LEGISLATIVE COUNCIL

Tuesday 5 December 2000

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

QUESTIONS ON NOTICE

The PRESIDENT: I direct that written answers to the following questions on notice be distributed and printed in *Hansard*: Nos 4, 5 and 25.

ROAD RULES

4. **The Hon. SANDRA KANCK:** Since the introduction of the new Australian Road Rules on 1 December 1999—

1. How many South Australian motorists have been convicted for failing to give way to a bus indicating to move or moving out from the kerb?
2. How many South Australian motorists have been convicted for tailgating?
3. How many South Australian motorists have been convicted for failing to indicate for five seconds before leaving the kerb?
4. How many South Australian motorists have been convicted of using a hand-held mobile phone whilst driving?

The Hon. DIANA LAIDLAW: I have been advised by the Minister for Police, Correctional Services and Emergency Services that since the introduction of the new Australian Road Rules on 1 December 1999 to September 2000—

1. No persons have been issued an expiation notice for failing to give way to an emerging bus.
2. 175 expiation notices have been issued for failing to keep a safe distance from the vehicle in front.
3. Twelve expiation notices have been issued for failing to give a 5 second signal of moving from a stationary position.
4. 658 expiation notices have been issued for using a hand-held mobile phone whilst driving.

MOTOR REGISTRATION LABELS

5. **The Hon. SANDRA KANCK:** How many motorists have been convicted for failing to display a registration permit in—

1. 1997;
2. 1998;
3. 1999; and
4. 2000?

The Hon. DIANA LAIDLAW: The Minister for Police, Correctional Services and Emergency Services has provided the following information:

1. In 1997, 151 expiation notices were issued for failing to comply with rules regarding registration labels.
2. In 1998, 126 expiation notices were issued for failing to comply with rules regarding registration labels.
3. In 1999, 174 expiation notices were issued for failing to comply with rules regarding registration labels.
4. Between January 2000 and September 2000, 167 expiation notices were issued for failing to comply with rules regarding registration labels.

TRANSPORT, PUBLIC

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

1. What strategies is the government introducing to ensure the provision of a simple, user-friendly, effective ticketing system that allows everyone to understand how and where to purchase public transport tickets, costs and availability?
2. Why are multi-trip tickets not available on buses?
3. What is current Passenger Transport Board policy on accepting "large" notes, such as $20 and $50 notes?

The Hon. DIANA LAIDLAW:

1. In 1986 the Crouzet ticketing system was introduced at a cost in excess of $10 million. It functions with a high degree of reliability, with a ticket failure rate of only 20.1 (in June 2000) per 10 000 validations (0.2 per cent).

In 1998, the government, through the Passenger Transport Board (PTB), completed an evaluation of a smart card ticketing system—but did not advance the matter following confirmation that the technical and economic life of Crouzet could be extended to 2004. The issues are reviewed annually—and in the meantime the PTB is monitoring ticketing system developments around the world. Many new ticketing systems have significant problems, as has been recently experienced in Melbourne.

Passengers are able to purchase tickets on board all trains, trams and buses. Tickets can also be purchased at the Passenger Transport Info Centre in the City, at all staffed railway stations and at Australia Post agencies displaying the Metroticket signage. As well there are over 700 Licensed Ticket Vendors across the metropolitan area — these include service stations, supermarkets, schools, delis and newsagents. All Licensed Ticket Vendors are provided with Metroticket signage and a display board showing various ticket prices. The AdelaideMetro web page contains the location details of all Licensed Ticket Vendors and this information is also available on the InfoLine.

2. Efficient passenger boarding and driver-safety are the key reasons for encouraging off-board sales. In return for pre-purchasing, the passenger obtains a substantial discount and a speedy boarding. Prior to the introduction of the current ticketing system, drivers held a lot of cash on-board. Under current arrangements, drivers carry minimal amounts of cash and this is an important safety advantage for drivers.
3. Bus drivers and train conductors carry only a small cash float, primarily due to safety reasons. Therefore, it is not always possible for a driver to provide change for a large denomination note.

Ticket vending machines on trains only accept coins. Recently changes have been made to the expiation process to ensure that train passengers who only have notes but who have a genuine intent to purchase a ticket, are given the opportunity to do so.

PAPERS TABLED

The following papers were laid on the table:

By the President—

Reports, 1998-2000

Police Complaints Authority

Report, 1999-2000

Joint Parliamentary Service.

QUESTION TIME

UNION STREET WALL

The Hon. CAROLYN PICKLES (Leader of the Opposition): I seek leave to make a brief explanation before asking the Minister for Urban Planning a question about the Union Street wall.

Leave granted.

The Hon. CAROLYN PICKLES: I have been informed that at approximately 7 a.m. tomorrow the bulldozers will move into Union Street in the East End precinct of the City of Adelaide and pull down a wall built in the Great Depression era of the 1930s. According to devotees of Adelaide's heritage and architecture, this is one of the few examples of buildings left in Adelaide from that era, given that precious few buildings went up in the city area during that particular part of the depression.

At 11 a.m. today, a large protest rally was held in Union Street against the destruction of this building. Those attending the rally included the artist Margaret Dodd; the Rundle Mall architect Steve Grieve; local business leaders; the former Lord Mayor, Dr Jane Lomax-Smith; the Democrats leader, the Hon. Mike Elliott, and many others.

An honourable member interjecting:

The Hon. CAROLYN PICKLES: I had you as being there. On the government side would have been the former Minister for Housing, Urban Development and Local Government, John Oswald. In 1994 the minister had responsibility for the Local Heritage Review Committee which,

after a long and painstaking investigation into heritage sites across Adelaide (which I understand cost about $138 000), recommended in December 1994 the heritage listing of any building where there was an objection from property owners and, consequently, the Union Street facade missed out on heritage listing.

In the past few years the government, I have been told, has spent tens of thousands of dollars preserving the wall to ensure it remains in place. However, earlier this year the Minster for Government Enterprises and the current member for Adelaide, the Hon. Michael Armitage, applied under section 49 of the act to have the wall demolished. The Adelaide City Council supported the plan, and it then went to the Minster for Urban Planning for a decision. I understand that it is now up to the minister to approve or reject it. This will either clear or block the way for bulldozers to come in tomorrow morning. Shades of Queensland—6 o'clock in the morning!

If the minister approves the application the decision will appear to fly in the face of the spirit and intent of the Adelaide City Development Plan, sections of which were amended following the distribution for consultation of the Plan Amendment Report into the East End Precinct released in 1995 by the then Minister for Urban Development. The current development plan states quite clearly, under 'Townscape Contest':

> Development should protect and enhance the rich and distinctive townscape characters of the precinct.

It goes on to state:

> Development should ensure the conservation and rehabilitation of the many heritage places which give the precinct its distinctive and cohesive townscapes of East Terrace, North Terrace, and Rundle, Union and Grenfell Streets.

Given that the only person who can now save this unique character facade is the Minister for Urban Planning, my questions are as follows:

1. Why is the government moving to destroy an important facade that only six years ago it was moving to protect and preserve by recommending it be heritage listed?

2. Does the minister believe in the preservation of Adelaide's unique buildings, especially when the Adelaide City Development Plan specifically seeks to ensure their preservation?

The Hon. Diana Laidlaw: Preservation of what?

The Hon. CAROLYN PICKLES: How much—

The Hon. Diana Laidlaw interjecting:

The Hon. CAROLYN PICKLES: I just quoted the part from the plan. My questions continue:

3. How much money has been spent in the past few years on preserving the Union Street wall?

4. Has any action been taken to date by the minister to intervene on this issue to work with the developers to find ways to preserve the wall and have it incorporated into the new development design (which would seem to me to be the sensible thing to do)?

5. Is the minister now prepared to act to save the Union Street wall from demolition tomorrow morning?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I hope that there will be some licence given to me in terms of time to answer this series of questions because historically this issue is interesting. I note that Dr Jane Lomax-Smith, the Labor Party candidate, addressed the meeting. This same person was not only mayor of the Adelaide City Council for three years but also a member of that council for some seven years during a period in which other parts of the East End site were heritage listed and during a time when the Adelaide City Council had a proposal before it to put it on the local heritage Adelaide City Council list. On neither occasion were those heritage listing issues advanced. So to see her today breast beating at a rally and saying how it should be saved when she was on the council and even had the authority of Lord Mayor to advance the saving of this issue is highly indicative of the hypocrisy of Dr Lomax-Smith on so many of these issues. She had an opportunity to achieve and comes out later berating everybody else for her under-achievement, then passing the buck to others to fix. As the honourable member has said (the one accurate part of her question), the buck has certainly been passed to me.

The Environment Resources and Development Commission now has this issue before it. This is because the developers (Liberman Pty Ltd) applied for approval for building plans. I think it is important to note that the developer, Liberman, has an agreement with the government, which I understand was signed during the Labor Party days in government, that it will be provided with a cleared site.

For that reason, when Liberman submitted its plans through the Minister for Government Enterprises, it sought a cleared site and the minister in turn, as a matter of form, applied for demolition. Prior to this, the project had gone to the Adelaide City Council where the council had approved the building plans. I found that step rather unusual, not because the building plans conflicted with the character of the Adelaide City Council area but because under the Development Act the council should not be approving demolition prior to approving a development application.

The matter then went to the Development Assessment Commission, which disapproved of the knocking down of the wall for various reasons and urged me not to approve the demolition, subject to any approval of an application. And I did not approve the demolition of the wall on that condition. Liberman, as is its right, took DAC to court, appealing against DAC's decision. In the meantime, DAC has worked with the proponent and engaged building design and heritage expertise—two people, I understand—to work with the proponent to come up with a design that would better reflect the urban design character issues that we would all wish to see in this area.

In terms of intervening, I say to the honourable member that it was not appropriate for me to intervene, as this matter was before the courts and earlier before DAC, an independent commission. However, I was aware that DAC was engaging the expertise of a heritage architect and an urban design expert to work with it and the proponent in order to come up with a much better design. I understand that that design has been presented to the Environment, Resources and Development Commission and that at some time today the commission may make a decision. At 2 o'clock the commission had not made such a decision, so certainly I should not comment further. It would be inappropriate to do so.

Equally, I certainly would not comment on any proposal for anyone to come in at 7 o'clock in the morning to knock down any wall because the court has not made a decision. I do not even know what matter is to be referred to me, and certainly no approval has been given by me for the—

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: Save it! You want me to save it. This is interesting, isn't it? It is very interesting. The honourable member wants me to save it. The former Lord Mayor had an opportunity to save it and did nothing. She was

a member of council for seven years and did nothing. It is not on the Adelaide City Council heritage list and it is not on the state heritage list. Many of the other facades certainly are. It was the Labor Party that signed the agreement with the proponent to provide a cleared site.

Where does your responsibility start and end? You ask me to save it. Your former Labor government provided for a cleared site. What legal proceedings would you have me enter—because you do not know your law—simply to go and override a legal agreement and contractual arrangement of a former government? I tried to do that in the Hindmarsh Island Bridge affair and could not get out of the legal agreements that you foisted around our necks then, and I cannot get out of this one, either. Then the National Trust comes in today and says that it wants me to develop a ministerial PAR. It well knows that it is coming in after the event. It has had all these years to do something.

The Hon. T.G. Cameron interjecting:

The Hon. DIANA LAIDLAW: It could have done something six months ago, but now no-one can. As the honourable member would know, you cannot issue a PAR after the development application has been lodged. It would have no effect in terms of the development application that is part of the legal processes already approved by the Adelaide City Council and now before the court.

I do say to these individuals whom the Hon. Ms Pickles is now championing as devotees of heritage that, if in fact they were such devotees of heritage, in terms of the law, the processes and the opportunities available, why are they not out getting these important buildings onto the relevant heritage lists of this state? That is what I would urge them to do, and then this would not even be an issue.

To recap briefly, if the Labor Party, in terms of its agreements with the East End site, had not provided that there must be a cleared site; if the former Lord Mayor, Jane Lomax-Smith, had in fact used the powers available to her to have this listed on the Adelaide City Council heritage list; and if the National Trust had applied for it to be on the state register, we would not have this problem. The Hon. Terry Cameron is—

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: What does Michael Armitage want?

The Hon. Carolyn Pickles interjecting:

The Hon. DIANA LAIDLAW: As minister he is responsible for contractual obligations which you signed and which he must execute.

The Hon. T.G. Cameron: He has no choice.

The Hon. DIANA LAIDLAW: He has no choice. If this opposition is saying that you sign agreements and then—

Members interjecting:

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: —simply ignore them because it might suit you, as a Labor Party candidate smiles sweetly seven years afterwards and says that she could have done something about it, that is a very interesting process of government and it is a very interesting issue in terms of contractual law. I would have thought that no-one would want to work with you under those conditions. Why do you not just come out and honestly say (I was going to use a word that is unparliamentary) that you fouled it up from the start?

We are now going through a process that we have inherited from the Labor Party as a government when it had the opportunity to save that wall in terms of the contractual agreements with the developers. I have also inherited an issue where the former Lord Mayor fouled up because she did not act when she could have to have these issues listed. And the National Trust should not be bleating after the event and asking me to do something that would have no effect in terms of this development.

The Hon. NICK XENOPHON: As a supplementary question, is it not the case that the developers of the project consulted as far back as 1993 and subsequently with the National Trust on a development proposal for the site that did not include retaining the wall; that the National Trust had no objection to that proposal at that time; and that that proposal was reflected in the model of the development that has been on public display for the past seven years?

The Hon. DIANA LAIDLAW: That is my understanding.

The Hon. M.J. ELLIOTT: As a supplementary question, does the minister acknowledge—

Members interjecting:

The PRESIDENT: Order! The leader will come to order.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order, the minister! The Hon. Michael Elliott.

Members interjecting:

The PRESIDENT: Order! The Hon. Mr Elliott has the call.

The Hon. M.J. ELLIOTT: Does the minister acknowledge that, despite those who, to put it politely, messed up previously, the wall in question does have significant value to the East End, both in terms of tourism and in relation to attractiveness for future development?

The Hon. DIANA LAIDLAW: That may well be so but, in terms of planning law, whether it has value for tourism is not a matter that is taken into account. What is taken into account are heritage listings, the City of Adelaide Plan and the process of consideration. Also taken into account are contractual law and obligations that the government has with the developer. I may not personally like any of the matters that are now presented to me; I may find the wall highly attractive; and I might even want to save it. But the matter is before the courts at the moment. I must deal with the facts and I have presented them to the Council today.

I find the hypocrisy of the Labor Party, and especially the state candidate for Adelaide, beyond belief, but perhaps that should not be a surprise to me. I have some sympathy with what the Hon. Mr Elliott says. However, if it were such an issue, time and again the National Trust, tourism authorities—

The Hon. R.R. Roberts interjecting:

The PRESIDENT: Order, the Hon. Ron Roberts!

The Hon. DIANA LAIDLAW: —and the city council itself could well have listed it. It had an opportunity back in 1991, when the rest of the facade of this site was listed, and this was not put forward at that time. Again, in 1993, as the Hon. Mr Xenophon said, the city council and the National Trust had an opportunity and they were silent. Since that time the Adelaide City Council—

The Hon. T.G. Cameron interjecting:

The Hon. DIANA LAIDLAW: Why did it wait until now? Perhaps just to make my life—

The Hon. T.G. Cameron interjecting:

The PRESIDENT: Order! The Hon. Terry Cameron will come to order.

The Hon. DIANA LAIDLAW: The Hon. Mr Cameron is right: it is now over seven years. Other than to make my life hell, I am not too sure why they have done it. I do say that the Adelaide City Council, when the former Lord Mayor (Jane Lomax-Smith) was there, had four PARs in relation to this area and not on one occasion has a PAR indicated that that wall would be specifically saved.

SALISBURY EAST CAMPUS

The Hon. P. HOLLOWAY: I seek leave to make a brief explanation before asking the Minister for Urban Planning a question about the former Salisbury East campus of the University of South Australia.

Leave granted.

The Hon. P. HOLLOWAY: In 1996, the Salisbury East campus of the University of South Australia was closed. Residents feared that they would lose the community asset of the playing fields and open space, with a housing development swallowing up the campus. Since then, the Olsen government has promised that it would exercise its powers to ensure that the entire property would not be sold as residential.

As recently as 4 July this year, the education minister, the Hon. Malcolm Buckby, in another place, in answer to a question from the member for Wright, Jennifer Rankine, wrote that one of the conditions was that any sale of the land 'was subject to the property being rezoned to mixed use'. This clause was said in that answer to 'prohibit the sale of the land for purely residential purposes and acknowledges the interest in the property by the Salisbury council and the local community'. Unfortunately, the promise was never kept—like the promise to sell ETSA.

Earlier this year a developer, Eastgate, entered the process of buying the campus and had been negotiating with the University of South Australia and the Salisbury council on an amended plan amendment report (PAR) to facilitate the rezoning required by the state government. However, in November, without consultation with the council or the community, the conditions of sale were changed by the government with a new clause that severely limited the area to be rezoned as mixed use, effectively allowing housing over the total open space area, including the playing fields.

The Salisbury council is rightly outraged by this betrayal. The council learnt of the change in a letter received on 17 November, which claimed that there had been delays in the PAR process. But, the day before, the developer had lodged a new plan with the council, based on the changed conditions of sale, and it was in the hands of the Development Assessment Commission three days before. Representatives of the Salisbury council say that it was, in fact, the developer and the university that asked for delays in the process. The council has resolved to proceed with the PAR to rezone the land. At a public meeting held at the Salisbury East Neighbourhood House on 3 December, local residents resolved as follows:

That this meeting of residents:

1. Believes the Salisbury East campus is a valuable community asset, providing both open space and substantial buildings that should be preserved for future educational and economic benefits to the northern region.

2. Calls on the state government to honour consistent previous commitments given by both the government and University of South Australia that the campus would not be sold off for housing.

3. Calls on the state government to support the City of Salisbury draft PAR for the campus which:

- provides for an opportunity to develop the site in an economically viable manner;
- provides for a balanced land use of open space community and private use;
- ensures community expectations are substantially met.

4. Calls on the state government to immediately grant interim approval to the draft PAR to prevent any further applications for the whole of the site to be subdivided for housing.

My questions to the minister are:

1. Will the government immediately grant interim approval to the council's draft PAR to prevent any further application for the whole of the site to be subdivided for housing?

2. Why did the government inform the developer of the change in the conditions of sale before it told the Salisbury council?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): I will refer the second part of the question to the responsible minister. I am not aware that the Salisbury council has submitted a PAR to Planning SA, but I will make inquiries.

The Hon. T.G. CAMERON: Sir, I have a supplementary question. Why was the Salisbury council not consulted before this decision was made, and does the minister know why the Minister for Education declined to meet with the council to discuss the about-face by the government? Is the Minister for Transport and Urban Planning prepared to meet with representatives of the Salisbury council to discuss this issue and to hear its views and concerns?

The Hon. DIANA LAIDLAW: I am not aware of the background to the matters that the honourable member has raised, but I will convey them to the Minister for Education. I am certainly not aware that he is not prepared to meet with the council. I understand that this is an issue with the University of South Australia with respect to the sale process. I will make inquiries and provide a prompt reply to the honourable member.

The Hon. T.G. CAMERON: I have a further supplementary question. I thank the minister for answering on behalf of Malcolm Buckby, but would she provide an answer to me concerning herself?

The Hon. DIANA LAIDLAW: I endeavoured to do so by not taking the honourable member entirely at his word that the Minister for Education and Children's Services had decided that he would not meet with the Salisbury council. I would certainly wish to check that out before agreeing to meet with the council.

The Hon. T.G. Cameron interjecting:

The Hon. DIANA LAIDLAW: Until I have spoken to the minister, at this stage I will not accept that he has said that he would not meet with the council.

AMUSEMENT RIDES

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Workplace Relations a question about the safety of amusement rides and devices.

Leave granted.

The Hon. M.J. Elliott: Is this a dorothy dixer?

The Hon. T.G. ROBERTS: No, it certainly isn't; perhaps I should ask the Leader of the Democrats the same question. As members of the Council would be aware, two very serious incidents involving amusement rides have occurred in South Australia in the past three months. These incidents have been

well reported in the media. One occurred at the Royal Adelaide Show and the other at a Christmas party at the weekend. The incidents caused injury to some 39 people in total, some of whom have sustained serious or even life threatening injuries. The extent of the Royal Show incident was such that it caused the Red Cross blood bank stocks to be severely depleted.

Until 1995 amusement rides in South Australia were subject to Australian Standard 3533. In 1995 and 1999 the government issued consolidated regulations under the Occupational Health and Safety Act which failed to include again the gazettal of Australian Standard 3533 as a standard or approved code of practice applying to amusement rides and devices. The opposition understands that this deliberate omission by the government has been raised as a matter of ongoing concern by the minister's own occupational health and safety advisory committee, and I believe that the minister has also publicly raised some concerns. My questions to the minister are:

1. Why did the government scrap Australian Standard 3533 as the standard and approved code of practice which applies to amusement rides and devices?

2. How long has the minister known about this unsatisfactory situation?

3. Will the minister now restore the levels of regulation of amusement rides and safety which existed prior to 1995 by immediately moving to gazette Australian Standard 3533 to apply as the standard for all amusement rides and devices?

The Hon. R.D. LAWSON (Minister for Workplace Relations): The collapse of two amusement rides in South Australia in recent months has been a matter of serious concern to the government. Ascertaining the precise cause of those incidents and deciding upon the appropriate course of action to minimise the chance of similar accidents occurring in the future is obviously a major priority. The Australian Standard 3533 to which the honourable member referred was not taken up in the current regulations. That was as a result of a decision taken by workplace ministers at a national level that it was inappropriate to 'call up' Australian standards willy-nilly into the occupational health, welfare and safety regulations.

The calling up of those standards in a way which has not necessarily been considered in the past has led to ambiguities between the regulations and the Australian standards and has also created difficulties for not only operators of amusement devices but also those operators involved in the whole gamut of machinery and other items covered in the occupational health and safety regulations. Accordingly, a decision was taken at a national level that standards would not be simply called up. It is a far better way of regulating any form of endeavour to have the one set of regulations setting out the requirements for any particular operator.

That gives a certainty and provides a sound foundation for enforcement. It seems that one of the only advantages, if it be an advantage, of having a standard called up, is that in the event of a prosecution it is possible for the prosecution to more easily secure a conviction if there is a standard, because the particular rule in the occupational health and safety regime provides that failure by a person charged to have complied with a standard will be prima facie evidence of a failure to exercise due care. That is undoubtedly an advantage in a limited circumstance. My view is that it is better to take remedial action in the first place rather than to worry about prosecution at the end of the day. Prosecutions do not save lives. We need to take a more proactive approach to occupational health and safety rather than making it easier for the inspectorate to prosecute.

I am advised that the Australian standards, notwithstanding the fact that they have not been formally called up, are the basis of the way in which this industry operates. They set the standard and benchmarks already used by operators and by those engineers who are retained to do independent inspections of equipment. I do not accept the assumption, if it be an assumption, implicit it in the honourable member's question that the fact that since 1995 these Australian standards have not been called up has had any bearing at all on the incidents that have occurred. Nor am I convinced that simply calling them up would make any significant difference to the regulatory regime.

I am, of course, presently looking at the question of appropriate regulations for amusement devices. In this state amusement devices are governed by the occupational health and safety regulations and are included as items of plant to be treated in a similar way to cranes, scaffolding and other items of plant. I am certainly looking at a regulatory regime that will provide a more efficient system. In answer to the honourable member's question as to why we scrapped the standard, to use his colourful expression, the standard was not called up in the latest regulations as a result of a national decision. His second question related to whether or not it was an unsatisfactory situation. I am not convinced that it is an unsatisfactory situation. If there are any other outstanding matters in the honourable member's question I will certainly bring back a reply after taking appropriate advice.

The Hon. T.G. CAMERON: I have a supplementary question, Mr President. I thank the minister for his answer but, simply, can the minister assure South Australian parents that it is safe for their children to ride on these machines? That is what they want to know.

The Hon. R.D. LAWSON: It is not possible for any government to give iron clad guarantees in respect of buses, machinery or any other form of activity, whether amusement devices or the like. There is an element of risk in undertaking any particular endeavour. People simply have to make a judgment about those things. I assure the community that this government is dedicated to ensuring that we have appropriate measures in place to ensure, in so far as is possible, that we have a safe system. The primary and paramount responsibility for ensuring the safe operation of amusement devices, school buses and any other form of activity that might involve danger lies with the particular operator who starts up the engine every day, who has control of the machinery, who actually services the machinery, whose employees are listening to the motors and making an hourly assessment of the way in which the system is operating.

The Hon. T.G. ROBERTS: I have a supplementary question. What engineering practices and inspectorial practices changed after the first incident at the Royal Show?

The Hon. R.D. LAWSON: After the incident at the Royal Show, all operators in South Australia were formally reminded, once again, of their obligations to maintain their equipment appropriately. It is important that the inspectorate constantly reminds people of their obligations. Other steps were taken—for example, a number of sites have been visited. At the Mount Gambier show, recently, the inspectorate made a detailed inspection similar to the inspection made each year at the Royal Adelaide Show. I assure the Council that the inspectorate is treating seriously the responsibilities

under the occupational health and safety regulations in relation to amusement devices.

CRIME STATISTICS

The Hon. A.J. REDFORD: I seek leave to make a brief explanation before asking the Attorney-General a question about national crime statistics.

Leave granted.

The Hon. A.J. REDFORD: Last Friday, Senator Amanda Vanstone released a report by the Crime Prevention Branch of the commonwealth Attorney General's Department. She said it was the first occasion that Australia-wide crime rates have been brought together in a user friendly format. The statistics were the product of the Australian Bureau of Statistics' report into crime in Australia, released on 28 June this year, and relate to 1999 and, in some cases, 1998. Of particular interest in Senator Vanstone's media release was the information page, which contained some brief snapshot statistics from the report. In light of that, my questions to the Attorney-General are:

1. How useful are national and cross-jurisdictional crime statistic comparisons to assist the state government in its response to crime, and are crime statistics referred to in the report up to date?

2. What does the report show about crime rates in South Australia?

3. What state government agencies are involved in collecting and publishing data about crime statistics?

4. What agencies and programs does the state government have in place to tackle crime in South Australia?

The Hon. K.T. GRIFFIN (Attorney-General): National statistics and comparisons between jurisdictions are helpful but, as with all statistics, they have to be always treated cautiously because, as the release by Senator Amanda Vanstone demonstrated, they can put only a small part of the total picture. The statistics which she released went back to 1995, and I said on the weekend that I thought that that was somewhat strange, because the Bureau of Statistics report that was published in June this year went back to an earlier time frame. The Australian bureau has been keeping comparable statistics across jurisdictions from 1993. So that was somewhat puzzling.

I think the media release, read alone, was fair enough. The difficulty came with the information page which focused on about half a dozen negative points about South Australia and, I think, had two positive points, when there were certainly a lot more positive points that could have been made. I think it is important that we recognise that those statistics need to be taken in context, and we need to identify the reason why we are publishing those sorts of statistics.

Everyone knows that in South Australia the Office of Crime Statistics (which is in the Attorney-General's Department) periodically publishes statistical analyses of crime events in South Australia, including its annual Crime and Justice Report, based upon an analysis of police crime statistics. They are particularly helpful, because they put everything before those who seek the information and read the report and not just selective statistical information.

I want to touch on some issues, because the real statistics tell a quite different story, which ought to put South Australia's crime position into a broader context, and I deal first with homicide or murder. Everyone will know that the 'bodies in the barrel' case affected the number of murders in 1999. For the period 1999-2000, there has been a 32.4 per cent reduction in murder rates over the previous year, from 37 down to 25. That is the level of fluctuation that frequently occurs from year to year, and even one or two differences from that very small base can mean a quite substantial increase or decrease in the percentage rate. As I say, that is because of the very low numbers that we are talking about.

The murder clear-up rate, according to the South Australia Police annual report, was 88 per cent in 1999-2000, and that compares with 54.1 per cent in 1998-99. That demonstrates how each homicide ought to be treated separately. There are only a few. They are too many, but they form a very small base from which the statistical analysis can be derived. It should be noted that the clear-up rate of attempted murders is about 85 per cent.

The media release from Senator Vanstone said that South Australia had the second largest decrease in assaults between 1998 and 1999 but did not mention that we had the highest clear-up rate in Australia, and that only Queensland and the Northern Territory had a better percentage change over the period from 1995 to 1999. The annual report did show a falling rate of sexual assaults in South Australia, but that was not mentioned in the release. Again, South Australia is above the national average on clear-up rates.

The police annual report showed that for 1999-2000 the rate of clear-ups for rape and attempted rape was 71.7 per cent, and that was an improvement over the previous year. With armed robbery, the report showed that New South Wales, Western Australia, Victoria, the ACT and Queensland all had higher rates of armed robbery and that South Australia had recorded a 17.7 per cent fall in armed robbery between 1998 and 1999. The state is well above the national average in terms of clear-up rates.

The police annual report showed that robbery with a firearm fell 37.1 per cent in 1999-2000, and robbery with another weapon fell by 20.5 per cent. The report published by Senator Vanstone showed that South Australia was the only state to record a fall in unarmed robbery over the period 1995 to 1999, and that was a fall of 15.1 per cent. In 1999, the report showed that the rate fell by 8.5 per cent and again showed that clear-up rates were above the national average.

With what is generally called 'burglary'—although in this state it is now termed 'serious criminal trespass'—in this state we recorded a 3.6 per cent increase in 1998. That was well behind the ACT, which showed a 54.5 per cent increase. The 1999-2000 police annual report showed a 1.6 per cent increase in breaking and entering a dwelling, and slight falls in breaking and entering a shop and breaking and entering other premises. The clear up rate was over 90 per cent—the highest rate of that in any state.

With motor vehicle theft, we acknowledge that there has been an increase over the past two years, but the police are at the national average in clear up rates and we are well above the national average of 85 per cent in terms of proceedings against offenders. We acknowledge that indigenous imprisonment rates are too high, and we are taking steps to deal with that.

In terms of law enforcement resources, it is important to recognise that only the Northern Territory and Western Australia have a higher rate of sworn police officers per 1 000 of population. Of course, the rate does not take into account the increased number of public servants working for police, allowing sworn officers to do more police work. That is a quick overview of some of the other figures which need to be taken into account to give the report published on the weekend further balance. When we are dealing with crime

issues, it is important that the whole picture is looked at and not just part of it.

FISHERIES COMPLIANCE UNIT

The Hon. IAN GILFILLAN: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Primary Industries, a question about the Primary Industries and Natural Resources SA Fisheries Compliance Unit.

Leave granted.

The Hon. IAN GILFILLAN: It has recently been brought to my attention, from sources both within and outside the SA Fisheries Compliance Unit, that the unit is what one could describe as a sinking ship. The complaints from all the sources are strongly critical of the unit's management. They describe the Acting General Manager as being a 'control freak' and complain that, with 12 staff at headquarters at Birkenhead to manage 28 field officers, the unit is top heavy. The unit has undergone several restructures in the past eight years and so has been in a constant state of flux and turmoil. However, these changes have dismally failed to improve efficiency, effectiveness or productivity. Instead, it is described as chaos being the order of the day. Of prime concern is the shortage of operating staff, with the unit being forced to operate with just 26 fisheries officers in the field for the whole state. It is indicated to me that three redundancy packages have been offered and that one of those packages has gone to the wife of the now Acting General Manager of Fisheries Services, and further strain will be placed on the unit when the contracts of another three people expire in the near future.

I expressed concern about staff shortages in a question on 23 November last year. At a meeting at Blanchetown a little after that time, the then Director of Fisheries, Dr Gary Morgan, indicated the need for at least four compliance officers on the Murray River alone. There was but one at that stage, and he publicly admitted that there was a lack of resources regarding compliance officers. I am advised that the person who has held the position of business manager for the compliance unit over the past 12 months has no qualifications for such a position. I was advised that the job and person specifications for the position were amended to suit this person who did not have the appropriate qualifications.

Further, the abalone task force, set up after a recommendation from the senate select committee, has been dissolved. Given the conditions I have just outlined, it is not surprising that the morale within the unit is extremely low, and a large number of staff with a wealth of experience have abandoned the unit in the immediately recent past. I indicate to the Council that the people who have been communicating to me have no axe to grind, and they do not come with any rancour. They are making these comments because they believe it is long overdue that this whole situation be reformed. My questions are:

1. Is the minister aware of the low morale amongst staff members of the compliance unit?

2. What is the reason for the frequent restructuring of the unit?

3. Has the minister commissioned an independent assessment of the management and effectiveness of the unit; if not, why not?

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

DRIVER INTERVENTION PROGRAM

The Hon. J.S.L. DAWKINS: I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning a question about the Driver Intervention Program.

Leave granted.

The Hon. J.S.L. DAWKINS: The Driver Intervention Program was introduced by this government in 1994. It consists of a 90 minute interactive workshop for novice drivers or drivers who have been disqualified. The program confronts drivers with the potential consequences of road crashes. I understand that approximately 3 500 novice drivers are required to attend the program each year.

Facilitators of the program are recruited from the police and medical staff and also from victims of road trauma; and they all undertake appropriate training. This program has proved its value in the metropolitan area. My question is: will the minister outline to the Council any government plans to extend this program to regional areas of the state, and will she also indicate whether the involvement of local communities in the program has been considered?

The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning): The Driver Intervention Program was established by this government in 1994 following amendments to the Road Traffic Act. It was reviewed by the Transport Safety Committee as part of its driver training and testing reference last year. When this program was established, it was considered that, because of the number of people attending and the resources required, it would be conducted only in the metropolitan area. So, novice drivers or learners and P-plate drivers who have lost their licence in country areas have not been required to attend this course.

I think that, last year or earlier this year, we provided, through this parliament, penalties for non-attendance at the course if there was the requirement to do so as part of a loss of licence on appeal by L or P-plate drivers. I am really pleased that, as part of a heightened recognition of road safety in country areas and regional South Australia and a much stronger commitment to community road safety (which the government is now funding), we now have the resources and the commitment of quite a number of country communities to establish these Driver Intervention Programs so that younger people (in particular, L and P-plate drivers), if they lose their licence, will have to attend these courses—and they must pay to do so.

I am pleased that the first region which has the support of the local community to establish a Driver Intervention Program is the Barossa Valley. That program will begin on 1 July, but we have commitments from other regional centres around South Australia, including Murray Bridge, Victor Harbor and Gawler. We believe that programs will start by mid-2001 in each of those areas and in Port Pirie, Port Augusta, Whyalla, Millicent and Berri over the next one to two years. So, the majority of major centres around South Australia will be able to provide a much heightened focus on road safety, particularly amongst novice drivers who have lost their licence. Hopefully, this focus will see more lives saved and fewer injuries incurred.

SCOOTERS

The Hon. CARMEL ZOLLO: I seek leave to make a brief explanation before asking the Attorney-General, as

Minister for Consumer Affairs, a question about scooters and safety.

Leave granted.

The Hon. CARMEL ZOLLO: One of the latest kids' (and adult 'kids') crazes for Christmas is the micro-scooter—

The Hon. Diana Laidlaw: Are they the motorised ones?

The Hon. CARMEL ZOLLO: Yes, I guess they are.

The Hon. Diana Laidlaw interjecting:

The Hon. CARMEL ZOLLO: It is also a consumer affairs issue. I will finish the question. Predictions that as many as 300 000 of these scooters will be sold in the lead-up to Christmas are heightening the need to raise concerns about the safety of these 'toys'. The popularity of the in-line skate-wheeled vehicles is immense and the quality of the product greatly varies. Whilst some may remember the humble scooters of decades ago, these new units can record speeds of up to 80 km/h. Standards Australia has launched an investigation into scooter safety, but is yet to report. In Melbourne, a community awareness campaign has been launched by the Labor Minister Marsha Thompson, together with Kidsafe and Dr Stephen Priestly. According to Dr Priestly, scooter related injuries had quadrupled in the past 12 months, with two out of three injuries affecting children. Dr Priestly said:

> The types of injuries vary. . . from simple sprains and strains and abrasion but certainly (include) more significant injuries like broken arms and broken legs and head injuries.

A Sydney Olympics worker was killed in a collision when riding a scooter, and I have also read reports of a child's death in Scotland. My questions are:

1. Given the absence of national standards, what action will the minister take to warn consumers of the potential dangers of these scooters?

2. Will the minister undertake to conduct a public awareness campaign in the lead-up to Christmas?

3. Has the consumer affairs agency received complaints related to scooters and, if so, how many and what was the nature of these complaints.

4. Is the minister or the relevant minister aware of the number of scooter related injuries reported in South Australia?

The Hon. K.T. GRIFFIN (Minister for Consumer Affairs): This is a matter involving partly consumer affairs and also partly transport, particularly when these scooters are ridden on roads and footpaths (where they should not be). I have seen a number of very young children scooting along, sometimes with their parents in tow on similar scooters, both on the flat and racing down hills. I think they are extremely dangerous if there is not adequate supervision and also adequate training.

The Hon. Diana Laidlaw: South Australia is the only place where they have to wear a helmet, but no-one does.

The Hon. K.T. GRIFFIN: It is a bit like bike riding: a lot of young people are meant to wear helmets when they ride bicycles—that is what the law says—but, regrettably, they do not—and the same with rollerbladers in particular. It is not an easy issue to address. I have certainly read about the injuries which can occur as a result of an accident, and particularly because the wheels are so small and will go into the smallest rut and potentially cause an accident. I will have to refer the matter to the Office of Consumer and Business Affairs to get some information about the sorts of issues raised by the honourable member. It may be that I will also refer it to my colleague the Minister for Transport and Urban Planning, particularly from the perspective of use of these scooters on roads; and also the motorised scooters powered by little 25cc engines that come off whipper snippers or brush-cutters (or so they seem), which do power along at a reasonable pace and which, in some instances, can be dangerous for both the user and those who also might be on the road. I will take the questions on notice and bring back replies.

RATS OF TOBRUK

The Hon. CAROLINE SCHAEFER: I seek leave to make a brief explanation before asking the Attorney-General a question about the Rats of Tobruk.

Leave granted.

The Hon. CAROLINE SCHAEFER: I have been informed that next year is the 60th anniversary of the battles of Tobruk and the Middle East conflict in the Second World War and a world reunion of Rats of Tobruk is to be held in Brisbane next year. I think that all of us who have even a slight knowledge know that the Rats of Tobruk from all over the world fought a particularly difficult battle.

Since it is a 60 year anniversary, it is also fairly obvious that the number of surviving Rats of Tobruk is dwindling. As I understand it, anyone who fought in those battles from all over the world, including the Germans, have been invited to this last gathering of the Rats of Tobruk. I have been informed also that at this stage requests from the Australian contingent for financial assistance to attend that gathering have been denied by the federal government. Does the Attorney-General know anything about this and is there anything that the state government can do to support these people?

The Hon. K.T. GRIFFIN (Attorney-General): The Rats of Tobruk are certainly famous and right through Australia are highly regarded for their contribution and sacrifice. Insofar as the conference is concerned, if it were to be held in South Australia, the state government may have been prepared to make some contribution to assist them. As it is in Queensland, we will not let that be too much of an obstacle to consider the issues raised, but it is unfortunate that they could not have experienced some of South Australia's well-known hospitality and tourism facilities. I think they would have had as good a time in South Australia as anywhere. Insofar as the funding to assist the Rats of Tobruk to get to their international conference is concerned, I will have to have some inquiries made. It may be that it is essentially a federal issue and needs to be addressed at the federal level, but I will make the inquiries and bring back a reply.

TRANSPORT, BLIND PERSONS' PASS

In reply to **Hon. SANDRA KANCK** (8 November).

The Hon. DIANA LAIDLAW: Holders of a Blind Travel Pass are provided free travel on all Metroticket services funded by the Passenger Transport Board (PTB) and provided by private service contractors.

The service from Woodside to Adelaide is operated by Transit Plus under contract with the PTB. This service is a country bus Service and as such is outside of the Metroticket system. Country bus operators are not reimbursed by the PTB for free travel provided to holders of Blind Travel Passes, and therefore operators of these services are not required under their service contracts to offer this concession. However, I am pleased to advise that Transit Plus has confirmed that, whilst it is not a requirement to provide free travel to blind citizens, a policy is in place whereby all holders of a Blind Travel Pass travel free on Transit Plus services. I am assured that all drivers have been informed of this policy.

With regard to the display of the concession card poster for metropolitan services in buses used for the Woodside to Adelaide

service, Transit Plus has advised that as they also hold a metropolitan service contract with the PTB in the Hills area, their buses are regularly interchanged between the two services and therefore all buses display the metropolitan 2000 concession card poster.

ANHYDROUS AMMONIA FACILITY

In reply to **Hon. R.R. ROBERTS** (28 and 29 November).

The Hon. DIANA LAIDLAW: The Development Act makes the City of Port Augusta the relevant authority for this development within the general industry zone. The council has delegated certain decision making powers under the Development Act to senior council staff. The delegated officer determined the nature of the development and also that, pursuant to the development regulations, it did not require public notification. Contrary to the honourable member's comments, the delegated officer did refer the matter to the EPA in accordance with the Development Act and took the EPA's comments into account in considering the application. The conditions recommended by the EPA were included in the approval.

In determining the nature of development, the delegated officer sought advice from its planning consultants and its legal advisers. Based on that advice the development was treated as a complying development. In accordance with the Development Act, complying developments must be granted a consent.

It needs to be noted that amendments to the Development Act proposed in the Development (System Improvement Program) Amendment Bill will not allow developments that require referral to the EPA to be complying.

However, it is quite clear that the applicant has a valid approval which it can act upon. It would be inappropriate for me to interfere with council's legitimate decision making role under the Development Act.

While this application was assessed under the Development Act, Planning SA has had no involvement in the assessment, neither has the Development Assessment Commission. Matters relating to the comments of the EPA need to be directed to the Minister for Environment and Heritage. However, I am aware that officers of the EPA attended a public meeting in Port Augusta on Wednesday evening to respond to questions from residents.

COUNTRY FIRES (INCIDENT CONTROL) AMENDMENT BILL

Second reading.

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

That this bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

This Bill proposes amendments to the *Country Fires Act 1989* to allow the appointment of Incident Controllers by the CFS for fires or emergencies, and to clarify the powers of CFS Officers when they first arrive at fires or emergencies so that fires are quickly controlled in their incipient stages. Both of these measures continue to support the CFS in their extremely successful focus on initial attack of incidents and the significant improvement in the protection of community assets.

There have been a number of incidents where it is recognised that control would have been enhanced by the appointment of an appropriate Incident Controller capable of using the other specialist resources provided to them for that particular incident.

The amendments will simplify the initial actions during a fire which will enable the initial crews to be able to focus on the suppression of the incident from the beginning.

The proposed amendment maintains and strengthens the South Australian initiatives in consultation by requiring CFS officers and members to consult with the owner of the land or the person in charge of a Reserve so that the most efficient fire suppression steps may be taken. In addition, the amendment also requires CFS officers and members to consider management plans for Reserves.

The Economic and Finance Committee of Parliament highlighted in 1999 the concerns regarding control and suppression of fires. The Economic and Finance Committee was particularly concerned that the current Act did not empower immediate and initial actions for outbreaks of fire. The Committee also recommended simplifying the way in which Officers are placed in charge of fires, and this is also being addressed by the ability to appoint Incident Controllers.

The Bill proposes other minor amendments that are consequential to the *South Australian Forestry Corporation Act 2000*.

The CFS is respected in the State for its intervention in incipient fires, which has reduced the financial, economic and social impacts on the community and industries of this State. These amendments will further assist the protection of our State from wildfire.

I commend this Bill to Honourable Members.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 1: Commencement

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

Clause 3: Amendment of s. 3—Preliminary

Paragraph *(a)* inserts a definition of 'Corporation' as *South Australian Forestry Corporation*.

Paragraph *(b)* inserts a definition of 'forest reserve' as a forest reserve under the *Forestry Act 1950*.

Paragraph *(c)* strikes out the definitions of 'government officer' and 'government reserve'.

Clause 4: Amendment of s. 8—Responsibilities of the CFS

Section 8 of the principal Act charges the CFS with responsibility for the prevention, control and suppression of country fires and the protection of life and property in other country emergencies. The second limb of this charter is modified so that it specifically refers, in addition, to the protection of environmental assets and makes it clear that the duty of protection applies in relation to fires as well as other emergencies.

Clause 5: Amendment of s. 48—Duty to report unattended fires

This clause inserts proposed new section 48(2), which defines 'government officer'. Section 48(1) now contains the only reference to this term.

Clause 6: Amendment of s. 53—Exercise of control at a fire, etc.

Paragraph *(a)* amends section 53(2) so that the person in control at the scene of a fire or other emergency will be the incident controller or, if an incident controller is not appointed, the most senior member of the CFS in attendance.

Paragraph *(b)* inserts two proposed new subsections after section 53(2).

Proposed new subsection (3) defines 'incident controller' as a CFS member or other person appointed by a CFS officer as the incident controller for a particular fire or emergency.

Proposed new subsection (4) allows the CFS officer who appointed the incident controller, or a more senior CFS officer, to replace the person who is the incident controller by appointing another person.

Clause 7: Amendment of s. 54—Power of CFS member

Paragraph *(a)* inserts proposed new section 54(1a). This proposed new section repeats section 54(8) of the principal Act and moves it to a more relevant position.

Paragraph *(b)* strikes out subsections (3) to (6) (inclusive) and inserts proposed new subsections (3) and (4).

Proposed new subsection (3) states that a CFS member may only take prescribed action if he or she has consulted with the owner or person in charge of the land or reserve (provided that person is in the presence of or can be contacted by the member), and if he or she takes into account any management plans where the power is exercised on a reserve.

Proposed new subsection (4) states that where a fire is on a forest reserve, an officer or employee of *South Australian Forestry Corporation* is in control if that person is present at the scene of the fire. This is subject to the power of the Chief Officer of the CFS (or a delegate of the Chief Officer), who is entitled to exercise a power under section 54 without that person's approval.

Paragraph *(c)* makes a consequential amendment to subsection (7), since the power of the Chief Officer to delegate under subsection (6) of the principal Act is now contained in proposed new subsection (4).

Paragraph *(d)* amends subsection (7)*(a)* in order to reflect the creation of the *South Australian Forestry Corporation* under the *South Australian Forestry Corporation Act 2000*.

Paragraph *(e)* strikes out subsection (8) of the principal Act, which has been moved to proposed new subsection (1a). This paragraph also substitutes proposed new subsection (8), which introduces two new definitions.

'Government reserve', a phrase used in proposed new subsection (3), is defined in the same way it currently is in the principal Act. The definition has been moved to a more relevant position.

'Prescribed action', a phrase that is used in proposed new subsection (3), is action taken by a CFS member under section 54 of the principal Act that would damage property or cause pecuniary loss to the owner.

The Hon. T.G. ROBERTS: The bill proposes amendments to the Country Fires Act 1989, and it provides for the appointment of incident controllers by the CFS for fires or emergencies. It also clarifies the powers of CFS officers—when they first arrive at fires or emergencies—when controlling fires or emergencies in the early stages, which is an important phase in the control of organising the various bodies that potentially could be involved in a major fire.

In a lot of cases, fires in country and regional areas, national parks, range lands and forests involve a wide range of individuals, organisations and departments covering the responsibilities of those areas, and they must be informed as to potential problems which might occur in the levels of severity of any forest fire, grass fire or national park fire. So, the important time frame for incident control is the early stage of the event: to make the assessment, and to liaise with individuals, organisations and various departments to ensure that everyone is aware of the potential for an incident and what control measures are needed.

The Labor Party and the government are very much in agreement as to the objectives of the bill. It is agreed that at present there are inadequacies in the chain of command in bushfire control, particularly where they intrude into national parks and forestry reserves. When there is confusion about areas of responsibility, generally there is indecision and—

The Hon. M.J. Elliott interjecting:

The Hon. T.G. ROBERTS: There have been problems in recent times, and the Ngarkat incident highlighted a number of the problems which exist when no chain of command is spelt out, where there is competition and what could be described as a power struggle, and competition for status within that struggle, and different arguments based on the protection of different icons; and, in relation to national parks versus open range lands, arguments as to whether, for instance, landholders adjacent to a reserve or a national park are able to bring about the best possible protection for a national park, its fauna and flora if there are arguments among surrounding landholders about how that fire is to be fought.

According to people who have land adjoining national parks and reserves, every fire starts inside a national park and burns onto range land. I am being facetious here! Many national parks wildlife officers will tell you that every fire that burns into a national park starts on private land and burns into national park. There are arguments as to how, when, and where this happens, and this must be addressed by a chain of command.

The position is that we do not believe what the government has done confronted the mischief that the Economic and Finance Committee addressed in its report or whether the mischief that actually exists in the community was dealt with. The opposition's initial position in another place was to refer the bill to the Environment, Resources and Development Committee and address the problem through an investigation by that committee, taking into account all the problems which exist and which perhaps a bill designed to deal with it cannot address.

I guess when a bill starts to take sides in relation to the way in which country fires are handled, without the proper reference to those people who, on the ground, must coordinate those activities, we, as a parliament, would be neglecting our responsibilities in dealing with a vexed question that has been with us for some time.

There are a lot of reasons why fires should be controlled and instant control management administered in a cooperative way across departments so as to maximise the protection of life, animal welfare, wildlife and fauna and to minimise the conflict that goes with a control body or an instant control mechanism while that is happening. One other issue which the same committee examined and which was causing a lot of concern across departments was the matter of the oil spills that were occurring along our coastline, where chains of command had to be integrated through commonwealth, state and local government bodies (which included private operators' resources); this was a vexed question on which I think the committee brought down a good report, and many of its recommendations were picked up by government.

That committee actually visited other states, had a look at the commonwealth chain of command in relation to the first call for spills and, again, when compared to fires, the same operating instructions applied. The first call to the incident was the most important one.

If you can get to a fire very early, it can be managed and controlled and hopefully a lot of potential damage prevented. The same applies to major oil spills. If you can get to an oil spill from a ship offshore in an environmentally sensitive area and if you can control the oil spill in such an area early by chain of command which allows commonwealth, state and local government bodies to interact and use their resources efficiently, you can certainly, after identification of the problem, set out to bring about a solution in terms of prevention or further spillage and address cleanup a lot better than you can if the chains of command are arguing about process and procedures. That is what happened in relation to the early stages of many of the oil spills that were occurring off our shores.

The Environment, Resources and Development Committee is experienced in looking at and making recommendations on vexed questions. I am sure that the government would not object to passing a bill or a problem to that committee so that it could look at it, make recommendations and then, after further consideration, bring a bill back to this chamber that we can all agree to.

This bill does not take into account all those problems. What it does is take sides. I think the last thing that we need in relation to fire protection, fighting fires and incident control management in regional areas is any form of competition and emergency services arguing what form a measure should take. Again, as is the case with oil spills in environmentally sensitive areas, fire in environmentally sensitive areas brings into play National Parks and Wildlife and environmental arguments as to how those fires should be fought. In the South-East and other areas with large stands of pine forests, it brings into play private resource skills and equipment and, in many instances, the people who take control of fires in forests are those who have the resources to be able to do it.

Prior to corporatisation and privatisation, a chain of command was set up between the private and public sectors, generally via the Woods and Forests Department or bodies associated with it, and it involved a degree of cooperation. Since privatisation of milling, the forests remain in govern-

ment control and millers have a responsibility and an interest in outcomes. They play a large part in how a chain of command operates. No-one wants to see large stretches of forest destroyed, but there are always arguments about how big breaks will be and how much forest has to be sacrificed to save other large tracts of forest. Inevitably there will be those arguments of vested interest, and that pressure goes back through chains of command to bring about what are regarded as the best possible outcomes, although they may be compromised by the ignorance that in some cases goes with blind vested interest.

Members on this side have a view that the bill is a shortsighted one. I know the argument has been raging in regional areas where there are large stretches of publicly owned crown land, national parks and reserves. The issue will not go away; it needs to be addressed and we recognise that. One of South Australia's largest national parks, Ngarkat National Park, does not have a lot of visitations. It is not a popular national park because of the role that it plays in protecting mallee, small bush and scrub. It is not an attractive national park to many people but it is probably one of the best of its kind in Australia. It is not rainforest and it is not an area in which large visitation numbers could be built up, but it certainly showed the sensitivities that are required when bushfires do rage into national parks that contain a wide range of fauna and flora. Dryland management of fauna becomes an issue and, after careful study, some burn-backs and burning of firebreaks were recommended.

There was always the possibility that the recommendations for the burn-backs and the firebreaks to be burnt could have been undertaken in those parks that were most sensitive to endangered species, that is, endangered flora and fauna. One could imagine someone with a strong bent for environmental protection wanting to protect areas from unnecessary burning, whereas someone with a CFS background would want to make a recommendation that the best possible firebreaks be bulldozed, burnt and cleared to enable the rest of the national park, or private land, to be saved. There are many arguments involving chains of command, as I said, drawing a parallel between that and oil spills in marine sensitive areas.

Just as there needs to be a recommendation with respect to a chain of command involving coordination between federal and state bodies—and recommendations in that case were adopted and respected by government at the time—our suggestion is that the government looks at this in a calmer and quieter way and refers the bill, or a brief, to the Environment, Resources and Development Committee, which could make recommendations on addressing problems involving command.

Members would be assured that there would be no recommendations that would unnecessarily advantage any section of the emergency services or the environmental protection area. The committee would be making a recommendation based on the best possible outcome for the state. The recommendations would also be outside the control of any single member to influence. Some accusations have been made in another place that a single member has been very influential in the drafting of this bill. I will not make those accusations: they have already been made and documented. Accusations have been made that the bill has been driven by the need to satisfy backbenchers who have preferences in relation to who should take the top place in the chain of command, indicating that there is more confidence in one section over another, but those arguments will rage in communities.

Even after a bill is introduced those arguments will still rage unless there is a culture within a community, particularly in remote and regional areas, that reflects the cooperation that is required, similar to the emergency services reactions to incident control over oil spills, and that has taken quite a long time. If one looks at the private sector/public sector vested interests within the arena of oil spill protection, fire protection and incident control management, one will find that it will be no harder making recommendations in this area than it would in respect of controlling incidents involving marine spills.

The opposition does not support the government's position on this bill, but we do support the proposal put forward by me and members in another house that the matter should be referred to a committee. Issues associated with proper control procedures, training programs and, obviously, cross-fertilisation of emergency services in relation to some of the difficulties involved in the management of fauna and flora within our state certainly need to be addressed.

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

ELECTRICAL PRODUCTS BILL

Adjourned debate on second reading.

(Continued from 29 November. Page 700.)

The Hon. K.T. GRIFFIN (Attorney-General): I thank members for their indications of support for the bill. Given the contributions by the Hons Paul Holloway, Terry Cameron and Sandra Kanck it does not appear that there are any issues that need to be responded to. The legislation is relatively straightforward. If there are any issues they can be raised during the committee consideration of the bill.

Bill read a second time and taken through its remaining stages.

STAMP DUTIES (LAND RICH ENTITIES AND REDEMPTION) AMENDMENT BILL

Second reading.

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

That this bill be now read a second time.

I seek leave to have the second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

This bill seeks to amend the *Stamp Duties Act 1923* ("the Act") in respect of five measures.

The first proposal seeks to amend the Act to ensure that the current stamp duty exemption for the "Conveyance or transfer of a mortgage or an interest in a mortgage" includes the conveyance of a debt associated with a transfer of the mortgage.

The act currently states that an instrument containing or relating to several distinct matters must be separately and distinctly charged as if they were separate instruments, with duty assessed in respect of each of the matters. Hence if two distinct classes of property are being transferred (the mortgage and the debt), they must be regarded as distinct matters.

The Crown Solicitor has advised that in order to determine the question of distinguishing between a mortgage document and the underlying debt, each case must be determined on its facts and necessarily involves questions of impression and degree.

This interpretation has resulted in some taxpayers being liable for *ad valorem* conveyance duty, when other taxpayers undertaking very similar transactions will not have to pay any stamp duty, with the

outcome dependent on the technicalities of the drafting of the relevant instruments.

The proposed amendment seeks to put beyond doubt, that the transfer of the mortgage and any underlying debt are exempt from duty, which will satisfy the original intention of the exemption.

The second proposal seeks to ensure that instruments that operate to disclaim, transfer or assign interests in real or personal property under a will or intestacy are chargeable with *ad valorem* stamp duty.

In the South Australian Supreme Court Case of *Probert v Commissioner of State Taxation [1998] 9 October 1998* it was held that a certain Deed of Disclaimer was not assessable with *ad valorem* conveyance duty.

The result of this judgment is that it is arguable that Deeds of Disclaimer and Deeds of Family Arrangement may not be chargeable with *ad valorem* duty until the administration of the deceased's estate is completed. This argument is due to the fact that the exact quantum that a disclaiming beneficiary is entitled to under a will or an intestacy, cannot be ascertained until the administration is complete, at which point all assets and liabilities of the estate are known.

The amendment seeks to reverse the potential effects of this case to ensure the status quo is maintained in order for RevenueSA to continue to assess Deeds of Disclaimer and Arrangement with *ad valorem* conveyance duty and to thereby protect the revenue base.

The third amendment relates to the provision in the Act which operates to exempt from duty any transfer of property for nominal consideration (not being land subject to the provisions of the *Real Property Act 1886*) for the purpose of securing the repayment of an advance or loan.

Such transfers occur in situations whereby a person who provides an advance or loan will require that the borrower transfer property of value to them as security for the sum being borrowed, and in the case of a default would retain possession of the transferred property. Such transactions are generally referred to as common law mortgages.

It is proposed that the exemption be repealed and be replaced with a charging and refund provision to prevent identified avoidance whereby property is transferred pursuant to a common law mortgage free of stamp duty, and never transferred back, due to the mortgagor deliberately defaulting on the loan. This avoidance opportunity creates inequity and particular problems in relation to the land rich provisions of the Act.

The proposed amendment requires parties to pay stamp duty at conveyance rates when the property is initially transferred pursuant to the mortgage, but will provide a full refund of this duty if the property is transferred back to the mortgagor once the mortgage has been discharged.

The amendment also extends the scope of the new provision to include the conveyance of property pursuant to guarantees and indemnities as requested by industry bodies.

The fourth amendment operates to restore the stamp duty base to that existing prior to the High Court decision in the case of *MSP Nominees Pty Ltd vs Commissioner of Stamps* (1999) 166 ALR 149 ("the MSP Case").

In the decision in the MSP case handed down on 30 September 1999, the High Court decided that a redemption of units in a unit trust is not liable to duty under the Act, as a redemption does not constitute a release or surrender of a beneficial interest in the trust fund or in the underlying property of the trust. Previously it had been long standing and accepted interpretation and practice, that such transactions were liable to *ad valorem* conveyance duty.

After receiving advice from the Crown Solicitor in relation to the High Court's decision, it became apparent that if no action was taken to protect the revenue base as a result of the decision, a significant amount of revenue would be lost, which will have a significant impact on the Government's budgetary situation.

The proposed amendments operate to ensure that the transfer, issue and redemption of units in unit trusts that own (through the trustee) South Australian property are liable to *ad valorem* conveyance duty based on the value of the South Australian property "conveyed" as a result of the transfer, issue or redemption.

This is achieved by amending the definition of what constitutes a transfer in the Act, clarifying the types of transactions that are deemed to be voluntary dispositions *inter-vivos* and inserting new territorial provisions which will ensure that RevenueSA can continue taxing the transactions that were considered to be dutiable prior to the MSP case.

The bill treats as a voluntary disposition *inter-vivos*, the redemption, cancellation or extinguishment of an interest in property subject to a trust.

The territorial provisions of the bill ensure that in relation to unit trusts that are set up outside South Australia and where the units are transferred, issued or redeemed outside South Australia, the transfer, issue and redemption of such units will remain dutiable based on the value of South Australian property owned by the trust and the percentage of such interest transferred.

The levying of duty in relation to property in South Australia vis-a-vis property outside South Australia necessitates apportionment provisions being included in the bill. These provisions do no more than confirm the current assessing practices adopted by RevenueSA.

The Crown Solicitor is of the view that the provisions of the bill effectively counter the decision by the High Court in the MSP case to re-instate the pre-existing status quo.

The bill was initially drafted to operate retrospectively to validate all *ad valorem* assessments issued prior to the decision in the MSP case in relation to the redemption provisions. However after wide consultation was undertaken with industry bodies the view was strongly put forward by these bodies that the provisions as drafted were inequitable. A compromise position has therefore been reached.

The provisions will now operate retrospectively prior to 30 September 1999 except in situations where valid objections or appeals (that are yet to be determined) have been lodged within 60 days of the assessment. The provisions will also operate from the date of introduction of the bill into Parliament.

This compromise provision will significantly protect the revenue base (although it does involve some repayment of stamp duty to taxpayers), whilst at the same time accommodating many of the concerns raised by industry bodies.

The fifth group of amendments deal with Part 4 of the Act.

In 1990, Part 4 was enacted to counter an avoidance scheme whereby revenue was being lost as a result of the practice of placing land in highly leveraged companies or unit trusts for the purposes of transferring the shares (or units) to prospective purchasers rather than the land itself. These provisions are known colloquially as the land rich provisions.

Various schemes have been identified by RevenueSA whereby through the use of trusts and other interposed entities, taxpayers are able to circumvent the 80 per cent test and the majority interest test found in the original provisions, and to take themselves outside of the land rich provisions, notwithstanding that they end up controlling land, the market value of which may significantly exceed the $1 million threshold.

The proposed bill therefore implements significant changes to the land rich provisions in order to remove the identified opportunities for tax avoidance. Specifically, amendments have been made to capture third party and passive acquisitions whereby a person gains control of a land rich entity.

Given the substantial difference in quantum between marketable security duty (0.6 per cent) and conveyance duty (up to 5 per cent of the value), particularly where the value of land attracts duty at upper marginal rates, and after taking into account similar concerns raised by industry bodies in the consultation phase, it is considered that there should be a phasing in of land rich duty.

Where the value of land owned by a land rich entity is over $1 million but does not exceed $1.5 million, relief based on a sliding scale is proposed. The purpose of this approach is to prevent a sudden jump in duty from a rate of 0.6 per cent at $999 999 to an effective rate of approximately 5 per cent at $1 million. Maximum relief based on a sliding scale is proposed when the value of land is $1 million and this relief reduces proportionately as the land value nears $1.5 million. There is to be no relief once the value of land exceeds $1.5 million. The phasing in is achieved by means of a complex formula.

This approach will bring South Australia in line with Victoria, New South Wales, Western Australia and Tasmania.

In drafting the provisions the Parliamentary Counsel has taken the opportunity to ensure that they more accurately reflect current business practices and bring the provisions into line with equivalent legislation applying in other jurisdictions, which will prevent the abuse of the provisions that has been occurring.

I commend this bill to honourable members.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Insertion of heading

This clause adds a divisional heading to the short title provision before section 1 of the Act.

DIVISION 1—SHORT TITLE

Clause 4: Insertion of heading

This clause adds a divisional heading to the interpretative provisions (sections 2 and 3) of the Act.

DIVISION 2—INTERPRETATIVE PROVISIONS

Clause 5: Amendment of s. 2—Interpretation

This clause inserts definitions necessary for the amendments contained in this measure.

Clause 6: Insertion of Division 3

Clause 6 inserts new Division 3 in the Act dealing with the territorial application of the Act. Division 3 sets out a new framework for determining whether or not liability for stamp duty exists under the South Australian *Stamp Duties Act 1921*.

DIVISION 3—TERRITORIAL APPLICATION OF ACT

3A. Principles for determining territorial relationship

This section sets out the principles for determining which jurisdiction's stamp duty laws apply to certain instruments. Subsections (2) and (3) deal with jurisdictional and other matters relating to potential, contingent, expectant or other inchoate interests. Subsection (4) specifies that an interest in property is taken to be situated in the jurisdiction in which the property to which the interest relates is situated.

3B. Territorial application of Act

This section provides that if property (to which an instrument relates) is situated in South Australia, or a matter or thing to be done (to which an instrument relates) is done in South Australia, regardless of where the instrument exists or was executed, the South Australian *Stamp Duties Act 1921* applies. Subsections (2) and (3) provide for the calculation of duty on such instruments.

3C. Special rules for determining location of certain forms of intangible property

This section sets out principles for determining where certain forms of intangible property (business or product goodwill, intellectual property and rights conferred under franchise agreements or certain types of licences) are situated for the purposes of ascertaining which jurisdiction's stamp duty laws apply to an instrument in respect of that property.

3D. Statutory licence

This section provides that the property in a statutory licence granted under a South Australian law and in any rights deriving from such a licence is taken to be situated in South Australia. The effect of this provision is that instruments relating to such property will be dutiable under the South Australian *Stamp Duties Act 1921*.

Clause 7: Repeal of s. 5

This clause repeals section 5 of the Act, obviated by the provisions of new Division 3.

Clause 8: Amendment of s. 60—Interpretation

This clause removes from the definition of conveyance in section 60 of the Act, 'the surrender to the Crown of any lease or other interest in land, in order that the Crown may grant to a person other than the surrenderor a lease of, or other interest in, the same land or any part thereof', thus exempting such a transaction from duty under the Act.

Clause 9: Amendment of s. 60A—Value of property conveyed or transferred

This clause removes the definition of spouse from section 60A of the Act—the definition will now be found at section 2.

Clause 10: Insertion of s. 60C

60C. Refund of duty on reconveyance of property subject to a common law mortgage

Section 60C provides that where property that is subject to a common law mortgage is reconveyed, that is, conveyed back to the previous owner who had conveyed it in the first place to secure a liability under a loan, indemnity or guarantee, duty is not payable, or if duty has been paid upon reconveyance, it must be refunded by the Commissioner.

Clause 11: Insertion of s. 62

62. Land use entitlements

This section expressly recognises that a person who acquires a right to possession in land by a transaction that results in the person either—

- acquiring a share in a company or an interest under a trust; or
- becoming entitled, as the owner of a share in a company or an interest under a trust, to the possession of the land,

is taken to acquire a notional interest in the land and an instrument giving effect etc. to such a transaction is dutiable as a conveyance of a notional interest in land. The section further sets out the method of determining the value of the notional interest.

Clause 12: Amendment of s. 71—Instruments chargeable as conveyances operation as voluntary dispositions inter vivos

Clause 12 amends section 71 by providing *inter alia* that an instrument effecting etc. the surrender, renunciation, redemption, cancellation or extinguishment of an interest in property subject to a trust will attract duty as a conveyance operating as a voluntary disposition *inter vivos*. For example, an instrument effecting the redemption of units in a unit trust scheme will attract duty under the Act.

Paragraph *(c)* of this clause strikes out paragraph *(a)* of section 71(5), obviated by the insertion by clause 10 of new section 60C in the Act. Paragraph *(f)* of this clause has the effect of exempting from duty transactions under which there is a *pro rata* increase or diminution of the number of units held by the unitholders in a unit trust resulting in each unitholder's holding, expressed as a proportion of the aggregate number of units, remaining the same.

Clause 13: Insertion of s. 71AA

71AA. Instruments disclaiming etc. an interest in the estate of a deceased person

This section provides that an instrument under which a person who is or may be entitled to share in the distribution of the estate of a deceased person disclaims an interest in the estate of a deceased person or assigns or transfers an interest in the estate to another is to be treated as a conveyance of property operating as a voluntary disposition *inter vivos* (whether or not consideration is given for the transaction).

Clause 14: Amendment of s. 71CC—Exemption from duty in respect of conveyance of a family farm

This clause removes the definition of 'spouse' from section 71CC of the Act—the definition will now be found at section 2.

Clause 16: Amendment of s. 71E—Transactions otherwise than by dutiable instrument

This clause removes paragraph *(d)* from section 71E(2).

Clause 16: Amendment of s. 90A—Interpretation

This clause removes the definition of 'recognised stock exchange' from Part 3A of the Act—the definition will now be found at section 2.

Clause 17: Amendment of s. 90V—Proclaimed countries

This clause provides that section 90V of the Act does not operate to exempt a transaction from duty under the land rich provisions in Part 4. This is relevant in the context of new section 101.

Clause 18: Substitution of Part 4

PART 4

LAND RICH ENTITIES

DIVISION 1—PRELIMINARY

91. Interpretation

This section sets out the definitions and other interpretative provisions for Part 4.

92. Direct interests

This section defines the term 'direct interest'. It provides that a person has a direct interest in a private entity if the person holds a share or unit in the private entity. The section further provides that the direct interest is to be expressed as a 'proportionate interest'. The section sets out how the proportionate interest is determined.

92A. Related entities

This section defines the terms 'related entities' and 'intermediate entities'.

92B. Indirect interests

This section gives definition to 'indirect interest'. It provides that a person has an indirect interest in a private entity if it has a direct interest in another entity that is related to the first-mentioned entity. The section further provides that the direct interest is to be expressed as a 'proportionate interest' and sets out how the proportionate interest is calculated.

93. Notional interest in assets of related entity

This section sets out what a 'notional interest' is when held by a private entity. The section also provides for the calculation of the value of the notional interest.

DIVISION 2—LAND RICH ENTITY

94. Land-rich entity

This section sets out what a 'land rich entity' is. It provides that a private entity is a land rich entity if—

- the unencumbered value of the underlying local land assets of the private entity and associated private entities is $1 million or more; and
- the unencumbered value of the entity's underlying land assets comprises 80 per cent or more of the unencumbered value of the entity's total underlying assets.

The section further sets out several classes of assets that are to be excluded from consideration in determining the private entity's total underlying assets.

DIVISION 3—DUTIABLE TRANSACTIONS

95. General principle of liability to duty

This section sets out the liability to duty that is the central provision of Part 4. It provides that a person or group that acquires a notional interest in the underlying local land assets of a land rich entity is liable to duty. The section further details the types of transactions that are dutiable under Part 4.

96. Value of notional interest acquired as a result of dutiable transaction

This sets out, as a preliminary step in determining the amount of duty to which a person or group is liable, the formulae for calculating the value of the notional interest acquired as a result of either of the dutiable transactions set out at section 95(2).

97. Calculation of duty

This section sets out the formulae for calculating duty in respect of—

- an acquisition of a majority interest in a land rich entity that has underlying local land assets of $1.5m or more;
- an acquisition of a majority interest in a land rich entity that has underlying local land assets of less than $1.5m;
- an increase of a majority interest in a land rich entity.

DIVISION 4—PAYMENT AND RECOVERY OF DUTY

98. Acquisition statement

This section provides that if a dutiable transaction occurs, the person or group acquiring or increasing its majority interest in the land rich entity must, within 2 months after the date of the transaction, lodge a return with the Commissioner and pay the appropriate duty. The section outlines the information to be included in the return.

99. Recovery from entity

This section gives the Commissioner the power to recover duty remaining unpaid by a person or group as a debt from the relevant private entity as well as registering a charge on any of the entity's land. If the duty remains unpaid 6 months after the charge (if any) is registered, the Commissioner may apply to the District Court for an order for the sale of the land. The section further sets out how the proceeds of a sale by auction of such land are to be applied. Subsection (6) sets out the entity's right to recover the amount from the person or persons principally liable for the duty.

DIVISION 5—MISCELLANEOUS

100. Valuation of interest under contract or option to purchase land

This section provides for the valuation of an interest in land consisting of an interest arising under a contract or option to purchase the land.

101. Exempt transactions

This section exempts from duty under Part 4 an acquisition of an interest in a land rich entity if a conveyance of any interest in the underlying local land assets would not attract *ad valorem* duty. An example is provided to illustrate the operation of this section. The section also provides for a regulation-making power to deal with any further exemptions that may be considered necessary in this area.

102. Multiple incidences of duty

This section provides that where different assessments of duty may be arrived at under Part 4 in respect of the same transaction, the assessment providing the maximum return to the revenue will apply. The section also provides the Commissioner with the power to exempt acquisitions from duty under Part 4 in certain circumstances.

Clause 19: Amendment of Sched. 2

Paragraphs *(a)* and *(b)* of clause 19 amend Schedule 2 of the principal Act with the effect of exempting from duty a conveyance or transfer of a mortgage or an interest in a mortgage under which a chose in action consisting of the debt secured by that mortgage or part of that debt is also conveyed or transferred.

Paragraph *(c)* of clause 19 amends Schedule 2 by exempting from stamp duty a transaction carried out by a trustee of a regulated superannuation fund in the ordinary course of business creating an interest in the fund in favour of a beneficiary of the superannuation scheme or redeeming, cancelling or extinguishing such an interest.

Clause 20: Amendments relating to redemption to operate retrospectively and prospectively

Clause 20 provides that the 'MSP' amendments (ie. the amendments made by sections 5, 6, 7 and 12 of the measure that are applicable to the redemption, cancellation or extinguishment of an interest in a unit trust scheme) operate both prospectively and retrospectively. The measure will apply to instruments or transactions made or occurring before 30 September 1999 where either—

(i) no assessment of duty was made before the relevant date; or

(ii) an assessment of duty had been made before the relevant date but—
- no objection was made within 60 days; or
- an objection was made and disallowed.

('Relevant date' is defined as the date of introduction of the bill for the Act into the Parliament.) The effect of this amendment in respect of those instruments or transactions as well as instruments or transactions made or occurring after the relevant date will be to nullify the effect of the High Court judgment in the case of *MSP Nominees Pty Ltd and another v Commissioner of Stamps* (1999 166 ALR 149), however clause 20*(c)* expressly preserves the decision made in that case.

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

TAB (DISPOSAL) BILL

Adjourned debate on second reading.

(Continued from 30 November. Page 734.)

The Hon. P. HOLLOWAY: This bill is the next episode in this government's never ending saga of privatisation. One could say that erecting 'for sale' signs outside government assets is the only policy that the Olsen government really has. In giving effect to this policy of selling all government assets, this government also has a propensity to use the most expensive agents it can to do the selling for it and, what is more, they tip very well when they are successful, as we know. It seems that when merchant bankers, lawyers and other advisers see members of the Olsen government coming with a government enterprise behind them, they must break open the champagne. We know what they are going to get. We have seen it from all the other asset sales processes. They get away with no liability in relation to their activities.

We saw in recent days the Auditor-General's Report, which pointed out how, when these advisers are appointed, they offer certain things when they tender for the job and, when it comes to it, they say, 'No; look, we don't want to agree to that.' At the end of the day the government goes away and says, 'Oh no, we won't make them responsible or hold them to any liability if their activities cost the state anything.' We have also seen, consistent with this state's privatisation agenda, huge success fees for advisers who are involved in the process. I guess these companies always know that a new contract will be coming down the track and that, as soon as they get one business sold, another one will soon be on the slate. In fact, the only thing that will stop this process unfortunately is when everything is sold. And we are not all that far away from that at the moment. It is probably worth asking what will be left, assuming that this bill is passed, for this government to sell. A huge list of government assets has been sold over the past seven years.

The Hon. A.J. Redford: There will be nothing left to cock up like you did the State Bank.

The Hon. P. HOLLOWAY: Nothing to cock up—that is his attitude. The Hon. Angus Redford says that if we sell everything we cannot cock up. They are his terms.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Perhaps the Hon. Angus Redford can look at what else he might be going to put on the sale block for the next year, because what is left? Given the

huge list of assets that have been sold, what is left? The most significant assets that are left in this state now include the Housing Trust, with net assets of several billion dollars. The only reason this government has not sold them is the Commonwealth-State Housing Agreement, and the problems it has faced there are because the money for that housing was originally provided by the commonwealth and, of course, this government cannot sell those assets without its approval. No doubt, if we get a return of the Olsen and Howard governments, we will see some sort of lease-back proposal, just as Dr Hewson proposed originally back in 1993. So, I guess that is one of the few assets we may retain but, no doubt, that will be on the block if this government has its way.

We have national parks. The only thing that might save them is that the Minister for the Environment needs the green credentials to hold onto his seat in the Adelaide Hills. However, after the election we can expect that there will be more deals to try to capitalise on parks in some way.

What else do we have? We have schools. I suppose, with 800 schools varying anywhere from a few hundred thousand to several million dollars in value, and Partnerships 21—which really is the privatisation of other aspects of education—we might expect that the Olsen government will move to cash in on schools as well. We have already seen, through the federal government, students being forced into private schools. There has been a huge shift in funds towards the private sector and away from state schools. No doubt, because of Partnerships 21 and its other policies, this government, first of all, will try to get as many students to go to private schools as it can: then, of course, it can sell some of the empty schools to the new private schools that wish to set up.

I suppose hospitals is the other asset that we have. There are still a few hundred million dollars—perhaps over a billion dollars—worth of assets in our hospital system. After the disaster with Modbury Hospital (under the minister who wishes to sell the TAB), plans have probably been set back for a while but, if this government is re-elected, we can expect it might look at that as well.

One of the other few assets that we will own is forests. We have already sold harvesting rights for 40 years which, of course, has reduced the value of that asset. If it had not been for those contracts, undoubtedly, this government would have moved to sell off forests as well.

So, for seven years we have seen that the central plank of this government's policy has been privatisation. That really is the central financial policy of the Olsen government. The saddest thing is that the Olsen government is about dissipating the wealth of our community rather than accumulating it. Many of the assets that are being sold or proposed to be sold—such as the TAB, the Central Linen Service, State Fleet, the Ports Corp and ETSA, and one can go on and on—have value that we have accumulated in the retained earnings built up by those assets over 50 or 60 years, in the case of the Electricity Trust and, in relation to the TAB, over 30 or 40 years. So the wealth that this government has capitalised in the past seven years has been built up over half a century or so.

The tragedy for this state is not so much that this wealth has now been capitalised—dissipated, if you like—but, one might ask, 'What will be the monument to the Olsen government? What will be left? What wealth has the Olsen government actually created in the past seven years? What can we say the Olsen government has done in the past seven years that will improve the wealth of our community?'

The Hon. A.J. Redford: Philosophically, when did governments ever create wealth?

The Hon. P. HOLLOWAY: I have just explained to the honourable member. About $8 billion ($8 000 million) worth of assets that have been realised, sold under this government—probably more now, and more still if the TAB is sold—have been built up in about 50 years.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: The TAB did not exist 33 years ago.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: It did not exist 30 years ago, nor did many of the other assets that have been sold by this government. But the question that the Hon. Angus Redford is refusing to acknowledge is: what wealth has the Olsen government created in the past seven years?

The Hon. A.J. Redford: Governments don't create wealth: end of story.

The Hon. P. HOLLOWAY: What wealth has it created for the community? Governments do not create wealth: I think that is right. I thank the Hon. Angus Redford for his interjection. No wealth has been created by the Olsen government over its time. But what this government has—

The Hon. A.J. Redford: What governments do is lose wealth—

The Hon. P. HOLLOWAY: Governments lose wealth. We have just sold $8 billion worth of it and $2 billion worth has gone: we have paid out billions of dollars in packages to public servants; and we have paid hundreds of millions of dollars in success fees, consultancy fees and so on in relation to these sales.

Members interjecting:

The Hon. P. HOLLOWAY: It has been billions of dollars. Assets of $6 billion have been sold between 1993 and early this year, until the last of the ETSA sales; I am not including those. There is about $6 billion worth of assets and $4 billion has come off debt. The Treasurer knows that that $2 billion has gone—

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order!

The Hon. P. HOLLOWAY: —in redundancy payments, payments to consultants—

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order! The Hon. Angus Redford can speak in a minute.

The Hon. P. HOLLOWAY: The other source of that $2 billion that has vanished is accumulated debt: debt that the Olsen and Brown governments have created in seven years.

The Hon. R.I. Lucas interjecting:

The Hon. P. HOLLOWAY: No, it has been a contribution of $1 billion by this government.

Members interjecting:

The Hon. P. HOLLOWAY: Members opposite do not like it. What the Olsen government wants to do is show these simple graphs to the *Advertiser* and say, 'Yes, this is debt before and this is what we have done.' What it does not want is exposure of the fact that it has created a lot of debt itself; that over the past seven years it has added hundreds of millions of dollars to the debt of this state.

The Hon. T.G. Cameron interjecting:

The Hon. P. HOLLOWAY: It has added $1 billion in TSPs alone that have to be paid: $1 billion alone in debts that it has added to this state. The problem is—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: What the Hon. Angus Redford does not realise is—

The PRESIDENT: Order!

The Hon. P. HOLLOWAY: —what happens when we have sold everything. And we are now coming to the end of this process.

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order, the Hon. Angus Redford!

The Hon. P. HOLLOWAY: As I said, there are few assets left to sell. We are dealing today with the TAB sale, one of the very last of those assets. Once they are gone, there is nothing else this government will be able to do. The sole economic policy that this government based its strategy on for seven years will be gone, and that is when we will really be in trouble. As I say, under the Hon. Angus Redford's government there will be nothing left to sell. The government has created no wealth at all over the past seven years.

The Hon. T.G. Cameron: Even SA Water has been sold.

The Hon. P. HOLLOWAY: That's right.

Members interjecting:

The Hon. P. HOLLOWAY: It is blowing $10 million at the moment on the West Java project. This government is selling assets such as the TAB that are creating wealth for this state. The TAB consistently pays a dividend to this government. We are about to sell the TAB but we are putting $10 million into West Java. This is the Hon. Angus Redford's wealth: this is what the Olsen government—the Hon. Angus Redford's government—has done: $10 million wasted in West Java on a—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: It is $4.8 million, is it? So, it is okay to spend $4.8 million in West Java on a water project, is it? I will leave it to the Hon. Angus Redford to say why we should be investing $4.8 million up there but have to sell the TAB, which is producing a steady income to this government and the people of South Australia and is providing hundreds of jobs for the people of this state.

Let us get to the guts of this issue. If the TAB is sold, it can mean only one thing, that is, the loss of hundreds of jobs within South Australia. The minister conceded as much. During the debate in the other house, my colleagues the members for Lee and Hart both exhaustively questioned the government on this matter and, bit by bit, the story has come out. Minister Armitage, the Minister for Government Enterprises, conceded that what will happen as a result of the sale of the TAB is that at least 250 jobs will go. That is what the government has budgeted for. Between $7 million and $17 million has been provided under this bill for the cost of terminating staff. Even then, that is probably a fairly—

The Hon. T.G. Roberts: That mightn't be enough.

The Hon. P. HOLLOWAY: It probably will not be enough, either, because that was based on the entire loss of staff in the call centre, 90 per cent of the staff at head office and only 10 per cent of staff in agencies. As has been pointed out by my colleagues in another place, with the franchising likely to take place in those agencies, that 10 per cent could be very much more. Indeed, at one stage the minister conceded that up to 50 per cent might be a more realistic figure for the loss of staff jobs in those agencies. That is what we are doing: we will invest $4.8 million in West Java on a water project, but we are prepared to sell an agency here that will lose at least 250 jobs. We will have to pay costs of $17 million for these staff losses. Further, to get this up, the government had to get the approval of the racing industry, so it offered to the industry $18.25 million—up front, no strings attached. There is nothing wrong with the government's providing assistance to the racing industry. All of us realise that the racing industry is a very important—

An honourable member interjecting:

The Hon. P. HOLLOWAY: They have different views in the racing industry. It depends on whom you speak to. For the Hon. Angus Redford, the racing industry consists of his mates—the mates the government puts on there. The government puts a few mates there, and that is who it thinks the industry is. Unfortunately for this government, many other people are involved in the racing industry. Thousands of people are involved in this industry, from the volunteers or part-time people who take the money at the racecourse gate, to the trainers, strappers and the people running the industry.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Go on; let's hear your interjection. If the Hon. Angus Redford has something positive to contribute to this debate, he should go ahead. Say it!

Members interjecting:

The Hon. P. HOLLOWAY: You want to interject and you think you know better. Tell me—come on!

The PRESIDENT: Order! The Hon. Paul Holloway will address the bill.

The Hon. P. HOLLOWAY: I am trying to, Mr President.

The PRESIDENT: No, you are not; you are trying to whip up interjections. I ask you to return to addressing the bill.

The Hon. P. HOLLOWAY: I will be very pleased to do that. As a result of the TAB sale, between $7 and $17 million has been allowed for to pay for the costs of terminating staff. At least 250 jobs will go in the TAB, and the reason for that is fairly obvious. The new buyer of the TAB will almost certainly be one of the big three TAB operators in the eastern states—the New South Wales, Queensland or Victorian TAB. If one of them is successful in purchasing the South Australian TAB, the first thing it will do is to close down most of the head office operations in this state, because that is how it will get the value of the sale.

An honourable member interjecting:

The Hon. P. HOLLOWAY: The racing industry says it wants to buy it, but we will have to see about that.

An honourable member interjecting:

The Hon. P. HOLLOWAY: Exactly!

An honourable member interjecting:

The Hon. P. HOLLOWAY: Exactly! Where will it get the money from? That really is the whole problem. The realistic view is that the control of the TAB will pass interstate, and the only way that those interstate operators of the TAB can make this whole thing work will be if they increase the scale of their operations; in other words, there will be cost cutting in the head office and the call centres. That is exactly why, during the committee stage of the debate in the other place, Minister Armitage said—

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: I suggest that the Hon. Legh Davis read what Minister Armitage said in another place, because he has allowed for a 100 per cent loss of staff in the call centre in Adelaide.

An honourable member interjecting:

The Hon. P. HOLLOWAY: It is a very conservative option. I would have thought that 100 per cent was a fairly realistic option in the circumstances.

The Hon. L.H. Davis: What's the Labor Party's policy on this?

The Hon. P. HOLLOWAY: Well, we are opposing the TAB sale. We have opposed it all the way through, and we will continue to do so.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! The Hon. Mr Davis will come to order!

The Hon. P. HOLLOWAY: So, that is the first thing about this sale—$7 million to $17 million—

The Hon. A.J. Redford interjecting:

The PRESIDENT: Order, the Hon. Angus Redford!

The Hon. P. HOLLOWAY: —and 250 jobs lost to this state, an up-front payment of $18.25 million to the racing industry (with no strings attached), the other thing is $2.7 million to be spent on consultants, and then, on top of that, if the government gets this through and gets the proceeds, there will be a 1.2 per cent success fee.

The Hon. Caroline Schaefer interjecting:

The Hon. P. HOLLOWAY: The Hon. Caroline Schaefer asks: if the 1.2 per cent success fee is added to the sale, what will that do for the racing industry? It will reduce the amount that the government receives for the sale. Therefore, it will have a negative effect on what the government has available to it to assist the industry. If you add all those figures together: $17 million for terminating staff—and, as the Hon. Terry Cameron interjected earlier, that may not be sufficient—an $18.25 million upfront payment to the racing industry and $2.7 million for consultants, you are already up around the $40 million mark. So, clearly, the sort of price that we would have to get for our TAB would be in excess of that figure even to break even—and all this for the loss of 250 jobs.

Obviously, the real value to the new owner will come about only if there is a reduction in the scale of these operations. Sadly, that is the inevitability of this sale. But what will our return be to the taxpayers of this state? I made the point when we were debating the ports sale and other sales that, unfortunately, have gone through this parliament in recent days, that one would expect that the very least a government would do if it was selling assets of this nature would be to undertake a proper study of the options available to the government in terms of dealing with the industry and that these sales would be made on a proper basis. The Olsen policy is—

Members interjecting:

The PRESIDENT: Order!

The Hon. P. HOLLOWAY: If anyone happens to be reading this *Hansard* record later, they might wonder why there were so many interjections in this place. I point out that the Australian Hotels Association had its lunch today. It is probably not a coincidence that one of the main interjectors attended that lunch today. Perhaps that explains why these interjections are taking place. The Hon. Angus Redford is obviously in a very buoyant mood.

Members interjecting:

The Hon. P. HOLLOWAY: To return to the—

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: The person who just called me a disgrace is obviously also in a very buoyant mood at the moment. I know that I am wasting my time trying to talk to members opposite about this issue because they have made up their mind. They have been involved in all of these deals with the Olsen government. They are happy to do deals with the industry, with all their mates in key positions in the industry. They are quite happy to go with this.

The Hon. L.H. Davis: You're anti-racing, that's what you are.

The Hon. P. HOLLOWAY: I'm not anti-racing—far from it. How could one possibly say that the opposition is anti-racing when it is trying to protect 250 jobs involved with the racing industry in this state? Members opposite are prepared to sell down the drain 250 jobs. They are prepared to get rid of 250 jobs from the TAB. They are prepared to get virtually no return for the people of this state as a result of the sale of this asset, to destroy the industry—

The Hon. T.G. Cameron interjecting:

The Hon. P. HOLLOWAY: I look forward to the Hon. Terry Cameron telling us, because he has told us before that he will support the sale only if he is told how much we will get for it. Therefore, I assume that during the debate the Hon. Terry Cameron might be able to tell us exactly how much we will make as a result of this sale process, so that he can reassure me, because certainly the government has not done it. However, I would like someone to reassure me that for the loss of 250 jobs we will at least get something for the taxpayers of this state; that at least it will not be a total loss.

The other thing that is of great concern to me in relation to this bill is that this government is on about a whole lot of new gambling products. In my view, it is disgracefully incompetent of this government that it is allowing a whole new expansion of gambling to take place through the TAB—

The Hon. A.J. Redford: How?

The Hon. P. HOLLOWAY: Well, it was announced at the weekend that apparently we will have sports betting, but this government wants to sell it and will not be capitalising on it.

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: The Hon. Angus Redford should be telling us what he thinks about sports betting, because he is the one who signed the minority report of the—

The Hon. A.J. Redford interjecting:

The Hon. P. HOLLOWAY: Let us put this on the record, so we do not let him get away with it. The Hon. Angus Redford has signed off on the minority report of the internet gambling committee that he is opposed to all forms of internet and interactive gambling, particularly sports betting. What is the Hon. Angus Redford's view to the—

The Hon. A.J. Redford: I never said that at all.

The Hon. P. HOLLOWAY: Well, let us hear what the Hon. Angus Redford does say. I will leave it to him to tell us when he makes his contribution exactly what he does mean, because he is certainly a signatory to the minority report that is opposed to internet and interactive gambling at all cost. We will see what he does in relation to this.

In this state we have the Premier of a government who is publicly opposed to gaming machines, although they bring in an income of more than $200 million to this state every year. We have a Premier who has come out and said that he is publicly opposed to these machines. After seven years, and on the eve of an election, he has now said that he wants to cap the number of poker machines. That is his right to have that view, as others in the parliament do—

The Hon. L.H. Davis: Did you vote for poker machines, Paul?

The Hon. P. HOLLOWAY: Yes, I did. At the same time he has effectively—

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: He was not around, as I recall. I do not think he was in the parliament at the time—although he may have been. The point is that this government has a Premier who is publicly opposed to gaming machines, yet, at the same time, as part of his overall package of legislation—not only the TAB sale but also the proprietary racing bill and authorised betting bills—we will see an extension of gambling. We will see internet gambling through the proprietary racing bill; it is all tied in together. We already have the racetrack at Waikerie that is supposedly under construction. We are told that will be used to promote internet gambling. We are also told via the paper that the TAB has the contract for conducting the betting on that type of racing.

We were also told on the weekend that the minister has now decided that we will have a much broader spread of sports betting through the TAB. These new gambling products are all being brought on at the very time that the government is selling this agency—all, of course, from a Premier who tells us that he is so shocked with the expansion in gaming that we have to put a cap on gaming machines. Is it any wonder that this government has absolutely no credibility whatsoever in relation to these things?

Members interjecting:

The Hon. P. HOLLOWAY: The point I am making is that it is absolutely hypocritical to be talking about putting caps on poker machines while at the same time you are opening the door to a whole lot of new gambling ventures. Let us at least get some consistency from the Premier and this government—

Members interjecting:

The PRESIDENT: Order!

The Hon. P. HOLLOWAY: I certainly look forward—

Members interjecting:

The PRESIDENT: Order! Honourable members continue to ignore the call for order and go on and on interjecting. I will start naming members soon.

The Hon. P. HOLLOWAY: With respect to those who have publicly opposed internet gambling, I certainly look forward to seeing what their views are and how they vote in relation to these matters. It will be quite incredible if the package of measures that is before us, not just the TAB sale but proprietary racing and others, which will lead to an expansion in internet and interactive gambling, is supported by the very people who will go out on the hustings and say they are opposed to new forms of gambling. I think the public will judge them appropriately.

Members interjecting:

The Hon. P. HOLLOWAY: We will be here all day if members opposite continue interjecting. I am quite happy to answer any questions they throw up. After all, they might as well ask me questions. There is not much point asking members opposite questions about the sale of the TAB because we cannot get any answers. It comes back to the point I was making when all these interjections began a few minutes ago: when the government has gone through the sale processes, it has never gone through a detailed package and provided sufficient information to the shareholders of this state whom we represent. The shareholders of these government enterprises are the people, the voters, of South Australia.

We shareholders have never had put to us a detailed explanation about what will happen in relation to the sale, and what we stand to gain or lose by it. That is what is required with the sale of any company under the Australian Securities Commission. If a corporation in this country wishes to sell a subsidiary or part of its operations, the shareholders of that company have to approve it. Certain things are required by the Stock Exchange and certain information must be provided. That sort of information has not been provided to the shareholders of the TAB, the people of South Australia, by this government.

So, members opposite can ask me as many questions as they like. The one thing they are not doing is providing answers to the people of this state about what is really going on. The very least that we could have expected—

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: We are opposed to the sale of the TAB absolutely. There is absolutely no value to the people of this state in selling the TAB and getting rid of 250 jobs. Some 250 jobs will be lost forever as a result of this sale, yet we will get almost no value at all. After all the money is paid out to cover the cost of the sale, there will be virtually no return to the taxpayer. So, we will lose control of the TAB and we will get very little for it in return. We will lose 250 jobs and get virtually no money in return. It does not add up and, as far as the opposition is concerned, there is no way that we could possibly support this measure. So, we will be opposing it.

During the committee stage I will move one amendment in relation to the superannuation fund of this agency. I will have more to say on that during the committee stage. With those comments, I indicate that the opposition will oppose the bill.

The Hon. L.H. Davis: What is your policy?

The Hon. P. HOLLOWAY: I have just told you.

The Hon. A.J. REDFORD: Having listened to that, I wonder whether the Hon. Mike Rann might think it would be in his best interests if he had the same problems as Peter Beattie so that he can clean out his caucus and get a couple of people in here with a bit of ability. I support the second reading. It has been a—

The Hon. P. Holloway interjecting:

The Hon. A.J. REDFORD: We have hit a nerve, haven't we! We are into sewers, lunches and no policy.

The PRESIDENT: Order! If the Hon. Mr Redford does not want to address the bill, I will ask him to resume his seat.

The Hon. A.J. REDFORD: This bill has been a long time coming. It comes in a package of two bills. This bill, whilst it enables the disposal of the TAB, does give the government much needed flexibility in relation to the sale. The purpose for and the reason underlying the sale of the TAB can be said to be threefold: first, there is a need for extra capital regarding the running and the conduct of the TAB itself, and the business of the TAB; secondly, there is a need for capital and increased income in so far as the racing industry is concerned; and, thirdly, following the sale of the TABs in five other jurisdictions—including Victoria and New South Wales—there is a risk attached to increased competition in relation to this area of activity.

In supporting the bill, I believe personally that the TAB is an enterprise that was set up by the government for and on behalf of the racing industry. If one looks at the history of the TAB, one sees that it was established in the 1960s as a consequence of SP bookmakers syphoning substantial sums of money out of the industry. The industry was of the view that, with the establishment of an enterprise such as the TAB, the income arising from the betting activity should go back into the racing industry.

It has always been my personal view that the TAB is held on trust by the government for and on behalf of the racing industry itself. If one looks back at the history of the TAB, and the management of the TAB, one sees that it is quite clear that up until, I think, when the Hon. John Oswald (now Speaker) was Minister for Racing, the management committee of the TAB, generally speaking, apart from the odd government appointee, was dominated by the racing codes.

In any event, despite my suggestions when this proposal was first mooted, the government chose to go another way and proceeded to negotiate the sale of the TAB as if it was a government enterprise set up by government for government on behalf of government, and that is a pity. In any event, it is interesting to see what is in this for the racing industry: first, there will be a one-off $18.25 million payment to the South Australian racing industry when the South Australian TAB sale is completed, which will be a much needed injection of capital.

If I had to choose between Michael Wright, the shadow spokesperson for racing, and the shadow treasurer, unlike the Hon. Paul Holloway I would make a choice and say that Michael Wright is closer to the facts on this one than Kevin Foley in that the racing industry is entitled to a significant capital payment out of the sale. The rather churlish comments from the shadow treasurer, quite frankly, are to be condemned, and in that respect I invite members to look at my contribution on the corporatisation legislation, which might give members some hint as to why the shadow treasurer seems to be so anti-racing in this state.

The Hon. L.H. Davis: Eight-second Kev?

The Hon. A.J. REDFORD: Yes, 'Eight-second Kev' was put on the wrong table at the Adelaide Cup and he has not forgiven the South Australian Jockey Club ever since, which is a childish and ridiculous response to his rather precious and sensitive ego.

The second outcome is a guaranteed income of $41 million per annum for three years, indexed to CPI and commencing on 1 July this year. That is up nearly $8 million from the $33.5 million that the industry received this year. I know that, whilst this is a 22 per cent increase, unless the industry receives this increased income stream, substantial cuts will be made in stake money paid by the industry at race meetings.

The Hon. T.G. Cameron: Why couldn't the government just give them the money anyway?

The Hon. A.J. REDFORD: Where from? Every time we try to find money, do we cut a hospital or school? Do we announce that we will not employ extra police? Perhaps we could put speeding camera fines up. There is a range of options.

The Hon. T.G. Cameron: If the TAB sale doesn't go through, are you saying the racing industry will fall in a heap?

The Hon. A.J. REDFORD: I do not know what the position will be. The question is—

The Hon. T.G. Cameron: You're in the government; I'm just on the backbench on this side.

The Hon. A.J. REDFORD: There will be choices. The honourable member knows I am not in the cabinet, and the government knows that the money has to come from somewhere. It is a matter for discussion. I am sure the honourable member, in his contribution, will come up with some suggestions and, as always, his suggestions are most welcome. However, the reality is that that sort of money will need to be found for the racing industry and, if it is not found, stake money for the thoroughbred industry will be reduced to the point at which, in metropolitan Adelaide races, it will probably be not much different from the stake money that is paid to Victorian country racing. One does not need to imagine what effect that will have on our breeding industry, trainers, jockeys and the many hundreds of jobs that are so dependent upon our having a vibrant racing industry.

I understand that the point has been reached at which, if this bill does not go through this week, announcements about stake money will be made by the various industry bodies. It will be interesting. We asked the Hon. Paul Holloway, as a representative of the so-called alternative government, what his policy might be—

The Hon. L.H. Davis: His mouth opened and shut but nothing came out.

The Hon. A.J. REDFORD: I think that is a very astute observation from the Hon. Legh Davis, and a very welcome interjection. I mean, what is their policy? Where are they going to get the money from? What is their proposal? Their whole attitude is, 'You are selling assets' and if (it is unlikely, but some of them remain optimistic) they get into government they will have nothing to play with. Well, quite frankly, given their past performance—and when one considers that the Hon. Paul Holloway sat on the backbench, a couple of rows behind Mike Bannon and Frank Blevins—

The Hon. L.H. Davis: Mike Bannon? That is the worst of all worlds. Mike Bannon! Don't wish that on us.

The Hon. A.J. REDFORD: John Bannon and Mike Rann.

The Hon. T.G. Cameron: Was that a Freudian slip?

The Hon. A.J. REDFORD: It was a Freudian slip and I apologise.

The Hon. L.H. Davis interjecting:

The Hon. A.J. REDFORD: I think the Hon. Legh Davis had a slight heart murmur thinking that I had combined Mike Rann and John Bannon. The Hon. Paul Holloway sat behind them and he reckons that, now that he is going to be sitting right there up front, he will be able to run a few enterprises correctly. It was interesting, when I challenged him by way of interjection and asked, 'Did the Labor Party in its long period of government in the Bannon era—I think I recall it celebrated a decade of government at one stage—run one enterprise properly?' That is what I asked by way of interjection on a number of occasions.

The Hon. R.I. Lucas: And no answer.

The Hon. A.J. REDFORD: And no answer—not an answer, not one.

The Hon. T.G. Cameron: Do shadow finance ministers take their own advice?

The Hon. A.J. REDFORD: I think that begs the question. Which advice is he taking? Is he taking 'Eight-second Kev's' advice, or is he taking the advice of 'Mike I've fallen out with the racing industry Wright'? Whose advice is he taking? He tried to tiptoe his way in between those two policy outcomes. Although, I must say, when really pressed he did come up with a policy outcome which was more consultation, was it not, and a summit nearly came out of his lips but he thought that might sound a bit too leadership like.

Members interjecting:

The Hon. A.J. REDFORD: In any event, following those first three years, I understand from years four to 10, a fixed payment will be made to the industry and a percentage of the net wagering revenue. I understand that the formula is set in such a way that, unless there is dramatic collapse in wagering activity, their income is likely to be increased.

The Hon. P. Holloway: And you believe that?

The Hon. A.J. REDFORD: Yes, I do. Certainly, the speech you gave, which was straight out of Karl Marx, gave me no cause to suspect those figures. If the honourable member had any reason to doubt those projections I am sure he would have given us some analysis as to why he should. In any event, the split between the three codes—and I understand there is some discussion about that—basically reflects the racing wagering activity attributable to each of the racing codes, that is, 73.5 per cent to thoroughbreds, 17.5 per cent to harness and 9 per cent to dogs. That gives roughly about $13.5 million worth of capital to thoroughbreds and an increased income of $6 million.

I know that there have been negotiations with Racing SA Pty Ltd on the split between country and city, how the $13.5 million capital and the increased income of $5.5 million will be spent, but it is at least a pleasant change for the industry, should this come about, to be discussing increases in income as opposed to deciding or arguing about who should bear what loss, and issues such as rationalisation of tracks, etc., can be dealt with not in the context of a fire sale, immediate insolvency or financial trouble, but on the basis of skilled planning and skilled business decisions.

The racing industry faces great uncertainty, including issues such as the future of Victoria Park, the upgrade of the Morphettville track, the extent of rationalisation of country racing and the availability of TAB moneys. On this score, one of the biggest problems country racing has is its inability to get the TAB into country race meetings. We all know that, on any given Saturday in New South Wales and Victoria, there is a TAB meeting in the city and a TAB meeting in the country. In South Australia, there is simply a TAB meeting in the city. We no longer see racing on Saturdays in the country, even in major regional centres such as Mount Gambier.

That is a sad state of affairs which is encouraged by the fact that the TAB is a government controlled monopoly. It does not have to get out there to compete to get its form of revenue. Indeed, it is amazing what a bit of competition can do to an enterprise. For example, the South Gambier Football Club wanted a TAB in its premises. It applied year after year to get it and it continuously got knocked back. It approached Harold Allison and he could not help. It approached Dale Baker and he could not help. It approached the Hon. Terry Roberts and, I must say to my surprise, he could not help, either. It then approached Rory McEwen. He walked on water for a couple of days and he could not help. We resolved the issue by arranging for a bookie to be located in the South Gambier TAB for a couple of days at a critical time during the Melbourne Cup carnival. That arrangement did very well—it actually decimated the TAB's turnover in a couple of nearby agencies. Following that exercise, the TAB contacted the South Gambier Football Club and asked, 'Can we put a TAB in your premises?

The Hon. T.G. Roberts: It listened to my submission; that is what happened.

The Hon. A.J. REDFORD: It did but it rejected it because I tried to adopt it when I made my first approach before I came up with this, 'let's give it a bit of competition' idea. Only after that competitive pressure did the South Australian TAB decide that the South Gambier Football Club warranted a TAB agency. The agency is now doing very well. In fact, it is one of the highest turnover TAB agencies in the Mount Gambier area.

The Hon. T.G. Roberts interjecting:

The Hon. A.J. REDFORD: It does, because it is a very good team.

The Hon. T.G. Roberts: And financially well off.

The Hon. A.J. REDFORD: And it is very financially well off. The Millicent Football Club could learn a bit from it.

The Hon. T.G. Cameron interjecting:

The Hon. A.J. REDFORD: No, it is not mutual admiration. During the grand final the honourable member will back Millicent and I will back South Gambier. In any event, the other uncertainties are issues associated with stake money and some very critical management decisions relating to growth, income and investment nursery. It is interesting when one looks at the racing industry and, in particular, the position with which the Mount Gambier Racing Club is confronted.

The Hon. T.G. Cameron interjecting:

The Hon. A.J. REDFORD: It does, and it does it despite some extraordinary impediments. Its first impediment is simply its stake money. The stake money in Mount Gambier, where the critical competition is straight over the border in Victoria, is enormous. The club is paying nearly double the stake money because of the private TAB arrangements in Victoria. The reality is that the industry is bleeding to death in the South-East of South Australia because it simply cannot compete with the Victorian stake money. The club, despite putting on an absolutely fantastic carnival that attracts thousands of people, great interest and great economic activity to Mount Gambier—

The Hon. T.G. Cameron interjecting:

The Hon. A.J. REDFORD: That is very true. To a trainer and, perhaps, even to an owner in South Australia, that is fine, but to the club itself, which is the lifeblood of the industry, the central part of the industry, it is absolutely impossible for it to compete and absolutely impossible for it to provide the sort of track, infrastructure and training infrastructure that the Victorian clubs are able to provide. In the longer term, if that situation remains, we will not have the proud and strong racing industry that Mount Gambier has grown up with because people will have gone to Casterton, Portland, Warrnambool and other places in Victoria.

The other issue faced by the Mount Gambier Racing Club is that its track is not up to scratch. The club knows that it must spend in the order of $600 000 to $900 000 to upgrade its track. As the industry is currently configured, there is absolutely no way that the Mount Gambier Racing Club can get that money. Short of the government's saying, 'Look, we will not spend any more money on health'—and I am sure that this would be applauded by the Hon. Paul Holloway—'but we will spend $800 000 on the Mount Gambier track,' it simply has no hope of getting the much needed capital that it wants to develop the track.

Indeed, as a result of the competitive pressures which it faces, the club has no hope, when one looks at the facilities there, of attracting crowds and interest and generating the excitement that some of us here experienced many years ago in country racing. It is not just Victorian racing that it competes with; it also involves many other activities in that community. Indeed, one of the other issues with which Mount Gambier Racing Club has real problems is getting the TAB interested in providing TAB facilities there. I have absolutely no doubt that, with an upgraded track and with the TAB offering more TAB race meetings to Mount Gambier, it would do extremely well. But it will not do so, because of the politics of racing in South Australia.

There are other wild-card issues when one looks at racing. There is the TeleTrak issue, with which we are dealing at the same time; there is the issue of whether Sky Channel is likely to continue its monopoly in relation to the televising of races—because I think that is absolutely critical; there is the future of trotting and all the problems it faces; and there is the challenge of night racing—and we have all seen how successful Moonee Valley has been with its night racing and, indeed, how successful some of the night racing events, particularly twilight racing, in Queensland have been.

There are also great challenges, particularly when we look at a club such as Mount Gambier, with respect to the racing calendar and the dates. I know that, if Mount Gambier is able to put itself in a stronger financial position, it will be able to negotiate a better racing calendar, better racing dates and the like. Indeed, it is most interesting to go up the road a bit and look at the Penola Racing Club and its extraordinarily popular Coonawarra Cup. We all know that, whilst that is a TAB meeting, the Penola Racing Club is told when its racing date is, and I know that its representatives are constantly telling people at the moment that its race meeting should be held a month later than it is. But the government-owned monopoly in this state says that it must be held in January—and it knows very well that it would be much better to hold the race in February, both from a crowd and a horse availability point of view.

They are the sorts of things that the industry is confronting. Indeed, with this sort of capital injection directly into the industry and out of the TAB, one would hope that the industry will develop a business plan, a marketing plan, identify its threats and opportunities and, indeed, look at some of the opportunities that might well be made available to racing.

I suppose my only rider (I think that this issue will be discussed during the committee stage, and I am on the record as to my position on this) is the question of what protections there might be in relation to internet gaming. I just wish to correct the record. I do not know whether or not the Hon. Paul Holloway was at the lunch (if he was, he obviously had something to drink, whereas I did not—and he was on that same committee; the honourable member asked for that), but he said that I was totally opposed in my report. I invite the Hon. Paul Holloway (because, obviously, he was asleep during that stage of the committee meeting) to read the report carefully. What I said in my contribution to the dissenting report (and I must concede that I differed slightly from the Hon. Nick Xenophon on this point) was that, in so far as wagering is concerned, where there is an existing product, it ought to be dealt with on a case by case basis.

That is what I said in relation to that part of the report. If the honourable member cares to read the report rather than misrepresent me (because he is under pressure, and does not have a policy of his own), he might also care to look at the fact that I said that encompassed sports betting and sports wagering because, particularly in relation to football, that product is already available to the South Australian community. I invite the Hon. Paul Holloway, before he gets up in his capacity as shadow minister (and, in his case, the word 'shadow' is a very apt description), to read what people say before he starts shooting his mouth off, because that is what I said in the report.

The Hon. P. Holloway interjecting:

The Hon. A.J. REDFORD: The honourable member interjects and says it does not mean much. It certainly means a heck of a lot more than anything he contributed.

The Hon. P. Holloway interjecting:

The Hon. A.J. REDFORD: There he goes again, misrepresenting me. His policy is the Hon. Rob Lucas's policy, and at least on this occasion he had someone with some intellect and some ability to follow, unlike the Kevin and Mike show that we saw in the lower house. He had a much better choice. He could have picked the line that the Hons. Rob Lucas or Nick Xenophon and I were going down. I will not praise myself, but Rob Lucas and Nick Xenophon are capable people. He had a reasonable choice, and he picked one and did not get into any trouble. This is the problem in terms of Labor Party policy: he now has a choice between Mike and Kevin, and he knows that if he picks one or the other he will get into strife. It demonstrates quite clearly the complete lack of policy development and intellectual capacity that we are confronted with in this place on a day by day basis. It is disappointing. This is where the opposition is coming from.

Another issue that the Labor Party has seized upon—and I think quite rightly—is that jobs and redundancies will cost some $17 million. As I understand, it is saying that we should keep the TAB and keep that $17 million worth of jobs rather than put that sort of money back into the racing industry. As the Hon. Terry Cameron so rightly observed during the course of his interjections, from the Labor Party perspective it is far more important to protect the jobs of those working within the TAB as opposed to those working within the racing industry.

I bow to the Hon. Terry Cameron's superior knowledge on this when he says that this is a battle between the ASU and the AWU, and the ASU won. Again, you have picked a winner and looked after your mates, they being the ASU. The reality is that the single biggest benefit of this bill is that it injects money to protect the members of the AWU. It is disappointing that so early in his career in caucus the Hon. Bob Sneath did not have the capacity to protect, look after and enhance the AWU workers who are within the racing industry itself.

It seems to me that these jobs that might be going (and one must assume that it was a worse case scenario) would go in a competitive environment in any event, because of increased competitive pressure. The question is whether we bite the bullet or adopt the Labor Party policy and pretend there is no competition, keep these people on at all costs and run the racing industry into the ground. That is the Labor Party position. When one looks at everything that it has said—

The Hon. P. Holloway: We are talking about the TAB.

The Hon. A.J. REDFORD: Where do you think the racing industry gets its income from?

The Hon. P. Holloway: Exactly.

The Hon. A.J. REDFORD: He does not know; this is news to the honourable member. He does not realise that the very future of the racing industry is entirely dependent upon the income of the TAB. So, if you do not save the money in the TAB, where do you think the racing industry will get its money from? Will it fall from the sky? Will you borrow it again? Is this State Bank management revisited? It is absolutely typical that, if these jobs are lost, whether it be as a consequence of a sale, as a consequence of medium and long-term competition or as a consequence of a demand on the part of the racing industry for an increased dividend—

Members interjecting:

The PRESIDENT: Order! There is a member on his feet speaking.

The Hon. A.J. REDFORD: —or as a result of a demand on the part of the single biggest stakeholder in the TAB, namely, the racing industry, for increased income to enable it to compete in the national market, because the racing industry is a national market, there is no other alternative. There is simply no other alternative. For members opposite to say that the government should find—

The Hon. T.G. Cameron: How can you say that it is an interstate or international market?

The Hon. A.J. REDFORD: Because racing simply is. Racing is a national market. The only time we get top horses in this state is for the Adelaide Cup carnival, which has significant stake money. That is the only time. Country racing in South Australia is having trouble getting enough nominations for races to conduct meetings, because they are all in Victoria. The reality is that the income for the racing industry comes from the TAB. Unless we free up that capital and bring in reasonable management, racing will never have the opportunity to grow.

The Hon. T.G. Roberts: Where does the stake money come from then?

The Hon. A.J. REDFORD: A long-term income stream is attached to this. The honourable member does not understand the bill. There is a long-term income stream, starting with an increased guaranteed income of $8.5 million a year. That is the starting point.

The Hon. L.H. Davis: That is part of the package.

The Hon. A.J. REDFORD: That is part of the package—the honourable member opposite disappoints me! I will go through and make a couple of comments about the Hon. Bob Sneath's contribution, because he was the lead speaker. He made a number of points, including:

> On all occasions when privatisation and selling off occurs it results in job losses, price increases, loss of services, loss of control and loss of future income—

What do members think the State Bank did to businesses and to the policy options governments had because of poor government management?

Members interjecting:

The Hon. A.J. REDFORD: You don't think that people don't repeat mistakes? The honourable member is obviously a poor historian because these things come around to repeat themselves.

The Hon. P. Holloway: What will happen in three years if this is sold and the income streams and guarantees are gone; what then? If the industry is in trouble, what then?

The Hon. A.J. REDFORD: The income streams are there in perpetuity until such time as we re-legislate. They go on and on. Again the honourable member shows his ignorance. The Hon. Bob Sneath went on to say—and this is a doozey—

> . . . a minister has not allowed the TAB board, the management and the organisation to operate in a way that a good TAB should and must operate.

The Hon. T.G. Cameron: Who said that?

The Hon. A.J. REDFORD: The Hon. Bob Sneath. That encapsulates and shows just how stuck in the 195Os members opposite are. He may well be right, but if he is right it demonstrates the reason why this thing should not remain in government ownership to the short, medium and long-term detriment of the racing industry. One day we might have a brilliant minister, but sooner or later we will have one that is not so good. The effect on the racing industry is entirely dependent upon some little sleazy caucus deal, if you lot happen to be in government, or on some other basis if we happen to be in government.

The Hon. T.G. Roberts: What sort of sleazy deal are you going to do?

The Hon. A.J. REDFORD: Why would I do a sleazy deal?

The Hon. T.G. Roberts: If you are the next minister.

The Hon. A.J. REDFORD: The honourable member has no understanding of how our side of politics works, and that surprises me. But the honourable member goes on and seems to totally misunderstand why the TAB exists. The Labor Party seems to think—and this is its whole approach—that the TAB exists purely and simply for TAB employees. I have news for them: it does not. It is there to benefit the racing industry. That is what it was designed to do in the first instance.

The Hon. P. Holloway interjecting:

The Hon. A.J. REDFORD: No, it was the parliament in the late 1960s. Again, the honourable member demonstrates his absolute ignorance of history. It would not have got through the upper house without the support of Liberal members in the upper house. So, the Labor Party need not claim complete ownership. In any event, he then goes on and shows his complete ignorance about how the racing industry operates when he says that, if it is privatised, privileges similar to those provided in casinos at the expense of small punters—such as pensioners, who like to have a bet on the weekend—will take place. In a business that has a $600 million-odd turnover, how on earth would someone coming in, even a high roller, make a big difference to the outcome, even if he was given privileges? It is not the way TABs operate interstate: it is not the way they have operated internationally. They are totally different operations, at the end of the day.

Then the honourable member comes up with an absolute doozey—this one gives me cause for great concern over the issue of policy development within the Australian Labor Party. He talks about the demise of bookmakers because of the government's lack of support for them. My invitation to members opposite—and I know there are a couple of speakers left—is to tell us what support they would give to bookmakers. Would they give financial support, or subsidies? This poor, oppressed lot of bookmakers that the Labor Party—

The Hon. L.H. Davis: We gave them telephone betting.

The Hon. A.J. REDFORD: Yes, we gave them telephone betting. That is not the support that I understand was referred to by the Hon. Bob Sneath. What is he talking about? Is he talking about a direct subsidy, or what? It is just ridiculous. If the Australian Labor Party is opposed to this, one would think that they would do better than coming out with the age old, anti-privatisation arguments. One would think they might look at the long-term benefit to the racing industry. I have no doubt that Michael Wright, who has the racing industry's interests at heart—although he has had his nose put out of joint a couple of times—thinks there might be something better in it if there is public ownership for the racing industry. I can only say that history will prove that he is wrong if we lose this bill, because there will not be. There will be the inevitable demise of the racing industry, and all the TAB will provide is a betting service to South Australians on interstate and international racing, because there will be no racing industry in this state of any significance.

The Hon. T.G. Cameron: How much do you think South Australians have already bet on the South Australian TAB?

The Hon. A.J. REDFORD: Something in the order of $640 million is the turnover per annum.

The Hon. T.G. Cameron: No, $620 million. Only $80 million is wagered on South Australian races—$80 million out of $620 million.

The Hon. A.J. REDFORD: It is about 15 per cent to 20 per cent, I think.

An honourable member interjecting:

The Hon. A.J. REDFORD: The reality is that, if you do not put the capital into the racing industry, it is gone. If you want to go to the races you will have to dust off your gold pass, go to Great Southern Rail and go to Melbourne. The Labor Party does not have a policy on racing. I would have preferred, as I said at the beginning of my contribution, to give the TAB to the racing industry and get them to sell it. It would have saved a heck of a lot of questions from the Auditor-General and a heck of a lot of cost for probity auditors and people like that who seem to cost more than we hear. That would have been my direction, but it is not the direction that the government took, and I suppose this is the next best thing.

My final point in relation to this sale is, yes, there is an issue associated with internet gaming. I am not sure that the Hon. Nick Xenophon's amendments are not a little over the top. I am pleased to note that the federal government is reintroducing its moratorium bill. I understand that the Greens' senator has changed his mind and will be voting with the federal government in the Senate, and despite Labor opposition to the moratorium at a federal level, which the Hon. Paul Holloway is way out of step with—don't look so surprised.

The Hon. P. Holloway: I support managed liberalisation.

The Hon. A.J. REDFORD: No, your lot did not support the moratorium. It has nothing to do—

The Hon. P. Holloway interjecting:

The Hon. A.J. REDFORD: The honourable member does not even know what is going on in Canberra. Where were the words 'managed liberalisation' mentioned in the Senate when it opposed the moratorium on internet gaming? It was never referred to. Just amazing ignorance on the part of the Hon. Paul Holloway. He will do anything not to pick either Kev's or Mike's policy or, alternatively, do anything to try to obfuscate the fact that he is totally out of step with his federal colleagues on that issue. What he ought to do is get his federal colleagues to support John Howard's moratorium. Indeed, he will have the opportunity during consideration of clause 1 to stand up and say that he got the majority report wrong, that he does support the ban and he will be encouraging his colleagues in Canberra to—

The Hon. P. Holloway interjecting:

The ACTING PRESIDENT (Hon. J.S.L. Dawkins): Order! The Hon. Mr Redford ought to return to his speech.

The Hon. A.J. REDFORD: I will answer it and then I will sit down. I think that (a) if you look at some of the amendments on the authorised betting legislation and (b), as I said, some of the Hon. Nick Xenophon's amendments go way beyond what I suggested in the minority report. But if we look at those issues I think we can deal with them sensibly in committee.

The Hon. L.H. DAVIS secured the adjournment of the debate.

EDUCATION (COUNCILS AND CHARGES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 30 November. Page 722.)

The Hon. L.H. DAVIS: I rise to support the second reading of this important legislation. I think it is important that we recognise that this legislation is seeking to formalise an agreement which is already in existence, namely, fees for state schools. The Australian Education Union has adopted guerilla tactics with respect to anything that this government has introduced in education. I cannot remember one thing which the union has supported with respect to education introduced by this government. The AEU is hellbent on a political strategy of trying to discredit this government on its education policy with respect to Partnerships 21, and indeed has made much of this bill which is now before us which relates to materials and services charges.

It is important to note that at the beginning of this month the number of schools in the public education system in South Australia that have joined Partnerships 21 is over two-thirds. That is a clear indication that Partnerships 21 is offering benefits to those schools, notwithstanding the best efforts of the AEU, which is fighting a campaign which might more appropriately have been associated with the Cold War tactics seen in the 1950s.

Let us look at what happens around Australia with respect to materials and service fees. In opposing this legislation, the AEU is ignoring the reality of what exists in other states—including, of course, states with Labor governments. Tasmania is governed by a Labor government, as are New South Wales, Victoria and Queensland. The principal of a state school can be authorised to levy a charge to cover incidental costs and expenses incurred with respect to providing education instruction. Also, with the agreement of the school council, the principal of any state school in Tasmania may charge for activities that are in addition to the normal educational instruction at that school. So, in Tasmania, materials and service charges are regulated.

In Victoria, there is legal provision to charge for materials and services. However, as I understand it, at present there is a high level of confusion due to inconsistent charges across the state, which has led to some public unrest. In Victoria the education regulations as they currently stand enable obligatory fees to be charged for the provision of educational services, although successive governments in Victoria have chosen not to do so. In New South Wales—again a Labor government—the Director-General of Education has issued a memorandum for principals, which includes advice that the levels of what are called subject contributions must be determined by the school principal in consultation with the school community, and subject contributions are on a need to pay basis, that is, there will be no charge to fulfil the minimum requirements of the curriculum. Students need to pay only if they choose options that go beyond the minimum requirements of a subject. So principals in New South Wales are required to ensure that no student suffers any discrimination or embarrassment over failure to make a voluntary or subject contribution.

In Queensland—again a Labor government—charges are not regulated, but some schools do charge. Although the Education Act there states that instruction is to be free in state schools, some schools charge a levy but payment is voluntary. In the territories there is no regulation, but parents are encouraged to pay fees in the Northern Territory, and the situation is similar in the Australian Capital Territory. Given that background, one can see that there is certainly a strong precedent around Australia for fees to be charged for

materials and services. The situation is quite clear in South Australia: schools can exempt from payment for materials and services charges anyone who has a School Card. The principal has the authority to waive, reduce or arrange for payment by instalment for parents who hold a School Card, and a student cannot be refused materials or services by reason of non-payment.

The Education (Councils and Charges) Amendment Bill sets down a maximum compulsory charge of $161 for primary students and $215 for secondary students. I understand that that has been the level for the past four years. There have been guidelines for fixing the charge established; the charge is restricted to curriculum related goods and services; it cannot include the cost of teachers' salaries, buildings and facilities; any increase will be consistent with annual CPI increases; an invoice will be issued to parents in accordance with the Director-General's instruction, with the effect of separating the compulsory and voluntary charge; an invoice will continue to be issued by the school council until payment has been made; and, as I have said, a student cannot be refused materials or services by reason of non-payment.

It is important to recognise that the package before us is part of the government's program to give more of the management of education back to the school communities. Through the establishment of Partnerships 21, participating schools can appoint a governing council, which will include not only members of the school community but also members of the general community, including, perhaps, business and community leaders and council members. That is simply not possible under the existing provisions for schools that are not within Partnerships 21. The important thing is that parents must have a majority on this governing council, the representatives of which will be elected at a meeting of the school community. It is also provided that the presiding member must not be a staff member or departmental employee. That overcomes any thought of a conflict of interest provision and is consistent with the provisions in, for instance, the Local Government Act.

The constitution of the school is established in accordance with a standard constitution outlining functions, membership, election and meeting procedures, and it explains the roles of the council and parents within the framework. The school council has the ability to choose the constitutional model that it prefers. As I have said, school card holders are exempt from payment of fees. This means that any family with an annual income of less than $26 000 is eligible for a school card. No fees are paid, a safety net is provided, and the child can still receive materials and services notwithstanding the fact that no fees have been paid.

The total amount of money which is collected from these fees is, at the moment, about $19 million. About $1 million is outstanding. In other words, about 5 per cent of the fees which are invoiced are not collected at present. The purpose of this legislation is to provide some clarity, certainty, equity and protection in this matter of fees where there has been some ambiguity in the past. We must draw a distinction between items that are compulsory and curriculum related items (materials, books and stationery, etc.) and we must recognise that, if this legislation does not pass, that $19 million collected in fees is in jeopardy.

Interestingly, parents at schools which you might regard as disadvantaged (say, in certain western suburbs, to the south and the north of Adelaide) support this model. They recognise the usefulness of fees and the equity that exists—that parents with school cards do not have to make that contribution—and they recognise generally that the changes that have occurred in education work to their benefit. So, schools generally are supportive, having used this scheme for several years.

The other issue which I want to talk about and which I think encourages development is the creation of a new global budget. A school has a set global budget which gives it flexibility in terms of preparing its spending for the year. It was disappointing that, in the discussions leading up to this legislation, the Australian Education Union (SA Division) declined to attend meetings to discuss these issues. There were meetings which facilitated discussion between principals who were in Partnerships 21 schools and those who were not about all the issues relating to materials, services, charges and the other matters that are the subject of this bill.

I found it disappointing—surprising—that the AEU declined to go to these meetings, which provided a comprehensive review of the Education Act over two years. As I said, at least two-thirds of all public schools in South Australia are now within Partnerships 21, and it is important that those schools, and indeed all schools, have a legal basis for issuing invoices. The AEU was invited to attend reference groups to discuss this issue but chose not to do so.

I think this legislation deserves support. It is important that it has support in this last week of the parliament because, if this legislation is not passed, it places in jeopardy the collection of fees next year, something which has been occurring already, although there has been some ambiguity about the legality of these fees. The Labor Party in opposing it is being its typical destructive self, denying the reality of what already exists. I must say that I have been horrified to see the way in which the education union has so bitterly opposed everything associated with education in this state. The extraordinary and vehement way in which it has opposed Partnerships 21 has been appalling. Having not so many years ago argued very strongly, vociferously in fact, in favour of local management of schools, it now opposes the very notion of Partnerships 21, which does encourage a partnership between parents, teachers and the school community.

The very fact that there has been such a ready acceptance of Partnerships 21 over the last 12 months says something about the fact that local communities are recognising that they are getting better value for the educational dollar and that the benefits are flowing through to students. They recognise that there is more flexibility in the program, a greater cost-effectiveness and a better use of the resources, and some very positive consequences are already flowing from Partnerships 21. As I have said, it is about local decision making: schools are free to choose if and when they join the scheme. The agreement to join must be cosigned by the chairperson, the school principal, the pre-school director and the chief executive of the department. There has been emphasis by the minister, quite properly, on the point that no school (or site) will be worse off financially compared with their 1999 level resourcing, whether or not they opt into Partnerships 21.

I have been fascinated to see the debates in the AEU journal which have become increasingly shrill as President John Gregory attempts to be a latter day King Canute, continuing to deny the fact that 70 per cent of schools have joined up with Partnerships 21, and continuing to argue vociferously against it. The AEU is bedevilled increasingly by teachers resigning from the union. There have been reports that the teachers' union now represents less than 50 per cent of all teachers in South Australia—the lowest level for a long time. It is reflected in the fact that letters to the editor of the

AEU journal are becoming increasingly strident and critical of the AEU leadership and the fact that it is so one-eyed in their attitude towards Partnerships 21, and in fact they are downright condemnatory of the leadership of AEU.

It is also reflected in the fact that, as I have mentioned in this chamber on earlier occasions, over the last decade there has been a greater increase in South Australia—about three times the national average—in the movement from public schools to private schools. In fact, the percentage of full-time students at non-government schools in Australia has increased from 27.9 per cent to 30.3 per cent, an increase of 8.6 per cent, but in South Australia over the last decade the increase has been dramatic. It has moved from—

The Hon. P. Holloway: That is exactly what you wanted to happen!

The Hon. L.H. DAVIS: It is exactly what the AEU has done. The Hon. Paul Holloway, with his size 15 foot, has just demonstrated exactly what the AEU is doing, in a beautiful and very descriptive fashion. Every time AEU President John Gregory opens his mouth, the phones in the private schools ring, and he is driving people away from public schools.

The Hon. P. Holloway interjecting:

The Hon. L.H. DAVIS: I will not rely on anything other than facts, and that might surprise the Hon. Paul Holloway. The fact is that in 1990, only 23.8 per cent of all students in primary and secondary schools in South Australia—

The Hon. P. Holloway interjecting:

The Hon. L.H. DAVIS: Stop prattling on and listen! Some 23.8 per cent of students in South Australian schools in 1990 were enrolled in private schools. That figure is now 29.5 per cent. That is an increase of 24 per cent, nearly three times the national average. What would the Hon. Paul Holloway put that down to? Why would there be an increase in private school enrolments three times the national average? What conclusion would a thinking person make?

The Hon. P. Holloway interjecting:

The Hon. L.H. DAVIS: The Hon. Paul Holloway would speak to himself about that matter. He will not share it with us, and I can understand that. The fact is that increasingly people are leaving public sector schools because of the vituperative nature of the AEU campaign against this government and Partnerships 21. The Hon. Robert Lucas can vouch for that because for some time he was an excellent Minister for Education and at the forefront of the flack of the AEU. Mr John Gregory is an old-time union lackey from the 1950s—he is running about five decades late. But that is the way he is operating.

The likes of Clare McCarty and Vice President Bob Woodbury are having fights with fellow Labor members who are splintering in the AEU because they are recognising that the union leadership is destroying the public education system in South Australia. That is what is happening. That is the fact. This bill will give the Labor Party a chance to dissociate itself—

The Hon. P. Holloway interjecting:

The Hon. L.H. DAVIS: If you want to talk about facts again, just listen to this fact: we spend more on education per head in this state than any other state. Did the Hon. Mr Holloway know that? There is not too much he does know, but I can tell him that. I support this legislation. To put it in the words of the AEU in a release of May 1999 it said, in speaking in favour of local school management before it realised that Partnerships 21 was actually going to work:

> Local school management is a term that parents will hear a lot in coming months—

not very grammatical, but that is what it said—

> What it involves is the handing over of some decision making from the Education Department to the local school. Ideally this means a greater ability for parents, principals and teachers to make decisions that take into account the particular educational needs of their children and their school.

It goes on to say:

> The government is proposing that the extent of LSM be increased. Undoubtedly there are some areas, particularly with regard to over bureaucratic procedures for allocation and expenditure of small amounts of money, that could benefit from greater school management.

The AEU's pamphlet to which I am referring, entitled 'A new deal for public education', then goes on to list what it believed to be the features of a successful system of local school management, as follows:

- Maintenance of the public education system.
- Disadvantaged and country schools need to be better off.
- The government must be responsible for adequate funding of public education.
- Parents should be partners not employers
- Better participation in school decision making.
- The system must serve the schools rather than the school serve the system.

That, in fact, is exactly what Partnerships 21 is all about.

The Hon. P. Holloway interjecting:

The Hon. L.H. DAVIS: The Hon. Paul Holloway says 'Pigs it is.' Well, he might like to tell us why almost 70 per cent of schools have joined and why more schools have indicated that they are going to join. I support the second reading.

The Hon. J.S.L. DAWKINS: I rise to support this bill, which amends the Education Act 1972 to establish a system of governance and management of government schools, and to allow a range of compulsory and voluntary charges. In recent times, as I have moved around the state in a number of areas, I have had questions put to me about this bill in relation to the various things that it is intended to do, and I have sought advice on those questions from the minister's office. I believe it would useful to canvass the issues raised with me by those members of the general school communities in South Australia. The first question relates to why a materials and services charge is being introduced and why public education should not be free. Tuition in government schools is free for students resident in this state, and the parental payment for materials and services is not new: it has been a custom and practice over some decades and is well accepted by most parents.

The government has been concerned about the growing number of people who, for reasons other than an inability to pay, continue to withhold their payment. I understand that the unpaid charges are in excess of $1 million per annum. During the period in which the materials and services charge regulation has been operational improved compliance has resulted in a marked reduction in this figure in more recent examples of education legislation in Australia (in Tasmania and Western Australia). The principal act incorporates provisions to enable a compulsory materials and services charge to apply. This bill will explicitly enable compulsory payment of the materials and services charge to be sought by school councils. It will clarify the responsibility with regard to voluntary and compulsory charges and will ensure that safeguards apply for the protection of parents and students.

Another question I was asked was whether School Card recipients will have to pay the MSC. The answer to that is no.

Parents who qualify for a School Card are not, at present, legally obliged to pay any portion of the MSC and this practice will continue. If there is a gap between the amount of the School Card and the MSC the gap payment may be requested only as a voluntary contribution. It will not be legally recoverable from the parent. Another question raised with me was that if the head teacher is the person who makes the decision on waiving or reducing charges is it not possible that this will lead to inconsistencies across schools? The advice that I have received from the minister is that the Director-General will issue system wide guidelines to be applied by all schools to prevent inconsistencies developing, but still enabling sufficient flexibility for the head teacher to be able to take into account the special circumstances of the school community and, importantly, the individuals within it.

The head teacher has closer involvement with the school community than the district superintendent and will be better placed to decide if and when the charge should be adjusted or waived to suit the particular student's or family's circumstances. A district superintendent if approached by a particular family, and if the circumstances warrant, could decide to discuss the possibility of waiving or reducing charges with a head teacher.

Another question raised with me recently is: if a family has more than one child enrolled at a school, will there be any provision for a family discount? My advice is that this is matter for local level decision making. School councils may consider reducing charges for families with more than one child at school if they believe this is justifiable, in the best interests of the school community and can be accommodated within the school's budget. Families who qualify for School Card regardless of the number of children will not be obliged to pay any of the materials and services charge.

The other question that was raised with me is the area of the bill that relates to the governance of schools. I suppose there was one fairly basic inquiry to me about what is generally meant by governance. I think there are some people in the community who, unfortunately, have not been involved in school councils and perhaps are not really aware of the way in which school councils and the teaching fraternity of a school operate in relation to running a school. Governance, as we talk about it in the bill, is the process by which organisations are directed, controlled and held to account. The bill establishes the joint responsibilities of the head teacher and the school council for the governance of a Partnerships 21 school. It prescribes the role and functions of the governing council and strategic planning determining local school policies, financial planning and reporting and accountability to the local community and to the minister.

I was also asked about whether school councils will run schools under the new arrangements. The definition of head teacher is changed by this bill, but the head teacher or principal will continue to be the educational leader responsible for the curriculum, the supervision of all staff, the behaviour management of students and the outcomes achieved through the schools program. The bill also outlines limitations to the functions of school councils and is specific about any interference by a school council in the day to day management of the provision of instruction and curriculum, discipline and staff duties, and performance within a school.

The relationship of the head teacher of a non-Partnerships 21 school and its school council will not change. The relationship of the principal and the school council will change where the council is a governing council. In these situations the head teacher and the governing council will be joint decision makers sharing the governance of the school. The bill is specific about the role and functions of the school council in strategic planning, determining local school policies, financial planning and reporting, and accountability.

Another item that was raised with me, or a matter of interest, I suppose, in relation to this legislation was a question about whether the giving of greater powers to volunteers increases their vulnerability with regard to personal responsibility for the decisions that they make. I have been advised that that is not the case: a member or former member of any school council or affiliated committee is protected for any decisions made in good faith and in carrying out their duties as a council or committee member. The Crown shoulders any responsibility unless the individual deliberately and knowingly incorrectly acts outside their role or power.

There is a range of safeguards for members, including specific limitations, adherence to a code of conduct and the minister's powers to intervene in a variety of ways. School council members, as is the case with membership of any public authority, will operate under guidelines and a code of conduct commensurate with their role. This extends to operating within the provisions of the amendment with regard to conflict of interest and any direct or indirect pecuniary interest in contractual matters.

The final matter that I wish to address is another question that was raised with me in a country area in relation to the difference between the role of a head teacher of a Partnerships 21 site and a head teacher of a non-Partnerships 21 site. The only difference is in the working relationship between the head teacher and the parent or community council to fulfil the terms of the agreement entered into by the governing council and the head teacher with the chief executive. The responsibility for the curriculum, employees, student discipline and all educational outcomes of the school's program is the same. I am pleased to support this legislation.

The Hon. P. HOLLOWAY: The education policies of the Olsen government have come clear in all the speeches we have heard from members of the government on this bill, that is, blame the unions and create division between parents and teachers. While teachers are fighting parents—while that distraction is going on—the problems within the education system will not be looked at. It is a simple formula but one which this Olsen government has now taken to perfection over its seven years in office.

The tactic that it used in the first few years was the basic skills test. That was the device by which the government pitted the teachers against parents. Now, this device called Partnerships 21 is a tactic of trying to create this divided system. I think it is rather incredible that this year we are celebrating the 125th anniversary of the system of public education in South Australia. But what we have got under this government is a two-tiered system of education. We have some schools that are on one system, that is, Partnerships 21, and other schools on a different system.

Of course, what is worse about it is—because we are really talking about a zero sum game (there is only so much money allocated to education)—that this government, to make its Partnerships 21 system more attractive, is putting a disproportionate allocation of resources—

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: I suggest that the Hon. Legh Davis read the contribution of the shadow minister in the other house and he will get all the information he needs.

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: What the Hon. Legh Davis does not want me to put on record is the fact that—

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order! The Hon. Paul Holloway is on his feet.

The Hon. P. HOLLOWAY: —for the first time in 125 years within this parliament we have a divided system of public education in this state. Some schools are operating under one system and some schools are operating under a different system. What a crazy thing to have happen. What a crazy way to celebrate 125 years of the education system. What is even more stupid, of course, is that there are different funding systems. Because Partnerships 21 happens to be the preferred system of this government, some of the money that should be going to the other schools is being diverted to those Partnerships 21 schools so that they will sign up.

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: I will say more about what the Hon. Legh Davis had to say later, but he was the person who found this quite correct statistic with respect to the drift of students from public schools in 1990 to private schools. Wow, of course, that has happened. The honourable member could also have mentioned the statistics on retention rates. In 1992 the retention rates for students at year 12 were something like 92 per cent or 93 per cent. The figure is now down to 57 per cent, and that is why education will be the most important issue at the next election and that is why members of the Liberal Party are so vocal now. After seven years they have the public education system of this state to a situation where students are leaving because class sizes have grown to such large levels.

The quality of public education has been under consistent attack by the Liberal government over the past seven years and the statistics show that. Of course, it has been aided and abetted in recent years by its federal colleagues. We have a system now that will give $1.8 million extra to the most wealthy public school in this country—$1.8 million to the top—

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: They certainly do not support it. My federal colleagues are disgusted about it and the Hon. Legh Davis understands the debate. It is quite disgraceful that, at a time when there is a massive shift in students from public schools into private schools, the very wealthiest private schools in this state should be given massive multimillion dollar handouts. Those sorts of policies are destroying the education system within our country—absolutely disgraceful. What can one say of a government that, after 125 years, has a two-tiered system of education; and what can one say about a government that is deliberately trying to split parents and teachers? Every speech members opposite have made has been an attack upon the AEU and teachers. Let me just pose the fundamental question—

The Hon. Diana Laidlaw interjecting:

The Hon. P. HOLLOWAY: 'What political propaganda?' asks the Hon. Di Laidlaw. Tell me: how will we get better education for our kids in public schools if we do not work with the teachers to achieve a better system? The only way we will achieve that better education system is with teachers. We will not achieve it by attacking them at every turn, which is what this government does. It will not be a problem for the Hon. Di Laidlaw. I am sure that the honourable member would not have attended a public school: she would not have had to worry about those sorts of things. But we on this side of the Council represent many students in public schools, and, in doing so, we know exactly what has been happening in our schools for the past few years. The Hon. Legh Davis quoted from the Cox report. That report was actually—

The Hon. L.H. Davis: I did not quote from the Cox report.

The Hon. P. HOLLOWAY: Then the honourable member quoted from the teachers' response—

The Hon. L.H. Davis: I did not quote from the Cox report: I quoted from an AEU media release of May 1999.

The Hon. P. HOLLOWAY: It was a response to the Cox report. The AEU was involved in the Cox report and, as I have indicated in previous contributions in this place, the opposition supports the basic thrust of the Cox report. After all, it was a Labor government in the 1970s that introduced the current school council system that we now have. It was Labor that introduced greater involvement of parents in the operation of their school. That is a positive measure, and we support the basic thrust of the Cox report, that there should be some greater degree of local management. But the real reason why so many schools are now going cold on Partnerships 21 is—

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: They are.

The Hon. L.H. Davis interjecting:

The Hon. P. HOLLOWAY: I will say more about it in a moment. The main concern is that Partnerships 21 is not about involving parents in their children's education but about handing over financial responsibility at a time when this government is cutting funds to education. We all know what this government will do; we all know what it is about. The idea is to hand it over, give the parents responsibility for the finances of the school and then blame them—it is not our problem; it is up to you to fix it. So, with respect to everything that happens in education now—all the results, any problems—it is the parents who are to cop the blame. The added bonus for this government is that, if it can set teacher against parent, so much the better, because while everyone is busy fighting each other no-one will look at the overall direction of education in this state and how we might improve education. The Hon. Legh Davis has posed the question: why are so many schools entering into it? I think it is now at 50 per cent. I made some comments—

The Hon. L.H. Davis: It is 70 per cent.

The Hon. P. HOLLOWAY: It is now 70 per cent, is it? That is scarcely surprising, since the whole system is loaded towards it. During debate in private members' time when I moved for a select committee in relation to Partnerships 21, I made some comments regarding how it had been made known to principals that, unless they were able to bring their schools into Partnerships 21, they would be overlooked for promotion, and I was attacked by the Treasurer. I would like to read from a document that—

An honourable member interjecting:

The Hon. P. HOLLOWAY: No, I will not name them. As I pointed out during that debate, the problem is that, if the government discovered the identity of any principal who blew the whistle on it, because it is so vindictive, it would attack that person. What has happened is that hundreds of schools have entered into this system when, in many cases, the only vote for it has been that of the principal. Often—

The Hon. Caroline Schaefer interjecting:

The Hon. P. HOLLOWAY: It will be a bit late if 70 per cent have gone in. The government has got 70 per cent of

people into this new system and now it has changed the system to give them a vote. That is a good idea! I wish to read a note from one principal to his staff, and, as I said, I will not name the principal because we know what such a vindictive government would do. The document, which is a briefing paper for the staff regarding the Partnerships 21 issue, states:

> On a personal note, at the end of next year, I require a new appointment. To gain this appointment, I must have the support of the District Superintendent. He is my line manager and referee. It is clearly evident that involvement in P21 is the new expectation. At the end of next year, I will be competing for a job against people who will have had one or two years' experience in working with the system. They will also have proved their ability to lead a school into a major change. They will be able to present their proven ability to manage the new financial requirements of the education system. I will be able to offer proof of neither ability or skill. Neither can be verified because I will not have done them.

That is really how the government is ensuring that principals take their schools into Partnerships 21. It tells them that the only way they will be promoted, the only chance that they will ever have, is to show that they can manage the new change—the change that the government wants.

The Hon. J.S.L. Dawkins: Principals don't make decisions.

The Hon. P. HOLLOWAY: They do, and they have. The Hon. John Dawkins should look at what is happening at Heathfield High School at the moment. The Hon. Legh Davis says that he reads all the education journals. Perhaps he ought to read what is happening at Heathfield High School, and a couple of other schools, where the principals have gone in against the wishes of their entire staff. Perhaps the honourable member should look at that.

Members interjecting:

The Hon. P. HOLLOWAY: What about the parents?

The PRESIDENT: Order!

The Hon. P. HOLLOWAY: At many of these schools the principals know that the only way they can be promoted under this government is if they get their schools into Partnerships 21. The government does that by saying, 'You have to show that the criterion for promotion is that you can manage change in this new environment.' That is code for saying they have to get into Partnerships 21. That is how it is done, and that is why so many principals are getting their schools into Partnerships 21. The trouble is that in many cases they then move on to other schools. So, the school is left in this new system, but the principal is promoted and moves on somewhere else and the thing has to be picked up.

One of the real issues with Partnerships 21 is the fact that we have this unfortunate situation where we now have a public school system that is fragmenting and dividing schools into different systems. What this government is really on about is trying to create a diversion—a fight between teachers and parents—so that the focus on the real problems in the education system will be lost. I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

[Sitting suspended from 6.01 to 7.45 p.m.]

The Hon. P. HOLLOWAY: Before the dinner adjournment I made some comments in relation to the government's education policy, in particular Partnerships 21. One of the difficulties we face with Partnerships 21 is that in our education system now, with all this push towards budget planning, resource planning and management at schools, we are getting to a situation where the principals of our schools are increasingly becoming financial managers rather than educational leaders. What must inevitably happen under Partnerships 21 is a greatly increased workload for principals, which in turn will mean less load on student learning. While our schools, and the principals in particular, are responsible for all the problems that might occur with their school buildings, asset management and all these other issues, will our principals be properly concerned with the educational opportunities of our children? That has to be the fundamental objective of our public education system. We have to focus on the children and not on running the asset management of the system. That is one of my great fears about the way this government has introduced its Partnerships 21.

I repeat what I said earlier, namely, that the opposition did support the basic thrust of the Cox report and certainly supports greater involvement in our schools. We would like to see the parents of our schools involved in the educational opportunities of our children and not just having to take over the financial management of those schools so that the government has somebody to blame if things go wrong.

The Hon. R.R. Roberts interjecting:

The Hon. P. HOLLOWAY: That is right—that will be their role. My colleague in another place, the shadow minister for education (Trish White) raised a number of issues in relation to this bill. She referred to the many doubts that had come to her from right across the education system about this bill. Whatever one thinks about Partnerships 21 and the merits or otherwise of having a two tiered system of education or the merits or otherwise of having greater parental involvement—

The Hon. L.H. Davis: The Labor Party will not get rid of it.

The Hon. P. HOLLOWAY: I certainly hope we would get rid of a two tiered system. If the government wants to introduce a new system of education, I think there should be some uniformity across the system. This latest system is absolutely crazy. But, regardless of the merits of Partnerships 21, my colleague in another place raised a number of issues in relation to the implementation of that new system and, in particular, problems with this bill. There are many unanswered questions that have been echoed by many people who operate within our education system. There is no need for me to repeat them, but I draw the attention of the Council to letters that were published by the secondary principals association and reported by my colleague.

The other part of this bill relates to compulsory fees. This Council has already considered that matter on a number of occasions. Part of the reason why we have a problem with school fees is, of course, the introduction of the GST. This government, when it first introduced these charges for schools (because it did not want to make them compulsory and did not want to talk about compulsory education fees), talked about materials and services charges and, in that way, tried to imply that parents had all the educational costs of their children covered. However, what is not covered is extra materials and services. That is why the original charge was called a materials and services charge.

Of course, when the Howard government introduced the GST, it said that education was supposed to be free, and that applied to tuition fees. So, in private schools, for example, tuition fees are, quite rightly, not subject to GST. However, where the government has been caught is that the materials and goods and services charges, naturally enough—as the name implies—are covered by the goods and services tax. Of course, the government had to come up with this very

complicated formula to try to divide the services provided within schools into different categories so that it can deal with the problem created by the GST, and that is unfortunate. We have been consistent in our attitude for many years in relation to those fees: we believe that they should not be compulsory for parents.

In relation to this bill as a whole, I conclude by saying that, whatever one thinks of Partnerships 21, many changes have been introduced in this bill on which school communities have not been consulted, and the minister seems intent on getting these amendments through without addressing many of the very legitimate concerns that have been expressed by the schools community. Principals and school councils have already been forced to sign on to this system of Partnerships 21 for the next year. Most of those schools had already set their operating budgets for next year but, of course, they were yet to find out, at the time that most of them signed, exactly how much money they would get for the next year. So, while they had the promise that no school would be worse off—and it was a fairly general promise—none of them had the detail that they needed before they made that decision. I think that is typical of why the process has caused such angst among many schools. Therefore, the opposition will be opposing this bill and, during the committee stage, I hope that the government can come up with some answers about how this new legislation will operate.

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

TAB (DISPOSAL) BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 785.)

The Hon. J.S.L. DAWKINS: I will make a very brief contribution in support of this bill, which will give parliamentary approval to and the necessary legislative authority for the government's decision to sell the South Australian Totalisator Agency Board, which sale the government announced some months ago. I also support the associated bill, the Authorised Betting Operations Bill.

The bill before us now will provide flexibility for the restructure and sale of the South Australian TAB in a range of areas. In particular, it will be open to the minister to agree to a sale of the assets of or the shares in the South Australian TAB upon its being converted to a company under the Corporations Law, and to provide additional flexibility in addressing potential government warranty and indemnity considerations and better preferences regarding sale structures. The bill also enables the minister to establish a new company into which assets of the corporatised SA TAB could be transferred, with the assets of or shares in that company then able to be sold.

If this legislation passes, the South Australian TAB will be the fifth TAB in Australia to be privatised. I would like to discuss some of the comments made, both on this legislation and on that relating to the Ports Corp, by the Deputy Leader of the Opposition in this place. It is interesting to me that the Hon. Mr Holloway said that one of his reasons for saying that we should not sell Ports Corp is that we would be the only state in Australia to privatise all our ports. He also opposes the sale of the TAB and seems to ignore the fact that four other TABs have been privatised.

There was an appropriate interjection this afternoon from the Hon. Terry Cameron, saying that Mr Holloway seems to be anti-everything. You cannot have your cake and eat it, too: if you are going to use one set of circumstances to justify your position, you need to do it in all cases.

The government's extensive review of the TAB businesses identified that under continued government ownership the TAB would in future find it increasingly difficult to compete in the rapidly changing and intensely competitive gambling market that we have seen in this country and around the world. The government would find it difficult to allocate financial resources towards the expansion of the TAB in order for it to compete effectively, at the expense of funding for other core functions of the government. The government does not believe that it is either prudent or responsible for it to continue ownership of the TAB with such an emerging higher risk environment.

In conclusion, I would say that any delay in the sale of the TAB would therefore see the value of the business to taxpayers diminished through reduced and less stable net earnings and, ultimately, a lower sale price. With those few words, I emphasise my support for the legislation and hope that it passes this Council.

The Hon. L.H. DAVIS: I support the second reading of the bill. This chamber is not named the Legislative Council for nothing. Presumably, we are meant to look at legislation on its merits and, notwithstanding the rhetorical flourishes which inevitably occur in a parliamentary chamber, one would hope that all members would look at legislation on its merits and also seek counsel from the industry concerned. I want to highlight what I see as the absolute hypocrisy—not to say the mediocrity—of the opposition on any matter involving privatisation. I will advise the Hon. Paul Holloway of the facts of life in relation to the TABs of Australia.

An honourable member interjecting:

The Hon. L.H. DAVIS: The Hon. Paul Holloway may laugh, but let me just deal with the facts. In the past two years, the New South Wales TAB has been privatised by Premier Carr's Labor government. There was no mention of that in the debate, so I thought the honourable member should be advised of that fact. Approximately 500 million shares were issued at $2.05; it was a $1 billion float. Not too long after that in Queensland there was the privatisation of the TAB—again by a Labor government, headed by Premier Beattie, with 130.8 million shares, floated to the public at $2.10. Those two TABs, which were under the jurisdiction of two Labor governments, have been floated off, without any mention by the Hon. Paul Holloway. Why would that be? Why would the Labor Party of South Australia be against privatisation when in government in Queensland and New South Wales it was in favour of it? In privatising those TABs in Queensland and New South Wales, they joined Victoria which, of course, under Premier Kennett had privatised the TAB some time earlier.

Just for the record and to respond to the Hon. Paul Holloway, who was interested in this matter but who was obviously ignorant of it at the same time, in New South Wales the price of the TAB has increased in value from $2.05 to $3.38. In Queensland, where it has been floated more recently, the price of the shares has gone from $2.10 to just over $2.30—a modest appreciation. Of course, there have been some changes in the composition and the nature of the TAB. It is not a matter of comparing apples with apples—although I suspect the Hon. Paul Holloway is ignorant in this

matter. In Queensland, New South Wales and Victoria, the TAB has not only the racing codes but also other interests, including poker machine revenue—at least in New South Wales and Victoria. In Queensland, they have recently taken over the Northern Territory TAB. That is a fact of life that the Hon. Paul Holloway totally refused to mention.

Let us have a look at Western Australia, because the Hon. Paul Holloway is like a rabbit in a spotlight and he has again obliged me by leading me to my next point. The fact is that the Western Australian TAB has the benefit of the tyranny of distance: it is remote from other states and has a significant time difference compared with other states. There is not the same dilution of betting in Western Australia vis-a-vis the eastern states as would occur in South Australia versus the three codes to the east. The Hon. Paul Holloway might even agree with that.

Let us look at the relative turnovers of the mainland states, along with those of Tasmania and the Australian Capital Territory and the Northern Territory. I seek leave to have inserted into *Hansard* a table which I assure you, Mr President, is of a purely statistical nature and which sets down wagering turnover for 1998-99 for the states and territories of Australia.

Leave granted.

Wagering Turnover 1998-99 ($m)

New South Wales	3 672	
Victoria	2 537	
Queensland	1 418	
South Australia	617	(6.5% of market share)
Western Australia	779	
Tasmania	206	
Australian Capital Territory	115	
Northern Territory	70	
	9 417	

The Hon. L.H. DAVIS: This table lists the wagering turnover for each state and territory in the most recent year available—1998-99. It shows that South Australia had a wagering turnover for all three codes of $617 million in a total national pool of $9.42 billion. That represents a mere 6.5 per cent of the market. We have about 8.5 per cent of the nation's population; so, in terms of market share of wagering, we are underweight.

The Hon. T.G. Roberts interjecting:

The Hon. L.H. DAVIS: Well, 6.5 per cent versus 8.5 per cent; that is, 25 per cent underweight. I would say that is a fair figure, with respect to the honourable member. Of course, it reflects the dilution which inevitably occurs with betting, because we cannot put a fence around South Australia and say, 'People who gamble on greyhounds, the trots and horseracing only bet in this state.' It is a fact of life that, these days, whether we like it or not, technology enables people to have telephone accounts in Queensland, Victoria, New South Wales and Western Australia and with the private sector owned betting specialists in the Northern Territory, which are flourishing. Indeed, not only is there telephone betting but, of course, increasingly, there is internet betting. This means that a lot of betting is taking place outside of this state.

The state of New South Wales, which is four times the size of South Australia; Victoria, which in population terms is three times the size of South Australia; and Queensland, which is more than twice the size of South Australia, obviously have some muscle when it comes to offering a greater range of product. We should also recognise that, under a Labor government, the TAB in South Australia entered into an arrangement where we pool our win and place betting on all codes with Victoria and Western Australia. In respect of the exotics, we only pool with Western Australia—I am referring to the trifecta—and for pick 4 and quinella, which are increasingly less popular forms of betting, as I understand it, we bet on a stand-alone basis: in other words, the pool is retained in this state and not pooled with other states. That is also true in respect of doubles and trebles.

We should also recognise, as I said, that internet betting necessarily means that there is increasing use of TABs in other states. People can set up Sky racing on the television to watch the fluctuations on the tote across the TABs of Australia. There is a SuperTAB, the New South Wales TAB and the Queensland TAB, and I think there might be a separate TAB for certain events in Western Australia. Punters can look at odds for those races on TV and, using telephone or internet betting accounts, bet in the state where the odds are greatest. The TAB in New South Wales offers a particularly sophisticated service where you can bet on the internet more quickly than you can bet on a telephone—no waiting, instant access: press the buttons, $5 each way on horse number three in race four!

An honourable member interjecting:

The Hon. L.H. DAVIS: I do not know that figure, but I would have thought that there is an increasing percentage of bets going through the internet. So, there is a dilution factor which is increasingly at work when it comes to betting in South Australia. One could imagine that, if you wanted to bet a big sum of money on a country race meeting in South Australia, or indeed in the metropolitan area, you may be better off going to another pool. You could argue that, because the pools in other states are bigger and a big bet will not perhaps have quite the same impact.

The first point I make in what I regard as a very important debate is the fact that the Labor Party has refused to acknowledge that Labor governments in New South Wales and Queensland have privatised the TABs. One has to ask the question: why did they do it? The question has not been touched by the Hon. Paul Holloway or his colleagues in another place. Neither the shadow minister for racing (Mr Michael Wright) nor the putative treasurer (Mr Kevin Foley) touched the subject, and one has to ask why. Why were they privatised? I think the argument goes along these lines: that gambling in Australia has increasingly fallen into private hands. In the old days, when the Casino was established in South Australia, it was run by government.

In Victoria, it was not run by government: it was run by the private sector. In New South Wales, Star City was established by the private sector and was listed on the stock exchange and subsequently taken over by the TAB of Victoria. Jupiters, which is the gambling company based in Brisbane and which runs the Treasury Casino and the Gold Coast Casino, is also privately owned and listed on the stock exchange. There is that belief, one suspects among Liberal and Labor governments around Australia, that gambling is not so much the province of the public sector but for the private sector to run. Certainly, government benefits from the taxes that are applied to all forms of gambling, as is the case with poker machines in South Australia.

There is no quibble about the fact that Labor governments in other states have privatised TABs. In fact, the only states which have not privatised TABs are Tasmania, where that TAB is shrinking and will inevitably have to be put up for sale; and Western Australia, which has the time difference

and tyranny of distance advantage but which ultimately, I suspect, will also be sold.

It is interesting to note that in the debates which I have read from the Hon. Paul Holloway in this place and the major contribution by the Labor spokesman in the other place, Mr Michael Wright, there was no attempt to analyse the state of the industry which feeds the TAB. There was no attempt to say what is the state of racing—horse racing, harness racing and greyhound racing—in this state.

There has been no cerebral debate about this. What we have had is an unashamed hectoring, rhetorical nonsense, which has centred around the Labor Party's magnificent obsession against privatisation. For the benefit of the Hon. Paul Holloway, I refer to the opening remarks of his spokesman in another place which presumably encapsulate the essence of the Labor Party's position. Mr Wright said:

> The TAB (Disposal) Bill continues the government's strategy to privatise whatever it can get its hands on and to divorce itself from the racing industry. The government has a belligerent, hell-bent right-wing ideology to sell, privatise and rid the state of its assets.

He went on to say:

> There are many examples of selling and/or long-term leases or outsourcing, but some of more infamous include ETSA, SA Water, Transport SA, State Print, and now of course the SA Ports Corporation and SA TAB. . .

So there we are. That is pretty breathless stuff, isn't it, and coming from a government which supported in principle and moved in principle to sell the State Bank, which was ultimately sold for a figure just short of $1 billion—by a Liberal government, but the Labor Party supported that privatisation. It supported the sale of 86 per cent of the Gas Company, which was an energy company, and which raised hundreds of millions of dollars. Why did it do that? I will quote the Hon. Frank Blevins, the Treasurer at the time: 'Because we need to reduce state debt.' That was done in 1993. That was the argument. Mr Bob Catley, who was the federal Labor member for Adelaide, was also quoted as saying, 'We need to reduce state debt. We need to support this sale of assets.'

So that was supported, and they had also seen the federal government—the federal Labor government I should remind the Hon. Paul Holloway—privatise the Commonwealth Bank, for billions of dollars, and privatise both Australian Airlines and Qantas and roll them into one. The Commonwealth Bank, set up by the Labor Party in 1911, was an icon for Australia, as was Qantas, privatised without a whimper from the Hon. Paul Holloway. Also, the Commonwealth Serum Laboratories was privatised—sold for $2 and is now selling for $30++. There was also the attempted privatisation of the National Shipping Lines. So, the Labor Party cannot have it that way, can it? But the Hon. Michael Wright is basing the whole argument against the privatisation of the TAB on the fact that we should not be doing it, when they have been doing it all the time. In fact, they were the model for privatisation—the Keating and Hawke governments set the lead.

The Hon. P. Holloway: They were not natural monopolies.

The Hon. L.H. DAVIS: I am sorry—they were not natural monopolies?

The Hon. P. Holloway: No; TAA was competing with Ansett. The Commonwealth Bank was competing with other commercial banks.

The Hon. L.H. DAVIS: Do you think the TAB competes with anything?

The Hon. P. Holloway: Not in this state; it is a monopoly in this state.

The Hon. L.H. DAVIS: You are saying it does not compete with anything? I have just spent five minutes explaining to you how the world is changing, Paul, how there is a dilution of power, how people can actually ring Centrebet in Darwin and have a fixed bet on a horse if they want to, or they can have an internet bet for no cost in New South Wales, or if they want to they can gamble offshore in Bermuda, if they are silly enough to do that. That is the world: get out there and just feel it and breath it. You just do not understand.

What exactly has been happening in South Australia with these winds of change that have occurred? What has it meant to the South Australian TAB? It has meant that turnover has slowed dramatically. These various forces at work have seen the pay-out to the three racing codes stay virtually the same over the last three years. In 1997-98 the turnover was $593 million and $31.4 million went to the codes. In 1998-99 the turnover was $620.3 million and the distribution to the codes was $31.4 million—absolutely static. In the year just ended, 1999-2000, the turnover was $619.6 million, which was marginally lower in money terms and, of course, much lower in real terms.

Given that inflation was running at about 3 per cent one would have expected a growth of about $20 million, but in fact there was a decline in turnover and the distribution was $31.6 million in 1000-2000. In other words, the three racing codes have had a decline in the percentage of money paid out to them over the past three years in real terms; static, in money terms. You do not have to be a shadow finance minister to understand that makes it tough on the industry. The industry itself is struggling.

I just want to talk about the industry for a while because we did not hear about it from the Hon. Paul Holloway, as one might have reasonably expected: no facts, no figures, no detail. It was a lamentable effort. I hope he is ashamed of it; he should be. How many jobs are there in the racing industry in South Australia? Do you know that?

The Hon. P. Holloway: I'm not interested.

The Hon. L.H. DAVIS: He would not know, and I am not surprised. He is the spokesman but he does not know. There are 7 000 people dependent or co-dependent on racing across the three codes. It is one of the most significant industries in South Australia. Ernst and Young in its current assessment of the South Australian industry, made this comment:

> The racing industry, like all other industries, can be considered to have a greater impact on the South Australian economy than simply its direct contribution. This is due to a multiplier effect associated with the expenditures of the racing industry. The incorporation of these multiplier effects provides a measure of the broader contribution of the racing industry to the South Australian economy. If the multiplier effects of the racing industry expenditure are included, the overall economic impact of the racing industry in 1996-97 was estimated by the Centre for Economic Studies to be $160 million.

It then goes on:

> The racing industry also makes an extremely important contribution to employment in South Australia. Unfortunately due to the reduced income in real terms during the past decade, many persons employed in the racing industry have left the industry or have moved interstate. This group includes persons at the highest and lowest levels in the industry.

I want the Hon. Paul Holloway to listen particularly carefully to this because he did not tell the Council about this when debating this very serious measure. This is want Ernst and Young says:

Unless the industry can be rejuvenated, it is estimated that many racing clubs (already under severe financial threat) will close. It is further estimated that 30 per cent of those employed in the industry will be forced to leave.

The honourable member should remember that there are 7 000 employed in the industry: a piece of new information for him tonight and 30 per cent represents 2 300 people. They will be forced to leave. The report continues:

The weaker sections of the industry located in rural areas will be the first to feel these impacts.

The recently resigned president of Country Labor, Mr Bill Hender, I am sure would testify to that.

The Hon. P. Holloway: Patronise him some more; go on.

The Hon. L.H. DAVIS: I could not be bothered. That was the current assessment of the racing industry in South Australia from Ernst and Young. They were important figures. And to underline what has been happening in South Australia, some major players have been leaving South Australia altogether or, alternatively, locating in other states because of the financial benefits that flow—

The Hon. T.G. Roberts: Do you think that is to do with public ownership of the TAB?

The Hon. L.H. DAVIS: It has to do with the state of the industry. The Hon. Terry Roberts has asked a reasonable question which I will put on record, namely, 'Has that got to do with the state of the TAB?'

My proposition is that this bill cannot be looked at in isolation from the state of the industry, because the very raison d'etre for my passionate argument for the sale of the TAB is that it will give racing in South Australia, across the three codes, a real chance to restructure and revitalise. This industry, make no mistake, is in crisis. This is not political rhetoric: this is reality. And I believe that is not the fault of government, in the sense that the government does not own the industry. There have been problems with the industry in the past. There has been a lack of management; and there have been other factors at work, such as a sluggish economy for much of the 1990s. However, I am confident with the restructured industry that we now have, and the leadership of that industry, as well as the financial benefits that will flow from this privatisation, which are locked into the agreement (to which I will refer in a minute), that it will revitalise the industry which once was at the forefront, certainly in the racing code, of racing in Australia. I believe in that strongly. In the last couple of years people such as David Hall and Russell Cameron have left for Victoria, Mark Lewis has established in Ballarat and Mark Minervini has gone to Geelong.

To pick up the point of the Hon. Terry Roberts about the state of the industry, the fact is that if you own a horse you will go where the prize money is best, where you have a real chance of getting some good stake money for the return and the very real expense of breeding, training and maintaining a horse, a greyhound or a trotter. Let us just talk about the relativities of the prize pools available in the three states.

The Hon. T.G. Cameron interjecting:

The Hon. L.H. DAVIS: Yes, all right. In South Australia the standard metropolitan weekend stake, the base rate, is $19 000; first prize would be in the order of about $13 000 and the balance would go to second, third and fourth. In Victoria it is more than double that: it is $40 000. You can take that across the three codes. Those figures are true of all three codes. What has accelerated the movement of people involved in horseracing from South Australia to Victoria, in particular, is that in Victoria there is now an unplaced runners' subsidy of $225 in Melbourne—which is not a bad subsidy—and, more importantly, there is no nomination fee at all in Victoria. For South Australia to remove the nomination fee, which is either $40 for a country or provincial meeting or $60 for a metropolitan meeting, would cost the horseracing industry $800 000—which is a significant sum of money. If you are a horse trainer or owner and you are getting an unplaced runners' subsidy of $225 in Melbourne—$350 for a night meeting at, say, Moonee Valley—and an unplaced runners' subsidy of $90 for country meetings, it is very attractive.

The Hon. R.R. Roberts interjecting:

The Hon. L.H. DAVIS: I would have thought you might be on my side on this, Ron, because you are someone at the coalface. You are at the coalface and you know exactly what is happening in the industry. They are the very real facts that are involved in the industry in South Australia at the moment.

The Hon. R.K. Sneath interjecting:

The Hon. L.H. DAVIS: Victorian racing is absolutely booming. There was a record crowd for the Melbourne Cup and an average 95 000 over the four meetings in the Victorian Carnival. That was a record and it is going from strength to strength. It is stronger than it has ever been. TAB figures are at a record.

The Hon. R.R. Roberts interjecting:

The Hon. L.H. DAVIS: If you look at harness racing in Victoria, you see that the distribution to harness racing from the TAB is $34 million. That is 10 times the amount out of South Australia—10 times the amount—and it has a population only three times our size. Certainly, it is not exactly comparing apples with apples because some poker machine money is thrown in. But, certainly, if one isolated that out, the TAB growth in Victoria is dramatically in front. To give members an example, in Victoria the distribution to greyhounds from the TAB five years ago was $9 million: it is now $20 million—more than a doubling in five years. Over the past five years that distribution to greyhounds in South Australia has increased from $1.7 million to $2.3 million. We are talking about people—

The Hon. R.R. Roberts interjecting:

The Hon. L.H. DAVIS: I do not know; that is not relevant. I am talking about the increase in distribution. Obviously, an increased distribution means that there is an increased ability to promote the product and an increased ability to increase the prize money.

Members interjecting:

The Hon. L.H. DAVIS: Okay; that is the distribution from the TAB in the past five years since it was privatised. So, it has not all been bad. Privatisation is not necessarily bad: Qantas is still flying; the Commonwealth Bank's doors are still open; the ATMs still work; and we can still make a telephone call, occasionally, with Telstra.

The Hon. T.G. Roberts: What is the Commonwealth Bank share price?

The Hon. L.H. DAVIS: The Commonwealth Bank share price has multiplied by a factor of seven since the original tranche was privatised by the Labor Party, but that is a story for another day. Those are the facts of the matter.

I have highlighted the fact that TABs in other states have been privatised by Labor governments. I have highlighted the state of the South Australian industry's three racing codes, which employ, directly or indirectly, 7 000 people, and there is a very real multiplier effect that spins off into tourism, and Oakbank is a very good example of that. The Adelaide Cup

carnival and the carnival associated with the Christmas Handicap are other good examples.

I also want to highlight the hypocrisy and, again, the mediocrity of the Labor Party in the discussion about the restructure of the racing industry. We have said that the three codes represent a big industry—7 000 jobs. The codes employ some people with commercial acumen—people with a range of skills. The government does not believe that it should run racing: we believe that racing should run itself. So, we have restructured racing to allow that—

The Hon. R.R. Roberts: That has not been the view of conservative governments in the past: they are the ones that have said, 'We must run it.'

The Hon. L.H. DAVIS: My memory, if it serves me correctly, is that the Labor Party was in power from 1983 to 1993 and it did nothing to restructure racing then. The Liberal Party has grabbed the reins and ridden in the right direction on this. We have established a body which represents the three codes and which represents both metropolitan and country interests, and who was it that bitterly opposed that all the way down the line? Who was it? It was the Labor Party.

Members interjecting:

The Hon. L.H. DAVIS: Okay, who opposed it? It was the Labor Party. Let me tell members opposite what has just happened in Victoria, because this will be news for the Hon. Paul Holloway. On Saturday 2 December, the heading on page 17 of the sports section of the *Age* reads—are you listening to this, Paul; good stuff this, you will like it—'Hulls gives nod to governing body.' What is this about, I read with interest. I will read this article, because it is an interesting one. It is by Andrew Eddy—and I should point out that there is more eddy than flow in the Labor Party. The article states:

> Thoroughbred racing in Victoria next season is likely to be controlled by a new independent body—Racing Victoria Ltd.—after the Racing Minister, Rob Hulls—

who I understand represents the Labor Party—

> yesterday indicated he would embrace a proposed model for future governance of the industry. The model, which was supplied by a six-member advisory panel, was released yesterday and, although it was similar to the model proposed by the current controlling body Racing Victoria last June—

which Hulls was pretty stroppy about at the time, I remember—

> Hulls said that in some respects it had come a long way from the initial model.

Hulls said that the changes would need to be ratified in state parliament in February if it was to be up and running by the new racing season on 1 August. The article continues:

> The advisory panel, which comprised three members selected by Racing Victoria and three appointed by the minister, received 78 submissions on the new board of governance—51 of which supported the original Racing Victoria model. Michael Duffy, a former Labor Party federal minister and one of three members of the advisory panel appointed by Hulls, said the biggest challenge—

a very good man, Michael Duffy—

> the panel had faced. . . had been that Racing Victoria had to concede that change was needed.

There was the concession that change was needed. It continues:

> The changes to the model presented to Hulls by Racing Victoria in June, include modifications to the structure of the board of directors. Under the new model, there will be 11 directors, including a chief executive. The board will consist of one director from each of the three metropolitan clubs; two directors from the Victorian Country Racing Council; five directors to be decided by the appointment panel and the chief executive officer, who is selected by the other 10 members of the board.

That is very similar in many respects. This is a very similar model—there are some differences but the similarities are much greater than the differences. I think it is highly significant that a Labor government has embraced a model which, in all respects, is basically the same as that which has been established in South Australia.

At this stage, the scoreboard is Labor zip, racing industry two, because the racing industry around Australia has embraced the privatisation of TABs under Labor governments, and those states have benefited from that change. They have also in Victoria, under a Labor government, embraced the restructuring of the industry along identical lines to those put forward here.

So, we have to look at what we are doing here. What are we trying to achieve with this restructuring? What is the purpose of it? The purpose of it is not only to obtain the top dollar for the TAB. Of course, in the other house we had the extraordinary contribution of Messrs Wright and Foley, one arguing that privatisation was naughty and the other arguing that we are giving too much away to the workers. What is happening here? The Labor Party is attacking the Liberals for being too generous in the redundancy allowances to the 260 employees of the TAB. I was reading this over my cornflakes, and it made the eating thereof rather difficult. I was not choking on them but I was taking deep breaths to think that here was a Labor Party, which was formed under a tree in Queensland to protect the workers, attacking the Liberal Party and saying, 'You are giving too good a deal to the workers.' What is going on here, I thought to myself?

I just want to read a little of the speech of Kevin Foley—Eight-second Kev. This is a sentence that goes longer than eight seconds, so it is a bit of a surprise. Mr Foley is attacking the fact that too much money has gone. He said:

> He has signed with the unions for, he said, $17 million—

Implying very clearly that this is just too much money—would it not have been more appropriate to have given himself some flexibility and to have got the sale through—that is, privatised the TAB—

> and then decided from the proceeds of the sale what the taxpayer and the industry quite rightfully could get?

Do I hear a Labor man speaking there?

The Hon. R.I. Lucas: No; that was Foley.

The Hon. L.H. DAVIS: That was Foley. What happened in the debate on the ETSA privatisation; where was the Labor Party on the ETSA privatisation? Was Kevin Foley saying to the Treasurer, 'Rob, just rip the ETSA privatisation through and we'll work out the severance packages for the workers later. We won't worry about it now.'? To paraphrase Kevin Foley, he would have been saying, 'Wouldn't it be more appropriate for the Treasurer to have given himself some flexibility and got the sale of ETSA through and then decided what the taxpayers and the industry, that is, the workers, could rightfully get from the proceeds of the sale?' What sort of nonsense is that? How thin are they running an argument when they have to trot out that garbage? It is extraordinary stuff from someone who wants to be Treasurer of South Australia—batting for the workers, Port Adelaide Kev from the heartland of Labor, Mick Young's territory. Mick would be turning in his grave to read that; he would just not believe it. Kev is saying, 'Rip it through and then you can do a deal.' Of course, once the deal is done, you could imagine the

leverage the workers would have; it would be huge. The leverage would be absolutely huge.

The Hon. T.G. Cameron: I thought they had already exercised that leverage through the spring carnival.

The Hon. L.H. DAVIS: Exactly; and, of course, the government has responded to them.

The Hon. T.G. Cameron interjecting:

The Hon. L.H. DAVIS: The Hon. Terry Cameron said they had 'caved in', but this government has been considerate about the fears of the workers in the possible privatisation of the TAB. The government has been reasonable in its approach, but here is Mr Kevin Foley saying, 'You haven't been reasonable: you've been stupid.' It is extraordinary stuff coming from a Labor man. It would be lovely to trot that around the Labor heartland, would it not?

Let us get to the nub of the debate: what are we talking about; what will flow from this? Let me explain that I have read very closely the detail in the TAB reports and what has happened to TABs around Australia. I have also examined the state of the racing industry in South Australia. I have come to the very firm conclusion that not only is this bill structured to sell the TAB but that it also has a very important secondary purpose, and that is to revitalise the racing industry. We only get one go at this. As the Ernst & Young report stated graphically, country clubs are in danger of closing and people are leaving this industry; and what sort of effect does that have in banner headlines if South Australia is being written up and characterised in the eastern states as a backwater state. The racing industry is a good indicator of economic prosperity. Irrespective of whether or not you believe in gambling or supporting the racing industry, it is a fact of life that it is a big industry, attracting a lot of people and supporting a lot of jobs.

Remember that you can bet through the agencies around the suburbs and in the country, through the TABs in the pubs and by phone; and there is also the option of internet betting. Many people are directly or indirectly involved in that industry, and it is not an exaggeration to state that this industry is in trouble. I do not think anyone who has talked to leaders of greyhound, harness or horse racing would deny that fact. After long debate and discussion with government they have recognised that restructuring was necessary, and that restructuring has been put in place. The reorganisation of the three codes has occurred, and I believe that has been a positive step, which the government has made. The second leg is to recognise that you can have the best structure in the world but, if you do not have the finance to go with it, it will not be much good. This bill before us dramatically increases the take available to the three codes as a result of the elements of the agreement which have been locked in place and which are a condition precedent to the sale of the TAB.

In other words, whoever buys the TAB, if this bill passes through the Legislative Council, will come to the table knowing that conditions are attached to that sale, conditions which in my view will underwrite and underpin the viability of the three codes in South Australia. That means the government has quite clearly, in its concern for the state of the industry, made a one-off financial deal with the industry, which will necessarily involve a sacrifice of sale proceeds. It would have been easy for the government to say, 'We are going to go for the top dollar from the TAB sale and we are just going to get a minimum rake off for state taxation and for the industry.' It could do that quite easily. It could walk away, get top dollar and it would be sold as a very good deal. But, if we look at the deal that has been put together, on the figures I have before me I believe it will be of great benefit to the industry. Let me detail what this package is.

Dr Armitage, in a press release of Friday 20 October, said that he had reached agreement with the South Australian racing industry on the commercial and financial arrangements to exist between the industry and the SATAB post the sale. He stated:

> The agreement will not only deliver a higher level of funds to the racing industry but provides the opportunity for the industry to share in future improvements in its SATAB business under privatisation. The key financial elements of the agreement include a one-off $18.25 million capital payment to the racing industry's three codes following the sale; secondly, a guaranteed $41 million plus consumer price index adjustment for each of the first three years to the three codes.

For horse racing that would represent a figure of around $30 million a year. That is a 22 per cent increase on what it has already. It would go from about $24.5 million to $30 million. That is not just on a one-off basis but per year with CPI adjustments built in. They are certainly not getting that at the moment.

When we talked about the distributions from the TAB for the past three years, that money figure was flat, and it was declining in real terms. This deal is guaranteed to not only give it a one-off $18.5 million capital injection but also a 22 per cent increase in its funding on an annual basis with a CPI adjustment that it has not had previously.

The Hon. T.G. Cameron: Are you sure of that?

The Hon. L.H. DAVIS: I am sure of that.

The Hon. T.G. Cameron: You are sure it is guaranteed?

The Hon. L.H. DAVIS: Yes, I am. I quote the release: it says a guaranteed $41 million plus CPI for each of the first three years.

The Hon. T.G. Cameron: And it's still guaranteed?

The Hon. L.H. DAVIS: That is exactly right. The Hon. Terry Cameron asks a reasonable question: is that guaranteed? I understand very clearly that it is. We will have an opportunity in committee to flesh that out. That is for the first three years. For years four to 10 there is a $20 million a year guarantee for the three codes, plus 19 per cent of SATAB net wagering revenue. What does net wagering revenue mean? I should have borrowed a whiteboard from the Hon. Ros Kelly, but unfortunately it is not available. For the purposes of this exercise, net wagering revenue is gross turnover less the pay-out figure. Net wagering revenue represents about 16 per cent of gross turnover. So, net wagering revenue is to be in the order of $20 million a year plus 19 per cent of TAB net wagering revenue. Gross turnover is about $100 million, so 19 per cent is about $19 million. So, in years four to 10 we are looking at the $41 million plus the CPI figure.

The Hon. T.G. Cameron interjecting:

The Hon. L.H. DAVIS: Yes, it would have helped; I agree. With respect to the Hon. Terry Cameron, he would not have needed it, but some people on the front benches may have benefited from the whiteboard. So, that is something that was locked in place from years four to 10. Beyond 10 years, the payout is 39 per cent of SA TAB wagering revenue. Let me say that in Queensland the racing codes get only 25 per cent. This is an important point. So, beyond year 10 in this state they are guaranteed 39 per cent of net wagering revenue. My understanding is that in Queensland it is only 25 per cent of net wagering revenue; in New South Wales they receive only 21.64 per cent of net wagering revenue; and in Victoria there is a different formula, namely, 3 per cent of turnover. So, by any measure, I would have

thought that, on a comparative basis across the states, it is a very generous formula for the racing industry.

The Hon. T.G. Cameron: Kevin Foley was impressed with it.

The Hon. L.H. DAVIS: He was impressed with it.

The Hon. T.G. Cameron: He told the member not to come back and see him as Treasurer.

The Hon. L.H. DAVIS: Exactly! That is an interesting point that the Hon. Terry Cameron has raised.

The Hon. T.G. Cameron: I suspect that's a bit of wishful thinking, though.

The Hon. L.H. DAVIS: That is right. Mr Kevin Foley, in another place, has said, 'It is such a good deal; you should not come back cap in hand.' In other words, the Labor Party is saying, 'This is a good deal—

The Hon. R.I. Lucas: No, Foley is.

The Hon. L.H. DAVIS: Foley is saying it: I am not sure what Paul Holloway is saying. I do not know because he does not know, so I am not surprised that I do not know.

The Hon. P. Holloway: I am not surprised you don't know, either.

The Hon. L.H. DAVIS: You do not know, either. We all know that. There is no need to tell us: we know that you do not know. And I know that. So, Mr Kevin Foley knows that it is a good deal, and I think it is important to recognise that. That means, necessarily, that this one-off deal to revitalise these three important industries—with 7 000 jobs in country South Australia and in metropolitan Adelaide under increasing pressure from the benefits flowing from a very aggressive and lively industry in Victoria—will give our industry a chance to kick on and become competitive again. I will explain what that might mean in terms of state moneys and the benefits that will flow from this extra money which is going to be injected into the industry.

The Hon. T.G. Cameron: I am still waiting for you to get to the nub of the issue.

The Hon. R.R. Roberts: As we all are.

The Hon. L.H. DAVIS: I did not need a thousand hours of research for this, but I am getting the facts right, at least. So, let us look at what this might mean if this bill is passed, and I hope that it will pass. I want to refer to the racing industry. I do not want to neglect the greyhound or harness industries, but I take the racing industry which represents, in round terms, 70 per cent to 75 per cent of the total pool of money that goes into the three codes. This guarantee which would flow from the sale of the TAB would represent an additional $5.3 million per annum to thoroughbred racing, so it would jump from around $25 million to $30.3 million. It is around that sort of mark: it is a 22 per cent increase. That is a significant increase—remembering, of course, that CPI is built in every year after that for the first 10 years.

It means that the racing industry would be in a position to introduce an unplaced runner subsidy throughout the state to compete with the unplaced runner subsidy in Melbourne, which would stop the drain of horses going to race in Victoria. It would allow the horse racing industry to increase the stake money in the five group 1 races currently on our program each year and in the other major listed races.

My memory is that we have five major listed races, the top one being the Adelaide Cup, while Perth has only two or three major listed races at the moment. It might mean that we could increase the size of the Adelaide Cup prize money, which would attract more good horses, good jockeys and a larger crowd to that very important race meeting, for which we have a public holiday. It would in year 1 allow those things to happen and in year 2 one could see the possibility of an increase in stake money.

At the moment, there is only a $19 000 stake for a basic metropolitan race, and one could imagine that, over a four or five year period, that could increase by 5 per cent or 6 per cent a year, so that it becomes more competitive with other states. Of course, importantly, that increased stake money would also flow through into greyhound and harness racing. So, the issue is not merely what sort of deal has been done for the workers; it is not merely a matter of how much we will get for the TAB when it is sold; and it is not merely a question of who will buy it. The central question in all this is ultimately the future of the three codes in South Australia.

I am not being dramatic or overstating the situation when I say that the industry is in desperate trouble. When the Hon. Michael Armitage was asked in the committee stage how much the redundancies in the TAB will be on a worst case scenario and came up with a big figure, Kevin Foley grabbed that and ran it around the traps. The argument was raised that we will lose jobs because the call centre, which is used for phone betting, will inevitably go interstate if an interstate TAB is the buyer, which many people speculate.

I would reject that assertion. Ironically, only today Westpac announced that it was putting a second call centre into South Australia for an additional 600 jobs, with a $250 million investment. Channel 9 said that Adelaide was becoming known as the call capital centre of Australia. They are jobs that are replacing the jobs that might have been shed in traditional manufacturing and other industries, but South Australia enjoys an enormous reputation in call centres.

Recently, I had the privilege of going down to a TAFE in the southern suburbs and was told that the feedback that the principals who ran that training school for call centre workers received was that South Australians had a particular style on the phone, which made them very attractive for using in call centres. Of course, industrial harmony, cheaper housing and all those other factors at work mean that it is not surprising that Adelaide is a good prospect for call centres.

So, I would not run too hard with the argument that, if and when the TAB is sold, there will be 260 jobs lost because it might go to New South Wales or Queensland TAB which, according to some of the pundits in the media, are the likely buyers of the TAB.

An honourable member interjecting:

The Hon. L.H. DAVIS: Indeed! In summary, the argument is that the government has taken the decision to sell the TAB, because under government ownership the business would find it increasingly difficult in the future to compete in the rapidly changing and increasingly competitive Australian and global gambling markets, particularly with the change in technology and the range of opportunities that exist across borders.

Importantly, government has no capacity to earmark capital or to put the South Australian TAB capital at risk in order to invest to try to stay competitive and maintain or grow market share. For instance, I am told that additional capital of about $5 million to $10 million is already required for additional technology so that we can compete in this business. We are already running betting facilities on 12 meetings on a daily basis, and it is argued that some clubs are missing out perhaps because we are not necessarily giving all the coverage we can. More and more races are going on. If people watch Sky channel, they can see a race every three minutes around Australia, day and night.

An honourable member interjecting:

The Hon. L.H. DAVIS: Yes, that is true. The other fact that led us to sell the Electricity Trust—and certainly if the gas company had been in our hands, if it had not already been sold by the Labor Party, this would have lead us to sell the gas company—is the growing risk involved, that we do not have that fence around us any more and we do not have the pure monopoly that existed when the TAB was established in 1967. Whilst it can be argued that it was a good cash cow in the 1960s, 1970s, 1980s and the early part of the 1990s—and that was how the argument went for ETSA—we cannot say that with any confidence into the future. That was the argument we used for the sale of ETSA, and I would not shrink from using that same argument for the sale of the TAB.

As I have said, the TAB is a small, stand-alone entity in national terms, and it has relative cost inefficiencies because of its small size. That small size quite clearly puts pressure on its bottom line and its competitiveness. It could lead arguably to a stranded asset in the ownership of South Australian taxpayers. Obviously, there are advantages for other people in the gambling arena to own the TAB, whether it be a consortium from within South Australia—and there have been expressions of interest—or the established TABs in the Eastern States, because 6.5 per cent of total wagering turnover is still a useful add-on for someone who wants to grow their business. Of course, it will allow the government to reallocate some of its resources from the risks and uncertainties of the gambling sector into retiring debt, ultimately improving core services. Those are the arguments that I see as being important.

The question has been asked: what is it worth? I have spoken to people in the industry, although I must say that I have not spoken to the minister about this matter. With my background in financial matters, I can look at the matter objectively and recognise that there has been some discounting of the raw price for the package that has been put together for the racing industry. The government has not walked away from that industry but has recognised that a special case can be made for giving it a capital injection to match the restructuring it has just had. I would argue that the price it would fetch would be in a wide range. If you have an auction, you will always get a bigger price than if you do not have an auction. I would speculate that the price is in the broad range of $55 million up to $110 million or $120 million. In making those estimates, I am very cautious because there are many variables at work.

The Hon. R.R. Roberts: You are saying it is worth $55 million and it will pay out $41.5 million for the next three years, guaranteed, plus the $18.5 million.

The Hon. T.G. Cameron interjecting:

The Hon. L.H. DAVIS: I'm sorry?

The Hon. T.G. Cameron: That's not right.

The Hon. L.H. DAVIS: No. My conservative estimate, without any sort of input from the government, just looking at the figures and the ratios that were used for the TAB in Queensland, New South Wales and Victoria where you can obtain comparable data—certainly government takes vary enormously—and recognising that the tax rate here must be lower than in other states to attract a buyer, is that the figure is between $55 million and $120 million. The TAB in Queensland was capitalised at, I think, $300 million initially. The point I make is that, whilst some people might say that perhaps the option is to float it off to the stock market, it is too small, because if you float it off in total it will ultimately get taken over.

There might have been an argument some time ago that the government could have rolled up the Casino, Lotteries and the TAB into one package. Certainly, Lotteries and the TAB were prepared for a parallel discussion in the parliament, but that has not eventuated, and one might have improved the price marginally if you had rolled those three or two of the three into one—but that is speculation: it is not happening.

Given the uncertainties that exist, if it continues to operate on a stand-alone basis and if you come back in five or 10 years' time (if this bill does not pass the Council this year and the TAB remains with shrinking turnover and a diminishing stream to government), not only will the taxpayers be the losers but, most importantly, the racing industry, which is one of the biggest industries in this state, will suffer and continue to wither and shed jobs, status and prestige in South Australia and make it very difficult to recover. This is the time to do it. We have restructured the industry. It is now time to give it a financial boost so that it can again hold up its head as a force in racing across Australia whether we are talking about greyhounds, harness racing or thoroughbred racing. I support the second reading.

The Hon. R.R. ROBERTS: I rise to oppose the second reading of this bill. Having listened to the contribution of the Hon. Legh Davis and because I have had some history in this industry, I would like to make some remarks about it. When looking at this bill, we must remember that originally it was to be part of a two package deal which embraced the Lotteries Commission and the TAB. The government wanted to do that because the Lotteries Commission is a gilt edged money earner and the TAB was to be thrown in as if it was a country sale where you have one good item and one not so good, so you put the two together in a box and get someone to buy them both.

Clearly, the government underestimated the value of the Lotteries Commission to the people of South Australia. It forgot that the only reason we got the Lotteries Commission was following a referendum where 66 to 67 per cent of the people said that they would support a state-owned lottery under the government's control with the benefits to go back to the people of South Australia.

That was the clear intention of that referendum and that was endorsed by 66.7 per cent of the people of South Australia. Building on that agreement with the people of South Australia, and having had some experience that it was a workable proposition and that our state hospitals in particular benefited by some $80 million a year from the successful establishment and running of the Lotteries Commission, a proposal was put forward that we run a state TAB.

If we were to listen to the Hon. Legh Davis and other members here tonight, we would suspect that there was never a racing industry before there was a TAB—indeed, there was. There was a racing industry in Victoria before there was a TAB. Right throughout the history of racing in Australia, there has always been double the stake money in Victoria. Before the privatisation of the TAB, the stake money was always about double what it was in South Australia. It has always been the same. What the TAB was supposed to do—and it was introduced again by a Labor government—and the very strong arguments that were put were, firstly, that it would do a way with the SP bookmakers but, secondly, it would reinforce the racing industry in this state. This was

going to be the lifeblood of the racing industry in South Australia.

Unfortunately, in hindsight, what it did do for racing in South Australia was allow the three codes and the administration of the three codes to become relaxed and comfortable, in that they did not think that they had to pursue corporate sponsorship or fundraising any more. It was very easy: you just put your hand out when the distribution took place from the TAB and you got your money. Your stake money was basically covered and you did not have to do very much. In hindsight, that has been a criticism of the industry.

What has also happened since the TAB came in is that, in the last few years, it has been under enormous pressure from other forms of gambling. The Hon. Legh Davis talks about the fact that there has been no dramatic increase in gambling revenues through the TAB in the last five or six years. I can tell the Hon. Legh Davis and anyone else who wants to listen that there has been a dramatic increase in the turnover in poker machines. I suppose that is another criticism of the industry, that the racing industry has not been as proactive as the poker machine industry and the hotel industry. One could argue that the hotel industry has the added advantage in that it has the exclusive right to sell alcohol, it has TABs and poker machines, and it can cross-subsidise one with the other.

What has happened in the racing industry is that, due to the hunger of the governments to get revenue from racing, it has employed every avenue to get people to bet. One of the things that it has done is establish pub TABs and telephone accounts. What it has meant is that people have been encouraged to stay away from racetracks in droves. For example, when the TAB strike was on the biggest crowd they have had at Morphettville for years turned up. What we have is a whole range of competing forces for the gambling dollar and what has happened is that we have been siphoning people away from the racing industry at the same time as introducing poker machines. What has been going on? I can tell members what has been going on: the industry has been screaming out for relief.

We can be critical and say that it has not done enough to help itself, but that will not solve anything at this stage. What has occurred is that it has continually gone to government saying, 'We are under enormous pressure here.' The industry knows the difference between racing in South Australia and Victoria. I will say a bit more about Victoria versus South Australia at a later date. It has known there has been a problem. I give this government credit in that on one occasion under the Hon. John Oswald (who actually knew something about horses and horse racing) a proposal was put forward that some of the Racecourse Development Fund moneys should be distributed to the industry to get it over the financial black spot that it was in at that particular time. That proposition was supported wholeheartedly by the Labor Party to ensure that the industry got a leg up.

Then another proposal was put up when it was still in strife. Poker machines were still biting into its survival and there was a distribution for the unclaimed dividends and the fractions that were left over from the TAB. Some of that money was put back into the industry. It was then decided to set up an authority known as RIDA. The Hon. Legh Davis has claimed some credit for the government for RIDA, but people in the industry claim that it was an unbridled failure. It was not successful, and even the minister was only too pleased to get rid of it.

While it was operating and spending millions of dollars, basically funded by the unclaimed dividends and fractions, the industry was still languishing and screaming out for support. On a number of occasions the industry went to the government and said, 'Look, what about giving us a bit of a leg up? Why don't you take 3 per cent, 4 per cent or 5 per cent less out of your take and put it back into the industry so that we can survive and do all the things that the Hon. Legh Davis says are desirable? Why don't you put the stake money up and provide some sustenance for the industry?' This government has consistently said no.

With this legislation, if the TAB is sold to a private operator—probably from Victoria, New South Wales or Queensland—the government is prepared to forgo some of its percentage and give it to a private operator to enable it to make a profit, but the government is not prepared to give it to the racing industry under normal circumstances. Also, as a result of the combination of the corporatisation and the sale of the TAB, the unclaimed dividends and the fractions will go to the new operator. To use the sort of figures that Legh Davis has used, those unclaimed dividends and fractions could amount to anything from $1 million to $10 million.

If we want to inject more money into the racing industry, it can be done now if the government takes the percentage from the TAB turnover that it will offer to the private operator. That would provide the industry with an immediate boost. Instead of giving the new operator access to the unclaimed dividends and the fractions, that money should be put back into the industry. But no—that is too easy. The government wants to sell the TAB. How did we get the TAB? I go back to the analysis I originally made about the Lotteries Commission.

When we wanted to establish the TAB, we went to the people and said that we wanted to establish a TAB in order to sustain the racing industry and that it would operate exactly the same way as the Lotteries Commission. It would be run by the government for the benefit of the racing industry and the coffers of the people of South Australia, and it would provide infrastructure. The TAB has done exactly that ever since: it has provided sustenance to the racing industry and money for the coffers of the state. The TAB has performed its function. We do not need to flog the TAB; let us restructure it and give the industry the opportunity to use the TAB.

I do not know whether the Hon. Legh Davis has been lobbied by them, but there is a group of people in the racing industry giving serious consideration to a proposal which would mean that the South Australian racing industry would bid for the TAB. It would use—

The Hon. L.H. Davis: Everyone is free to bid for it. You're saying it could be sold to anyone—

The Hon. R.R. ROBERTS: The proposal would mean that, if the industry wanted to buy this entity and the government agreed to the purchase and give it the same percentage as for any other bidder, as well as the unclaimed dividends and the fractions, it could support the racing industry.

The Hon. L.H. Davis interjecting:

The Hon. R.R. ROBERTS: What the Hon. Legh Davis does not understand (although he touched on this; he skated around it in his contribution) about Victoria, New South Wales and Queensland versus South Australia is the amount of turnover. He also touched on the fact that when you watch the Sky Channel or the TAB there is race on every two or three minutes. The Hon. Legh Davis must remember that 80 per cent or 90 per cent of all those races are in Victoria or New South Wales, with some in Queensland. So, the betting turnover is on the racing product over there.

If this TAB is bought by Victoria and New South Wales, what will be the consequence of that for, first, the revenues in South Australia and, secondly, for the racing product? This is the one thing that the Hon. Legh Davis has not mentioned: what will happen to the racing product in South Australia if the TAB is sold? It is not particularly because the TAB is sold. The Hon Legh Davis has to understand with TAB and modern technology (and he touched on this, too, during his contribution) is the significance of the fact that Sky Channel and the racing companies can have a race anywhere. It does not have to be at Morphettville, Globe Derby Park or Angle Park. In fact, if a private operator owns a TAB it has one responsibility: to get the maximum turnover out of the industry, whereas the racing industry itself here in South Australia has always maintained a situation where it sustains trotting, racing or greyhound racing. That has been their incentive: to provide a decent product, the spin-off jobs and the money that is generated through a good industry.

We must consider that Sky Channel now has almost exclusive rights to the broadcasting of racing, and it basically picks which meetings it will cover. On a Saturday night, if you have Sky Channel, you can either go home or out to Globe Derby Park (if you happen to live in the country it is a bit hard) and sit there and watch Sky racing all night: you can see dogs at Bulli or racing in Queensland. But what you do not see is racing at Globe Derby Park in this state. You can bet on it at the TAB, but you cannot see it on Sky.

So, what does that mean for all those people who are not at the races but are at home watching television, and being encouraged and educated to bet on their telephone accounts, or are in pubs and clubs all around South Australia? I can tell the Council what the punter wants to see: if he is going to lose his money, he wants to see it going down the drain. So, he tends not to bet on Globe Derby Park or on another TAB meeting anywhere in South Australia, whether it be dogs or otherwise (normally they do not run at the same time, but the principle remains solid). Rather, he will bet on what he can see on the Sky Channel. So eventually you have to come to the conclusion that, if a private company, whose only incentive is to make money and not to provide the best racing product in South Australia, and consequently provide all those jobs, is to marginalise South Australia, the problem is going to become worse.

I put the proposition that it is worthwhile considering a bid from the racing industry, on proper terms, even if we have to give it a walk-up start to ensure that we have someone in there running the racing industry and running the TAB for the benefit of South Australians and not for the benefit of the profits of some private company floated in Victoria or Queensland. That is another point that the Hon. Legh Davis skimmed over. They were floated in those other states. He is not talking about a float: he is talking about a complete sale.

We need to bear in mind what has been developing in this industry in the last 12 months since we have had the proposal for proprietary racing. We have seen quite clearly that the people of South Australia do not want to sell the TAB and they definitely do not want to sell the Lotteries Commission. They hate the idea of the Lotteries Commission being sold. The government will have to back off on the Lotteries Commission. It has gradually been building up the image of the TAB, not for some idealistic reason for the betterment of the racing industry but to get the best price possible. That is what it is about. That is what all these companion bills are about. It is to make it more saleable.

What has also been made clear tonight by the Hon. Legh Davis is that this great deal is guaranteed: $18.5 million in the first year; $41.5 million plus CPI for the next three years; then $20 million from years four to 10, plus 19 per cent of the betting turnover, which he says is about $100 million, so that is about $19 million. He then puts his assessment on the price of this product, $55 million to $100 million.

Let us use the bottom figure. He says it is worth $55 million and $18.5 million will go straight to the industry in the first year. Then this $55 million asset will reduce for the next three years, $41.5 millioнt guaranteed plus a percentage to allow for inflation. After that, according to the Hon. Legh Davis's figures, it will drop back by about $2.5 million. It has been put to me, and I believe it to be true, that all these figures sound terrific but I am interested in this 'guarantee'. That is what I want to know. I want to know where the Treasurer will guarantee that this takes place.

My advice is that these figures have been put down on the basis of the expected or the actuarial expectation of the increases in gambling turnover. It has also been put to me by people in the industry in whom I have confidence that it is unlikely that we will get anywhere near the figures that the actuary has used for betting turnover—and there is very good reason for that. Hundreds of people are out there competing for the gambling dollar. There are poker machines; there will be online gambling; there will be interactive gambling; and we will have to split the state's gambling revenue between the conventional racing industry and proprietary racing or cyber racing.

I am told that Cyber Raceways has done a deal with the state TAB to run the betting product. If we are betting on cyber racing, bearing in mind that the industry will have to split itself in half so we can guarantee that at every race at Waikerie there will be 10 horses in each race on course on a Sunday night and we guarantee that we will run the conventional racing industry, we will have a problem, at least initially, in getting the number of horses or dogs for whichever code is run.

However, I have not been told what the break-up of the profit stream will be. This package was constructed by the people who were the principal negotiators in the corporatisation of racing in South Australia and we now find that these people have turned up as the principal office holders in Cyber Raceways: Mr McEwen from harness racing is there; and Mr Inns from the dogs is there. He is on Cyber Raceways. The ministerial adviser to Iain Evans is the Chief Executive Officer.

They have all jumped ship from conventional racing and recommended that we do all these things. They have leapt off the conventional racing ship and jumped into cyber racing and TeleTrak, which are basically a manipulation of the corporate structures. Basically, they are one and the same. They have done a deal with conventional racing so that conventional racing will run the meetings and the TAB will run the gambling. If one is talking about selling the TAB, that immediately puts an added value onto it.

I do not know what the break-up of the profit structure for Cyber Raceways will be. What percentages will it take? Will it be exactly the same? I do not know the answer, but I suspect it would be worthwhile finding out. It would be my assumption that Cyber Raceways will be looking to maximise its profits. It certainly does not want to maximise its efforts in running the meetings and the betting, but it wants to maximise its interest in getting profits out of it. If it does that, I do not think that it will be all that generous with the TAB,

unless, as part of this package—as part of this destruction of the racing industry—Cyber Raceways, either on its own or in cooperation with others, buys the TAB and then controls the lot. That may be its intention, I do not know; but, certainly, it is something that I would not overlook. At the end of the day, what we have is the sale of a South Australian monopoly, which has served this state very well and which employs thousands of people whose jobs are at risk.

Some people may want to attach some credence to the announcement of the separation package negotiated with the ASU and Gary Collis, the Employee Ombudsman but, at the end of the day, it is my assertion, at least, that the majority of people do not want to lose their jobs; they do not want a payout: they want useful, enjoyable and secure work. If this operation is bought by Victorian TAB their jobs will be under pressure because, as I said earlier, we have encouraged punters to stay away from the races; we have encouraged them to use the telephone; and we have encouraged them to use the barman rather than the TAB worker—and that will happen more and more. That will undoubtedly mean that if this company buys the TAB and makes a profit from it—and the Hon. Legh Davis tells me that it is worth only between $55 million and $105 million; a pretty fair range (but the Hon. Legh Davis has never been known for his preciseness or accuracy)—it will have to rationalise the operations.

As the honourable member rightly pointed out, South Australia comprises only 6.5 per cent of the total betting turnover, amounting to some $617 million. Of that figure, I think it is true to say that only approximately $80 million is being invested on the South Australian product. That is a frightening figure because that will encourage these companies, which are likely to buy our TAB and decimate our TAB outlet structure and therefore jobs, to say, 'It comprises only 6.5 per cent. We will do what Woolworths does: buy up all the liquor stores and then close them down.'

There will then be a monopoly and all that we will have to provide on a daily basis is a race meeting, whether it is dogs, harness or gallops, because the punter has been educated to bet on what is shown on the TV. The average punter does not care whether the races are held in Melbourne, Western Australia or Queensland: he just wants to have a punt. But the racing industry, and all those people who rely on the racing industry, want much more than a secure, well-funded and entertaining operation: they want a professional operation.

The government, I would suggest, can do much of what it states this bill will allow without actually selling the TAB. If it really wants to support the racing industry and if it can reduce its take for a private operator, why can it not reduce its take now? If it can give the unclaimed dividends and the fractions to a private operator, why can it not give them back to the industry? Why can it not do that now? The government says that it supports the industry and that it should sustain itself. My understanding is that, given the right opportunities, the industry is prepared to have a go, but all that it requires is the goodwill of the government to do two things: first, sustain the racing industry and the jobs that go with it; and, secondly (and this is what it never seems to want to do), take the advice and listen to the people of South Australia who do not want this asset sold. They do not want it sold.

Back in the days when we talked about a lotteries commission and a TAB, it was not the Labor Party that was opposed to a lotteries commission and a TAB; it was those people opposite. They said that we could not have lotteries because we would have the Triads and the Mafia; and that, if private industry becomes involved, we could not have a casino, because the Mafia and the Triads would be in there also. It was these people who said that we could not have private industry running these enterprises. It was on that basis that the Labor government, wisely, went to the people of South Australia with a referendum and asked for their support and their endorsement to have a lottery, run by the state government, for the people of South Australia. It was totally endorsed and it has been totally successful and, based on that success, they then had a TAB.

They put the same arguments, because there was a fair, reasonable and obvious expectation that the Liberals would oppose the TAB, which they did. They were not happy about it but, at the end of the day, the numbers were there to get it up, based on the experience and the success of the Lotteries Commission in running an honest and profitable operation that provided jobs for the people of South Australia, profits for the enterprise and benefits for the community. That is also what the TAB was set up to do, and it has done that. It has been hit with forces beyond its control, along with the racing industry, with the introduction of other forms of gambling.

But I think that the racing industry is worth looking after; it is worth nurturing. I believe that there are people in the racing industry who are prepared to concentrate on providing a first-class racing product and security and employment for all those 7 000 people (I do not know that it is 7 000, but actuaries are strange and wonderful people and they can attach to a job or detach a job at their wish). But suffice to say that there are thousands of people in South Australia who want to be involved in the racing industry, who want to be professional, who want to provide a good product and who want to have a sustainable industry so that they can stay in South Australia and pursue those interests.

I believe that the racing industry deserves a go. I do not believe that the overwhelming majority of South Australians want to sell the TAB, and I do not believe that this parliament ought to fly in the face of the racing industry or the people of South Australia. I encourage all members to oppose the second reading of this bill.

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

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

A quorum having been formed:

RACING (PROPRIETARY BUSINESS LICENSING) BILL

Adjourned debate on second reading.

(Continued from 30 November. Page 760.)

The Hon. NICK XENOPHON: The proprietary racing bill contains a number of provisions that will in effect allow for private raceways to operate in South Australia. It will represent in some respects a sea change in the way racing operates in the state. Much has been said about the impact it will have on local communities, particularly in the South-East and the Riverland area. At the outset I would like to pay tribute to Karlene Maywald, the member for Chaffey, who as a very energetic local member has represented her community passionately over the past three years. On any account I believe she is an outstanding local member, but that

does not mean that I agree with her position with respect to proprietary racing.

I have a number of concerns with respect to this bill, the most serious being in relation to the provision of internet wagering. There almost appears to be what the Hon. Angus Redford referred to as a cargo cult mentality. Perhaps he is putting that somewhat harshly. We could reflect on the words of Professor Robert Goodman, the author of *The Luck Business*. In his seminal text on the economics of the gambling industry in the United States he has given a number of instances of small communities and local economies expecting that they would have a gambling led recovery through the introduction of a new form of gambling, only to be bitterly disappointed to find that the cost to the community in the long term was much greater than any perceived benefit that arose.

In relation to that, I note that La Trobe University recently undertook a survey with respect to the city of Bendigo in Victoria. It found a significant negative impact from the introduction of poker machines in that community. There is a clear distinction between the racing industry and electronic gaming machines, but it is worth reflecting that economic benefits are not as one-sided as some of the proponents of new forms of gambling would have us believe.

The Hon. Angus Redford, in his contribution, which I thought was very comprehensive and considered, raised a number of concerns. I do not propose to restate those concerns, but in essence he referred to issues of probity. I note that the minister, the Hon. Iain Evans, has introduced a number of amendments which I would like to think will go some way towards addressing some of those concerns. He also raised concerns about the economic viability of this project, and the most significant concern that I share with the Hon. Angus Redford relates to the issue of internet gambling.

Proprietary racing cannot be viable in the absence of people betting on it: that is axiomatic. For proprietary racing to get the business, it will have to do so via internet wagering. I understand that the Senate will, either tonight or tomorrow, be debating a bill to be reintroduced by Senator Richard Alston with respect to a freeze on online gambling—an online gambling moratorium bill. It was defeated in the Senate on 10 October. Unfortunately, only two Democrats of the nine senators supported the bill. I understand that Senator Bob Brown is now reconsidering his position, although there will be an exemption for existing forms of online wagering because, as I understand it, only the TABs in Victoria and Tasmania have not gone online. That bill, if passed, could well have ramifications for the proprietary racing industry, and a prudent approach in respect of this bill would be for us to wait to see what occurs in relation to internet gambling in Australia.

As a result of discussions I have had with Senator Bob Brown on this issue (I most recently spoke to him on Monday of last week) and with Senator Richard Alston, the minister responsible for the online moratorium bill, I understand that a moratorium bill in relation to existing or future forms of online wagering, whilst it may not impact on TAB online services that currently exist, may well do so in future. No commitments were made, but I understand that everything will be up for grabs if there is consideration of a bill for a long-term ban of online gambling opportunities in Australia. That is something that ought to be considered as well. We simply do not know what will occur: it is in a state of flux.

The Productivity Commission found that we have the highest rate of per capita gambling losses in the world and that we have 290 000 significant problem gamblers, each affecting the lives of at least five others, which means something like 1.8 million Australians are adversely affected by the gambling bug in some way. If we look at the figures relating to each problem gambler losing an average of $12 000 per annum, compared to $650 for a recreational gambler, we ought to be very concerned about those figures and very concerned about any legislation that could well lead to an expansion of gambling activities in this state and in Australia generally and the impact that will have on individuals, families and small businesses.

It is also quite telling that recently, with respect to the online gambling debate, the Australian Retailers Association, at a federal level, with the support of all state constituent bodies, has now entered the debate. It is very concerned about the impact it will have on its some 12 000 members. About 700 000 Australians are employed by the retailing industry represented by the ARA's members, and they are deeply concerned about the social and economic impact of online gambling; and that is why Mr Phil Naylor, its federal executive director, accompanied me to Canberra on Monday of last week to discuss these issues with Senators Alston and Brown.

In some respects, this bill could well be affected by what is occurring federally and by any freeze of online gambling and any proposed ban in the longer term. The very viability of proprietary racing in this state, if it is anchored on internet gambling, is in question by virtue of recent developments at a federal level. That is something on which we ought to reflect before proceeding with this bill much further.

There are a number of other concerns that the Hon. Angus Redford raised in relation to the claims made by the proponents of TeleTrak as to its economic benefits. Again, Professor Robert Goodman has made it clear, from his research in the United States, that gambling as a tool for economic development is very largely fools' gold. He acknowledges that places such as Las Vegas which are gambling destinations whose incomes derive from those who travel to the destination—particularly tourists—obtain a net economic benefit but, of course, the problem gambling that ensues is often exported once visitors to Las Vegas have left Nevada. Professor Goodman makes the point that, for every dollar a state government raises in gambling taxes, there is a negative externality of between $3 and $7 in terms of additional cost with respect to gambling related crime, including white collar fraud, a whole range of impacts in terms of small businesses and bankruptcies, the impact on families and a range of associated issues.

So I am sceptical of claims made by the proponents of TeleTrak and cyber racing that this will be an economic nirvana for those particular communities. I can understand why Karlene Maywald, the member for Chaffey, has pushed this issue. She, quite obviously, has a sincere belief that this will be good for the Riverland, but I question that assumption, given what we have learnt from overseas in terms of the impact on economic development of these sorts of ventures.

I have very real concerns that endorsing proprietary racing could well lead, in a sense, to an endorsement of online wagering, because that is key and pivotal to this proposal. However, I also think it is important to acknowledge that the TAB offers online gambling services. I have 15 pages of amendments to the Authorised Betting Operations Bill that deal with that issue, because it is important that there be a debate in this parliament on the issue of online gambling, whether it is offered by a proprietary racing entity, the TAB

or, indeed, the Lotteries Commission or any other existing form of gambling, including the Casino. We have not had that debate: there has been a paucity of appropriate community debate on this issue. It is important that there be some consistency and uniformity. That is why I have moved a number of amendments regarding the issue of online gambling with respect to the TAB in particular, because it seems to me that the authority by which the minister has acted to authorise online gambling for the TAB, at the very least, ought to be questioned, and it is something that I propose to raise in the committee stage of the Authorised Betting Operations Bill.

I cannot support any bill that will lead to an expansion of gambling activities in this state. There is a proposal to move a number of amendments to associated legislation which would impact on the functioning of proprietary racing in this state. If, for instance, there is a prohibition on South Australians betting on proprietary racing and, indeed, on other forms of online gambling, one model which has been suggested by the Hon. Angus Redford and me in our dissenting statement to the select committee on online and interactive home gambling is that the consumer be given the power to void a transaction, since virtually all these transactions will take place by credit card and by electronic cash. On that basis, that seems to be a potential solution which ought to be explored and which is something that ought not to be dismissed. It would empower consumers, in a very real sense, to avoid the problems caused by losses that can be ratcheted up very quickly by online gambling.

There is a fundamental difference between existing forms of gambling, and honourable members and I have been very critical of the availability of poker machines in this state and their ease of access. However, one key difference that the Hon. Angus Redford has pointed out is that minors will have access to online gambling facilities, that people's living rooms will be turned into virtual casinos and, to quote the Reverend Tim Costello from the Victorian Inter-Church Gambling Task Force, with online interactive home gambling you will soon be able to lose your home without ever actually having to leave it.

We ought to reflect very deeply before agreeing to go down the path of effectively endorsing, giving the sanction of the state to a new form of gambling, in a sense, a form of gambling in this case (with proprietary racing) that will in some respects mirror the other forms of rapid electronic gambling in that races every few minutes, virtually continuous 24-hour racing, is a key factor in levels of addiction and problem gambling increasing. That is the sort of thing that we ought to concern ourselves with. In the committee stage of this bill there ought to be robust debate on these issues.

Pending the federal parliament's debate on this issue and a bill being passed for a temporary freeze of online gambling opportunities, if there is a question mark over an appropriate regulatory framework for those who want to go down that path, whilst that framework is not in place it would be very foolish for us to support proprietary racing. Until those safeguards are in place—and the primary safeguard I prefer is that we simply do not allow Australians to gamble on the internet and allow that to be enforced not by some heavy-handed method but by giving consumers the right to void transactions—I believe that further debate on this issue should be adjourned until all those issues have been adequately debated and discussed so that we can have appropriate safeguards in place before we go any further.

I believe that a number of rural communities and regional centres that have pinned their hopes on proprietary racing could be very deeply disappointed and could well have their fingers burned unless all those issues are debated and dealt with in a satisfactory manner. I do not believe that what has occurred to date provides those safeguards. Given that we already have the highest level of gambling addiction in the world and the highest level of per capita gambling losses, it would seem foolish to rush headlong into endorsing another form of gambling and, with it, the most pernicious and intrusive form of gambling in this state, in the form of internet and online gambling.

I urge members who are inclined to support this bill at least to pause until we have debated all those issues and dealt not just with the probity issues that the Hon. Angus Redford has raised (and to be fair to the Hon. Angus Redford, he has raised a number of other issues as well) but these seminal issues relating to the direction in which we are going and the endorsement that we ought to give or not give for online gambling opportunities for South Australians.

The Hon. T.G. CAMERON: This issue of proprietary racing is not new: I understand that it has been around for some four years. I first became aware of the issue approximately 18 months ago when I received some correspondence from the Mayor of the Wattle Range Council, Don Ferguson. Proprietary racing is not a new concept, and I guess that I am one of those members who have been waiting now for some 12 to 18 months for the legislation to finally be introduced into the parliament. When I became aware that proprietary racing was going to be placed on the agenda, I took the opportunity to go to Millicent, Port Augusta and the Riverland.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: Yes, we did open a couple of branches. In order to try to find out what the local community was thinking about proprietary racing, I decided that I would hold a public meeting in the three main centres where proprietary racing was going to be held. Some 80 people turned up at the meetings, including representatives of the traditional racing industry. If my memory serves me correctly, I do not think there was any opposition to the concept of proprietary racing at any of those public meetings; in fact, I picked up strong support from the local communities. I must say that on my first trip to the Riverland I was somewhat confused. So, I decided that I would go for a walk through some of the towns and ask members of the local business community what they thought. The one issue they kept raising was the opportunity that proprietary racing may offer to the regional communities in terms of employment opportunities, and I will come back to that a little later. As part of my research I also spoke to local newspapers. I was interviewed a number of times on the local radio, and from memory I appeared on all the regional television stations. I also took the opportunity to discuss the matter at some length with local government.

In the Riverland, the South-East and Port Augusta all the councils have made an initial contribution to TeleTrak. I note that the Hon. Angus Redford said the figure was $25 000 from the Wattle Range Council: I thought the figure was $40 000. My understanding was that to date each of the three councils had contributed $40 000, and I can only concur with what the Hon. Angus Redford said in his contribution that if local government, as the third arm of government and as a decision making body in its own right, wishes to go down

that path then it has elected representatives of its own who can make those decisions. Whilst I do not think the Hon. Angus Redford said all that, that was the thrust of what he said in his contribution. I share that view. If local government wants to do what it can to try to attract investment to its area, whether it be in metropolitan Adelaide or regional areas, that is a valid pursuit.

It goes without saying that all local councils have offices and departments that work their butt off to try to attract industry to their area. Why should this industry be any different from what they all do? Yet, these councils have come under some trenchant criticism for daring to think outside the square, for daring to think that they may be able to attract some new industry to their region which might alleviate their unemployment problems. They are not my words but those of the people who came along to the public meetings and asked, 'Why are these politicians in Adelaide trying to stop us from doing what we can at a local level to try to attract industry and to provide employment?' I know that a great deal of various statistics have been thrown around both houses of parliament about the likely employment prospects if three of these tracks got up and running in the regional areas. The figures that have been put forward have been subject to derision—even mocking—by some members of parliament, and it is a sad day when we have these three communities doing their best to try to build new and viable industries for their region.

Whilst I will not debate the likely employment prospects if proprietary racing were to go ahead, I do have some working knowledge of the racing industry, having spent ten years in the Australian Workers Union looking after the industry, for which my reward appeared to have been being gaoled by the SAJC for being involved in an industrial dispute. Be that as it may, as all members of this chamber would appreciate, horse racing is a labour intensive industry. There are handlers, strappers and stable hands, etc. I do not know the exact figures but, for every three or four horses in training, you could be looking at creating one full-time job.

I think it is indisputable that, if proprietary racing got off the ground, employment opportunities would be created in those regional areas. We could argue about the quantum of that, but I assure members of this Council that there would be jobs for young people between the ages of 16 and 21 who happen to have been unlucky enough to be born in the Upper Spencer Gulf region, which has an unemployment rate of 13.5 per cent with a much higher figure of over 30 per cent for its youth. That figure is only kept at 30 per cent because most of the young people have to leave the area to find suitable long-term employment.

I know that some people would argue that mucking out stables, washing horses and performing the range of duties that one would be required to undertake in that industry might not be work that a lot of people would find suitable, but a job is a job. I assure members that young people will not have the same attitude to this work as might others. I recall on one occasion one of my sons who had been unemployed for a period of time walking through the door one day and I said, 'You stink, what have you been doing today?' He said, 'I've been down in the sewers cleaning them out; that's the only work I can get at the moment.' He did not mind because it was a job, income, something to do during the day.

So, whilst the employment opportunities that might be created by proprietary racing are not $50 000 or $80 000 a year jobs in the IT industry, they are real jobs. If you have had any experience with the industry, you will know that, whilst these people tend to be not very well paid, they enjoy working with the horses and the atmosphere of going to the races, etc. Whilst the unemployment situation in the Upper Spencer Gulf region is quite grim, it is nowhere near as bad in the South-East where they have an unemployment rate of 2 per cent or 3 per cent and, in some parts of the—

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: The Hon. Angus Redford interjects that it is higher than that.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: You can correct yourself. What did you say if I didn't hear you properly?

The Hon. A.J. Redford: I said that it is a bit higher than that in Millicent.

The Hon. T.G. CAMERON: The Hon. Angus Redford interjects that it is a bit higher than that in Millicent. He may well be correct; I was referring to the South-East in general. One of the complaints that I encountered when I was in the South-East was that they were having difficulties getting labour. Some companies told me that they could not expand their operations because there was insufficient accommodation in the South-East for workers. I read recently in the media similar complaints about the wine industry and reports of up to four or five people having to share accommodation because no accommodation is available. I suspect that I am the only member of either house who went and spoke to the local communities, held public meetings, spoke with local government and so on. What I can tell members is that, as a result of those three visits, to date, I still have not had one letter or telephone call from anyone in those three regional areas objecting to the idea that proprietary racing could go ahead. I do not suggest for one moment that there are no opponents to it, but I do suggest to the chamber that the opposition is extremely muted.

There is no doubt in my mind that local government, the local community and the local business community all solidly support the idea of creating additional jobs in their area. Time will not permit me to read out correspondence that I have received from the local business community, quarter horse racing, local government and various other bodies. However, it does seem to me that the opposition to the concept of proprietary racing comes from key figures in the thoroughbred racing industry. There seems to be a grave concern in the thoroughbred racing industry that, if proprietary racing does get off the ground, in some way or other it would spell doom for the thoroughbred racing industry. I do not share that view and I do not believe that many members of parliament share that view, but it would appear that a select few share that view. I place on record that, if the thoroughbred racing industry or the SAJC are opposed in any way to proprietary racing, I wish they would come out and clearly state—

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: The Hon. Angus Redford interjects and says that they do not care. I do not share that view—

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: To be fair, that is what they told me, too. However, if that is the industry's view and it is not opposed to it, it is appropriate that it publicly states that. It has had plenty to say about the sale of the TAB.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: It is arguing that this affects it as well—

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: The Hon. Angus Redford cannot have his cake and eat it, too. I am quite happy to have a debate across the chamber, if he wants to walk down this path.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: The Hon. Angus Redford interjects and says that the SAJC does not care whether or not this proposal goes ahead because it will not work. I do not think it is the role of this parliament—this chamber or the other house—somehow or other to vet every project or every proposal that might try to get off the ground—

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: If what the Hon. Angus Redford is saying is correct, I would like to see them state that publicly and not privately to him or to me, and I hope that statement is made by tomorrow night. I am quite happy to continue to discuss this if the honourable member wants.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: That might be a better way of approaching it. There has also been a great deal of criticism in relation to TeleTrak, Mr Hodgman, Cyber Raceways, and so forth. I can only agree with the thrust of the Hon. Legh Davis's submission when he expressed his disappointment and concern that no real attempt has been made by some of these people to make contact with politicians to explain just what was going on. I have discussed the issue with Mr Hodgman from TeleTrak, and that is true. However, I make the point that I had to ring him and, to date, he still has not bothered to contact me.

The Hon. L.H. Davis: I got an extraordinary email from him today, let me tell you.

The Hon. T.G. CAMERON: At least the honourable member has heard from him. I make the point that we have no idea whether TeleTrak, Cyber Raceways or anyone else will end up running proprietary racing. While a great deal has been said and written about TeleTrak and Mr Hodgman (and I think I have read something like 40 or 50 articles on the subject), I do not believe it is the province of this chamber or the lower house to say, 'Look, TeleTrak looks a bit suspect. We don't like the look of you, or the colour of your money, so we will kill off the whole project.' I do not see that as the role for this government because, in doing so, it will be killed off completely. It may well be that there are other people out there interested in getting something like this off the ground. However, to hide behind the credentials of those who have been pushing the proposal to date, I believe, is stepping outside the bounds of what this parliament should be doing.

The Hon. Nick Xenophon made reference to the member for Chaffey, Karlene Maywald. I did not realise he was going to do that, but I do not share the same cosy relationship with the member for Chaffey—

The Hon. Nick Xenophon: I didn't say it was cosy.

The Hon. T.G. CAMERON: No, I am saying it is cosy—that the Hon. Nick Xenophon does. In fact, Karlene Maywald and I would be lucky to have had three or four conversations in the time that she has been here in this parliament. I would record that I have nothing but praise for her unstinting and untiring efforts against the odds to try to secure some industry for her local area. I have no doubt that the locals in Chaffey will have an opportunity to say something about that at the next election.

I am not one who normally reads quotes into the *Hansard* but there was one that I happened to run across in the *Age* today which I think, in some way, applies to the debate we have had on this matter and which I think perhaps sums up Karlene Maywald's attitude on this and, indeed, sums up the freedom with which she is able to deal with a local issue. The quote is from a chap called Allan Bloom in a book he wrote called *The Closing of the American Mind*. I have never heard of him or the book but the quote seemed apt. It is as follows:

> Freedom of mind requires not only. . . the absence of legal constraints, but the presence of alternative thoughts. The most successful tyranny is not one that uses force to ensure uniformity but the one that removes the awareness of other possibilities, that makes it inconceivable that other ways are viable.

It seems that we have a pretty closed mind in relation to this issue.

I have stated publicly before that I support the concept of proprietary racing, and I still do. However, the concept on which I received briefings some 18 months or so ago have changed quite a bit from when I was originally looking at this. I note that the Hon. Terry Roberts said the following in his contribution, as reported on page 512 of *Hansard*:

> As I said, the first stage of the sale process, to me as a member of this parliament, was to sell it as straight line racing, gallopers only, straight into Hong Kong, Singapore and the Asian market, and everyone would be happy.

I must have tripped across this a little bit after he did because it was always my understanding that racing, trotting and the greyhounds would be involved. However, I did believe and was told that betting—that is, the gambling on these racing meetings—would be available only to people outside South Australia. That is, it would not be offered through the TAB outlets, although we have since discovered that the TAB has been licensed, as I understand it, to conduct the gambling if Cyber Raceways (which is a combination of TeleTrak, trotting and greyhound cutters). So, I do have some concerns about that.

I agree with the comments made by the Hon. Angus Redford in relation to the issues of probity but I note that amendments have now been foreshadowed by the minister so I shall wait with interest for the committee stage to see whether or not what the government has put forward is satisfactory to all of the government members on the other side of the chamber.

There has also been a great deal of discussion in relation to the economic viability of the project. Once again, I do not see it as the province of either house of parliament to assess whether or not it will support enabling legislation on the basis of whether, in its opinion, the project is economically viable. I can understand and appreciate that it would be a matter for the houses of parliament if taxpayers' dollars were being spent on this project but, as I understand it, that is not the case. So I really wonder what the business of this place is in determining whether a project is economically viable at such an early stage, and whether it has any business in that area at all.

I want to address a couple of comments that have been made by the Hon. Nick Xenophon in relation to internet gambling. My understanding is that even if the federal government (the Senate) does introduce a moratorium on internet gambling internet gambling will still be available online here in South Australia and it will be overseas service providers. Whilst I take on board the Hon. Nick Xenophon's comments about invalidating or giving consumers the opportunity to void their bets, I really do not expect anyone to offer people gambling services with the opportunity of voiding a bet if they happen to back a horse that runs out of money.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: That just boggles the imagination.

The Hon. Nick Xenophon interjecting:

The Hon. T.G. CAMERON: But to me it sounds like a bit of nonsense. What you are suggesting is that someone will spend millions of dollars to set up a gambling operation to provide online gambling on the basis that every time someone places a bet that loses they can void the transaction.

The Hon. Nick Xenophon interjecting:

The Hon. T.G. CAMERON: Why do you not just say that?

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: You seem to have some views about internet gambling, too. I am a little puzzled, and perhaps someone during the committee stage could explain it to me: I understand that the South Australian TAB now offers internet gambling—and has been doing so for some time—and it is also my understanding, from what the Hon. Nick Xenophon said, that it will be able to continue to offer online internet gambling, even if the moratorium is introduced.

The Hon. Nick Xenophon interjecting:

The Hon. T.G. CAMERON: It is my understanding that the TAB is already offering internet gambling. I further understand that an agreement has been signed between the South Australian TAB and Cyber Raceways for the TAB to—

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: No, but I understand an agreement has been signed.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: Are you asking me what I know about it, or are you going to tell me what you know about it?

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: It would seem that I know a little more about it than you do, and I can only suggest that you have a meeting with the greyhound and trotting people and discuss it with them first hand, like I do.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: They did not make that comment to me.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: I do not want to be distracted. If the South Australian TAB is offering online gambling, and if it will be protected by the federal moratorium legislation (because, unlike the Victorian TAB, it is already offering it) and these people are going to provide the gambling for the greyhound and trotting codes, then how is a moratorium going to affect the South Australian TAB?

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: I do not need an answer at the moment because I am not finished, but that is something about which I am a little puzzled. It would seem to me that, on the basis of what has been said, the moratorium will not apply to the South Australian TAB.

The Hon. Nick Xenophon interjecting:

The PRESIDENT: Order!

The Hon. T.G. CAMERON: I do not quite see how all that fits together. If they are to achieve their object of not providing opportunities for gambling through the TAB on proprietary racing here in South Australia, then I cannot see how we will stop people from gambling on proprietary racing by utilising their current internet account if they have one.

I support the second reading. I do have some concerns about probity. I would hope that this bill passes the second reading and that we have an opportunity to canvass some of those issues. I have not had the opportunity to look at the government's amendments in relation to probity, but I do believe that we would be sending a terrible message to our regional communities if we were to kill off this bill at the second reading stage and prevent any further debate on the issue. I support the second reading.

The Hon. SANDRA KANCK secured the adjournment of the debate.

STAMP DUTIES (LAND RICH ENTITIES AND REDEMPTION) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from page 776.)

The Hon. P. HOLLOWAY: The opposition supports the second reading of this bill, with some reservations. It sets out a series of measures that are intended to overcome recent court decisions, which have had the effect of cutting the government's revenue base through limiting the collection of stamp duty in certain circumstances. This bill seeks to close up those loopholes that relate to particular transactions, such as the conveyance of debt associated with the transfer of a mortgage; the transfer of interests in real and personal property under a will or intestacy; the transfer of property for nominal consideration for the purposes of securing repayment of an advance or loan; and the transfer of units in unit trusts.

The bill also seeks to remove further opportunities for tax avoidance in relation to third party and passive acquisitions. As an aside, I notice that some of these fairly blatant tax avoidance measures relate to the use of trusts. I note that the commonwealth government, under its legislation, has also been grappling with problems related to trusts as far as taxation avoidance is concerned. I believe that the federal Treasurer's intention was to tighten up these matters. Unfortunately, as a majority of members within the federal cabinet have trusts, it appears that the commonwealth government will now refrain from making that very necessary reform, and I think that that is regrettable. I return to the measure before us.

The opposition does have some concerns regarding the delay in this bill reaching parliament. These concerns were expressed by the shadow treasurer; however, they do bear repeating in this place. First, this bill is designed to act retrospectively to 30 September 1999, the date that MSP Nominees Pty Ltd versus the Commissioner of Stamps—

An honourable member interjecting:

The Hon. P. HOLLOWAY: That is really the question we would like to know—was decided in the High Court of Australia.

The Hon. T.G. Cameron interjecting:

The Hon. P. HOLLOWAY: I think that he sort of half won. The amount lost to the states as a result of the decision to limit retrospectivity is $6 million. That is what we are talking about—a $6 million loss because the retrospectivity goes back only to 30 September 1999. The opposition is of the opinion that total retrospectivity would have been the appropriate course in this situation. We really do have a quite blatant tax avoidance scheme. Stamp duty has been paid in good faith by many and a few, namely, the plaintiffs in the High Court case, get to avoid paying as a result of the decision to limit retrospectivity to the date of the MSP case.

I understand that the original draft bill advocated total retrospectivity but, after some industry consultation and,

according to the Minister for Education and Children's Services, who dealt with this bill in another place, after cabinet discussion, it was decided to limit retrospectivity. My colleague the shadow treasurer questioned whether or not this decision related to the Attorney-General's philosophical problem with retrospectivity and suggested that the Attorney-General might explain why he felt that the $6 million should not be paid.

According to the Minister for Education and Children's Services, legal advice was provided to the Treasurer on 30 October 1999, a month after the decision was handed down. The matter was the subject of a cabinet submission on 8 November 1999, and the first draft bill was issued on 14 May 2000. The question is: why the delay between the matter first reaching cabinet and the draft bill being issued, and then the subsequent delay between the draft bill and the bill before us today? It is apparent that this delay was caused by the argument about retrospectivity, and it appears that the attorney got his way, at least in part. In his response, the Treasurer might care to explain the reasoning in this matter as to, first, why we did not get full retrospectivity and, secondly, why this matter has taken so long to be resolved.

While the opposition continues to maintain its reservations regarding the loss of revenue to the state by the limiting of retrospectivity and the lengthy delays in the processing of the bill, nevertheless we will be consistent in our support for any measures to close off obvious loopholes and anomalies within our taxation system. So, we will support the second reading.

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

EDUCATION (COUNCILS AND CHARGES) AMENDMENT BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 791.)

The Hon. R.I. LUCAS: Sir, I draw your attention to the state of the Council.

A quorum having been formed:

The Hon. NICK XENOPHON: I indicate that I support the second reading of this bill. I have a number of reservations with respect to the bill, and I have not committed myself as to whether or not I will support the third reading. That is subject to a number of issues being dealt with by the minister. I can indicate that I spoke with the minister, the Hon. Malcolm Buckby, earlier today, and he provided me with information with respect to the materials and services charge, which is one of the issues that is very much in contention with respect to this bill.

As members are aware, I voted with the opposition and the Australian Democrats when this matter was dealt with by way of disallowance of regulations. I have said previously that I thought that the most transparent and open way of dealing with this issue was by way of school charges being dealt with by legislation rather than more indirectly by way of regulation, given the importance of this issue. The minister has provided me with some information in relation to materials and services charges in other states and territories. I thought it might be useful in the context of this debate to read into *Hansard* the information that was provided to me by the minister's office as part of the ongoing debate, because it is important that we deal with this issue with as many facts as possible.

In the material that the minister has provided me, he states that no state charges apply for tuition anywhere. All states make a charge on parents; in states where it is regulated, items are charged and maximum levels controlled. In Tasmania—and I must state that I am quoting the information given to me by the minister—

The Hon. Carolyn Pickles interjecting:

The Hon. NICK XENOPHON: The Hon. Carolyn Pickles says I am quoting from what the minister gave me, and I made that very clear. If the honourable member says that that information is in any way incorrect, I am sure—

The Hon. Carolyn Pickles interjecting:

The Hon. NICK XENOPHON: It could well be.

Members interjecting:

The PRESIDENT: Order! The Hon. Mr Xenophon has the call.

Members interjecting:

The PRESIDENT: Order! Interjections will cease.

The Hon. NICK XENOPHON: The point is that I asked the minister's office for information as to what his department considered the position to be in other states and territories, and he has provided me with that information. If the opposition or anyone else in the chamber considers that there is an inaccuracy in the information, no doubt we will hear from them. That is why I thought it important to raise this at the second reading stage in the context of an open and robust debate on this issue. There was nothing sinister in the fact that I got the information from the minister rather than going to the Senate. I am sure the Hon. Ms Pickles will be more than happy to provide me with the Senate's information.

The Hon. Carolyn Pickles interjecting:

The Hon. NICK XENOPHON: I thought that, given the Hon. Carolyn Pickles had such an interest in this, she could assist me by providing me with a copy.

The Hon. Carolyn Pickles: Do your own research; you've got more staff than I.

The Hon. NICK XENOPHON: The Hon. Carolyn Pickles needs to know that I do not have the monolith of a registered political party behind me as she does. I will not be further distracted. The information provided to me by the minister indicates that in Tasmania the charge is $71 for preschoolers and $250—

The Hon. T.G. Cameron interjecting:

The Hon. NICK XENOPHON: For what?

The Hon. T.G. Cameron interjecting:

The PRESIDENT: Order! The Hon. Mr Xenophon will either resume his debate or resume his seat.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order, the Hon. Mr Davis!

The Hon. NICK XENOPHON: The charge is $250 for year 10, and those fees are regulated under the Tasmanian Education Act. The notes with respect to Tasmania indicate that the secretary may authorise the principal of a state school to levy a charge to cover the incidental costs and expenses incurred in respect of providing educational instruction. The principal of a state school, with the agreement of the school council, may charge for activities which are in addition to the normal educational instruction at the state school.

In relation to Western Australia, the charge is $60 for primary students and $235 for secondary students, the authority and the legislation is the School Education Act of Western Australia 1999, and it is regulated. The notes in respect of that indicate that regulations may be made

providing for charges or contributions that may be made for materials provided in a non-optional component of an educational program of a government school or an optional component of an educational program of a government school that is not an extra cost optional component. The principal of a government school may from time to time determine the charge or contribution if the charge or contribution is of a kind prescribed by the regulations as able to be charged or to be a contribution for the purposes of the section not exceeding any limit prescribed in the regulations.

In Queensland the minister says that it is not regulated and some schools charge and the notes indicate that the Education (General Provisions) Act 1989 states that instruction is to be free. The act provides:

> In state schools the cost of instruction of children whose parents are domiciled in the state shall be defrayed by the state.

The notes go on to say that there is no regulation or legislation for the imposition of a levy in Queensland government schools. Some schools are charging a levy but payment is voluntary. In New South Wales it is not regulated. A charge is made by the principal if curriculum options go beyond the minimum requirement. The notes indicate that the Director-General of Education issued a memorandum to principals, which included the advice that the levels of what are called 'subject contributions' must be determined by the school principal in consultation with the school community. Subject contributions will be on a need to pay basis, that is, there will be no charge to fulfil the minimum requirements of the curriculum. Students will need to pay only if they choose options that go beyond the minimum requirements of a subject. Principals in New South Wales are required to ensure that no student suffers any 'discrimination or embarrassment' over failure to make a voluntary contribution or subject contribution.

In Victoria, the notes indicate, there is legal provision to charge but it is currently in a state of confusion due to inconsistent high charges across the state. The notes indicate that the Victorian situation is similar to that which exists in New South Wales. However, the Victorian education regulations as they currently stand enable obligatory fees to be charged for the provision of educational services, although successive governments in Victoria have chosen not to do so.

The Northern Territory does not regulate but parents are strongly encouraged to pay fees. The Northern Territory Education Act is silent on compulsory school fees. The Northern Territory government's position is that, while the payment of such fees is not enforceable, parents are strongly encouraged to support their school in this way. Basic education resources and services 'may not be withheld from children whose parents do not pay school fees'.

In the Australian Capital Territory a charge is not regulated but school boards may request charges. The notes indicate that the ACT has no legal basis for levying parents any compulsory fee. The ACT's implementation guidelines for parental contributions to schools declare that 'schools must provide each student with the basic consumable materials to satisfy the development of knowledge and skills required by curriculum policy. School boards may request financial assistance from parents to provide additionals that would facilitate and assist students at the school in the acquisition of knowledge and skills required by curriculum policy.'

That is the position as set out by the minister in relation to this issue, which I hope will be useful to members in the context of the debate. Recently, I received material from two people, and in fairness I will not cite the names of the people who wrote to me as I do not have their permission to refer to their names in what was essentially private correspondence, but I will read into *Hansard* the concerns they have raised and I would be grateful if the minister could address those concerns before the committee stage. One of the concerns is that the Western Australian Education Act allows compulsory charges to be made for secondary students only. The current Western Australian minister has given an assurance that debt collection is to be used as a last resort and that parents will not be taken to court. For parents of primary school students, the voluntary contribution applies. I ask our minister whether he agrees with that proposition, has the Western Australian minister indicated publicly or given an assurance that debt collection is to be used only as a last resort and does our minister have a similar position in respect to that?

In respect to the Tasmanian Education Act, the first e-mail I refer to states that the Tasmanian act allows schools to charge levies to cover the cost of consumable items or incidental costs incurred on behalf of students, for example, the purchase of hire of text books or consumable materials, that is, for home economics, excursions, performance fees and transport fees. Their guidelines state that levies are not a source of general revenue and cannot be used to supplement other areas of school funding responsibility such as building maintenance, purchase of equipment, energy costs or internet expenses. Advice from the peak parent organisation in Tasmania is that, while on a very few occasions principals have used debt collectors, the minister in Tasmania has publicly stated that they will not be taking parents to court to recover unpaid levies.

I would be grateful if our minister, the Hon. Malcolm Buckby, could respond to what is in that correspondence. Does he agree with those propositions? Is there a clear delineation in regard to the guidelines with respect to the Tasmanian Education Act as to what can be recovered? I can understand that, if there is a performance fee or an excursion, that is an additional charge.

The correspondence goes on to say that in Victoria, whilst the materials and services charge is able to be imposed for items similar to those in Tasmania, it is neither in the Education Act nor in the regulations. Advice was provided to schools in a memo from the previous Liberal government which indicated that parents 'may be expected to pay the materials and services charge'. This advice is now under review. The executive officer of the Victorian Council of School Organisations is hopeful that it will be changed to the previous wording, which was that parents may be asked to pay. The correspondence goes on to say that all other states and territories request that parents pay a voluntary contribution. So, it raises a number of issues that I would be grateful if the minister could respond to.

My understanding with respect to the brief discussion I had with the minister earlier today is that, since 1960, there have been charges for basic materials, and I understand that it was brought in some 40 years ago because there were certain advantages in schools being able to get both a tax exemption and—

The Hon. Carolyn Pickles: In the old days they used to write your name on the blackboard if you didn't pay it.

The Hon. NICK XENOPHON: The Hon. Carolyn Pickles says that they used to write your name on the blackboard if you did not pay it. I do not know if that is a confession.

The Hon. Carolyn Pickles: No, I did not go to school in—

The Hon. NICK XENOPHON: I am sorry.

The PRESIDENT: The Hon. Mr Xenophon should not be waylaid or misled by interjections.

The Hon. NICK XENOPHON: I could not possibly be misled by the Hon. Carolyn Pickles.

The PRESIDENT: The honourable member is being misled into answering her.

The Hon. NICK XENOPHON: My understanding of the history of the introduction of materials charges is that they were brought in by schools because there were distinct sales tax advantages and the benefit was passed on, in a sense, to parents. Also, by schools buying in bulk, there are cost advantages: in other words, by having that degree of uniformity—by schools buying in bulk—there were significant cost savings. Also, it ensured that all students received the same amount of material, so there were not some students who were disadvantaged.

My understanding is that that is the history, and this government has brought in, by regulation, a mandatory charge. I understand the concerns of the AEU in respect of this matter, but the minister's argument is that, given that 95 per cent of parents pay this charge, that ought to be taken into account: that there is a degree of unfairness if some parents opt out of the charge for no good reason.

The legislation gives a discretion to school principals to make the fees not mandatory and, as I understand it, 42 per cent of students who have a School Card are not obliged to pay these materials charges. In the committee stage, I would like to explore the degree to which a school principal has a discretion and also the general principles raised by the AEU, the opposition and the Australian Democrats in relation to this.

I think it is important that this issue is dealt with in the committee stage, because I think that there is some merit in the government's argument that, with respect to materials charges for basic consumables, if for the last 40 years parents have effectively been paying for those and that this legislation provides sufficient safeguards for parents and gives discretion for school principles, it is obviously something that ought to be looked at.

There are other concerns about Partnerships 21, and I propose to make a further contribution on that during the committee stage. I know that it is an area of great controversy in some quarters. The AEU is obviously very much against the Partnerships 21 scheme, as are the opposition and the Australian Democrats. I would like to ask the minister: if a school council has opted in to Partnerships 21 but at a later stage believes that it is not in the school's best interests to continue, to what extent would the school be prejudiced or in any way hamstrung in opting out of Partnerships 21?

As I understand the concerns of those who oppose Partnerships 21, they say that schools are in some way prejudiced if they do not support Partnerships 21; that there is a discriminatory component to it. That is worth exploring in the committee stage, although I do not accept that the minister has been motivated to destroy the autonomy of schools or in any way to adversely affect the functioning of schools.

I believe that the minister's approach has been well intentioned and that if there have been some problems in respect of the scheme they ought to be explored to see if they can be improved upon. I look forward to participating in a constructive debate in committee, should the bill pass the second reading.

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

ADJOURNMENT

At 10.57 p.m. the Council adjourned until Wednesday 6 December at 2.15 p.m.