligations have not been worked out. One would have thought that long before this bill was brought before the parliament there would be some idea of exactly how expensive these community service obligations would be and how they would be identified. The real fear that I have, just to repeat the argument again, is that, if you are corporatising a body, you presumably do so because you wish it to be more commercial in its activities. In other words, the bottom line of making profit should be more of an objective than it is at the moment. So, if you are to have these community service obligations—and it is not just the native forests; there is also considerable recreational value in places such as Kuitpo Forest and some of the forests in the Mid North—one would think that the budgetary implications would be worked out well in advance.

I notice that, when the Attorney spoke in closing the second reading debate, he said that it is expected that the value of the community service obligations will not exceed 5 per cent of Forestry SA's total revenue and that they have budgeted for a revenue of $101 million in the current financial year. So, a limit of about $5 million is the expected value of community service obligations. The Attorney compares that with a CSO for SA Water of $86 million. Of course, the community service obligation for SA Water is providing water to country towns in South Australia, and all of us would understand and support the entitlement of people in the country areas of this state to receiving water at a reasonable price. That is a specific CSO but, nonetheless, providing water to country areas still has to be undertaken in as commercial a fashion as is possible.

I do not think the comparison works in relation to SA Forests because here we are talking about areas that are similar national parks. Under the previous arrangement those native forests were being cross subsidised effectively by Forestry SA. There may have been good reasons why that was the case—I am sure there are things such as fire fighting services and other functions that are available to Forestry SA that might have made sense in terms of protecting native bushland—but, if Forestry SA is to become a fully commercial organisation and if the bottom line is to be most important, I again place on record that I do fear that in such a regime these important other functions may receive a lower priority than they have to date, and that would be most unfortunate.

The Hon. K.T. GRIFFIN: I note the observations of the Hon. Paul Holloway. It is all very well to say that we should have been doing some work on identifying the cost of community service obligations before this bill came into the parliament. It does not work quite as easily as that. Sometimes there is good reason to wait until one sees what legislation is finally enacted before doing all that work, whether it relates to community service obligations or otherwise. The only thing I can say in response is that the establishment of the forestry corporation is intended by virtue of the operation of the Public Corporations Act to ensure that the community service obligations are properly identified and properly funded through Treasury, but on a round robin basis—that is, the dividend paid by SA Forestry to Treasury—and part of it will come back by way of funding for community service obligations.

It will be transparent and clearly identified, and I think that is the proper way that this ought to be done. I do not accept the criticism that we ought to have had all this worked out beforehand. It will all be ultimately subject to public scrutiny when the first set of accounts and subsequent accounts are tabled in the parliament.

The Hon. T.G. ROBERTS: I live in an area where there are a number of reserves owned by SA Forest (or what will become the corporation). Already we have had one round of arguments with one community over a reserve near Penola that contained unique trees which were planted some 60 years ago and which the community wanted to keep. The local government involved itself in the defence of that reserve. There is another reserve between Mount Burr and Millicent in regard to which I can see a struggle developing. It is quite possible that the land may be offered for sale to local government as a solution to some of these problems rather than the corporation taking on the responsibility for the administration of those reserves for recreational or community purposes. There is a problem emerging regarding one reserve that I know quite well: it contains pine trees over 100 years old. There are black cockatoos—

The Hon. M.J. Elliott: Are they red-tailed black?

The Hon. T.G. ROBERTS: No, yellow-tailed black. They eat the newly formed pine cones but they only eat the inside of the cone that is nearest the branch and the rest falls to the ground. We have had a number of near accidents with these pine cones hitting car windscreens as people have been driving past. It is quite dangerous. There is an argument between local government and SA Forest—and perhaps the new owner when it takes ownership after the legislation is finalised, that is, the corporation—as to who has liability. Regarding the debate about fixing that problem, there is a recommendation being put that the trees be felled. That seems to me to be a fairly severe way to deal with this matter. That is under the current regime, not under any new regime that may emerge.

I guess local government would be looking for some support to see whether it can purchase the reserves at a reasonable price and perhaps administer reserves on behalf of communities, picking up the liability that might emerge from any of these other problems. I would not like to see

those trees felled; perhaps they can be trimmed or some other way of dealing with the problem be found.

My question to the Attorney (or to his advisers or the minister) is: if local government makes an application for the transfer of these reserves, would it be forced to pay market price or would it be able, before the corporation took ownership of those reserves, to become the custodians of those reserves; or would the government wait until these reserves were corporatised under the legislation and on-sell the reserves or negotiate with local government a fair and reasonable price, or would it have to pay market price?

The Hon. K.T. GRIFFIN: There are some current negotiations, which will continue as they have previously, because the forestry corporation is the successor in title. If the honourable member is referring to possible transfers which have not previously been the subject of consultation, that is speculative and I cannot make any observation. Each case will need to be determined on its merits according to what might be the subject of negotiations between the parties. If I have the right drift, the honourable member is raising hypothetical questions and, if that is the case, I cannot take them any further.

The Hon. M.J. ELLIOTT: I do not intend to get involved in a debate about the bill as a whole. However, I want to ask some questions in relation to areas of forest reserve which have native vegetation.

The Hon. K.T. Griffin interjecting:

The Hon. M.J. ELLIOTT: I have been listening to that, but I want to take it a bit further.

The ACTING CHAIRMAN (Hon. T. Crothers): The committee is dealing with clause 7.

The Hon. M.J. ELLIOTT: As I understand it, the debate has ranged far and wide, which happens from time to time in this place on particular clauses.

The ACTING CHAIRMAN: The acting chair has been very tolerant. I would not like to see anyone playing on my tolerance.

The Hon. M.J. ELLIOTT: I encourage the acting chair to remain tolerant, otherwise I will just have to ask the same questions later.

The ACTING CHAIRMAN: Certainly, as long as it is relevant to the clause.

The Hon. M.J. ELLIOTT: When the question of the potential sale of forest reserves comes up, some people seem a little sanguine in terms of saying that, if it has native vegetation, it will be protected by the Native Vegetation Act. There are a number of loopholes which would allow a reserve to be sold and for clearance to occur because of dwellings and the like. We see that throughout the Mount Lofty Ranges on a regular basis at the moment, so I do not feel as sanguine as others might about that.

An amendment later in the schedule, referring to section 16 of the Forestry Act, provides:

> Nothing in this act authorises the corporation to sell a forest reserve or part of a forest reserve.

It also strikes out existing clause 16 which allows the minister to sell or otherwise dispose of property. Since the minister can no longer dispose of property and forest reserves cannot be sold under section 16, how will any sale or other disposal of forest reserves take place?

The Hon. K.T. GRIFFIN: Section 16 of the Forestry Act provides that, subject to the act, the minister may do certain things for the purpose of carrying out other provisions of the act. Subsection (1a) provides:

> This section does not authorise the minister to sell any forest reserve or any part of such a reserve.

That is provided in the current act. So, this provision is a mirror of that. The only way you can deal with forest reserves is under section 3 which provides that 'The Governor may, by proclamation, declare any crown lands to be a forest reserve', etc. Subsection (3) provides:

> The Governor may, by subsequent proclamation, vary or revoke a proclamation under subsection (1).

It is provided that a copy of the proclamation must be laid before both houses of parliament with a statement of the reasons. Subsection (5) provides:

> A proclamation. . . does not have effect—
> (a) until 14 sitting days of each house of parliament have elapsed after a copy of the proclamation is laid before each house; and
> (b) if, within those 14 sitting days, a motion for disallowance of the proclamation is moved in either house of parliament—
> unless and until that motion is defeated or withdrawn, or lapses.

It is a matter of decommissioning a forest, and then it can be sold as an ordinary piece of property.

Clause passed.

Clauses 8 to 14 passed.

Clause 15.

The Hon. P. HOLLOWAY: I move:

Page 8—

Line 7—Leave out 'An' and insert 'Subject to subsection (4), an'.

After line 8—Insert:

(4) The corporation must not, in fixing terms and conditions of employment by the corporation, discriminate between employees appointed after the commencement of this act and those transferred to its employment in accordance with schedule 1.

This amendment is identical to an amendment which the opposition unsuccessfully moved in the House of Assembly. The purpose of the amendment is to ensure that new employees, who are hired after the corporatisation of Forestry SA, will be employed on similar terms and conditions to the current employees who will be transferred into the new corporation.

The bill contains provisions which guarantee the conditions of employees who currently work for Forestry SA. This amendment seeks to ensure that all new employees of the corporate body are not hired on wages and conditions below the existing wages and conditions of current employees. When we look at what happened with TransAdelaide where employees were taken on after privatisation at substantially lower levels than existing employees, we can see what that does to the work force.

This amendment seeks to avoid the situation of having two classes of employees. The effect of the amendment is to join new members of the corporation in with the enterprise bargaining or award agreements which are part of the ongoing negotiations. It does not fix wages or conditions at any level but ensures that the conditions will be the same for all employees. It is my understanding that the enterprise bargaining agreement in that industry expires next year. What we expect to happen is that the new employees of the corporation will join with existing employees in the negotiations for that enterprise bargaining arrangement.

We want to ensure that the corporation does not have an unfair advantage of putting on new employees at a level which skews those enterprise bargaining arrangements. I echo

the words of the member for Gordon in another place who commented on this clause as follows:

I think to maintain some good cordial relationships with some very valuable intellectual property—which is at the leading edge worldwide—is a smart thing for this corporation to do.

All I can say to that is: hear, hear! I hope the committee will consider this important amendment and ensure that we do not have a situation where employees of the new corporation are at different levels.

The Hon. IAN GILFILLAN: The Democrats support the amendment. It appears to be essential to give equity to employees who will be working in one organisation doing the same work. I think it would be a recipe for if not industrial unrest certainly substantial disaffection by some individual workers for others. I see no justification in leaving the bill vulnerable to that sort of distortion. This amendment heals the potential for that and virtually ensures that there is every opportunity for a contented and productive work force in the new entity.

The Hon. K.T. GRIFFIN: If the corporation wishes to appoint suitably skilled staff to professional business related positions in, say, the South-East in information technology, accounting and marketing, the proposed amendment would restrict the corporation from offering negotiated terms and conditions above those which are defined in the existing industrial prescriptions to attract and retain new employees for its operations. I think that is the issue, rather than wanting to pay less; it is a question of getting the right people and wanting to pay more. If this requirement is provided in the legislation, there is a real risk that it will constrain the ability of the corporation to engage employees with suitable skills at higher rates. I had hoped that we would be able to finish this tonight, but there is a later amendment that may be the subject of considerable discussion, particularly in relation to the Local Government Association.

The Hon. P. Holloway: I am sure it will be.

The Hon. K.T. GRIFFIN: I suggest that we report progress on the basis that that will give us an opportunity overnight to look at the drafting of this provision and enable us to debate the clause 17 amendment on that occasion with other members present. I still propose dealing with the Forest Property Bill tonight.

Progress reported; committee to sit again.

FOREST PROPERTY BILL

In committee.

Clauses 1 to 14 passed.

Clause 15.

The Hon. IAN GILFILLAN: I move:

Page 10, after line 12—Insert:

(4) However, a licence cannot operate to the exclusion of a law governing the manner in which operations are to be carried out unless the law is so restrictive as to amount, in effect, to a prohibition of the operations.

This amendment will overcome what I foresaw as a problem with the drafting of the bill—that it can be interpreted as an insulation from legislation applying to the state at large at the time that the harvest of a commercial forest is due. I will not go through all the detail but will briefly refresh members' memories. Subclause (3) provides:

Operations authorised by a licence under this section may be undertaken (subject to the conditions of the licence)—

(a) despite the provisions of any other law to the contrary; and

(b) without any further authorisation, consent or approval under any other law.

It is very difficult for me to read that provision without interpreting it as a clearly expressed exemption for the harvest (at the time that that may occur) from laws which have been promulgated in the mean time and which would be effective at that time. It is important that I read into *Hansard* a letter that was written by the Hon. Michael Armitage MP, Minister for Government Enterprises, on 6 July. I am grateful to him for the letter, which is as follows:

I refer to the second reading debate on the Forest Property Bill, where I understand you indicated your intention to oppose clause 15 of the bill (part 3—Commercial Forest Plantation Licences). I understand that your opposition to this clause is based on your interpretation of the clause conferring unwarranted powers and rights over other state law.

In recent discussions between ForestrySA and Parliamentary Council, confirmation has been received that you may have misinterpreted part 3, including what is actually authorised when a commercial licence is granted under this part.

By way of clarification, although a licence issued under this part will enable a commercial forest plantation to be harvested without further authorisation, consent or approval, the licence and these provisions do not exclude the holder from complying with any other legal requirements applying to such operations at the time of harvest.

Accordingly, state laws relating to occupational health, safety and welfare applicable at the time of harvest, as raised by yourself in debate, would apply to such operations regardless of when the licence was issued, as would any other relevant and applicable state law. It is only the right to harvest that will be protected by means of a licence under this part, rather than a general exemption from the law.

Clause 15 is a key component of the bill and aims to encourage investor confidence by confirming the 'right to harvest', even though the current risk may be perceived as minimal. The right to harvest is an important consideration for forestry investors having regard to the time it takes for a forest plantation to reach maturity, including the lack of any real return on investment until the plantation is actually harvested.

I trust that this information is of assistance, yours sincerely.

That letter expresses very well exactly what I would support. It is to reinforce that intention that I have moved the amendment, which was drafted by Parliamentary Counsel.

In spite of the assurance of the Minister for Government Enterprises in his letter as to the intention, unless my research officers and I cannot read plain English and interpret it, subclause (3) does not appear to express the intention of the letter. My amendment, which inserts new subclause (4), puts it in the positive—that there will be no exclusion of law governing the manner in which the operations will be carried out, but it does entrench in the bill that it will not prohibit the eventual harvesting of the timber in due course.

It is for that reason that I move the amendment. I can only say again—because this is really the nub of the debate—that, if the government's intention is as indicated in the letter of the Minister for Government Enterprises, then we are in total agreement. However, I do not believe that the wording of the bill provides that, and I believe my amendment is necessary to do so.

The Hon. K.T. GRIFFIN: The government does not support the amendment. I understand the point that the Hon. Mr Gilfillan is making. The difficulty, though, is that what he does is to effectively negate the flexibility that is proposed to be given by section 15. What concerns me is that there will undoubtedly be a significant amount of debate, possibly litigation, about what the effect of a particular law might be. The amendment provides that 'a licence cannot operate to the exclusion of a law governing the manner in which the operations are to be carried out. . . ', and presumably that is fine so far as it goes in relation to occupational health and safety, workers compensation, and so on, but it then continues, 'unless the law is so restrictive as to amount, in effect,

to a prohibition of the operations. It seems to me that that really does negate the flexibility which is intended to be given and the protection to the right to harvest, which is provided for in the bill. So, on that basis the government opposes the amendment, which effectively negates what is proposed to be achieved by the operation of this legislation.

The Hon. T. CROTHERS: I oppose the amendment, too, and I will just briefly say why. I agree with most of what the Attorney has said, but I speak now with my chippies hat on, if you like. There is now a case to be made for allowing for natural growth and letting some of the radiata pine grow beyond the 35 year mark, which my colleague the Hon. Terry Roberts tells me is the age at which they begin harvesting the trees. There is now a case in point to let them mature to their full size, because it is very difficult now to get planking or sawn log of the width and length that was formerly the case before they started hoeing into places like Canada, Oregon and British Columbia, where large timber grew in abundance.

So to that end, in my view it does not make for the efficient running on the part of whoever is overseeing the forest, whether it be government, private enterprise, or whoever. It does not make for maximising profitability. It does not make for having the capacity to depart from procedural norms which are set by the parliament for the timber industry, in respect to answering the demands of the building industry or the furniture industry for certain types of log. I understand what the Hon. Mr Gilfillan is saying, but for those reasons, and perhaps a plethora more not known to me, I would be supportive of what the Attorney is saying in respect to this matter.

The Hon. P. HOLLOWAY: I indicate that the opposition is inclined to support the amendment moved by the Hon. Ian Gilfillan. When the opposition first had a look at this bill we did have some concerns about clause 15. We note that when the Attorney responded to the Hon. Ian Gilfillan's comments in relation to clause 15 that to a significant extent satisfied our concerns. But now the Hon. Mr Gilfillan, instead of opposing clause 15 outright, which was his original inclination, has moved an amendment that will satisfy his concerns, without, he believes, weakening the whole purpose of this clause.

I know that the Attorney says that the Hon. Mr Gilfillan's proposed subclause (4) will, in effect, negate what is in clause 3. I certainly do not see it that way, but I guess it is an obtusely worded clause. It is not; it is easy to follow. At this stage I indicate that the opposition would be prepared to support the amendment, and if there are problems later we could look at this further then. I indicate that at this stage we are inclined to support it. We certainly agree with the objective of what the Hon. Ian Gilfillan is trying to do, that is, to try to make it absolutely certain that commercial forestry plantations will not operate in a way that would avoid the other laws of the state, such as those relating to occupational health and safety, for example.

The Hon. IAN GILFILLAN: I am glad for the indication of somewhat qualified support. I think it is important to contemplate that the Attorney's plea for flexibility can be interpreted as a flexibility to flout the law of the time in honour of some promise given in the year 2000 for harvesting in the year 2020, 2025 or 2030, depending on which year the harvesting takes place. In a way it is a somewhat irrelevant debate, because my understanding is that any parliament at any time between now and the harvesting date can introduce and pass legislation which will override whatever it is that we deliberate on this evening. So I do not feel that the issue will be one of crucifixion if we lose this amendment.

However, I feel that it is absolutely essential to impress on this committee and on this parliament that it is very poor legislation to tunnel vision legislation to attempt to ensure that there can be a breaking of the law, an infringement of the contemporary law, some decades down the track on the basis of what I think is pandering to what are unnecessary commercial reassurances and comforts.

The amendment is specifically drafted to ensure that the entrepreneur, the investor, can be assured that harvesting will be able to proceed, but no-one should expect to have a guarantee in the year 2000 to be immune from noise pollution, environment, safety—all those factors which can be controlled by legislation which may reach standards or require different compliance procedures those years down the track. That is what I attempt to do in this amendment, and I believe that Parliamentary Counsel has achieved it.

The Hon. T. CROTHERS: Again I rise to take some issue with my good colleague the Hon. Mr Gilfillan. If you get a roof span of a very wide reach, it is necessary to get timbers of a sufficient width and length to bridge the span. If you cannot get those timbers then the building companies will do what they have already done, which is to switch away from timber roof trussing and go into aluminium, or other light alloys, in which case there will be no need whatsoever for the radiata pine forests. Radiata pine is not much good for furniture: it is used either for framing in timber framed or brick veneer houses or for roofing, for joists and so forth in the roof.

The Hon. T.G. Roberts: Flooring.

The Hon. T. CROTHERS: Yes, I am reminded by my learned colleague the Hon. Terry Roberts that it is also used for flooring. There has been a switch in housing development from wooden floors to concrete floors. It is a bit like the man who said about the Royal Navy that in the 19th century it had wooden ships and iron men and in the 20th century it has iron ships and wooden men. I have to put that point of view as one who has worked in the industry. If we do not want there to be a lessening of demand in respect of the timbers we grow in the South-East, we ought not to put impedimenta in the way of the operators of the sawmills and the forests having the capacity to supply as widely as possible the demands of the industry. We will find that wide-reaching spans will require wider and longer timbers.

I know that at one stage the Hon. Legh Davis went crook over scrimber. I maintained then as I maintain now that he was wrong in that because that sort of capacity for bonding together the cuttings from timber has been achieved in no small measure in Canada. That has enabled the Canadians to maintain their place in the housing industry and in the industrial sector with factories, where roofing requires wide, strong spans. That laminated timber has taken the place of timber that formerly came from Oregon and the forests of South America or Borneo, where a lot of tall trees have been lopped.

It was a lot of good foresight that put forestry in the South-East in the 1870s or 1880s, and we would do it a disservice if we put any unnecessary constraints on its capacity to supply industry, even when demand is not great. It nonetheless keeps people on the timber track. Otherwise we may not be able to supply the long timbers that are required to bridge roof spans or that are required for heavy, long-reaching carrying roof trusses. I support the government.

The Hon. K.T. GRIFFIN: I do not need to make any further observation because we have debated the issue. I propose that we finish the committee consideration of the bill tonight and deal with the third reading tomorrow.

The Hon. T. CROTHERS: I have just one question. In the clause that we are dealing with, despite any law to the contrary, I want to know how that law would read if the contractor is in breach of the workers compensation act or the occupational health and safety act. Perhaps the Attorney can think about that and let me know tomorrow.

The Hon. K.T. GRIFFIN: I have listened to the debate and occupational health and safety and workers compensation are issues in it. I know that I have the numbers to defeat this amendment, but I suggest that we report progress and I will take some advice on the issues that have been further raised. I do not agree with the Hon. Mr Gilfillan's amendment but I acknowledge the point that he is making and I will have my officers do some work with parliamentary counsel tomorrow with a view to trying to resolve the difficulties that everybody seems to have with this measure.

The Hon. P. Holloway interjecting:

The Hon. K.T. GRIFFIN: If I do some work on it I might be able to make everybody happy.

Progress reported; committee to sit again.

HIGHWAYS (MISCELLANEOUS) AMENDMENT BILL

The House of Assembly agreed to the bill with the amendments indicated by the following schedule, to which amendments the House of Assembly desires the concurrence of the Legislative Council:

No. 1. Clause 4, page 5, lines 19 to 25—Leave out the definition of 'shadow tolling payment scheme'.

No. 2. New clauses—After clause 26 insert new clauses as follows:

Substitution of s. 31 and heading

27. Section 31 of the principal Act and the heading above that section are repealed and the following section is substituted:

Highways Fund

31. (1) The *Highways Fund* continues in existence.

(2) The Fund consists of—

(a) money paid into the Fund as required or authorised by this Act or any other Act; and

(b) loans raised and appropriated for purposes of the Fund; and

(c) any money (including interest) paid into the Fund to defray the cost of operations referred to in section 32(1)*(g)*; and

(d) any money (including interest) repaid by a council under section 32(1)*(h)*; and

(e) any other money received in repayment of money disbursed from the Fund or otherwise received under this Act; and

(f) any amounts paid by way of fees or charges for the use of any ferry or sea transport service operated under this Act.

(3) The Treasurer must, at least once every three months, pay into the Fund the sum of all money collected or received in respect of licence fees and registration fees under the *Motor Vehicles Act 1959* after deducting from that sum such amount as is necessary to pay, during the financial year in which that money is collected or received—

(a) any interest on the debit balance for the time being outstanding in accounts of the Treasurer in respect of loans raised for roads and bridges; and

(b) any expenses incurred in connection with statutory or administrative powers, duties or functions exercised or performed by or under the direction of the Registrar of Motor Vehicles.

(4) The Treasurer may in any financial year advance out of the Consolidated Account and pay into the Fund any sum not exceeding the amount that the Treasurer anticipates will, in that financial year, be received or collected and be payable to the Fund under subsection (3).

(5) If an amount is paid into the Fund under subsection (4), that amount must be deducted from the amount to be paid into the Fund under subsection (3) during the relevant financial year.

No. 3. New clause No. 28—page 13, after line 21—Insert new clause as follows:

Amendment of s. 31A—Adjustment of Highways Fund

28. Section 31A of the principal Act is amended—

(a) by striking out from subsections (1) and (2) 'Loan Fund' and substituting, in each case, 'Consolidated Account';

(b) by striking out from subsection (3) 'Revenue'.

No. 4. New clause No. 29—page 13, after line 21—Insert new clause as follows:

Amendment of s. 32—Application of Highways Fund

29. Section 32 of the principal Act is amended—

(a) by striking out paragraph *(c)* of subsection (1); and

(b) by striking out paragraphs *(e)* and *(f)* of subsection (1) and substituting the following paragraph:

(e) in paying any grants to councils authorised by the Minister to be paid out of the Fund; and;

(c) by striking out from subsection (1)*(h)* all the words appearing after 'water'.

No. 5. New clause No 31—page 15, after line 20—Insert new clause as follows:

Substitution of Part 3A

31. Part 3A of the principal Act is repealed and the following Part is substituted:

PART 3A

GILLMAN HIGHWAY—THIRD PORT RIVER CROSSING PROJECT

Interpretation

39A. (1) In this Part—

'Gillman Highway' means a road on land specified by proclamation under subsection (2), including a third bridge over the Port River (the 'Third Port River Crossing');

'Project' means—

(a) the design, construction, operation, maintenance and repair of Gillman Highway; and

(b) the financing of any activity referred to in paragraph *(a)*.

'Project Agreement' means an agreement, made by the Commissioner with the approval of the Minister, under which another person (the 'private participant') undertakes the whole or any part of the Project on behalf of the Commissioner;

'Project property' means—

(a) land specified by proclamation under subsection (2) or acquired by the Commissioner for the purposes of the Project;

(b) any structures or things constructed or acquired for the purposes of the Project;

'relevant council', in relation to Project property, means the council in whose district the property is situated.

(2) The Governor may—

(a) by proclamation, specify land for the purposes of the definition of 'Gillman Highway';

(b) by subsequent proclamation, vary a proclamation under this subsection.

Status of Gillman Highway

39B. Gillman Highway will be regarded—

(a) as a public road for all purposes;

(b) as a highway for the purposes of Part 2 of Chapter 11 of the *Local Government Act 1999*.

Gillman Highway not to vest in council

39C. Despite the provisions of the *Real Property Act 1886* or any other Act, neither Gillman Highway nor any part of Gillman Highway will vest in fee simple in the

relevant council unless the Commissioner, by order under this Part, vests it in the council.

Care, control and management of Gillman Highway

39D. The Commissioner will have the care, control and management of Gillman Highway subject to any order of the Commissioner under this Part.

Power to obstruct right of navigation

39E. (1) The Commissioner or, in accordance with the terms of the Project Agreement, the private participant may, for the purpose of carrying out work in relation to the Third Port River Crossing, obstruct temporarily any right of navigation.

(2) No claim lies against the Crown, the Commissioner, the private participant or any agency or instrumentality of the Crown arising out of any obstruction of a right of navigation by reason of roadwork under this section.

Dealings with property under Project Agreement

39F. (1) The Commissioner may, by written order, do one or more of the following:

(a) in accordance with the terms of the Project Agreement, transfer to and vest in any of the following Project property (including an estate in fee simple in land):
  (i) the private participant;
  (ii) a person nominated for the purpose in the Project Agreement;
  (iii) the Commissioner;
  (iv) the relevant council;
(b) in accordance with the terms of the Project Agreement—
  (i) grant a lease, licence or other interest or right in respect of Project property to the private participant or a person nominated for the purpose in the Project Agreement;
  (ii) vary or terminate a lease, licence or other interest or right that has been granted under this section;
(c) in accordance with the terms of the Project Agreement, declare that the Third Port River Crossing or a structure that is part of Project property is for all purposes to be regarded as personal property severed from the land to which it is affixed or annexed and owned separately from the land;
(d) in accordance with the terms of the Project Agreement, declare that the private participant has the care, control and management of all or part of Gillman Highway for the purposes of this Act or any other Act for a specified period or until further order of the Commissioner.

(2) An order may be made by the Commissioner under this section in respect of Project property—

(a) that is owned by the Commissioner, the Crown or an agency or instrumentality of the Crown; or
(b) that has, by order under this section, been transferred to and vested in the private participant or a person nominated for the purpose in the Project Agreement,

(and if the Commissioner makes an order in respect of property not owned by the Commissioner, the Commissioner is to be taken to be acting as the agent of the owner of the property).

(3) An order of the Commissioner under this section takes effect on the date of the order or a later date specified in the order.

(4) An order of the Commissioner under this section has effect according to its terms by force of this section and despite the provisions of any other law.

(5) The Registrar-General or any other authority required or authorised under a law of the State to register or record transactions relating to land, or documents relating to such transactions, must, on application by the Commissioner or a person nominated by the Commissioner for the purpose, register or record a transfer and vesting, grant, variation or termination effected by an order of the Commissioner under this section.

(6) No stamp duty is payable under a law of the State in respect of a transfer and vesting, grant, variation or termination effected by an order of the Commissioner under this section, and no person has an obligation under such a law to lodge a statement or return relating to such a transaction or include information about such a transaction in a statement or return.

Payments to private participant

39G. The Project Agreement may provide for the private participant to retain the proceeds of tolling under this Part (including expiation fees and prescribed reminder notice fees paid in respect of alleged offences against this Part).

Toll for access by motor vehicles to the Third Port River Crossing

39H. (1) The Minister may, by notice in the *Gazette*, fix a toll for access by motor vehicles to the Third Port River Crossing (the toll being of an amount that may vary according to the type of vehicle or any other factor specified in the notice).

(2) The Minister may, by further notice in the *Gazette*, vary or revoke a toll fixed under subsection (1).

(3) A toll fixed under subsection (1) (including expiation fees and prescribed reminder notice fees paid in respect of alleged offences against this Part)—

(a) may be collected by the Commissioner and paid into the Highways Fund; or
(b) if the Project Agreement so provides—
  (i) may be collected by the private participant on behalf of the Commissioner and be paid into the Highways Fund; or
  (ii) may be collected and retained by the private participant.

(4) A person must not, unless exempted under this section, drive a motor vehicle on the Third Port River Crossing without paying the appropriate toll (if any) fixed under subsection (1).

Maximum penalty: $1 250.
Expiation fee: $160.

(5) A toll fixed under subsection (1) is not payable in respect of—

(a) an emergency vehicle; or
(b) a motor vehicle owned or driven by a person, or a person of a specified class, exempted by the Minister from the operation of this section; or
(c) a motor vehicle, or a motor vehicle of a specified class, exempted by the Minister from the operation of this section.

(6) An exemption under subsection (5)*(b)* or *(c)*—

(a) must be given by notice in the *Gazette*;
(b) may be given on conditions determined by the Minister.

(7) The Minister may, by further notice in the *Gazette*—

(a) vary or revoke an exemption under subsection (5)*(b)* or *(c)*;
(b) vary or revoke a condition of an exemption under that subsection.

(8) A person must not contravene or fail to comply with a condition imposed under subsection (6).

Maximum penalty: $1 250.
Expiation fee: $160.

(9) The Minister may authorise a person or body to carry out such works as the Minister thinks fit in relation to the operation of this section.

(10) Works authorised under subsection (9) may include—

(a) the erection or installation of devices for the collection of tolls; and
(b) the erection or installation of notices or signs; and
(c) the erection or installation of traffic control devices.

(11) A person must not operate a device erected or installed for the purposes of this section contrary to any operating instructions displayed on or in the vicinity of the device.

Maximum penalty: $1 250.
Expiation fee: $160.

(12) A person must not intentionally deface, damage or interfere with a device erected or installed for the purposes of this section.

Maximum penalty: $5 000 or imprisonment for one year.

(13) If the Project Agreement so provides—

(a) a person authorised in writing by the private participant may give expiation notices for alleged offences against this Part;

(b) the private participant is to be taken to be an issuing authority for the purposes of the *Expiation of Offences Act 1996* in relation to alleged offences against this Part.

(14) In this section—

'emergency vehicle' has the meaning given by the regulations.

Liability of vehicle owners and expiation of certain offences

39I. (1) In this section—

'operator', in relation to a motor vehicle, means a person registered or recorded as the operator of the vehicle under the *Motor Vehicles Act 1959* or a similar law of the Commonwealth or another State or a Territory of the Commonwealth;

'owner', in relation to a motor vehicle, means—

(a) a person registered or recorded as an owner of the vehicle under the *Motor Vehicles Act 1959* or a similar law of the Commonwealth or another State or a Territory of the Commonwealth; and

(b) a person to whom a trade plate, a permit or other authority has been issued under the *Motor Vehicles Act 1959* or a similar law of the Commonwealth or another State or a Territory of the Commonwealth, by virtue of which the vehicle is permitted to be driven on roads; and

(c) a person who has possession of the vehicle by virtue of the hire or bailment of the vehicle,

and includes the operator of the vehicle.

(2) Without derogating from the liability of any other person, but subject to this section, if a motor vehicle is involved in an offence against section 39H(4) or (8), the owner of the vehicle is guilty of an offence and liable to the same penalty as is prescribed for the principal offence and the expiation fee that is fixed for the principal offence applies in relation to an offence against this section.

(3) The owner and driver of a motor vehicle are not both liable through the operation of this section to be convicted of an offence arising out of the same circumstances, and consequently conviction of the owner exonerates the driver and conversely conviction of the driver exonerates the owner.

(4) An expiation notice or expiation reminder notice given under the *Expiation of Offences Act 1996* to the owner of a motor vehicle for an alleged offence against this section involving the vehicle must be accompanied by a notice inviting the owner, if he or she was not the driver at the time of the alleged offence against section 39H(4) or (8), to provide the person specified in the notice, within the period specified in the notice, with a statutory declaration—

(a) setting out the name and address of the driver; or

(b) if he or she had transferred ownership of the vehicle to another prior to the time of the alleged offence and has complied with the *Motor Vehicles Act 1959* in respect of the transfer setting out details of the transfer (including the name and address of the transferee).

(5) Before proceedings are commenced against the owner of a motor vehicle for an offence against this section involving the vehicle, the complainant must send the owner a notice—

(a) setting out particulars of the alleged offence against section 39H(4) or (8); and

(b) inviting the owner, if he or she was not the driver at the time of the alleged offence against section 39H(4) or (8), to provide the complainant, within 21 days of the date of the notice, with a statutory declaration setting out the matters referred to in subsection (4).

(6) Subsection (5) does not apply to—

(a) proceedings commenced where an owner has elected under the *Expiation of Offences Act 1996* to be prosecuted for the offence; or

(b) proceedings commenced against an owner of a motor vehicle who has been named in a statutory declaration under this section as the driver of the vehicle.

(7) Subject to subsection (8), in proceedings against the owner of a motor vehicle for an offence against this section, it is a defence to prove—

(a) that, in consequence of some unlawful act, the vehicle was not in the possession or control of the owner at the time of the alleged offence against section 39H(4) or (8); or

(b) that the owner provided the complainant with a statutory declaration in accordance with an invitation under this section.

(8) The defence in subsection (7)*(b)* does not apply if it is proved that the owner made the declaration knowing it to be false in a material particular.

(9) If—

(a) an expiation notice is given to a person named as the alleged driver in a statutory declaration under this section; or

(b) proceedings are commenced against a person named as the alleged driver in such a statutory declaration,

the notice or summons, as the case may be, must be accompanied by a notice setting out particulars of the statutory declaration that named the person as the alleged driver.

(10) In proceedings against a person named in a statutory declaration under this section for the offence to which the declaration relates, it will be presumed, in the absence of proof to the contrary, that the person was the driver of the motor vehicle at the time at which the alleged offence was committed.

(11) In proceedings against the owner or driver of a motor vehicle for an offence against this Part, an allegation in the complaint that a notice was given under this section on a specified day will be accepted as proof, in the absence of proof to the contrary, of the facts alleged.

Application of Part

39J. This Part does not apply in relation to a Project Agreement unless a detailed description of the Project and its funding has been referred to the Public Works Committee of the Parliament for its inquiry and consideration.

No. 6. Clause 32, page 22, line 16—Leave out 'either temporarily or permanently' and insert:

temporarily

NATIVE TITLE (SOUTH AUSTRALIA) (MISCELLANEOUS) AMENDMENT BILL

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

STATUES AMENDMENT AND REPEAL (ATTORNEY-GENERAL'S PORTFOLIO) BILL

The House of Assembly agreed to the bill with the amendments indicated by the following schedule, to which amendments the House of Assembly desires the concurrence of the Legislative Council:

No 1. New clause, page 5, after line 16—Insert new clause as follows:

Amendment of s.7—Application for compensation

10A. Section 7 of the principal act is amended by inserting after subsection (9) the following subsection:

(9aa) The court must not, however, make an order for compensation in favour of a victim if the injury to the victim occurred while the victim was engaged in behaviour constituting an offence against a person or property (or both) or was trespassing on land or premises with the intention of committing such an offence.

No 2. New clause, page 5, after line 32—Insert new clause as follows:

Amendment of s.11—Payment of compensation, etc. by the Attorney-General

11A. Section 11 of the principal act is amended by inserting after subsection (3) the following subsection:

(3a) However, the Attorney-General must not make an ex gratia payment to a victim if the injury to the victim occurred while the victim was engaged in behaviour constituting an offence against a person or property (or both) or was trespassing on land or premises with the intention of committing such an offence.

RACING (CONTROLLING AUTHORITIES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 6 July. Page 1542.)

The Hon. A.J. REDFORD: I support this bill. The objectives of the bill are: first, to change fundamentally the governance and management for the entire racing industry—and that includes galloping, harness and greyhounds—to enable the industry to meet the strategic challenges of the future; secondly, to minimise the role of government in the governance and management of the racing industry; and, thirdly, to abolish the Racing Industry Development Authority, which body supports its own abolition and the abolition of existing controlling authorities. It also provides for the distribution of moneys currently held by RIDA. Incidental provisions include the abolition of the Racing Appeals Tribunal and the transferring of its responsibilities to the industry, the transfer of some probity and administrative responsibilities concerning bookmakers and the tote to the Gaming Supervising Authority and the Liquor Licensing Commissioner and issues concerning the transfer of staff.

In commencing this contribution I am minded of an article I read prepared by the Executive Director, Mr Roger Kerr, for the New Zealand Racing Managers' Conference in August 1998 entitled 'Why not normalise racing'. Mr Kerr said in that speech a number of things that struck a chord with me. First, he pointed out some of the difficulties that the New Zealand racing industry had been confronted with in the past 15 years, and he highlighted the fact that racing throughout that period in New Zealand had enjoyed a special status with its own legislation and minister. In commenting on that he said:

> Why do we have a minister for racing? We seem to get by without having ministers for other icons, rugby and beer. It cannot be because horse breeding is critical for national defence—the military stopped using horses after World War I. It cannot be because racing involves gambling, if that were the reason we would have ministers for lotto, gaming machines and casinos. It cannot be because racing is an infant industry—it has been around in New Zealand for over 100 years.

He goes on and he notes—and one might say this is quite pertinent to the industry in South Australia—the following:

> The racing industry has not responded adequately to these changes. Although some changes have occurred, they are insufficient. Industry profitability, racing's share of the expanding gaming market, the horse population and, I am told, morale among stakeholders are all in decline. My view is that the continued government involvement in the industry, as well as the legislative protection of existing participants and structures, are major factors preventing much needed adjustment.

Indeed, he went on in his contribution and asserted that racing's special status has probably held the industry back. He says:

> Political patronage brings with it risks and costs. Most politicians, once elected, want to be re-elected. They often think the best way to achieve re-election is to try to please everyone. The problem is that current voters the politician tries to please will not include the future customers the racing industry is yet to win. Politicians will favour existing industry players and ignore potential new entrants. The result is that politicians tend to preserve the past rather than prepare an industry for the future.

He goes on and points out that many of New Zealand's best success stories are those industries which have prospered without political patronage. Indeed, there are many examples in Australia that can be pointed to and alluded to—and I will a little later in my contribution.

In a paper distributed by the Minister for Racing in August last year, the minister noted that the racing industry has experienced a slow decline over the past 25 years. The paper—and I will refer to it in more detail later—identifies that the industry as a whole has failed to adequately compete with other recreational and gambling pastimes. He particularly contrasted the performance of the racing industry with football, soccer, basketball and netball, all of which have grown at a faster rate than racing without undue government assistance in terms of governance and management.

The last significant change to the legislation was the Racing (Miscellaneous) Amendment Act in 1996. That established the management bodies that currently are in existence—and that occurred a little over four years ago with the wholehearted support of the opposition then led by the member for Hart Kevin Foley.

It followed extensive amendments to the Racing Act in early 1994 in the early days of this government. In early 1994 parliament made changes to the Racing Appeals Tribunal, changed the equal government/industry profit split to 45/55 in favour of the industry, and allowed $1 million of capital to be transferred from the TAB capital fund to the industry for recurrent expenditure. I must say it did so with the complete and wholehearted support of the shadow minister for finance, Mr Foley. It changed some operational matters affecting bookmakers and allowed mobile phones on a racecourse.

In 1994 the minister advised the parliament that the industry comprised 0.6 per cent of state GDP and employed 11 000 people, or 3 000 full-time equivalents. He also stated that the revised profit split would give $2 million extra to the industry. As I said, the amendments were supported by the ALP, which acknowledged the competitive pressures facing the industry. Although Mr Foley was critical that the government might lose some money for hospitals, he said prophetically in relation to the transfer of moneys from the capital fund:

> We need to make sure that it is a one-off provision and not something which can be visited each year as short-falls occur for whatever reason.

The debate on that occasion reveals that the only person on the ALP side of politics who had a practical understanding of racing was the Hon. Michael Atkinson. I must say it is a pity he is not the shadow minister today. Coincidently, at that time the Victorian government was in the process of selling its TAB and, during the debate on that bill, amendments had to moved to respond to changes arising from that process.

The 1996 bill was introduced on 27 March 1996. It was introduced into the Legislative Council on 2 April 1996 and passed on 3 April 1996. Much comment was made about the indecent haste with which that bill was passed with the support of the ALP, again lead by Kevin Foley MP. Indeed, I remember quite clearly the riding instructions that he gave and, in some respects, he was almost flouted by a then strong member of the Labor caucus, the Hon. Terry Cameron. On

2 April 1996 he made a number of comments. He said the following:

I have been calling for sometime for significant change to the racing industry.

He went on to say:

In this bill we have a genuine attempt by the government to address what I consider to be a less than satisfactory situation.

He further said:

We have said in this place many times before that be it the advent of poker machines, competition from other entertainments, general economic fluctuations or the advent of pay TV and other technology, all have put pressure on the racing industry and there is no dispute about that. However, the reality is that every other industry sector in this nation has had similar unforeseen circumstances prevail upon it and has had to develop policies and structures accordingly. I point to no better example than perhaps the car industry, the textile industry or a number of other major manufacturing industries in this nation that have faced substantial competition from other forces that has meant that they have had to redevelop to better deliver their product.

I endorse the sentiments then expressed. In relation to RIDA, then a proposed structure, he said:

I am confident that RIDA is an appropriate body from which those moneys can be channelled and that those moneys can be distributed at the discretion of the authority. Previous to this structure being promoted I would not have accepted such an amendment because I believed that that money simply would not have been used in the best possible way.

He also foreshadowed that this legislation, that is, the 1996 legislation, would need to be streamlined when he said, prophetically:

It is fair to say that, if my party were in government, we would attempt to streamline that structure a little. Perhaps I am foreshadowing future opposition policy, but the structure is a little more complicated than I would have liked. I acknowledge that this is a big step and that the minister must deal with many difficulties. I can understand why a more complicated structure has been put in place, and perhaps in the same position I would have done the same, but over time there is room to further streamline the structure so that we can minimise the amount of bureaucracy and the amount of administrative duplication amongst all the codes.

Indeed, this bill is part of what Mr Foley foreshadowed on 2 April 1996. He went on to say:

Over the past two years, I have been criticised for that, and I would be criticised even by those within the industry who felt that my calls for direct action and more responsibility by industry—

and I emphasise 'more responsibility by industry'—

are nothing more than naive comments from a fresh and green shadow minister for racing.

Again, I agree. The difficulty we had with the 1996 legislation is—

The Hon. T.G. Roberts: Dennis Markham gave him full marks in the *Advertiser*.

The Hon. A.J. REDFORD: Gave who full marks?

The Hon. T.G. Roberts: The shadow minister.

The Hon. A.J. REDFORD: Kevin Foley? I do not think he has mentioned Kevin Foley for two years.

The Hon. T.G. Roberts: No, the shadow minister.

The Hon. A.J. REDFORD: I will get on to the shadow minister in a minute. At the risk of over-praising the Legislative Council, some very pertinent comments were made by members. Your comment, Mr President, will in some respects come back to haunt us. First of all, you said this:

I am not all that happy with the way the measure has come through the system to finish up in this house at midnight last night (I understand) and now we are discussing it today.

You went on, Mr President, and said, quite prophetically:

I did not think I would see the time when a Liberal government would socialise racing—I cannot think of any other term for it. It is at a time when this state government is de-regulating and when there are moves to devolve out to various areas the functions of the state government so they can be run more efficiently in various ways.

Mr President, you also said:

My main dilemma, to which I have already alluded, is that the principle is wrong. I cannot find any other words to describe it other than to say that this is terrible legislation. It is especially terrible because it emanates from a Liberal government.

Indeed, Mr President, we were all confronted with a deal that had been done between the government and the opposition, and any suggestion that you might have crossed the floor would not have made any difference, but at least you came out and put your point of view forcefully. In my view, the passage of time has proved you correct. Mr President, I supported you. You also said:

Earlier I alluded to the fact that I believe the principle is wrong because we are regulating rather than deregulating, we are centralising rather than decentralising. As to my knowledge of the industry, the great days of South Australian racing were achieved without much, if any, government interference or help. I refer to the reconstruction of the Morphettville grandstand after the original grandstand was destroyed by fire in the early 1980s.

I commented about the speed with which the Legislative Council was forced to deal with this legislation on a previous occasion, and I hope for the rest of this week we do not make the same mistake and find in the future that we have to revisit legislation that has been passed with indecent haste during the course of this week. I expressed some concern about the bill at the time and said:

There may be a diminution in grass roots involvement in the management of the industry, but I believe that the time is so short that the minister must take quick action.

The Hon. Caroline Schaefer also expressed concern about the indecent haste with which this legislation was being dealt with by the upper house. That view was also endorsed by the Hon. Terry Cameron who gave a detailed speech—and I well remember this—about his experiences with the racing industry. He contrasted his experiences with those of the then member for Florey (Sam Bass) and repeated, for the first time to me, some of his experiences with the old SAJC committee and some of the industrial action in which he had been involved.

The Hon. L.H. Davis interjecting:

The Hon. A.J. REDFORD: That's correct. I'm sure that the Hon. Terry Cameron, if he has time, will again regale us with that story and that the Hon. Carmel Zollo, who probably hasn't heard the story before, will listen with a great deal of interest. I won't steal his thunder. The further amendments to the Racing Act that were considered in 1997 were mainly to do with the TAB. On that occasion we were dealing with fixed price betting, and I note from the *Hansard* of 24 July 1997 that undertakings were given by the government to the parliament about the way in which that legislation would operate.

That brings me to the process that led the minister to bring in the bill that is now before us. One wise thing that parliament did in 1996 was to promulgate section 22, which provides:

The minister must, within five years after the commencement of this section, cause a comprehensive review to be conducted of RIDA's operations and a report to be prepared and submitted to him or her on the results of the review.

Section 22 provides further that the report must be tabled within 12 sitting days after receipt. On 16 April 1999, I—and,

I am sure, all members—received a letter from the Minister for Racing in which he said:

> The Racing Industry Development Authority was established in 1996 to oversee industry reform and development. The authority has a close working relationship with each of the controlling authorities, the SA TAB, the South Australian Bookmakers League, and has established a consultative process with elected committees of all racing clubs in the state together with numerous organisations associated with each code.
>
> The legislation that established RIDA also contained a clause requiring the minister within five years after the commencement of RIDA to cause a comprehensive review of the authority's operations and a report of that review to be prepared and tabled in both houses of parliament. A review of the administration of the racing industry involves not only a review of RIDA's functions but also involves a broader review of the future structure of the racing industry.

The minister also noted in a press release issued on that day that the racing industry was a significant employer.

Shortly after that (in May 1999), the recently appointed shadow spokesperson for racing, Michael Wright, introduced a bill. He suggested that this bill was to redress the monopoly of the South Australian Jockey Club and to change the make-up of the South Australian Thoroughbred Racing Authority, and he indicated that the review was a sham and that his bill should be proceeded with. He pointed out that there had been some bickering between SATRA and the South Australian Jockey Club. He said:

> Labor has a plan for the racing industry, a plan to allow it to be the master of its own destiny. It must be accountable and responsible for its own future.

The honourable member said that he went through a lot of consultation. I challenge the opposition to provide us with the same level and depth of material in terms of consultation that the minister has provided to the parliament on this occasion, because, at that stage, it was a mere assertion on his part. I would be delighted if any member of the opposition could tell me how many submissions were put to Michael Wright prior to presenting this ill-fated bill. How many meetings did he have with the racing industry? More importantly, with whom did he actually meet during this consultative process in the three weeks between the minister's announcement and the introduction of his draft bill?

The Hon. Carmel Zollo interjecting:

The Hon. A.J. REDFORD: No. The honourable member is welcome to give me a list of names that she can glean from the speech of the member for Lee, because all I can glean are the names of people whom he absolutely bagged. These are people who have given their hearts and souls and a considerable amount of voluntary time to the racing industry. His speech was one of the most vitriolic performances—and I will go through it in a moment—that I have ever had the misfortune to listen to in parliament and subsequently read. It is a speech full of inconsistencies and destructive and spiteful comments about good, solid people that I have ever had the misfortune to hear in this place. It was a disgraceful speech, and, in due course, I will take it apart, line by line.

At that stage, the honourable member had been shadow minister for 12 months. I am a regular attender at the races. I must say that, until he became the shadow minister for racing, I never saw his shadow darken the doorway of the racing industry.

The Hon. R.I. Lucas: It isn't a very big shadow.

The Hon. A.J. REDFORD: That's correct. The member for Lee is someone I would remember. The first time I ever clapped eyes on this fellow—apart from seeing his posters in his ill-fated campaign at Mawson—was when he came into this parliament. I never saw him at the races before his elevation to the position of shadow minister. However, in politics, when we are elevated to such a position, we become instant experts.

At the invitation of the minister on 9 April 1999, the review commenced. At about the same time (March 1999), the minister released the report on RIDA's racecourse venue rationalisation. This report, commissioned by RIDA, was met with much criticism. The minister freely acknowledged that neither RIDA, the minister nor any other statutory authority had any authority to close down any racetrack—and all the racing administrators agreed. There was a common theme amongst the criticisms of racing administrators regarding the paper on racecourse venue rationalisation. The first point was that every racing administrator agreed that there were too many venues. The second point was: 'Please don't close my track; close somebody else's.' We have heard that before when any government embarks upon reform.

A couple of key issues were identified in that report with which no-one took issue. The first point was that stakemoney payments in South Australia make up 6.2 per cent of the total amount paid by all Australian states or territories, whereas South Australia has 8.5 per cent of the total number of racecourses and 8 per cent of the total number of race meetings. It referred to a 1974 report entitled 'The Report of the Committee of Inquiry into the Racing Industry', chaired by Professor K.J. Hancock, which stated:

> The reallocation of meetings between courses, the closure of courses, the amalgamation of clubs and the concentration of capital outlays on particular courses are among the measures which may increase the industry's revenue or reduce its costs.

The report referred to extensive consultation with, first, statutory authorities; secondly, every registered thoroughbred, harness and greyhound racing club; and, thirdly, recognised industry organisations such as the TAB and the Bookmakers League, owners, trainers, breeders, jockeys and drivers associations, all members of parliament, and members of the general public. The report recommended the closure of the Victoria Park Racecourse. Personally, I do not agree with that suggestion, although I do understand from a purely commercial point of view why the Jockey Club may seek not to continue the lease of Victoria Park unless it can secure some form of long-term tenure.

In other words, why would it want to invest significant amounts of its very scarce capital on a piece of land which it does not own or over which it has no secure long-term tenure? That would be tantamount to stupidity. The Hon. Julian Stefani has referred to other sporting areas where similar problems have arisen. It made recommendations about various country clubs. The minister did say, 'We can't act upon this. These are not our courses or RIDA's courses.' In any event, this process superseded that report.

There was a significant process of consultation. Following the response to the minister's request—and I understand there were 31 written comments representing a good cross-section of participants—the minister prepared a discussion paper and sought comments. The discussion paper, which was issued on 16 August 1999, pointed out a number of factors that had consistently been pointed out to various groups for a number of years. It pointed out the industry's failure to confront challenges on a whole-of-industry basis; it pointed out that the industry had to confront structural change if it was to continue to succeed; it pointed out that in recent times it had had to cope with off-course betting affecting its attendances, Sky Channel, alternative forms of gambling such as poker

machines and lotteries; and it pointed out the difficult technology challenges it will face in the future.

It also referred to the change in the national and international scene and to changing social activities. It highlighted the fact that racing has been under threat as a result of the development of well-organised sports and entertainments that have a national focus and offer consumer attractive options, and it pointed to the establishment of the Australian Football League, the National Basketball League, the National Soccer League and the National Netball League. The report went on and stated:

> For racing to survive and prosper in what is a highly competitive market, racing needs a strong voice and a unity of purpose. The industry needs to develop a structure that it believes will give racing the best chance of success on a whole of industry basis.

The report pointed out that some of the comments critical of the existing structure were comments genuinely believed by those who made them. It referred to a number of comments, which I will quote for the purpose of the *Hansard* record. One comment is:

> An enormous amount of duplication in marketing, industry control, funding and administration have been evident by the controlling bodies within the present structure slowing down the necessary changes.

Another is:

> Duplication of function and responsibility has produced uncertainty, delay and frustration. At least one tier of the racing structure should be removed, logically the Racing Industry Development Authority.

Another is:

> We do not believe the Racing Industry Development Authority serves any purpose in the racing industry now.

And another is:

> The industry has become overly bureaucratic and governed. An example of this is the new marketing scheme. Our club applies to SARC who, if happy, then forward it SATRA and, if they approve, then to RIDA, and if they then want further information they contact the club for the required information and make the final approval and the allocation of money they thought appropriate. Apart from the time and work that may be required by each body to satisfy each body or justify the position of strength, it in fact would have been much easier to deal with a body that is responsible for a particular job.

In any event, it was quite clear that all those who made submissions believed that there were too many layers of administration. Indeed, there was a clear view that there was a lack of industry representation and a lack of accountability to the industry itself under that structure.

The paper sets out a number of options, and I will list them: the status quo; the status quo less RIDA; a racing commission; a hybrid of the corporation and status quo; a single corporation; and two separate corporations with a common administration. The advantages and disadvantages were set out in some detail in so far as each of these structures were concerned. The paper was presented in a neutral way. Whilst I know that the minister might have had certain views, he did not seek to push it in any particular direction.

It is pleasing to see that submissions were made from a number of members of parliament including the Hon. Graham Gunn MP, the Hon. John Dawkins MLC and Liz Penfold; and various racing groups. I have to say that not one—not a single submission—was made by our erstwhile shadow minister for racing, our instant expert—he who would talk to the dissidents and nobody else. Not one constructive submission was made on his part to this organisation.

From September onwards there followed numerous meetings with the industry, representative bodies and the public; and there were working meetings. There has been a lot of criticism of the minister about lack of consultation, so for the benefit of the record I will go through it. First, in July 1999, a joint model was developed by solicitors for the Jockey Club and SARC and forwarded to all clubs, and a press release was issued by SARC in relation to that joint model.

In August 1999 the racing minister held a meeting of representative bodies of the thoroughbred code at the South Australian Centre for Manufacturing. It was attended by two senior representatives of SATRA, the Jockey Club, SARC, the Bookmakers League, the Trainers Association, the South Australian Race Horse Owners Association, the South Australian Thoroughbred Breeders, the South Australian Jockeys Association and Magic Millions. The delegates assured the meeting that they had authority to bind their organisations and had been provided with a copy of the model. The meeting unanimously amended the model to enable the industry groups to be involved in the nomination of directors to the proposed consulting body.

In August 1999, SARC met with delegates of member clubs, and an invitation was extended to all member clubs. Minister Evans attended. The model was fully debated. The meeting subsequently unanimously endorsed the amended model. In August 1999, SARC met jointly with the Jockey Club and both bodies unanimously endorsed the amended model for corporatisation.

In October 1999, Minister Evans attended a SARC AGM, which was attended by some 50 delegates from SARC member clubs, and he outlined his preferred option. The minister accepted the unanimous decision of the meeting that thoroughbred racing should corporatise separately from the other two codes. At that stage the minister's preferred option was a single corporate structure for all three codes.

During the next three months the Jockey Club and SARC had a number of meetings with representatives of the advisory committee in an endeavour to have the advisory committee nominate persons to the SATRA board. The committee failed to nominate persons in accordance with the model agreed by them and the matter was resolved when each of the advisory committee members nominated persons in accordance with the agreed model.

In April this year, the first draft of the constitution was forwarded to all SARC club secretaries and members, with a separate copy going to all club presidents. In May this year a general meeting of SARC was held at the Arkaba Hotel, and during the meeting the SATRA chief executive, John Cameron, briefed the meeting on the progress towards corporatisation. Again, there was no dissent from any of the clubs. In May this year the SATRA chairman, Michael Birchall, called a meeting of the advisory committee, the Jockey Club and SARC. Again, corporatisation was unanimously endorsed.

In May this year Minister Evans held a public industry meeting which included all racing club representatives and delegates from all bodies associated with the thoroughbred code at the Morphettville racecourse. The members of the racing community also attended. The minister outlined the proposed amendments. The SATRA Chairman, Michael Birchall, briefed the meeting and the proposed constitution was analysed clause by clause. Any change recommended by the meeting was adopted and no person spoke against the concept of corporatisation.

I have also received correspondence from Barry Norman of the South Australian Harness Racing Club Committee and also Ross Sugars of the Harness Racing Working Party, criticising the consultation process. I must say that I do not know Mr Norman but I have met Mr Sugars, who has given some evidence in a parliamentary committee which I chair, and I must say that I found him to be a thoroughly nice and decent person. So I think that I should treat his concerns with some seriousness. I understand that the process in relation to the harness racing industry was that, first, the industry met with industry representatives in September 1999 at which time a working party was established consisting of Peter Marshall, Ross Sugars and Robert Graham. Doug Toole subsequently replaced Robert Graham.

In early January 2000 a meeting was called by the working group at which all country clubs and Globe Derby committee members were in attendance. A debate took place over the future structure of the industry and all clubs were given time to report back to their committees and discuss the matters raised. The country clubs came back with a proposal, that is, a board of governance, while the Globe Derby committee proposed a seven person board of management. The two options were discussed at another meeting on 20 February 2000, and the country clubs voted unanimously for a board of governance.

The minister was advised that the country clubs and Globe Derby committee could not make a unanimous decision; however, they were presented with both options. The minister resolved to adopt the country clubs' proposal. Michael Wright was quite extensive in criticising the minister for showing some leadership, but then again he was quite duplicitous in his contribution, and I will again highlight that when I get to it.

The SAHRC and BOTRA committees then called a vote of no confidence in the SAHRC Chairman, Ian McEwen, a motion that the minister totally rejected at a meeting between the three parties. The SAHRC Chairman visited all clubs and discussed, among other matters, the draft constitution. The draft constitution was sent to all clubs and kindred bodies for comment and the country clubs and Globe Derby met on two occasions to discuss the constitution. The minister met with Globe Derby and the country clubs to discuss the constitution point by point.

The minister again met with the working party on 7 June, in addition to Marcus La Vincente, a solicitor from Phillips Fox, who is known to me, and Terry Arbon of RIDA. All members of the working party, including the SAHRC President, agreed to the format of the constitution. The constitution was categorically approved pending a few minor changes. The next stage was the final constitution to be distributed to all clubs for endorsement, and I understand that that has occurred.

I also note that the minister had meetings on Tuesday 16 May at Globe Derby, Wednesday 17 May at Angle Park and Thursday 18 May at Morphettville to discuss the bill, and I understand that people attended on those occasions. In the end, as I said earlier, the industry rejected a single controlling body and opted for a separate body for each of them. I understand that everybody in the industry signed off and the parties all agreed on the structure, the make up and the powers of each of the corporate bodies that would comprise the controlling body.

After all of that, on 24 May this year, one year, one month and 15 days after the minister's initial announcement, legislation was introduced. It sat on the *Notice Paper* for over one month. Prior to the introduction of this bill the opposition made a number of comments about the racing industry. I know that they did not make any submissions. However, on 27 May 1999 the erstwhile shadow minister for racing said this:

> We believe that the industry has the maturity and the intellect to administer itself. Racing can and must be given the opportunity to administer itself.

He went on and said in the same contribution:

> It must be accountable and responsible for its own future.

Then, on 27 June, having had this bill for a month, he rose and gave a three hour speech, and I must say it was a speech which Geoff Roach in Saturday's paper managed to sum up in two and a half columns. I will deal with some of the comments made by Geoff Roach in a light way in due course. Let us go through some of the comments that Michael Wright made, because they were inconsistent and in some respects they were duplicitous.

First, he said that the racing industry is an industry in crisis, and I do not think anybody would disagree with that. He pointed out that the racing industry was once ranked behind Victoria and New South Wales and that there has been a sad fall, so that the industry is now behind Queensland and Western Australia. I think it is problematical whether or not it is behind Western Australia. However, I think everybody would concede that that is the case generally. Perhaps it is a reflection of the way that the South Australian economy travelled following the enormous disasters inflicted upon this state by the government and then the enormous loss of confidence by the average South Australian in going about their day-to-day activities after Labor's State Bank disaster. In any event, he said this, and this is the first significant point he made, as follows:

> Good government—indeed, leadership—is about bringing people together, about being inclusive and moving forward in a positive and constructive fashion with good outcomes. The challenge is to bring people to the table, not to push them away.

I would have to say that the process I outlined in terms of consultation falls into that category fairly and squarely, although I am not sure that anything would satisfy Mr Wright. He then made this assertion that the government, through the two ministers:

> . . . have used RIDA and the top end of town to bully and cajole people. The grassroots of the racing industry have not only been ignored and taken for granted but have been belted from pillar to post.

I take great exception to that. If he is going to come in here and accuse ministers of bullying and cajoling people, then he should put up his evidence. The fact of the matter is that if you look at the consultation process it has been pretty open and it has been pretty extensive. He went on and talked about the profit of the TAB being down, and then criticised the government and posed this question:

> Why did Phillip Pledge and Neil Sarah resign from the TAB board in September 1998?

My understanding, and I am sure Mr Wright would be informed by the same sources as I am, is that they resigned because they felt that they could not run the TAB properly without complete independence from government. Unfortunately, because of legislation, because of oppositions and because of the way that government operates there cannot be complete independence, and indeed I would suggest that their resignation was an endorsement of the privatisation and the corporatisation of the industry and the separation of govern-

ment from it, rather than the opposite. Indeed, it is interesting to note that Mr Pledge was the lead negotiator, as I understand it, on behalf of the racing industry, insofar as the TAB sale is concerned. He certainly had the confidence of the racing industry in that respect.

Mr Wright then got stuck into the government and RIDA for essentially shifting money from capital expenditure, that is, expenditure on improvement of racecourses, to recurrent expenditure, that is, expenditure on recurrent matters and, most particularly, stake money. If I have heard a demand for increased stake money once from someone in the racing industry, I have heard it a thousand times. The fact is, when the government came into this place and said that it intended to shift some capital moneys for the purpose of recurrent expenditure, it had the unanimous endorsement of the opposition and it had the full support of all those who are currently advising the shadow minister for racing, and I will deal with some of those players later.

In his contribution, Mr Wright said that RIDA and the Jockey Club had spent some $5 million for no measurable results. It was a bald assertion from a man who wants to be racing minister, a man who, deep down, would like to keep control of racing so he can grow up to be like daddy. I have a letter in my possession from Mr John Kroeger. Mr Kroeger is the Managing Director of Strategic Planning. He is a consultant engaged by the Victorian racing industry to benchmark its racing clubs and its industry against each other to ensure that it is achieving appropriate standards. His is an appointment that has been endorsed by the recently elected Bracks government. The letter, which is addressed to Mr Matt Benson of the Jockey Club, states:

> Dear Matt,
>
> Here is your quality standards report for the smoke-free Adelaide Cup held at Morphettville on Monday 15 May 2000. Congratulations on your extremely high rating despite the handicaps you suffered by way of weather.
>
> There is no doubt that your fine program of pre-marketing helped to reduce your exposure. Your report is longer than normal because it includes additional photographs of the unusual handicaps you had to face because of the weather.
>
> There is no doubt that the people of Adelaide love their cup and turned out for it in spite of the rain. This is the best test of customer loyalty there could be.
>
> You will find in the report that you received an almost perfect score for marketing. I noted the fine way in which you secured the fullest live support possible from [radio] 1539AM, from ABC radio, and also the two hours live on Channel 7. Very few events are able to achieve this kind of exposure.
>
> Your improvements in EFTPOS services with five machines in various locations—

I hope Nick Xenophon is not listening to this—

> as well as an ATM machine, was well warranted because there were still traffic jams. We have noticed over the past six months a dramatic increase in demand for cash services at clubs all around Australia.
>
> I hear you have been extra busy lately with the industry changes. Congratulations on launching the new vehicle. With best wishes. . .

I understand that in his report Mr Kroeger put the South Australian Jockey Club in the top 10 clubs in Australia, with the only issue holding it back being the facilities. The club received a perfect score for marketing.

My challenge to the shadow minister, other than the fact that he is suffering a fit of pique because he does not get invited to the odd dinner, is to provide us with some real and substantive evidence, not just from a dissatisfied rump in the industry, that the program that the Jockey Club is currently embarking on in terms of marketing the industry and RIDA itself has been so wrong. It probably has not caused the miracles that Michael Wright might well be promising a dissatisfied rump from the position of opposition, but the fact is that the independent report fully endorsed everything that went on.

Mr Wright then had a complete about-face. Having criticised the spending of money on marketing, he pointed out that the club should not have marketed but should have used that money to maintain facilities. There was no basis, again, for suggesting that was an appropriate business strategy. I look forward at some stage to hearing from someone from the opposition as to which person, with some business skills (because there are none internally within the opposition), said that that would be a better alternative strategy.

Mr Wright's next comment was a beauty. I am sure that all members in this place have met the Chairman of RIDA, Mr David Seymour-Smith. He is one of the nicest, easiest blokes that one would ever want to meet. He is a lovely fellow and I am sure that the Hon. Terry Roberts would find that he is a character in the same vein as himself and they would get on fine. Indeed, Mr Seymour-Smith has been a strong supporter of racing over decades, certainly for a significantly longer time than the current shadow minister for racing. What did Mr Wright say about Mr Seymour-Smith? He said this:

> It must be said that he also had no knowledge of the racing industry. Like his minister, a dictatorial attitude never works and his TAB board membership conflicted with the position of the chair of RIDA.

One might say a lot of things about Mr Seymour-Smith but 'dictatorial' is not one word that springs to my mind. In any event, it is probably a simple example that demonstrates the sheer ignorance of the shadow minister for racing in so far as this fit of pique is concerned. He said that the board membership of RIDA conflicts with board membership of TAB, and I challenge members opposite to explain how. If TAB does well, RIDA does well, racing does well—that is what I would call win, win, win. I cannot see for the life of me how anyone with an intellect remotely approaching double figures could come up with a conclusion that there is a conflict between being the chair of TAB and the chair of RIDA.

Mr Wright then made some critical comments about TeleTrak. I await with great interest what the ALP caucus is going to do with TeleTrak because my understanding is that the Leader of the Opposition, who is enjoying what I would suspect is a short-term bout of support from all his colleagues, supports TeleTrak.

The Hon. L.H. Davis: Not all of them.

The Hon. A.J. REDFORD: I am not getting around as much as the honourable member, but I must say that there is division in the camp on this issue. Mr Wright then raised a couple of other issues. He spoke about RIDA spending $5 million with the primary aim of increasing attendances. Michael Wright spent a lot of time saying that he went to racing and he talked to lots of people. I went to Victoria Park at the Christmas twilight meeting and saw a huge crowd there. One person I did not see was the shadow minister for racing, Michael Wright. Where was he? He went on to say in his speech that the government used one-off capital funds to prop up stake money. Where has he gone on the record criticising that? Is it ALP policy not to increase stake money? That is an answer I want from any member of the opposition who pretends to support racing, that the ALP does not support an increase in stake money. That is what Michael Wright in his rather scatter gun speech is implying. He then calls upon

the SAJC to open its books. Again, another ignorant comment from an ignorant contribution.

The South Australian Jockey Club is an incorporated body and is obliged to provide annual statements and annual accounts to its members, and those accounts are audited. To imply by some snide innuendo (which this speech is full of) that there is some hiding on the part of the Jockey Club is absolutely outrageous and a slur on a number of good, hard working, ordinary people who have the interests of racing principally at heart. Indeed, he then talks about different bits of speculation from racing commissions to appointments to SATRA to the TAB and so on. What does one expect when you have a review of legislation which is required by legislation, particularly with the endorsement of the opposition? How outrageous it is that Michael Wright can suggest that we need to consult, but, if we do, there will be a lot of speculation and, as a result, there will be criticism over the speculation.

The worst part about Michael Wright's conduct is that I understand that there has been a lot of discussion about race track rationalisation. That is not to be unexpected, particularly when RIDA puts out a report suggesting that Victoria Park be closed. One might assume there are three options for the Jockey Club: one is to close Victoria Park; the second is to sell Cheltenham; and the third is to sell Morphettville. When you are talking about venue rationalisation, one would hope the Jockey Club would consider all three. My understanding is that on one occasion when Michael Wright joined the Jockey Club there was some discussion about what would happen if we sold Cheltenham, because it is an issue. It was a private conversation and it was one of those conversations that all of us enjoy and are privy to as members of parliament.

There are many occasions where we go to functions where people are discussing issues and occasionally they might seek your view, although I suspect in the case of Michael Wright that is occurring with decreasing frequency. How does the Jockey Club get rewarded when it suggests to Michael Wright that one of the options is to sell Cheltenham: a press release and a background briefing to Dennis Markham of the *Advertiser* and then the Jockey Club has to spend the next five or six days in damage control. Then he has the hide to wonder why the Jockey Club under the previous chair is less than enamoured with his attendance at Jockey Club functions. Mr Wright has a lot to learn about human relations and how to deal with people.

Another issue is that he criticises the chair of the Jockey Club, John Murphy, for not returning a telephone message for some considerable time and states that it was only returned because of his expressing some concerns about the Jockey Club on 31 May this year. I spoke with Mr Murphy because I know him very well—he is a very close personal friend of mine. Mr Murphy indicated to me that he received the telephone message from Michael Wright whilst he was overseas. He weighed up whether he ought to get someone else to ring Michael Wright, and he was acutely aware of Michael Wright's sensitivities and ego. He decided he would return the call upon his return from overseas. Coincidentally, he returned from overseas on the same day that he returned the call, and Michael Wright put two and two together and came up with five. When one is on a personal agenda such as Michael Wright appears to be on, you do occasionally lose judgment and you do occasionally assume motives in other people that are simply not the case.

Michael Wright then goes on and criticises the Jockey Club for giving up race meetings. This is another example of the duplicity and inconsistency of Michael Wright, because the South Australian Jockey Club has given up a number of race days for the purpose of transferring those race days to country clubs, something which country clubs have been demanding for many years and something for which many of the country clubs have applauded the Jockey Club. Mr Wright criticises the fact that this transfer has happened to the country. He then goes on and criticises the Jockey Club and says:

> There have been too many secret deals. The proposals for the SAJC committee to go from nine to eight members and then back to nine was simply a power play. . .

How was that secret? I will tell the Council what happened. Someone was lost from the committee. The committee felt that it would save some moneys by reducing the size of the committee, so it sent a notice to every single member of the Jockey Club. I can tell Michael Wright that, when you send a letter to every single member of the Jockey Club, that is not a secret deal. It might be a secret deal from his perspective, but ordinary people, members of the Jockey Club, members of the community, who are sent letters in such a broad way could never describe that as a secret deal—and it is outrageous that he should make that assertion. He then goes on and says:

> Unfortunately, people in the racing industry refer to the SAJC as 'a basket case', and 'the worst SAJC for the past 100 years'.

Who is saying that? Who is giving Michael Wright that advice? Who has the guts to come out and say it?

I know that one of the people who have been advising Michael Wright about how bad the Jockey Club is is a Mr Hodge, a former chair of the South Australian Jockey Club. Mr Hodge does not have a great record as chair of the South Australian Jockey Club. In 1994, under his administration, aided and abetted ably by Mr Cannizzaro, they lost half a million dollars. In 1995, they lost $1 063 000. In 1996, with an injection of moneys from RIDA, they lost $143 000. I must admit during that time I had trouble understanding what I call the Hodge-Cannizzaro budget strategy, but it was explained to me in these terms: that, whilst they had the car park that fronted onto Anzac Highway and whilst there was some of it left, they could sell it a piece at a time. It went like this: in one year you sell a block to McDonalds; then when you run a bit short in the next year you sell a bit to Pizza Hut; and then in the next year you sell a bit to Sizzler.

The Hon. Diana Laidlaw interjecting:

The Hon. A.J. REDFORD: No, there is still a bit of car park left. I think the strategy was to drive down attendances, so you had more space in the car park so you could sell it, so you could run this at a profit. Indeed, one of the interesting comments is a criticism by Michael Wright about the conduct of Mr McEwen. He criticised Mr McEwen of the Harness Racing Authority for using both a casting and a deliberative vote. It is not the first time that a casting and deliberative vote has been used in relation to racing, because when SATRA was first established Mr Hodge did exactly the same thing, and I will explain what happened.

The South Australian Jockey Club committee had eight people in attendance. They were required to nominate three of their number to the SATRA board. Anyone who is not familiar with the Jockey Club at the time would not understand that the Jockey Club was a fairly vitriolic and divided committee at that stage, with four in one group and four in another group. The four in one group were led by Mr Hodge

and Mr Cannizzaro and the four in the other group were led by Mr Birchall and Mr Murphy. It was a little like Labor politics: it was a bit like winner takes all.

The process adopted was not, 'We call for nominations. Take your list of nominations, then write down your names on a piece of paper.' It was done in quite a unique way. Mr Cannizzaro nominated Mr Hodge. It was seconded. They then, with their hands in the air, voted. Strangely, there were four in favour of Mr Hodge, including Mr Hodge himself, and four against. Rather, three hands went up for Mr Hodge, four hands went up against Mr Hodge and Mr Hodge declared himself elected. There was some consternation on my understanding but Mr Hodge explained that, in the true tradition of Mr McEwen, in the process so ably criticised by Michael Wright, he was using his deliberative and casting vote. That process was repeated so that three out of the four of one faction appeared on SATRA.

That was always going to be a recipe for disaster because, if ever the other faction got control of the Jockey Club—and they did, and they did in spades, where they now control the whole of the Jockey Club committee—it was inevitable that Mr Hodge would lose his position on SATRA. That is what happened. One of the problems that the current Jockey Club is dealing with is the failure to properly manage racing and the Jockey Club during Mr Hodge's administration.

I have no doubt that Mr Hodge was a genuine person but the problem is that he had neither the skills nor the ability to be able to manage racing into the 21st century, and it is disappointing that the member for Lee has failed to recognise what his Honour Justice Lander found and noted in the decision of Capricorn Society v Robert Douglas Linke, Robert Vere Hodge and Michael Lister Verco made on 26 February 1996. Indeed, Mr Hodge made submissions about himself in that case, as follows:

> Both of them claimed that they had been farmers all their lives and that they were unskilled in commerce and as directors of companies. They both claim they have become investors and directors as a result of representations made by Mr Linke.

His Honour Justice Lander in commenting about Mr Hodge's role in this financial disaster and the relationship with Mr Linke said the following:

> In giving him that trust they completely abrogated their responsibilities as directors in failing to insist upon even the most basic information as to the company's financial position, or to insist upon the holding of directors' meetings or even to insist upon some record of the entry into contracts by the company, or insisting upon a record of the use of the company's seal.

I say to Michael Wright that he takes advice from Mr Hodge at his own peril. I invite him to consider the judgments of others regarding Mr Hodge's abilities to manage and deal with the racing industry. The shadow minister goes on to say:

> No other state government has corporatised its racing industry and racing in South Australia has hardly been at the leading edge. If this was such a good way to go, do members think that Victoria and/or New South Wales, the heart of Australian racing, would have thought about corporatisation?

Well, have I got news for Mr Wright! Last week the Victorian racing minister announced that he was not going to establish a racing commission and that he was going to follow the corporatisation model announced by the South Australian minister for racing. What I suggest that Michael Wright ought to do, rather than slink around the back blocks of racing, is to go to Victoria and speak to his Labor colleague, because my understanding—

The Hon. R.R. Roberts interjecting:

The Hon. A.J. REDFORD: I have seen the press releases and I know that the Victorians are following—

The Hon. R.R. Roberts interjecting:

The Hon. A.J. REDFORD: I am not reading the *Age*: I am reading the correspondence and the press release from the minister. Indeed, if the Hon. Ron Roberts chose to attend the same conferences as me, he would understand that the Labor chair of the Victorian backbench committee fully endorses the corporatisation model and believes that the establishment of a racing commission is entirely the wrong way to go. At the end of the day, when Michael Wright questions why Victoria does not go down this path if this is such a good way to go, I suggest that he look at Victoria, because that is precisely what they are doing.

He then says that racing is different from football but does not set out why. There are two differences between racing and football: first, racing is in decline, football is not; secondly, racing is substantially controlled by government, football is not. Ergo, if government is not controlling racing, maybe racing will not continue the dramatic decline that it has suffered over the past few years. I understand fully that Michael Wright, given the nature of his vitriolic contribution, would not be able to grasp that; nor would I expect the Hon. Ron Roberts to grasp that. In any event, Michael Wright says:

> Unlike football, the racing industry has a history of government involvement.

What an argument: we should do it because it has happened in the past. That is junior high school debating stuff and, quite frankly, it is a summary of his speech in one line. He then criticises the structure of the corporate body and suggests that Magic Millions—the best news this state's thoroughbred industry has had for five years—should not be represented on the board, notwithstanding that every representative body said, 'We want Magic Millions on the board because it is investing significant amounts of money in the breeding industry in this state'. There are also suggestions that South Australia should have a Magic Millions race, which would be the richest South Australian race.

He goes on to attack Mr McEwen in a vicious and unsubstantiated way under parliamentary privilege. He fails to acknowledge that Mr McEwen single-handedly turned around Moonee Valley and created the most respected horse race in this country. He is critical of the fact that Mr McEwen has spent significant sums of money in country harness racing, as opposed to city harness racing. It is the opposite of the criticism he makes of the racing industry. It appears that he wants two bob each way. He gets it wrong and exaggerates the number of people who left a harness racing meeting and had to be corrected. He then criticised the minister for attempting to resolve the divisions that occurred within the harness racing industry.

Members may recall that at the beginning of his speech he was highly critical of the minister for failing to show leadership. However, when the minister shows leadership in relation to harness racing, he is critical again. Mr Wright, with the greatest of respect, cannot have it both ways. He either expects the minister to not make a decision or expects him to show leadership. Last year Mr Wright wanted to introduce a bill and he wanted it dealt with immediately. This year, when confronted with the bill after twelve months consultation, he wants to delay the bill indefinitely. He criticises a lack of action on the part of government, and then his response is a lack of action, a delay of the bill. He is consistently inconsistent.

It was a speech of half truths and falsehoods. He has played the man—I must admit that I did a bit of that with his

chief adviser and my targets were narrow—and he has failed to present a logical and consistent alternative, only more delay and procrastination, the very things for which he was highly critical of this government over a significant period of time. If the honourable member can suggest a model that is more appropriate, then he should put forward amendments to this bill, but he has not done that—it is too hard for him; it is beyond him.

The member for Hart made a rather interesting contribution. He pointed out that he does not trust the industry. Given the faction to which he belongs and some of the dealings that he has had with the Labor Party, I suppose that mistrust is an instinctive starting point. The honourable member suggested that, if he were the Treasurer of the day, he would not give the thoroughbred industry $18 million to spend as it wishes. That is indicative of the philosophical difference between the ALP and the Liberal Party. It is the Kevin Foleys and Michael Wrights of this world who think they can run racing better than the industry itself. That has been the fundamental problem over the past 20 years.

Let us turn that around. If the government had some control of the football industry, would Kevin Foley say that he would not trust that industry to use the money and that he would do better? The honourable member went on to make a pretty underhanded attack on Michael Birchall. I have known Michael Birchall for some time. All I can say is that, from time to time, he can be a bit abrasive. I must admit that that is not a quality that Mr Foley lacks. From time to time, Michael Birchall pushes his point strongly. Again, that is not a quality that Mr Foley lacks. However, to say that he crossed the line and moved into body politic, with the greatest of respect is simply wrong and unfair.

I know where this comes from: it comes from the fact that Mr Birchall defended Graham Ingerson. What Mr Birchall said at the time was: 'I'm not interested in the niceties of the parliament. I have this minister, I get on well with him, as does the industry. If we can, we would like to leave him there.' For that, the potential treasurer of this state had a fit of pique. Someone who hopes to be treasurer in the next government—in the unlikely event that the Labor Party is successful—would run a future government and this state on the basis of a personal slight. The member for Hart has a lot of growing up to do before he can possibly aspire to be treasurer on the basis of that judgment.

He then got stuck into Peter Lewis, the deputy chair of the Jockey Club. On my understanding, his first criticism is that he was not put on the top table on Adelaide Cup day. He said—and I think this is worth quoting because it is offensive for a number of reasons:

> None of us—

referring to Labor members—

> of course, was on the head table: that was reserved for the minister, the Governor, the Premier and any other Liberal Party person whom they could squeeze onto the table.

That statement is capable of misinterpretation, but if it is read in a certain way the honourable member is implying that the Governor is a Liberal person. That fact is that he is not. On my understanding, at the top table were the Premier and the Minister for Racing—and they were the only Liberals there. In fact, three members of the ALP were in the committee room on Adelaide Cup day: the member for Elder, the member for Hart and the member for Playford.

The Hon. R.R. Roberts interjecting:

The Hon. A.J. REDFORD: The Hon. Ron Roberts is looking distinctly uncomfortable because this has all the makings of a factional meeting of 'the machine'. The fact is that three Labor people were there and two Liberals. According to Mr Foley, that is not good enough. If he wants to be the treasurer of this state, he will have to be a little more substantive and objective and not carry on like his colleague the shadow minister for racing over perceived slights.

My understanding of the conversation that Peter Lewis had was that he was expressing concern about the fact that they could not trust the shadow minister for racing with confidences because he was constantly breaching them. The reality is that they had lost confidence in dealing with him. One would have thought that something would be done by Mr Foley to mend the breach, but that did not happen. All that happened was that this sort of dirty linen was aired in public in a fit of pique over the racing industry. At the end of the day, the Labor Party stands condemned for failing to deal with this issue in a positive way.

I wish to make a couple of further comments. I fully endorse the comments of the member for Gordon regarding why this legislation should be able to go through ahead of the TAB, and I also fully endorse the Hon. Michael Elliott's comments. I have received some comments from Peter Marshall. I do not propose to go into those in any detail except to say that I understand and acknowledge his genuine commitment to the harness racing industry and that he is not happy with what has happened. However, he did sign off and the industry was consulted. At the end of the day, we cannot leave harness racing out on its own—it must stand on its own two feet—but I understand and acknowledge that he has been caught up in significant turmoil over the past five years.

We have received some legal opinions on this measure. That is not without precedent. When we dealt with legislation in 1995, I recall there being a great rush for legal opinions. In fact, I received a copy of an opinion obtained by one power group within the racing industry which was fighting against another from a barrister at Edmund Barton Chambers. That was dropped into the letterbox. Today, I received a copy of an opinion from Frances Nelson sent to the Hon. Ron Roberts and entitled 'Notes on corporatisation'. I have a high regard for Frances Nelson. The work she does on behalf of the Parole Board is exemplary. However, I do not understand her opinion and what she seeks to achieve.

The Hon. R.R. Roberts interjecting:

The Hon. A.J. REDFORD: Note No. 3 says:

> In negotiation of the constitution which is proposed I am told has been carried out by the SAJC and the SARCC. Arguably those negotiations should have been carried out by SATRA.

That is not a legal opinion. I doubt whether Frances Nelson has time to read *Hansard*, but if it was carried out by SATRA the consultation process would have been criticised for not being broad enough. With the current shadow minister, no matter what you did you would be criticised. Frances Nelson goes on to say:

> The Racing Act can be changed by the minister without the consent of the industry group.

I am not sure whether that is correct legally. I acknowledge the interjection of the Hon. Ron Roberts that this does not purport to be a legal opinion from Frances Nelson. Finally, she says:

> I understand that the industry group is unhappy about the provisions for the nomination and appointment of a member to the new board after corporatisation. The provision relating to the nomination and appointment of the proposed member seems to have

been negotiated by the SAJC and the SARCC. Neither body has any legislative power under the current Racing Act.

The industry group does not have any legislative power either. As I understand it, the industry group is far less representative of the industry than the South Australian Jockey Club. I note that, on Saturday, Geoff Roach made the following suggestion:

> Mind you, if we were actually the government and thinking both laterally and mischievously, we would make Mr Wright 'an offer he couldn't refuse' to become managing director of the entire industry in this state.

I am not too sure where the emphasis is in terms of being lateral. It would be better for the state if Mr Wright was not in the parliament, given the inconsistency and lack of clarity in his thought processes when dealing with this industry. It would be mischievous to give him racing, because we could prove once and for all the hopeless suggestions and vision he has for the future of racing. Unfortunately, it is too important an industry to trust to someone who has no clarity of thought or alternative suggestions, and who just seeks to pick up and throw mud at any person who might disagree with him, not invite him to a meal, slight him or offend his rather delicate sensibilities. His whole approach to this matter has been an absolute disgrace.

Finally, as Lord Denning quite often used to do, I refer to a contribution that I made myself way back in October 1995. I make these comments on the basis that racing is for racing people to administer and not for politicians. I do not believe that a lot has changed in the five years since I said the following:

> The problems confronting the owner are well recognised by the South Australian Jockey Club. In simple terms, it is the low stake money and, importantly, its very low relativity with the eastern states. There is also the decline of the country racing industry, often described as the nursery of racing in Australia.
>
> As a boy and a teenager, a Saturday race meeting was always within a reasonable drive from home. Now there is only the odd country race meeting during the week—hardly the way to treat the nursery of racing. I sometimes wonder whether the monopoly given to the SAJC and the control and management of horseracing has in part caused the decline in racing. Perhaps if we return to two clubs in Adelaide a spirit of competition may provide the energy needed to lift racing out of its doldrums.
>
> Perhaps the monopoly situation has led to a static and complacent management. I believe the SAJC must be clever and aim its marketing at the family. It must provide facilities for children and parents, particularly mothers, at racecourses. It must provide an atmosphere of excitement, anticipation and relaxation or the Saturday afternoon at the races will go the way of the horse and cart or the beta video. What a tragedy that would be to us all.

I hope that we get two racing clubs in Adelaide, and I say this for another reason: the administrators of racing and the Jockey Club work very hard and diligently and are very focused on an industry that they love, admire and support, and they just want to get on with the job. It runs more than 52 meetings a year—an enormous amount for people who are unpaid and who are volunteers, who turn up Saturday after Saturday, mid-week meeting after mid-week meeting, who attend interstate and overseas functions and, in some cases, who play a very important role in South Australia's trade. I think we ask an awful lot of them. Perhaps if we had two clubs they would be less stressed.

We are lucky that we have a very strong and hard-working Jockey Club. It simply did not deserve the bucketing that it got from Michael Wright, a person who has absolutely no idea about racing and a hell of a good idea about his own personal ego.

The Hon. CAROLINE SCHAEFER: Many of the arguments have been ably covered by my colleague the Hon. Angus Redford, so mercifully my contribution will be considerably shorter. The racing industry is undeniably important to this state. In spite of the perception that it has waned in popularity over the last 20 or so years, it remains the sixth largest employer in South Australia. As has been mentioned many times, it is both a sport and an industry which employs breeders, trainers, jockeys, bookmakers, strappers, course officials and, less directly, vets, feed merchants, saddlers and so.

My knowledge of harness racing is fairly limited and I confess to never having been to a greyhound meeting. Of anyone in my family, I am the least knowledgeable about thoroughbred racing. Nevertheless, I grew up in a family that was very involved with thoroughbred racing and, for as long as I can remember, it has always been an industry divided. There has always been a lack of trust between metropolitan and country racing, and even between regional racing and the very small meetings.

Personality and politics have always been part and parcel of this industry. In spite of the best intentions of various committees and governments, there never seems to have been enough stake money, capital works money, marketing money or whatever to be truly successful in the eyes of racing proponents. Some of the incidents outlined by the Hon. Angus Redford are probably fairly typical of incidents that have taken place over many years, if not over the entire history of racing in this state.

This minister has managed to bring together representatives of the various sectors to at least begin talking together for the better future of racing. Make no mistake: without some changes, the future of racing for all three codes is bleak. There has been much made of how little this government has done for racing so I will go back and cite history, because we have come to this bill and the agreement of most players to corporatise not in spite of but because of a number of actions by previous ministers.

In July 1994, Minister Oswald introduced legislation that increased from 50 per cent to 55 per cent the profit share to the racing community. This has amounted to $12.08 million over the last five years. On 1 July 1995, under the same minister, racing was granted 0.5 per cent of turnover from SATAB's capital account whereas previously it was nothing. That distribution accounted for a further $14.34 million over five years that had never been distributed before. Additionally, racing now has a distribution from general revenue which it previously did not receive. This has added up to another $9 million over four years.

The changeover from the Racecourse Development Board to the Racing Industry Development Board (which was largely made up of unclaimed dividends, fractions, etc.) provided another $4.63 million over the four financial years since 1996-97. Since this government came to power, altogether the racing industry has had $40.04 million over and above any funding it had previously received. I was surprised when I learnt these figures, and I am sure that many others would be equally surprised. Some may even ask, 'Where has the money gone and what has been done with it?'

We have also heard that RIDA has brought the industry to its knees and that nothing has been achieved under its governance—that it has been autocratic and elitist with no feeling for racing. I know enough about the industry to know that RIDA has not always been popular, but let us look at the hard facts and what it has achieved. Since the financial year

1994-95, TAB turnover has increased by 24.96 per cent, which equates to an additional $26 million to the racing industry. So, surely everything that RIDA has done has not been bad.

Unfortunately, I have figures only since the start of RIDA, so a comparison with earlier years is not possible. Since the 1996-97 year when RIDA was established, its funding has accounted for $10.79 million being spent on capital works, $3.4 million on the very successful Breeder Incentive Scheme, $12.7 million on stake money, $4.7 million on marketing, and over $1.5 million on restructuring, including Sky TV.

A total of $33.57 million has been distributed to racing by RIDA since 1996-97. Total industry funding has increased by 29 per cent since 1994-95—29 per cent in just five years. I am not here to defend RIDA and perhaps the same results could have been achieved under another structure, but I think the myth that this government has done nothing for racing needs to be dispelled. As we all keep saying, racing is both an industry and a sport. RIDA was put in place for a finite time to bring a business focus to the industry and it seems to me to have achieved that, to the extent that the industry is now willing and able to take charge of its own destiny.

Perhaps we should have a look at some of the achievements in the past five years. There has been redevelopment at Globe Derby Park, Angle Park and Morphettville, which is not to say, as we all know, that more does not need to be done. It certainly does. Major capital works have been undertaken at Gawler and at Port Pirie for harness racing, and I understand that an upgrade is also planned for Mount Gambier, and targeted capital works have continued to take place at smaller tracks.

The breeders' incentive scheme has seen a 60 per cent increase in Magic Millions entries and an increase in the average price at yearling sales from $26 000 to $36 000. Stake money has gone from a minimum of $12 000 to a minimum of $19 000 in the same time. More clubs are now trading profitably than ever before and the ongoing debt of the industry has been addressed. Young people are coming back to racing as a form of entertainment, and all codes are obtaining outside sponsorship, for instance, the recently announced Carlton United Brewery sponsorship signed by the SAJC. Certainly there is still room for improvement, but I believe that the changes made over the past five or six years have matured the industry and given it enough business focus to be self-managed.

One of the criticisms levelled recently was that there has been a lack of consultation with key players prior to the introduction of this bill into parliament. The Hon. Angus Redford has read out the majority of the press release which we all received, and I do not propose to do the same. However, I will again say that there have been meetings between the South Australian Jockey Club, the South Australian Racing Clubs Council, which represents all country clubs, and the South Australian Thoroughbred Racing Authority on many occasions since 22 June last year. Certainly, on at least two occasions every country club was advised of the progress, and copies of quite a bit of that correspondence were sent not just to the secretaries of each of the member clubs of SARCC, but separately to the presidents. It is therefore quite hard to believe the claim that country clubs were not kept informed. If individuals within clubs were not informed the blame must surely lie with their committees, not with SARCC itself.

My understanding of the structure of the new board of management, if that is what it should be called, is that it should have three delegates from the SAJC, two from SARCC and one from the advisory committee, which represents trainers, jockeys, breeders, etc., with certain rights of veto, and that group would elect its own independent chair. The other codes have decided on a separate form of corporatisation for their codes. Currently there are no representatives from trainers, jockeys, breeders, provincial, country or Oakbank clubs; so the new structure looks a whole lot fairer to me than ever before. I have always advocated protection and preservation of the very small clubs, and although there is no guarantee for them in this legislation it gives them by far the strongest voice they have ever had.

There has been some comment that the minister should still retain an overarching authority, but how can that become self management? Ministers for sport, of various persuasions, have, over the years, had to step in and bail out various sports when they were in trouble and this would be no more and no less the case for the racing codes under the new corporatisation. Governments have also invested in sporting infrastructure, for example, the extensions to the grandstand at Football Park, without having to control the entire sport. This would also apply to racing under the new structure.

I was interested, as I am sure we all were, by Mr Michael Wright's marathon performance in the other house, but the thing that interested me most about it was that after speaking for three and a half hours he neither put forward any amendments nor voted for—

The Hon. P. Holloway interjecting:

The Hon. CAROLINE SCHAEFER: I did read it and it was very hard work. It was an extraordinarily boring and repetitive speech—and I am trying not to do that myself. But after three and a half hours neither he nor anyone in the ALP voted against the third reading of the bill; nor did they put up any amendments. So it appears to me to have been posturing on a grand scale.

Finally, much has been made of the argument that this bill should not be progressed until after the sale of SATAB has been effected, but I believe that to make one bill dependent upon the other simply confuses the issue. Perhaps that is what the opposition is hoping for. I hope that the sale of the TAB is progressed as quickly as possible, because the agreement signed offers the racing codes by far the best financial deal ever. There are some things within the bill which may need scrutiny but it is a very good deal for racing. I am surprised that the Hon. Nick Xenophon has indicated that he will not support the sale. I thought he would believe that gambling revenue of any sort was something that the government should be at arm's length from.

However, we will debate that legislation when it comes before the Council. As I have said, to do so now confuses the issue. If the sale of the TAB does not go through or does not pass in this session, the status quo will remain and distribution will remain the same as it is now. The sky will not fall in but an opportunity may be lost. There is nothing which convinces me that corporatisation cannot succeed under whichever method of funding is in place. I see no reason why this model, which has been endorsed by all codes, should not go ahead immediately, whatever happens to the sale of the TAB. May I add also that if this bill does not pass the three racing codes will return to the dog's breakfast under which they currently operate. I do not think there is anyone in any of the codes who believes that the system under which they operate now is satisfactory, effective or successful.

Therefore, I see no reason why this bill should not be passed, and I offer it my support.

The Hon. L.H. DAVIS: My first experience with thoroughbred racing in South Australia goes back to October 1964. I was studying for my law exams and on a Saturday morning a good Irish Catholic friend of mine, who was more interested in horses than law, suggested that I should join him at Victoria Park because he believed that he had the winner of the Caulfield Cup. So I did go to the flat at Victoria Park. It was free, which was a decided attraction, and I must put on the public record that my first bets ever were Yangtze, a South Australian horse which led all the way, at 16 to one, and Royal Sovereign and Elkayel which ran second and third; in other words, I had a trifecta, although of course there was no such thing in those days. So I thought that this was a pretty easy game. I was immediately hooked and as an impecunious student I took great delight in the special knowledge that my Irish Catholic friend had in extracting winners from his range of contacts in the racing and trotting industries.

The 1960s were glory days. J.B. Cummings was emerging as a Melbourne Cup king and the fabled Galilee won its first race at Gawler, which was then a metropolitan track. I remember that I backed it and I followed through to his Toorak Handicap, Caulfield Cup and Melbourne Cup victories in 1966. The C.S. Hayes stable and many other elite trainers and owners came from South Australia.

My colleagues have mentioned that, in the 3½ decades since the mid 1960s, there has been a fall back in the level of support and the level of prize money for racing in this state. There are many reasons for that and I do not propose to go into any detail, except to say that in the early 1990s the collapse of the State Bank reduced confidence, reduced the amount of money in people's pockets and certainly would not have helped the racing industry, which is very much a confidence industry, as my colleague the Hon. Caroline Schaefer would attest.

It should be placed on the public record that in some ways there was lack of leadership, mediocre management and division within the industry, and that did not help. In harness racing there was an ill-fated decision to move from the headquarters at Wayville, which was central and convenient, a facility that could easily have been upgraded, to Globe Derby Park, and I suspect without any great knowledge that harness racing is still recovering from that decision.

A measuring stick of the state of racing can be taken from looking at the basic prize money for metropolitan race meetings on Saturdays around Australia. The TAB guide for the *Advertiser* of Saturday 8 July shows that the basic level of stakes for races in Melbourne and Sydney is $40 000 per race. In Western Australia it is $25 000 per race, in Queensland it is $24 000 per race, and in South Australia it is only $19 000 a race. It is harder to sustain an industry when there is less prize money for winners.

Interestingly, a table that appears in today's *Age* shows the results of a survey of states of Australia and countries of the world in terms of percentage of owners' training costs covered by prize money. The United Arab Emirates, not surprisingly, ranks first in terms of percentage of owners' training costs covered by prize money, followed by Hong Kong, with Japan third, and Victoria in fourth place, with nearly 90 per cent of training costs covered by prize money. New South Wales is tenth with a figure of the order of 50 per cent. Australia as a whole is in 12th place, Western Australia is in 13th place, Queensland is in 14th place, South Australia languishes in 16th place, followed by Ireland in 17th place and the United Kingdom in last and 18th place.

I refer also to the Australian thoroughbred racing industry statistics from the Racing Services Bureau in Victoria. Those statistics illustrate that in the 1998-99 season—that is from 1 August 1998 to 31 July 1999—South Australia held 1 464 races, which represents about 7 per cent of all races held in Australia. We had total prize money in that period in South Australia of almost $19.5 million in racing. Queensland, on the other hand, had $56 million in racing prize money. If we draw a line through population, Queensland's prize money is clearly much stronger than that in South Australia.

On the other hand, South Australia has more group 1 listed races than Western Australia, five to Western Australia's three. It certainly has many more grade 3 listed races than Western Australia, although Western Australia has slightly more grade 2 races.

I seek leave to have a table of a purely statistical nature, which sets out the financial statement for RIDA for the year ending 30 June 1998, inserted in *Hansard* without my reading it.

Leave granted.

RIDA Financial Statements—Year Ending 30 June 1998

	Total	T'Bred	Harness	G'Hounds
Cash Reserves	$M	$M	$M	$M
Cash Reserves—1 July 1997	6.696	4.921	1.172	.603
Excess of outgoings over incomings	.806	.592	.141	.073
Cash Reserves—30 June 1998	5.890	4.329	1.031	.530
Statement of Revenue and Expenditure				
Revenue				
TAB Profits	26.525	19.496	4.642	2.387
Fractions, Multiples & Unclaimed	5.431	3.992	.950	.489
Dividends				
Bookmakers	2.824	2.076	.494	.254
Interest etc.	.512	.376	.090	.046
Appropriations	3.475	2.554	.608	.313
Total Revenue	38.767	28.494	6.784	3.489
Expenditure				
TAB Profits — SATRA	19.496	19.496		
— SAHRA	4.642		4.642	

RIDA Financial Statements—Year Ending 30 June 1998

	Total	T'Bred	Harness	G'Hounds
Cash Reserves	$M	$M	$M	$M
— SAGRA	2.387			2.387
	26.525	19.496	4.642	2.387
Capital Works & Operating Subsidies	3.463	1.740	.876	.847
Breeder Incentives	.393	.200	.075	.118
Stakemoney Subsidy	3.073	2.500	.360	.213
Industry Restructure	.280	.206	.049	.025
Industry Marketing	1.328	.976	.232	.120
Administration (of RIDA)	1.565	1.150	.274	.141
Payment to Treasury	1.904	1.400	.333	.171
Payments to Clubs—Bookmakers Commission	1.042	.766	.182	.094
Total Expenditure	39.573	28.434	7.023	4.116
Surplus (Deficit)	(806)	.060	(.239)	(.627)

· Where apportionments of revenue and expenditure items between the Codes are not known, the allocations have been made on the TAB profit fixed percentage basis (i.e., thoroughbreds 73.5 per cent, Harness 17.5 per cent, Greyhounds 9 per cent).
· Breeders' incentives paid to SAGRA are $59 000 pa—RIDA's 1998 figures include incentive grants for two years.

The Hon. L.H. DAVIS: This establishes that, in the 12 months to June 1998, expenditure for the three codes—thoroughbred racing, harness racing and greyhound racing—totalled $39.6 million. Of that expenditure, 72 per cent was in thoroughbred racing. In other words, it dominates the three codes. Greyhound racing represented little more than 10 per cent and the balance was in harness racing. In revenue terms, thoroughbred racing accounted for nearly 74 per cent of all revenue coming from TAB profits, bookmakers and various other sources, and that revenue for the three codes is $38.8 million

Mr Redford made a very comprehensive speech and a very fine rebuttal to the marathon speech of Mr Wright in another place. Mr Wright's speech was certainly a marathon but it won no gold medals from the industry. It was a telling contribution from the Hon. Caroline Schaefer when she highlighted the point that Mr Wright's performance from the grandstand certainly attracted a lot of media attention but, at the end, he had nothing constructive to say and, indeed, the Labor Party supported the legislation. What was it all about?

Let us put some perspective on what we are debating here tonight. We are debating the future of one of the largest industries in South Australia. If we look at any industry across South Australia, we would find disagreement on which direction is the way ahead. That applies whether we are talking about the tourist industry, the wine industry, the taxi industry or farming. There will always be some people who disagree with the thrust of the majority. It is rather telling that, as far as I can see, most of the people who have been stirring up trouble on this proposal have sought and have been unsuccessful in their attempt to achieve higher office. That is no surprise because human nature is wonderfully constant in the way it works. That is a matter that should be put on the record.

The other thing that one might think from reading 3½ hours of Mr Wright in another place is that there was a lack of consultation. The Hon. Angus Redford repelled that argument in some detail by pointing out that consultation started in May 1999 and occurred at regular intervals with all interested parties for at least the next 12 months. There is only so much consultation that you can have. You have the main people agreeing to the proposal, namely, corporatisation of the racing industry and cutting it free from government, yet some dissidents have emerged from the woodwork, having been rejected in their overtures for higher office, and have stirred the possum. That is life; that happens; that is reality. But for Mr Michael Wright and his ragged band in another place to grab at these straws to try to drum up some substance is quite extraordinary.

What I find disappointing is that someone who I think we would all respect in this place as a great sportswriter, probably the only sportswriter in South Australia with a national reputation, Mr Geoff Roach of the *Advertiser*, has been suckered into believing that Mr Wright is in the hero brigade when he makes a contribution on the racing industry. I know that there are people in the Labor Party privately who support the corporatisation of the racing industry and that Mr Wright has been playing politics. I guess that is no surprise, because we are in Parliament House, but, when he beats it up like this under the eye of Mr Rann who talks about the need for bipartisanship on important issues, it does leave one rather breathless.

The Hon. T.G. Roberts interjecting:

The Hon. L.H. DAVIS: I am not beating it up: I am stating the facts. The proposed sale of the TAB is certainly being debated at the same time as the Racing (Controlling Authorities) Amendment Bill, which we are now debating—I accept that. The fact is that in May 1999 when SATRA was first debating the corporatisation of racing, the TAB was not an issue. There was no proposal before the parliament or in the public arena to sell the TAB, and suddenly that has become part of the debate.

For the Hon. Ron Roberts to make his rambling contribution and ignore the $1 million from RIDA for the Port Pirie harness track is something which I found rather stunning.

In summary, I want to look at what happens around Australia. In Queensland, as we know, with only 40 per cent of the population in Brisbane and the balance in regional Queensland, that is reflected in the strength of regional racing. In Queensland, the QTC and the BATC are dominant clubs with the structure equivalent of SATRA, and they have to report to the minister. In New South Wales, the Thoroughbred Racing Board set up about three years ago is equivalent to SATRA. In Victoria, there were three metropolitan clubs with the VRC dominant. What is interesting is that only this month there has been an announcement that Victoria racing

will have a nine member independent board of governance to run racing in Victoria. In fact in today's *Age* (Tuesday 11 July), an article by Tony Bourke on page 4 of the sports section states that Racing Victoria has announced that they will have a corporatised body to be known as Racing Victoria with a board of 10, including a chief executive. The board members would include one from each of the three city clubs, two from the country racing council and four independents. The article states:

> The Racing Victoria Limited model is being canvassed to all the country raceclubs and has also been presented to the main industry participants such as the Thoroughbred Racehorse Owners Association and the trainers' and jockeys' associations. The response apparently has been favourable in all areas simply because Racing Victoria has been able to produce some compelling figures on how well the industry is performing—

and so it goes on. As I mentioned, they are very strong in terms of the percentage of owners' training costs covered by prize money. The article concludes:

> . . . Racing Victoria has decided to become pro-active in its bid to keep the control of racing with racing people. . .

There is some irony in that. Mr Ron Roberts was talking about the criticism in the *Age* of the model, but, quite clearly, he did not read the whole article because the comments that I have made today would suggest that they have adopted a model which mimics very closely what we now have before us.

It should be recognised that prior to this model being introduced the SAJC had total dominance with all five representatives on the key body, but now what is proposed is that the SAJC will have three out of the seven members of the new body and other stakeholders, including representatives from country racing and breeders and trainers, will also have representatives. It is important also to recognise the point that the Hon. Angus Redford has made; that is, as Mr Birchall said in a media release today:

> All South Australians recognise that it was of paramount importance to have a balanced board of independent people who would act in a corporate way to progress the racing industry. South Australian racing had been successful in attracting independent business leaders to the SA board.

Mr Birchall concluded by saying:

> Importantly, under the SA model provincial country and Oakbank clubs have, for the first time, a real voice in the direction of racing.

It is encouraging to see the leadership and the vigour with which the racing industry has pursued this model in an effort to revitalise a very important industry in South Australia to regain the glory that it certainly had when I first was introduced to racing in the 1960s. I support the second reading.

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

GAMING MACHINES (FREEZE ON GAMING MACHINES) AMENDMENT BILL

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

ADJOURNMENT

At 1.14 a.m. the Council adjourned until Wednesday 12 July at 2.15 p.m.