

## LEGISLATIVE COUNCIL

Wednesday 28 March 2001

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

### LEGISLATIVE REVIEW COMMITTEE

The **Hon. A.J. REDFORD**: I lay on the table the 13th report of the committee.

### ALICE SPRINGS TO DARWIN RAILWAY

The **Hon. R.I. LUCAS (Treasurer)**: I seek leave to table a copy of a ministerial statement made in another place today by the Premier on the subject of the Adelaide to Darwin railway.

Leave granted.

### VICTIMS OF CRIME

The **Hon. K.T. GRIFFIN (Attorney-General)**: I seek leave to make a ministerial statement on the subject of country services for victims of crime.

Leave granted.

The **Hon. K.T. GRIFFIN**: The review on victims of crime, which I commissioned in 1998, identified a gap in services for victims of crime in country South Australia. This finding was consistent with findings in audits on country services by the victims support service and Yarrow Place and the advice of my ministerial advisory committee on victims of crime.

The victim survey carried out during the victims review process confirmed the fact that there are differences in the support provided to victims of crime in country areas compared with metropolitan areas. For example, country victims were less likely than city victims to receive the victims information booklet, less likely to receive a referral to a service for counselling or support, and less likely to be given information about how to avoid becoming a victim again.

In response to these identified needs, I have today announced that the state government will provide \$1.1 million over four years to provide the victims of crime in regional areas with significantly increased services. A series of five regional victims of crime services will be established by the victims support service. They will be in Port Pirie, Port Lincoln, Port Augusta, Whyalla, Berri and Mount Gambier.

Each regional area will have a part-time coordinator to work with a network of local volunteers and manage the allocation of services in each area. The services will be based on local needs and in each area a local advisory committee will be established to assist the coordinator and victims to work through their experiences. In each region the coordinator and the local advisory committee will work in conjunction with other bodies such as the local Crime Prevention Committee (where there is one) to avoid unnecessary duplication and ensure the best use of available resources. Links with professional staff will be forged in each area and the Victim Support Service will provide ongoing training to its staff and volunteers. Each regional service will:

- provide a range of client services including practical support measures such as support groups and counselling,

- a link into court companion services and the police, and where appropriate referral to other services,
- undertake community education aimed at promoting an awareness by the community and its agencies, organisations and individuals of the shared responsibility for preventing crime and assisting victims of crime to recover from the effects of crime,
- participate in the implementation of an effective and efficient integrated victim assistance strategy across the state in cooperation with government agencies and non-government organisations,
- liaise with the Attorney General's Victims of Crime Coordinator and facilitate the implementation of the victims rights legislation that I propose to introduce into this Council, and
- contribute to relevant campaigns and projects at both a statewide and regional level that inform the community and contribute to the government's victim strategy and policies.

The state government is acutely aware of the importance of providing services to victims of crime to help them overcome the trauma of their experiences. The Victim Support Service has done an excellent job in providing services to victims of crime in this state. The key role that Victim Support Service is playing in this initiative is an expression of the confidence I and the government have in it to provide high quality services to victims of crime in those regional communities.

The provision of services for victims of crime in country areas forms a part of the comprehensive response of this government to the review on victims of crime. Other measures such as enshrining the victims rights in legislation reflect this government's commitment to improving access to justice and fair treatment, practical and psychological assistance, and other support for victims of crime. The appointment of a state Victims of Crime Coordinator, the legislative recognition of the Ministerial Advisory Committee on Victims of Crime, and the creation of a victims network will provide for more victim-sensitive policies, procedures and practical outcomes.

I look forward to being able to report to the Council on the various initiatives the government and the myriad of its agencies and the range of non-government organisations that help victims have taken to improve services and support for victims of crime. The initiatives in country areas I announce today are an important part of that package to meet the needs of victims across our state.

## QUESTION TIME

### ALICE SPRINGS TO DARWIN RAILWAY

The **Hon. CAROLYN PICKLES (Leader of the Opposition)**: I direct my question to the Treasurer. Before asking parliament to increase South Australia's \$150 million commitment to the Alice Springs-Darwin railway by approving a \$26 million loan by SAFA, will the Treasurer table a summary of the conditions of the SAFA loan, including securities and conditions for the repayment of principal and interest, the timing and preconditions for the drawdown of funds, details of repayments including interest rates and the rights of the lender in the event of default?

The **Hon. R.I. LUCAS (Treasurer)**: I will have to take advice on that but I understand that a number of those questions will need to be answered this afternoon in the

debate in the House of Assembly. SAFA advisers will be with the Premier as the opposition, the government and the Independents debate the bill. A number of those questions will be answered in the House of Assembly. I am happy to get similar advice when we discuss the bill in the Legislative Council.

In terms of all aspects of what the member has asked, I will need to take advice, but I understand that the key issues have been briefed, in part, to representatives of the Labor Party, although I accept not all. I am sure that other aspects can be revealed during the debate on the bill in the House of Assembly and ultimately in the Legislative Council, but I will take advice on the overall comprehensive nature of the honourable member's question and bring back a reply. Obviously, the key issues will need to be revealed to the degree that they can during the debate in the House of Assembly and the Legislative Council.

### MURRAYLINK

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

Leave granted.

**The Hon. P. HOLLOWAY:** Today, at the Power of New South Wales 2001 conference in Sydney, the New South Wales Minister for Energy, the Hon. Kim Yeadon, revealed that NEMMCO has made an assessment of the unregulated interconnector MurrayLink. According to the minister, the assessment shows that, at best, MurrayLink can deliver less than 40 megawatts of power into South Australia during peak load periods compared with a stated capacity of 200 megawatts. Of course, this is exactly when capacity support for South Australian customers is most needed. We have subsequently been informed—

*The Hon. A.J. Redford interjecting:*

**The Hon. P. HOLLOWAY:**—the Hon. Angus Redford might be interested in this—that MurrayLink would actually deliver more like 25 megawatts of power in those circumstances. The Olsen government has been involved in selling out the Riverlink (now SNI) interconnector with New South Wales that would have delivered a regulated power supply 10 times greater than this. It has also facilitated the fast-tracking of MurrayLink. My questions to the Treasurer are:

1. Did the government investigate all aspects of the MurrayLink interconnector before supporting that project ahead of the Riverlink interconnect; and, if so, did it identify the reduced capacity of MurrayLink at peak periods?

2. Given this latest revelation of the greatly reduced supply of power from MurrayLink, will the Treasurer guarantee that there will be no blackouts next summer?

**The Hon. R.I. LUCAS (Treasurer):** I am advised that the same NEMMCO analysis to which the honourable member has referred has similarly raised questions about the much vaunted Riverlink proposal—

*The Hon. A.J. Redford interjecting:*

**The Hon. R.I. LUCAS:**—which has not been mentioned by the Hon. Mr Holloway—and has also indicated that, in certain circumstances at peak periods, Riverlink (or SNI, the much vaunted Rann/Foley/Holloway solution to the state's supply needs), in some circumstances, may be able to provide only 65 megawatts of capacity. All of this hinges on some technical analysis that is being done by, I think, a group could be the IOWG, which is advising NEMMCO. I think I indicated in response to questions yesterday—and I refer the honour-

able member to those questions—that, as recent advice indicates, with all these interconnectors coming through the Riverland there are increasing suggestions of the need for augmentation back through the system in the eastern states. Whilst the TransGrid proponents have been looking at this proposal for three years, evidently they have not done a lot of this technical analysis in relation to the work that is required for augmentation back into the system. MurrayLink—

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** The Hon. Mr Holloway continues not to tell the truth in relation to that issue. It is not the state government's position to be able to stop the Riverlink proposal. As I highlighted yesterday, there were increasing questions about the potential need for augmentation for the interconnectors (whether regulated or unregulated) coming through the Riverland. As I said—I think yesterday; I would need to check the record—one of the issues that is being discussed is the need for greater interconnection between New South Wales (the Snowy in particular) and Victoria. As I think I mentioned yesterday, Candy Broad, the Victorian minister, is evidently currently contemplating the possibility of greater interconnection between New South Wales—

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** She might have been. Maybe she has not made up her mind yet. Anyway, she is contemplating greater interconnection between New South Wales and Victoria, and the state government would support active consideration by the Victorian government in relation to that issue of interconnection between New South Wales and Victoria.

As I highlighted yesterday, one of the problems we have and what the minister Kim Yeadon would be referring to is the NEMMCO statement of opportunities that is to be released this week or next week some time. Clearly Mr Yeadon is pre-announcing some of the statement of opportunities which is under embargo from NEMMCO, of which drafts have been sent to the New South Wales government and other state jurisdictions prior to the public release. Be that as it may, it is up to Mr Yeadon as to whether or not he abides by the NEMMCO embargo. As I indicated yesterday, in broad terms (and this was in the NEMMCO statement of opportunities last year) that analysis shows that, when you look out over the coming years at the 500 megawatt interconnector from Victoria to South Australia during peak periods, it looks as though South Australia could rely on up to only about 100 megawatts of capacity coming from the Victorian interconnector, which was the Bannon government solution to the power problems in South Australia.

Rather than building extra generation capacity in South Australia, the problem we are confronting, which was identified in last year's NEMMCO statement of opportunities, is the issue on which the honourable member is now trying to criticise the government: how much capacity can come from the eastern States to South Australia during a coincident peak? It is not just a MurrayLink, a Transgrid or Riverlink problem; it is also an issue for the existing Victorian 500 megawatt interconnector. If you have a 500 megawatt interconnector—

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** That is why we need extra generation as well.

**The Hon. P. Holloway:** Exactly. You do.

**The Hon. R.I. LUCAS:** Indeed. At last we have the deputy leader agreeing that we need extra generation here in South Australia, which has been the South Australian government's policy for the past 18 months and about which the Hon. Mr Holloway, his leader Mr Rann and the shadow Treasurer Mr Foley have been fighting us. They were on-site, trying to stop the Pelican Point power station and saying from the word 'go', 'Build Riverlink first and then do Pelican Point.' That was Labor Party policy. We are still waiting for Riverlink and would still be waiting for Pelican Point under Labor Party policy.

At last, by way of response to a question, the Hon. Mr Holloway has conceded that we need extra generation in South Australia. He is agreeing at last with the state Liberal government's policy. He is seeking to distance himself at last—it has taken a while—from his own leader and the spokesman in this area.

Getting back to the interconnectors, there is a problem in relation to coincident peaks for all interconnectors. There will need to be augmentation. There are issues for the Riverlink interconnector, MurrayLink and for the Victorian—

*The Hon. P. Holloway interjecting:*

**The Hon. R.I. LUCAS:** The honourable member says that it has been known for years, but he has not been talking about it; and the Transgrid proponents who came to see us and who met with the Hons Terry Cameron, Nick Xenophon and me in December 1998 to talk about it never mentioned it. There are issues in relation to augmentation and the interconnection between New South Wales and Victoria. There are issues about lack of generating capacity in Victoria, and one of the issues, to throw a grain of good cheer to the honourable member—although I am sure he will not want to listen to it—is that the NEMMCO analysis to which the Hon. Mr Yeadon from New South Wales is referring (and obviously he has pre-embargo leaked to the deputy leader here and others he has been speaking to today) is now a bit out of date.

Since the analysis was done, AGL has announced a 150 megawatt interconnector in Victoria before next summer, and the South Australian government with its own national power has announced additional generating capacity before next summer. AGL announced in South Australia its willingness or intention to put in extra generating capacity before next summer, and there is a third generator we are talking about in relation to South Australia as well.

When you factor all that in, and in particular the AGL 150 megawatts in Victoria, it changes the analysis to which Mr Yeadon is referring, because when you have a twin peak in Victoria and South Australia it is talking about how much capacity can come from Victoria to South Australia, not just over MurrayLink but through the Victorian interconnector. If there is an extra 150 megawatts of peaking capacity in Victoria, at least over there it changes the analysis on the interconnectors, generally. Obviously, there is a question as to which interconnector it will come across—whether it is Victoria or MurrayLink—and that is an issue which remains to be resolved.

It is conceded that there are, back in New South Wales and Victoria, issues that have to be resolved to help us solve our interconnection problems. For those proponents such as the Labor Party who see interconnections as being the big solution to our state's supply problems rather than a healthy mix of generation, then we certainly acknowledge that is a weakness. There needs to be that further generation capacity in Victoria; there needs to be greater interconnection between New South Wales and Victoria; and there are some augmen-

tation issues that need to be addressed by the proponents in New South Wales and Victoria to try to increase the throughput through all the interconnectors coming into South Australia.

## FACIAL ECZEMA SWAMPS

**The Hon. T.G. ROBERTS:** I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Primary Industries, a question on facial eczema swamps disease. I am sure the Attorney has a brief through the A-G's office on this issue.

Leave granted.

**The Hon. T.G. ROBERTS:** There has been an outbreak of facial eczema swamps disease in the South-East. It has particularly affected one Kongorong dairy farmer, who has a dairy farm of 200 cows. According to the latest assessment, almost one-third of his herd has died in the space of a few days and quite a number of his remaining cows are ill and will probably die. The disease has been identified and it appears to be a toxic fungus produced by plants and if dairy cows—or probably any beasts—eat enough of the spores their meat turns yellow, their skin has a sunburnt appearance and apparently they die of liver failure.

This individual has been wrestling with the problem with experts in the field, vets and other people to try to identify the problems. I guess PIRSA is involved to try to identify and come to terms with the problems. Although he has de-stocked some of the paddocks and started to re-stock, the problem persists and his cows continue to contract the disease. He has lost a considerable amount of money. I do not want to tie it to anything like the outbreak of foot and mouth disease in Britain but it is tragic to see these beasts being put into pits and burnt. There is a fear that if the disease spreads it might get into other dairy herds in the area. My questions are:

1. Has the state government cut research into exotic diseases in the dairy, beef and sheep meat industries in this state?
2. What assistance can be provided to the Kongorong dairy farmer, Mr Ray Pearson, given his difficulties in restocking and eradicating the disease from his property to enable him to continue in the dairy industry?

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

## KANGAROO ISLAND

**The Hon. IAN GILFILLAN:** I seek leave to make an explanation before asking the Treasurer, representing the Minister for Tourism, a question regarding the disposal of untreated sewage into American Bay on Kangaroo Island.

Leave granted.

**The Hon. IAN GILFILLAN:** I have received a letter from Joanna E. Lambert, Assistant Professor of the Department of Anthropology Faculty, Program in Environmental Studies at the University of Oregon, who had visited Kangaroo Island. She wrote the letter to me and she also made a copy of it available to the *Islander*, alerting Kangaroo Island residents to the dangers of raw sewage being discharged into the sea by Kangaroo Island Lodge at American River. Associate Professor Joanna Lambert had been attending a conference in Adelaide and spent several days on the island as a tourist, as I said. Her letter states:

... its reputation (both nationally and internationally) for natural beauty, high biodiversity and abundance of protected lands.

She says that she stayed at the Kangaroo Island Lodge because of its 'self-entitled claim to luxury in unspoiled beauty.' She also says that she was walking along the edge of a protected bay with a lovely shoreline across the road from the lodge when her attention was attracted by a dense population of black swans congregated in a localised area of the water. As she walked towards the swans she noticed a smell, which she describes as 'an almost overwhelming smell of sewage and human waste.' She says in her letter that she was astonished to see a long outlet pipe coming from the lodge, and she says that it was inconceivable to her that the lodge 'which touts itself as catering to ecotourists could be pumping raw effluent into the bay'.

**The Hon. M.J. Elliott:** There is no chlorine in it.

**The Hon. IAN GILFILLAN:** That is an advantage, I guess. Her dismay was then compounded when she decided to go for a swim in the Kangaroo Island Lodge pool later in the evening because she discovered that the pool was filled with seawater pumped in from the bay across the street. Her letter then details how fish and crustacea are killed by the algae that flourish in these circumstances, and she describes how human health is threatened by exposure to the E.coli rife in human waste material or by consumption of shellfish growing in the effluent plume of such a discharge. Most of us would be aware of these facts from other sources. She asks, 'If I noticed this problem within five minutes of my arrival at the lodge, how many others have?'

My inquiries suggest that the Environment Protection Authority has been aware of this situation for quite some time and it is only now taking steps to remedy the situation. I am sure the Council would be interested to know that the owner of the hotel in question is also chairman of the South Australian Tourist Commission Board, and I am sure would be well known to the Minister for Tourism to whom I am directing the question. My questions are:

1. Is it true that the untreated sewage effluent from the Kangaroo Island Lodge has been discharging into the sea for a number of years?
2. How long has the minister been aware of the situation?
3. How long has the Environment Protection Authority known about this situation?
4. What are the regulations applying to this situation?
5. Does the Kangaroo Island Lodge have a special licence for this discharge and, if so, why?
6. Have other enterprises on Kangaroo Island applied for but been denied such a licence and, if so, why?
7. In view of the damage that is being done to Kangaroo Island's enviable reputation, when can we expect the Kangaroo Island Lodge to be obliged to comply with these regulations?

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

#### ELECTRICITY, PRIVATISATION

**The Hon. L.H. DAVIS:** I seek leave to make a brief explanation before asking the Treasurer a question on the subject of the disposal of electricity businesses.

Leave granted.

**The Hon. L.H. DAVIS:** Commonsense would suggest that anyone buying a business, whether from the public sector or the private sector, would do so to continue the business,

to certainly make a profit out of the business, or to increase the business prosperity in order to on-sell it in due course. When the federal Labor government sold the Commonwealth Bank the shareholders, which included many thousands of members of the Australian public, including members of the Labor Party, no doubt anticipated that the Commonwealth Bank would seek to maximise the prosperity of those shareholders through increasing the profitability of the bank. The same could be said of Qantas. One would imagine that that might also have been the motive of the people who purchased the electricity assets in the recent leasing process.

Therefore, I was bemused to read the supplementary report of the Auditor-General regarding the electricity businesses disposal process in South Australia, because one is led to no other conclusion than he is suggesting that there may not necessarily be an idea of maintaining the businesses on the part of those people who have bought various elements of ETSA. My attention is drawn in particular to pages 21 and 22, where he talks about the disposal arrangements for generating plants. He says:

I note that under the Flinders Power Project Documentation... the Northern Generating Plant lease which has been entered into by the state requires the lessee to maintain the Northern Generating Plant at an operational capacity of 495 MW during the minimum operating period.

And so it goes on. Then he says:

... this requirement envisages that over time there will be a substantial reduction in the operational capacity.

And then, perhaps more importantly, on page 26 of this report he notes:

... the arrangements entered into—  
that is, by the state government—

with the successful bidders [of various elements of ETSA] do not, in my opinion, seek to address or provide for any long-term certainty of continued supply of power in South Australia from the current generation sites.

In other words, the clear suggestion from the Auditor-General is that perhaps those people purchasing the generating assets were not interested in maintaining the generation of electricity in the future and, by implication of course, that would perhaps see the run-down of the businesses and a reduction in profitability.

Has the Treasurer seen the report of the Auditor-General with relation to the electricity businesses disposal process and does he agree with the comments that the Auditor-General has made with respect to the sale of those generating assets?

**The Hon. R.I. LUCAS (Treasurer):** The Hon. Mr Davis says he was bemused when he read the report. I have read the report and I was astonished when I read that aspect of it. I have said publicly and I say it again today: it defies all commercial logic to have come to the conclusion that the Auditor-General and/or his advisers did in relation to this aspect of—

**The Hon. Diana Laidlaw:** How much did they pay for the asset?

**The Hon. R.I. LUCAS:** In some cases hundreds of millions of dollars. In essence, what is being said here is that shareholders are going to allow the directors of their company—

*The Hon. Carolyn Pickles interjecting:*

**The Hon. R.I. LUCAS:** I am saying that this particular finding lacks all commercial logic. I can make it no stronger than that. I was astonished to read this finding. The Auditor-General is saying that the shareholders of a company will allow their directors to spend hundreds of millions of dollars

on a business only to wind it down, not maintain it whilst they have got it and then close it down, even though there is still a continuing demand, as we have been talking about for months in this Council, for electricity generation in South Australia. How any Auditor-General, or indeed his advisers and the Auditor-General, could come to a commercial judgment that the government envisaged a wind down along the lines that he believes was contemplated in the electricity leases—

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.I. LUCAS:** —as I said, is mind-boggling. As the Hon. Mr Cameron indicates, it is just unbelievable. You have hundreds of millions of dollars invested in a business. If you are making money out of it why on earth would you be writing off your investment during the period? What we had as a result of that report was the Labor Party, the Democrats and others running around and in essence repeating the claims—and in some cases adding to the claims—that were included in this report.

Since then there have been a number of statements from the generators which have not received the same degree of publicity in relation to their view of the Auditor-General's correctness or not. Keith Hillis, the Senior Vice President of Asia Pacific for NRG Energy—the people who now operate the Port Augusta Power Station—dismissed the media reports which cast doubt on the long-term certainty of the future electricity generating supply in South Australia. He said that NRG Energy was here for the long term—in South Australia, that is. He went on to say:

We are also considering increasing the capacity of the existing Northern Power Station generating units and refurbishing Playford Power Station to allow us to operate it in the future.

So, here we have the operators of one of the biggest businesses saying that not only are they looking to maintain capacity but, given the market and the demand for electricity, they are actually looking to spend money on expanding their businesses in South Australia.

TXU, the new operators of the Torrens Island power station, also said—and I will not go through all the detail—that they are long-term investors in South Australia; and since the acquisition, TXU has continued to spend money on upgrading generation plant facilities to meet the supply demands of the South Australian public. They concluded by saying, 'TXU will continue to explore additional growth opportunities to further its commitment to the energy market in South Australia.' In recent times—

**The Hon. Diana Laidlaw:** Did the Auditor-General—*Members interjecting:*

**The PRESIDENT:** Order, the Minister for Transport!

**The Hon. R.I. LUCAS:** The Minister for Transport—most unruly—has interjected but has asked a very appropriate question: 'Did the Auditor-General speak to the companies?'. My understanding is 'No.' He came to the commercial judgment that he did—that the government envisaged this wind down. As I said, the third company is Australian National Power. Australian National Power, which took over the old Synergen assets, has just indicated that it is increasing power capacity in South Australia by two more plants before summer and another plant next year, to a total of 105 megawatts of capacity.

What we had in the Auditor-General's Report, which was then quoted by learned commentators in the media (if I can use the term advisedly) was a graph that indicated 2 000 megawatts of capacity and that the government envisaged the capacity dropping from 2 000 to 300 or 400 over the next six

to eight years. If our Auditor-General had been in Victoria three years ago when the government sold the assets to the generators, he would have been able to produce a graph in his report which would have shown in one year 8 000 megawatts (which was the existing capacity) and in the next year nothing, because there was nothing in the requirements for the sale, nothing in the contracts for the sale in Victoria, that would have stopped the new generators in Victoria (other than common sense, I might say) from moving from 8 000 megawatts overnight and closing them down. That is the sort of logic that has been used by the Auditor-General in relation to this issue.

**The Hon. Diana Laidlaw:** Lack of logic.

**The Hon. R.I. LUCAS:** It certainly lacks commercial logic in relation to these issues. These people have spent hundreds of millions of dollars. There is a viable business for them there. They want to be able to make money in this market and, as long as there is demand for their product, they will continue to invest.

### GAMBLING, ON-LINE

**The Hon. NICK XENOPHON:** I seek leave to make a brief explanation before asking the Treasurer a question in relation to on-line gambling.

Leave granted.

**The Hon. NICK XENOPHON:** Yesterday the federal government announced it would introduce legislation to prohibit Australian gambling service providers from providing on-line and interactive gambling and wagering services to people located in Australia. The minister responsible, Senator Richard Alston, is quoted in today's *Financial Review* as saying:

Australia's status as one of the world's leading problem gambling nations demands that we take decisive action to protect the most vulnerable in our community.

He went on to say:

It is incumbent on governments at all levels and of all political persuasions to take strong action to combat these tragic economic and social consequences of gambling in this country.

The Prime Minister, Mr Howard, on the AM program this morning said in relation to the proposed ban:

You can stop it spreading, and that is the rationale behind what we are doing.

Today's *Advertiser* quotes the Treasurer as siding with the Australian Democrats and saying that the proposal is 'unworkable'. The Treasurer is quoted as saying:

My general view is that these bans don't work and you could drive a truck through what has been suggested.

My questions are:

1. Given the Treasurer's reported statements this morning, is he fundamentally in disagreement with the Prime Minister and Senator Alston on this issue, and essentially in agreement with senators Natasha Stott Despoja and Kate Lundy?

2. Given the Treasurer's position that he considers such a ban to be unenforceable, whereas Senator Alston is quoted as saying it is enforceable, on what basis does the Treasurer disagree with Senator Alston's views on enforceability?

3. Will the Treasurer support complementary state legislation based on any federal legislation that is passed to enforce the ban on on-line gambling?

**The Hon. R.I. LUCAS (Treasurer):** I have not seen the statements from the Prime Minister, but if Senator Alston has

been correctly reported—and I suspect he has been, because it is consistent with what he has said for a number of months—I certainly do strongly disagree with his statements, and I have done so for quite some time. He has sought to attack state governments and state treasurers in particular in a most unreasoned and unfair way during this whole debate. I have not seen the comments from the Prime Minister so I will have to make my own judgment about that in due course. The honourable member said that I sided with the Australian Democrats but I am not sure which Australian Democrats he is talking about.

*The Hon. Nick Xenophon interjecting:*

**The Hon. R.I. LUCAS:** No, which federal Australian Democrats the honourable member is talking about, because I am not aware that there is a consistent view from the federal Australian Democrats, and I am surprised that the Hon. Mr Xenophon is not aware of that. On a number of issues there are differences of opinion within the Australian Democrats federally, and I understand that that is the case with this issue. Various statements have been made by Senator Stott Despoja, and other federal Democrat senators have taken different positions. That is their right. Perhaps it is a conscience vote for the Australian Democrats.

**The Hon. J.S.L. Dawkins:** All votes are.

**The Hon. R.I. LUCAS:** All votes are for the Australian Democrats.

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.I. LUCAS:** It might get caught up in part of the campaign, but I do not know where it is headed. To be fair, on this issue, there have been differing opinions among some federal Democrat senators for some time. So on that basis I am not sure which federal Democrats the honourable member thinks I am siding with. I do not want to be seen to be taking a side in the federal leadership battle of the Australian Democrats, not that I suspect it would carry much influence amongst the voting constituency.

We are hoping that the federal government will soon convene a meeting of the ministerial council on gambling, and we understand there is a good chance that we will get a meeting in the next month. It has not met for almost a year, and at that meeting many of us want Senator Alston to prove his claim that this is enforceable. Many of us believe that he will not be able to demonstrate that or rather, to put it another way, many of us do not believe that it is enforceable and that it is unworkable legislation. In that respect, if Democrats, Labor senators or informed commentators in this area take the view that it is unworkable and unenforceable then I agree with those views. Nevertheless, the challenge will go to Senator Alston to demonstrate what he has been claiming publicly that this is 100 per cent enforceable and there will be no way of people being able to get around the edges of the legislation.

The last point that I would make is that a number of people want to know what the distinction is. If this is a great moral principle in relation to internet gambling, why is it okay for people in Papua New Guinea, South-East Asia and developing countries in Africa to spend all their remaining units of currency on rapacious Australian gambling providers when it is not okay for Australians to be able to similarly invest?

**The Hon. Nick Xenophon:** I agree.

**The Hon. R.I. LUCAS:** The Hon. Mr Xenophon says that he agrees. It really is an interesting issue and, if a meeting of the ministerial council is convened, I will be interested to hear Senator Alston's defence of that.

## PORT AUGUSTA PLAN

**The Hon. J.S.L. DAWKINS:** I seek leave to make a brief explanation before asking the Attorney-General a question about the Port Augusta social vision and action plan.

Leave granted.

**The Hon. J.S.L. DAWKINS:** Through my chairmanship of the Regional Development Issues Group I have become aware that the state government, led by the Attorney-General's Department, is working closely with the City of Port Augusta on a comprehensive community strategy called the social vision and action plan. My questions are:

1. Can the Attorney-General indicate the manner in which the government is working with the Port Augusta City Council?

2. Can he report on any developments that have resulted from this strategy?

**The Hon. K.T. GRIFFIN (Attorney-General):** The Minister for Human Services (Hon. Dean Brown) made some funds available to the Port Augusta council a couple of years ago. That was directed towards trying to identify some strategies to deal with some underlying social issues which were causing concern to the Port Augusta community, particularly the council. As a result of that money being made available, the council commissioned the preparation of a plan, which subsequently became known as the Social Vision and Action Plan.

This plan was completed last year by the council and the consultant and presented to me (as government representative) in about the middle of last year. It was quite obvious that a number of social issues as well as infrastructure issues had to be addressed by both the council and the government. Not all of the responsibility was placed upon the government, but there were some areas where the government did have to be involved.

The real challenge was to work out how we were going to address the issues raised in the Social Vision and Action Plan. As a result, a committee comprising ministers and officers was established. I chair this committee, members of which include the Minister for Human Services, the Minister for Education and Children's Services (Hon. Malcolm Buckby), the Minister for Local Government and Minister for Aboriginal Affairs (Hon. Dorothy Kotz), the Minister for Transport—

*The Hon. Diana Laidlaw interjecting:*

**The Hon. K.T. GRIFFIN:** I know that this is not in order of seniority.

**The Hon. Diana Laidlaw:** I'm not on it; I just seem to fund everything.

**The Hon. K.T. GRIFFIN:** You're on it, because you come to some of the meetings.

**The Hon. Diana Laidlaw:** I've never been.

**The Hon. K.T. GRIFFIN:** Yes, you have.

**The Hon. Diana Laidlaw:** No; I've never been.

**The Hon. K.T. GRIFFIN:** There's a dispute on this side.

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. K.T. GRIFFIN:** A number of state government agencies are involved, including State Aboriginal Affairs and my Crime Prevention Unit, because we recognise that there are a number of crime issues which require some innovative strategies. The member for Stuart (Graham Gunn) and the Hon. Caroline Schaefer have taken a particular interest in the way in which we deal with the Social Vision and Action Plan. The Mayor of Port Augusta, Joy Baluch, and the Port

Augusta City Manager, Ian McSporran, have met with that committee every few months, and we have taken a number of significant steps forward. Notwithstanding the failure of my colleague the Minister for Transport to recollect that she has been to one or two of these meetings, she has been able to—

*The Hon. Diana Laidlaw interjecting:*

**The Hon. K.T. GRIFFIN:** Well, here's the good news—

**The Hon. Diana Laidlaw:** You've obviously stuck me down the bottom of the list as an afterthought. I'm not on it.

**The Hon. K.T. GRIFFIN:** This is not capable of resolution at the moment. The money that came from the—

*The Hon. T.G. Cameron interjecting:*

**The Hon. K.T. GRIFFIN:** Well, the Minister for Transport and Urban Planning made available \$1 million towards refurbishing the Port Augusta wharf, and that will have significant outcomes for the social vision for Port Augusta. That will require a significant amount of input not only from the government but also from the council because the council will be funding the development of some areas surrounding the wharf. Involved in all of that will be the local Aboriginal people, possibly through traineeships. Regardless of whether or not the minister remembers coming to a meeting, she has been very generous in making this money available for the Port Augusta wharf refurbishment.

*The Hon. R.I. Lucas interjecting:*

**The Hon. K.T. GRIFFIN:** Well, we are always delighted to have the Treasurer there, provided he has his chequebook open. The Minister for Education and Children's Services (Hon. Malcolm Buckby) announced the continuation of the innovative Carlton project at the Carlton Primary School. This was in the Treasurer's former days as Minister for Education in 1997 when he launched the project and that is aimed at better meeting specific needs of Aboriginal students by working to increase school attendance, participation and retention—another recommendation of the social vision and action plan. That project has already demonstrated dramatically increased attendance figures over the period, with an attendance rate now of over 80 per cent. Student testing has shown literacy gains comparing positively with those for similar students in other school contexts.

In the last couple of weeks I have announced that the Department of Justice will be funding (with the funding coming mainly from the Attorney-General's Department) the appointment of a project officer to help the council develop a sustainable funding base for the implementation of its action plan. Only recently also the third year funding for the crime prevention program—about \$76 000—was committed by me in Port Augusta.

There are a lot of other things that need to be done in relation to the implementation of the social vision and action plan. The Government is certainly conscious of its responsibilities but so also is the council. This has been a particularly rewarding experience being able to work with a local government body, particularly the mayor and the manager of the Port Augusta council in getting some clear and measurable responses to the recommendations of the social vision and action plan. That all augers well for Port Augusta, which we know has a large Aboriginal population. We know also that it has suffered some disadvantage as a result of the closure of the railway workshops but we also know that it has the capacity to make significant progress for the future. I am very pleased that the government has been able to be part of that and will continue to be part of achieving those objectives.

## HEALTH, RURAL

**The Hon. R.R. ROBERTS:** I seek leave to make a brief explanation before asking the Minister for Transport and Urban Planning, representing the Minister for Human Services, a question about rural health emergency services.

Leave granted.

**The Hon. R.R. ROBERTS:** On 1 June 2000, I asked questions in this Council regarding impending changes to the crisis in emergency services available to rural people via the 24 hour 131 465 number. The minister advised me in November that consultation would occur with the GPs, consumers, carers and other service providers and that a feasibility study would be undertaken by December 2000. When I passed that information onto professionals in that area, it was one of the few times there has been any smiling in the mental health care system in South Australia. They believe they have had no consultation.

The Lower North Mental Health Forum and community stakeholders are unanimous in their support for the Emergency Triage and Liaison Service. People I have spoken with are very happy with the service and do not believe their needs will be serviced if a merger takes place.

I am also happy to see that recently the Minister for Human Services visited the electorates of Frome and Schubert and made some welcome announcements about funding for mental health. Some of that funding I am hoping will impinge on the services that would normally be party to the Emergency Triage and Liaison Service. On behalf of the concerned health professionals who service rural areas, my questions are:

1. Will the minister advise what consultation has taken place and what is the result of that consultation?
2. Will the merger of the Emergency Triage and Liaison Service and the assessment and crisis intervention services take place?
3. Will the minister guarantee that the proposed changes will provide an enhanced service to rural people; and how will that be achieved?
4. Will the minister guarantee that the government will provide resources and training for staff on the ground who will have to deal with these emergency situations?
5. Will the minister ensure that care and consumer groups who work so hard on a voluntary basis can expect the provision of adequate emergency services in their communities in country areas?

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

## OPEN HOUSE

**The Hon. A.J. REDFORD:** I seek leave to make a brief explanation before asking the Minister for the Arts a question on the topic of Open House.

Leave granted.

**The Hon. A.J. REDFORD:** Last Friday, the minister attended the launch of Music House. I was also in attendance but I will speak about that later. The minister had to leave to attend an invitation from Open House where, I understand, for three hours numerous art spaces and studios in Adelaide's west end arts precinct threw open their doors. All honourable members would be aware that until relatively recently the west end of the city has been almost a dead area. I know there have been a number of attempts and initiatives by the City of

Adelaide to resurrect that area. In the light of that my questions are:

1. What has the government done to assist with the urban renewal of the west end of the city?
2. What role has the arts played in that respect?

**The Hon. DIANA LAIDLAW (Minister for the Arts):**

The arts have played a major role in the urban regeneration and revitalisation of the west end of the city, particularly focused on Hindley Street. From my own perspective it has been a personal mission to see the powerful role that the arts can play in the context of bringing back life to an area and changing the profile of the area for the wider community as well as the increase in property values through the arts.

On all fronts there has been success. Arts SA has moved into Wests Coffee Palace from an anonymous out-of-the-way site it had occupied for quite a number of years in the east end of the city. Other arts organisations, led by the Adelaide Festival, have also participated.

The Open House was an effort by 37 art galleries, arts companies and related arts ventures to throw open their doors to show people what is happening, to give them a good time, and to encourage them to understand the major change taking place in Hindley Street and to link that with the opening of the Roma Mitchell Arts Education Centre and Music House in the Lion Arts Centre.

*The Hon. A.J. Redford interjecting:*

**The Hon. DIANA LAIDLAW:** I am sure Greg Kelton did not go because he does not like the arts, and he does not value them. I have received a letter from the President, Sandy McClure, of the Adelaide West End Association Incorporated dated 26 March 2001 in which she thanks me and Arts SA for our participation in Open House. The letter says, as follows:

Our reports indicate that a lot of new faces were seen in the west end arts precinct for the first time on the night and more pleasing was the obvious economic benefit those involved in showcasing 'Open House' received.

The success of the night will now see the Open House event become a regular on the arts calendar along with the planned [www.walkonthewestside](http://www.walkonthewestside) website and our very successful arts auction.

Once again many thanks and we look forward to your continued support of the arts activities of the Adelaide West End Association.

I have been advised that Flightpath, one of the businesses that has moved into the Hindley Street area, estimated that over 300 people visited its exhibition, and Imprints bookshop doubled its usual Friday takings. Over 400 people visited the Arts SA office to see the BMG art exhibition and approximately 700 visited the Persimmon Gallery and many works were sold during the day. The Jerusalem Restaurant said that it had the best trading night since the Grand Prix, and many other restaurants reported full houses.

I know that the bar at the new Music House, which officially opened earlier that night, attracted many people, including the Hon. Angus Redford who contributed handsomely to the arts. I am not going to comment on his performance. It is estimated that some 3 000 to 4 000 people participated in the first open house and it is contemplated not only that it be held regularly but that it is likely to be held twice a year. This is modelled on something that I saw in Seattle and it is one of the first. It looks likely to be a lasting benefit of the arts relationship that has been established with Seattle.

## EMPLOYMENT

**The Hon. M.J. ELLIOTT:** I seek leave to make a brief explanation before asking the Treasurer, representing the Minister for Employment, a question in relation to employment participation rates.

Leave granted.

**The Hon. M.J. ELLIOTT:** When the last unemployment statistics were released—for February 2001—the Minister for Employment put out a press release, proudly proclaiming that the South Australian unemployment rate had remained steady. I know he was going around saying, 'Let anybody find any problems with things. Let anybody find any bad news this month.' As I understand it, he said in the other place, 'Even the Democrats could not find anything this time.'

**The Hon. R.I. Lucas:** He was wrong.

**The Hon. M.J. ELLIOTT:** He was dead wrong. I will make the point very clearly as to why he was wrong. The seeds of it were contained within his own press release. Not only did the minister note that the unemployment rate had remained steady but also he noted that the number of unemployed had gone down. How is it possible that the number of unemployed had gone down but the unemployment rate had remained steady?

**The Hon. T.G. Cameron:** Participation rate.

**The Hon. M.J. ELLIOTT:** Quite simple—that's right—but that little bit was left out. What had happened was that the participation rate during that same month had dropped. It is worth noting, for those who do not know, that the participation rate relates to that percentage of the population over 15 years who are looking for work. It is important, because it indicates whether changes in unemployment rates have had the result of getting people into work or, in some cases, people giving up on finding work.

The ABS labour force figures have been showing a fairly consistent trend in South Australia of a decline in the participation rate. I have a graph in front of me that shows that, at the beginning of the period between February 1996 and February 2001, South Australia had an unemployment participation rate of about 61.7 per cent. This has now declined to 59.9 per cent. It was the lowest in mainland Australia and it continues to be the lowest. But the more worrying trend is that we are in a far worse situation now than the other states. We have lost ground against every other state in the nation.

It is worth noting that over a longer period of time (and some of this is not during the term of the current government), from 1990 to the year 2000, South Australia has had a 3½ per cent decline in participation rate. That compares with a national average of zero—no change in participation rate across the country. There has been variation from state to state but the next worst state was Tasmania, with a decline of participation rate of 1.7 per cent. As I understand it, some work has been done by Professor Dick Blandy that indicates that, if South Australia had the same participation rate as the rest of the nation, the unemployment rate in South Australia would be somewhere over 11 per cent. My questions are:

1. Will the minister confirm that the ABS labour force figures are showing a continuing declining trend in the participation rate?

2. Will the minister confirm that, if South Australians had not given up looking for work and we had a participation rate like that in the rest of the nation, the unemployment rate in South Australia would be somewhere above 11 per cent?



3. Will the minister please detail what plans the government has to reverse South Australia's plunging participation rate, which is hiding the real unemployment situation in the state?

**The Hon. R.I. LUCAS (Treasurer):** I am happy to refer the honourable member's questions, but the Australian Democrats, in particular the state leader, never cease to amaze me. They are just so desperate to find—

**The Hon. M.J. Elliott:** Argue the numbers.

**The Hon. R.I. LUCAS:** I am happy to. They are so desperate to find something wrong with everything. For the last year or so as the unemployment figures in South Australia have declined compared with everywhere else. The Leader of the Australian Democrats must have been almost slashing his wrists every first Thursday of the month when he saw the figures in South Australia improving, and he must have been saying, 'How on earth can I say something positive about the Liberal government? I can't. I've got to find something negative. Quick, get me something negative to say about these things.'

He must be getting desperate. I do not know whether it was last month, but the youth unemployment rate in South Australia either last month or the month before, according to the minister, was the best in the nation. Under Labor it was 42 per cent and the worst in the nation: it was a 12 per cent unemployment rate. Mike Rann was the minister at the time, when 12 per cent and 42 per cent—

**The Hon. M.J. Elliott:** What about participation rates?

**The Hon. R.I. LUCAS:** What about participation rates?

**The Hon. M.J. Elliott:** That's what the question was about.

**The Hon. R.I. LUCAS:** What about participation rates? You have a message—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. R.I. LUCAS:** —that is overwhelmingly positive and the Australian Democrats have to clutch at every way of running down the state, trying to put a message across that the state is not performing well.

**The Hon. M.J. Elliott:** Why don't you just be honest for once? You guys have messed up.

**The Hon. R.I. LUCAS:** You would be the last person in the world—

*The Hon. M.J. Elliott interjecting:*

**The PRESIDENT:** Order! I will not go on calling the honourable member to order.

**The Hon. R.I. LUCAS:** Mr President, the Leader of the Democrats should be the last person in the world making that challenge.

**The Hon. M.J. Elliott:** It's not a joke, it's not a game: it's serious.

**The Hon. R.I. LUCAS:** The Leader of the Democrats should be the last person in the world making that challenge. What I would ask the Australian Democrats and its economic adviser, Mr Blandy, to analyse—if he is going to do this analysis which says if the participation rate was the same then unemployment would be 11 per cent, and you are now asking that question—is, if South Australia's demographic profile in terms of the number of older people compared to younger people was the same as everywhere else, how would that impact on the participation rate in particular.

There is a genuine issue in relation to the participation rate which can be explored if people are prepared to look at the other issues as well. The problem we have with the Democrats is that they are not prepared to engage in a debate in a

reasonable and rational way about the good things that are going on without, every month—

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.I. LUCAS:** Exactly—highlighting the one skerrick of evidence that they can find to try to run down the state. What I am saying is that, if you are going to do those sorts of analyses with Dick Blandy, get him to look at the issues as well as the state's socioeconomic profile, the impact of higher age groups and the percentage of older people in South Australia. I do not indicate that that is the sole reason for the difference in the participation rate: it is not, but it is one of the reasons.

**The Hon. M.J. Elliott:** A small reason.

**The Hon. R.I. LUCAS:** Well, it is one of the reasons—

**The Hon. M.J. Elliott:** You're clutching at straws.

**The Hon. R.I. LUCAS:** —but that again is not highlighted by the Australian Democrats. They quote Dick Blandy saying that if South Australia had the same participation rate as the other states then we would have an unemployment rate of 11 per cent. Do you agree we have a real unemployment rate of 11 per cent?

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.I. LUCAS:** Who, the Democrats? Well, who would know what the Australian Democrats would do: one would never know. What I am saying is if you want to get into a debate about that with the minister—

**The Hon. M.J. Elliott:** Do you want one?

**The Hon. R.I. LUCAS:** With the minister. He is the Minister for Employment: I only represent him up here. I am happy to represent him, but he is the minister and I am sure that he would be happy to engage in a debate not only with the leader of the Democrats but also with their economic advisers. What I am saying is that if you want to have a debate about it at least highlight some of the reasons why the state's participation rate is higher. Do not always try to say that the government has got it wrong, it is because of the government that we have too many old people in South Australia and the participation rate is too high. That is the sort of nonsense—

**The Hon. M.J. Elliott:** That's a joke!

**The Hon. R.I. LUCAS:** Exactly. It is a joke. I am glad the Australian Democrats indicate that that is a joke because that is the sort of irrational debate that they want to have because they are desperate to be able to criticise this state and this state's economic performance whenever they can, and they are finding it increasingly difficult in recent months to find reasons to attack it.

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## MATTERS OF INTEREST

### MUSIC HOUSE

**The Hon. A.J. REDFORD:** On Friday 16 March last I was fortunate to attend the opening of Music House in North Terrace by the Minister for the Arts. Music House represents a partnership between the federal and state governments to promote the development of the contemporary music industry in South Australia and advance the interests of musicians, song writers and technicians. Music House provides training and seminar facilities, performance areas, administrative support and a licensed bar and restaurant where performers

can showcase their new material. Indeed, it provides young people involved in contemporary music with a unique opportunity to perform in front of audiences.

A number of key groups now occupy Music House. These include AusMusic SA, which provides many opportunities for young people to showcase their material, particularly those in secondary schools; the South Australian Music Industry Association; and the SA Council for Country Music.

Music House enhances many other government initiatives including Music Business Adelaide; the Recording Assistance Program, which includes early recording assistance grants; and Training for Music Managers. At the launch the minister announced that Fran Silvester was the Operations Manager. She gave a delightful speech about why she was returning to South Australia. Fran was born in South Australia and lived in Victoria for a number of years, but she has now returned. She gave a delightful speech as to why people should live in South Australia, and she went on and said that we should keep it a secret in case it gets spoilt.

Some of the services provided include low cost rental and accommodation facilities for these community organisations, low cost rehearsal and performance space, grant information and assistance, music development seminars, industry advice and support, and a newsletter. I am pleased to note that the commonwealth contributed some \$500 000 out of its \$1.08 million contemporary music development package for the purposes of establishing it.

When one considers where we were immediately prior to the 1993 state election, it is pleasing to see that, as a consequence of the government's comprehensive policy on contemporary music, we have progressed significantly over the past seven years in promoting the development of contemporary music in all forms. Indeed, it is pleasing—and I am sure if the Hon. Anne Levy were here she would acknowledge this—that we have now on North Terrace—and I know that the Hon. Legh Davis would be pleased to see it—our cultural boulevard, a major institution which will no doubt enhance the artistic life of this state.

I know that Music House now has a board, and a very strong board at that, comprising David Day, the manager of the Media Training Centre; Steve Riley, from the SA Museum; Ian Coulls from SAMIA; Noelene Buddle, General Manager of AusStereo in this state; Arna Eyers-White; Emily Kelly from AusMusic; Wally Sparrow from the SA Council for Country Music; Debra Strassnick, a lawyer from Knox & Hargrave; Di Maschio from marketing and promotions; and Jane Intini, from publicity and promotions. I wish all of those people the very best in advancing the objectives of Music House. I will close by urging all members to take the opportunity, if they see any events or functions taking place at Music House, to attend. It is only a short walk from here.

*The Hon. Diana Laidlaw interjecting:*

**The Hon. A.J. REDFORD:** In particular, as the minister reminds me, the forthcoming Adelaide Cabaret Festival will have a number of very cheap functions which will give all people—including members opposite—an opportunity to see and inspect this tremendous facility brought about by the state and federal governments.

#### DRY ZONE, CITY

**The Hon. T.G. ROBERTS:** The matter of interest that I raise concerns the calls for a dry zone in the centre of the city, specifically in Victoria Square, and in other places. The

media have taken two approaches to cover this very vexed question. One is the very aggressive, hard-hitting, provocative way in which the *Advertiser* has presented at least two articles that I have seen. Its full-page headline on Thursday 15 March stated, 'Ban all alcohol in city centre or else' and it was a message from the Premier to the rest of the state.

The *Advertiser* has been carrying on a campaign to put pressure on the government to impose a dry zone on the whole of the city centre. However, the *Advertiser's* frustration is that the Adelaide City Council, which has major responsibility for the administration of the city centre, has been trying to get a complete picture of the difficult circumstances that face the city with respect to the vexed questions of alcohol abuse, drug abuse, homelessness, the mental health problems suffered by such people, population drift and unemployment. The Adelaide City Council has been trying to wrestle with those issues for some time.

In fact, my first contact with the council before it changed was when I was trying to sell a program that took a more constructive view of dealing with these problems. When the Adelaide City Council changed, the reports that were in progress had to be assessed by the incoming council and a lot of the momentum that had been carried forward at that stage was put on hold. I can understand that an incoming council would have to do that, to make a fresh assessment based on the reports that had been or were being put together.

On the other hand, the Messenger Press has taken a slightly different approach. It has taken what I regard as a more constructive approach because some of its articles have indicated just what difficulties the Adelaide City Council faces, and it has spelt out some solutions to those problems. So far three reports have been undertaken but none has been released. The headlines in the *Sunday Mail* and *Advertiser* have been very provocative, leading the government into a position where it has to bring down a decision on a dry zone regardless of how it handles the other problems, and the *Advertiser* will not be happy until it gets a dry zone.

The *Advertiser* also ran a campaign that led to the demolition of an inanimate object, which was the toilet block in Victoria Square. It had nothing to do with anything other than the fact that many people in dire circumstances used the toilet for shelter or for a personal privy. The inanimate object was the first victim of the very bad policy pressure that was applied by the *Advertiser*.

As I said, the Messenger Press has been more accurate in its reporting and more humane in its dealing with the issue. A call for the release of the reports by Councillor Anne Moran is reported in the Messenger Press this week. I also call for a release of those reports so we do not get sectionalised quoting out of separate reports.

Time expired.

#### HUNGARIAN COMMUNITY

**The Hon. J.F. STEFANI:** Today I speak about the Hungarian community in South Australia and its recent millennium celebrations. In South Australia there are 15 Hungarian associations, the majority of which belong to an umbrella organisation known as the Council of Hungarian Associations in South Australia. On Saturday 10 March I was privileged to attend a ceremony at the Migration Museum where the Governor unveiled a remembrance plaque for the Hungarian community of South Australia. The plaque pays tribute to the history of Hungarian settlement in South Australia.

The unveiling ceremony followed a function organised by the Council of Hungarian Associations in November last year when the Hungarian millennium was celebrated and 1 000 years of statehood and 1 000 years of Christianity were acknowledged. Last year the Council of Hungarian Associations in South Australia also celebrated the 50th jubilee of the Hungarian Catholic Church, Regnum Marianum, and the Hungarian Presbyterian and Lutheran Church in South Australia.

When the convict colony of New South Wales was gradually being settled around the shores of Port Jackson, the kingdom of Hungary, founded by St Stephen in the year 1000, was still one of the largest countries in Europe. However, two centuries of war against invading Turks devastated and depopulated the country. At the threshold of the 19th century, Hungary had almost lost its independence to Austria, whose armies helped to free the country from its invaders.

A small number of Hungarians arrived in Australia between 1851 and 1867, with the majority of Hungarians migrating after World War II. Small but regular numbers of refugees settled in South Australia as displaced persons seeking freedom from the brutal repression of the Hungarian revolt of October 1956, which shook the world. More Hungarian families arrived in 1978 when social reforms in Hungary resulted in the opening of the borders. Refugee status for Hungarians migrating to Australia ended in 1988.

Many highly skilled Hungarians with professional qualifications such as army officers, doctors, solicitors, architects and teachers found the period of settlement in Australia most difficult because their qualifications were not recognised. However, many Hungarians have made significant contributions to the Australian way of life and have taken leading roles in the intellectual, artistic, industrial and business development of their adopted homeland.

The achievements of Hungarian Australians have been especially prominent in the academic field and in intellectual fields such as book publishing, as well as their contribution to Australian architecture. Hungarians have also been active in community and social activities by establishing numerous associations, including the Federal Council of Hungarian Associations, which is a representative body of all Hungarians in Australia. The Hungarian community in South Australia has also established a most successful home for the aged, which provides care and support for elderly people.

In conclusion, I pay tribute to Mrs Ildi Wetherell, President of the Council of Hungarian Associations in South Australia, and all past presidents, including Mr Joseph Garamy AM, and I wish all members of the Hungarian council continued success for the future.

### SPEED CAMERAS

**The Hon. T.G. CAMERON:** Today, I intend to grieve about speed camera machines and the Minister for Police (Hon. Robert Brokenshire). I put questions on notice in relation to speed cameras, laser guns and so on back on 9 November. I regularly put questions on notice. However, a practice has developed whereby before I get the answers to my questions they appear in the newspaper. I have had a number of discussions with a number of police ministers and eventually discovered that the information was being leaked from the police minister's office so that the police minister could get first crack at the media release.

I do not know whether an agreement was reached when this information was leaked to the *Advertiser* and the *Sunday Mail* that 'whatever you do, don't get a comment from Terry Cameron; they're his questions.' So, my questions on speed cameras are now being answered in the media through leaks from the minister's office. I was given an assurance by the Minister for Police, Robert Brokenshire, that this would not happen again. However, on 25 March I found that the answers to my questions had been provided to the *Sunday Mail* and, once again, the undertaking that I thought I had received has not been lived up to.

I have been around politics for a while, I have been lied to and conned by ministers on both sides of politics, first, in my capacity as Secretary of the ALP and now as a member of this place. I wish to place on record that I consider the conduct of the Hon. Robert Brokenshire, the Minister for Police, to be deceitful and dishonest and an arrogant display of perfidy in relation to the undertakings that he has given me.

It is totally unsatisfactory when I have asked questions back in November and five months later I have not received a reply, yet those replies are being leaked to the media so that the government will not be damaged by a negative story. If that is the way in which the Hon. Robert Brokenshire wants to play the game, then two can play that game. I will not accept his word again—I will tell the Council that—and I will certainly have something to say to him about what I consider to be a serious breach of trust on his part. At the end of the day, he is the Minister for Police and he should not be conducting himself in this way.

I now wish to refer to the article in the *Sunday Mail* which contains a lot of selectively released material. First, the article clearly demonstrates that speed cameras are being placed to maximise revenue rather than where accidents are occurring. If you look at the top 10 locations for speed detection in January and February, you find that only three of those sites appear in the top 20 sites where accidents are occurring. You would expect a much more positive correlation between the two. Only three of the top 10 locations for speed detection actually appear in the top 20 sites where accidents are occurring.

For example, we find that Seaview Road, Grange, where 1 300 people were caught, does not even appear in the top 20 sites where accidents are occurring. Quite clearly, these machines are being used as revenue raisers. I intend to say a bit more about this in my next grievance speech. Once again, the figures clearly demonstrate that this government is using these machines to raise revenue, they are not being placed where accidents are occurring and, in my opinion, the Minister for Police is telling political lies on television and the radio.

Time expired.

### WATER FOR WATERVALE

**The Hon. R.R. ROBERTS:** I refer today to a situation that is occurring in the Clare Valley. I am talking about a campaign which has been labelled 'Water for Watervale'. That may sound amusing to some, but I assure members that we are talking about a very serious situation. Some 18 months ago, I conducted a survey in the Frome electorate, and I received a number of responses from Clare about issues that the people felt were important. What showed up on a number of occasions was the question of water for Watervale, Penwortham and Auburn.

I followed that up with a question to the Minister for Primary Industries (Hon. Rob Kerin) who is also the local member. I received a response from the Hon. Malcolm Buckby (who was acting as the Minister for Primary Industries at the time) advising me that some extra water from the Murray pipeline was being transported into the Clare region. Basically, my understanding is that there was a greater load because of the winegrowing activities in this area.

This is one of our premier wine areas and it is also one of the jewels in the tourism crown in South Australia. However, we have a problem in that as far back as 1942 assurances were given to the people who lived at Seven Hills, Watervale and Auburn that reticulated water would appear. A whole lot of work has been done recently by a group trying to get water for Watervale and I have also been contacted by the township of Mintaro and people who live in that area. I visited there recently and had consultations with the people concerned in these areas, especially at Mintaro.

We have a great deal of problems with the water in this region. Not only is the water overtaxed but we have a very worrying situation where, in many of the sites that have previously recorded low amounts of saline in the water, it is now elevating at a dramatic rate. The locals of Mintaro have not relied entirely on the coffers of the government to get them out of trouble. They have worked very hard. I refer to the pub and three other premises in Mintaro. Unfortunately, the pipeline does not run down as far as the Hon. Robert Lawson's establishment at Mintaro, but I am sure that he has a bore, the same as everyone else, but access to water is causing a great deal of concern in Mintaro. We have neighbour arguing with neighbour about who has what water, and there are also problems in Mintaro with the effluent system.

What has occurred with the help of the Clare Valley Council and the Regional Development Board, which is supporting these processes, is that a report has been brought down by a group called EconSearch Pty Ltd, which has come up with a very sensible proposal that would provide a ring system for water in that region. It would supplement the supplies that go to Paskeville and come from the Morgan-Whyalla pipeline. Unfortunately, at present the pipeline is overtaxed. We are now talking about one of the jewels of tourism in South Australia. It did not feature in the Secrets campaign that was launched by this government: it was so good that it was kept an absolute secret.

However, what we have here is a heritage area. Unfortunately, the services that are being provided to those people who are establishing tourism and other enterprises and the very important wine industry still belong to the 19th century. This is not only a wine area, although one accepts that that is extremely important and we need to support it. This proposal by EconSearch provides for funding. It has been around for a long time. Everyone who has been consulted agrees that it is a good idea. The only people who have not come to the party so far are the members of the government.

On the evidence presented to me, I think this is a worthwhile project and the Labor Party will take it up as a matter of some importance for the people who live in this beautiful spot. However, I hope that this is not one of those situations that has been tucked away perhaps to be thrown up as an election ploy later in the year. This is a worthwhile project and it deserves the support of the government.

Time expired.

## HEALTH, ADMINISTRATION

**The Hon. SANDRA KANCK:** Imagine a business which has taken years to develop and successfully produce a high quality service for the public. It produces great results and parts of the business are world renowned. A significant part of its success comes from its experienced management team. Like many businesses it has a succession plan to ensure comprehensive knowledge and a firm foundation for the management of the future.

The years of experience in the industry will allow the best of these people to move to the top where they can share their knowledge and ensure the continued delivery of high quality services. But imagine the reaction if someone began intervening in these successful management strategies, ignoring the years of experience and knowledge of the business experts. Imagine the consequences of 75 per cent of that business's top management leaving due to the frustration of their advice being ignored and the inability to maintain high quality services. Such loss of expertise would send the shareholders into uproar.

This scenario is not a fantasy but is reality in the business of public health in South Australia. Over the past three years this state has lost more than two centuries of health administration expertise. In 1999 alone three out of the four CEOs of our major metropolitan hospitals moved on. At least 15 health officials with a conservative average of 14 years experience each have gone, leaving a health expertise black hole. Constant meddling by senior health bureaucrats has played a significant part in their departures. The final decision regarding appointments of senior health officials should be left in the hands of the boards of our public institutions. That is what they are paid to do. But the Department of Human Services has and is currently extensively using a veto on senior appointments because only tame pussycats are wanted for the top positions.

Our health system is now top-heavy with bureaucrats and empire builders, many with no health expertise advising the minister. How can a high quality health service continue to be delivered when those advising have no understanding of the service itself? What is their advice? Balance the budget at all costs and, if services are to be affected, so be it. If it means that a hospital operates with no patients but has a balanced budget, all the better. Heaven forbid that service delivery should get in the way of cost effectiveness. The result has been a reduction in ground-breaking research, closure of wards, suspension of surgery, the paring back of staff numbers and the loss of experienced and dedicated administrators. Some of these people have been lost to the health system and/or the state. The roll call exodus in recent times includes:

- Arthur Van Deth, former Director of the IMVS.
- Jean O'Callaghan, senior health bureaucrat.
- Carole Gaston, senior bureaucrat.
- Nick Hakof, CEO of the Queen Elizabeth Hospital—lost to the health system.
- Richard Hassam, CEO of the South Australian Dental Health Services.
- Judith Dwyer, CEO of Flinders Medical Centre—head hunted by the Kennett government to Victoria.
- David Filby, senior bureaucrat and one of the most respected experts in commonwealth-state financial relations in the Australian health system—lost to Queensland.
- Ray Blight, head of the Health Commission.

- Jim Birch, CEO of the Women's and Children's Hospital.
- Chris Overland, CEO of Mount Gambier Health Services—now lost to the health system.
- Bob Greatrex, CEO of Whyalla Hospital.
- Mike Zissler, senior health bureaucrat.
- Kathy Alexander, Deputy CEO of the Women's and Children's Hospital.
- Paul Scown, Deputy CEO of the Flinders Medical Centre.
- Dr Robert Dunn, Director of the Emergency Department of the Queen Elizabeth Hospital, who is leaving in a month. (It took two years of head hunting to find him and no replacement is in sight.)

We cannot possibly replace the calibre and experience of these people and, if we cannot hold on to our own, how can we lure others from interstate? Why is it that Dean Brown continues to take notice of the king makers and empire builders rather than the people on the ground who know what is happening? Does not the exodus of so many experienced people tell him that something is seriously wrong with South Australia's health system? On behalf of the shareholders of South Australia I ask him the question they are asking: 'How could you have allowed this to happen?'

#### FOOT AND MOUTH DISEASE

**The Hon. CAROLINE SCHAEFER:** I wish to speak about the epidemic of foot and mouth disease, which has spread through the British Isles and Europe and has been identified in Argentina. It is estimated that the crisis will cost the British economy £9 billion and another £3 billion in forgone taxes. That is equivalent to £370 per household and would build about 90 new hospitals. Because people no longer want to travel in the British countryside, they will lose approximately £2.7 billion from the domestic market and £5.2 billion in overseas tourism. In fact, it is estimated that the tourism industry is already losing £250 million per week.

Questions are being asked as to whether all race meetings should be cancelled throughout the British Isles, and there is speculation about whether the forthcoming general election should be postponed. Meanwhile the wholesale slaughter of stock continues. In Dumfries and Galloway in Scotland another 20 000 sheep were to be culled this week. I am sure that anyone who has been involved in any form of animal husbandry feels intensely for the farmers whose whole flocks, generations of breeding, are being indiscriminately slaughtered, even when they are healthy, simply because they may be infected. There is an effective vaccination for foot and mouth disease, but apparently it cannot be used because the disease has a long incubation period and disease carriers cannot be identified. There is also a soil borne and airborne virus. However, a method of identifying animals from infected farms would go a long way towards isolation.

I was therefore amazed to learn that the British Isles has no such system in place and has in fact failed to implement a directive to tag sheep and goats until 1 January this year—just weeks before the current outbreak. This European directive to tag or tattoo all animals before they leave the farm where they were born was drawn up in 1992. I understand that they delayed implementation so long that they were threatened with prosecution by the European Union.

It is incomprehensible to me that by the year 2000 people were not tagging or tattooing stock. This has been a requirement in Australia for pigs for at least 30 years, and I do not remember a time when sheep and cattle were not required to be tagged or earmarked before sale. Australia and South

Australia also has had an emergency action plan for over 30 years. It is constantly upgraded and now applies to over 100 animal diseases and involves agriculture departments in all states, veterinary services and all emergency services.

This week is Protect Australian Livestock Week and, while we have considerably tighter controls than it would appear in Europe or Britain, we cannot be too vigilant. I understand that a large amount of money is being spent on extra efforts as people come into Australia, and there certainly has been a large concentration on quarantine, AQIS and anyone visiting Australia from any of the infected countries. One must wonder how long we can stand against such a virulent virus but, when one learns that there is no system of branding stock in the British Isles, one wonders what other areas they could have canvassed earlier to solve some of these problems.

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#### ELECTRICITY, PORTFOLIO

**The Hon. SANDRA KANCK:** I move:

That this council recommends that the Premier should relieve the Treasurer, the Hon. Robert Lucas, of all responsibility for the South Australian electricity industry and create a special minister for electricity supply to oversee and facilitate the security and reliability of the industry in this state.

Yesterday in question time, in the middle of discussion of the fact that 3 000 South Australian businesses faced a 30 per cent increase in their electricity bill, the Treasurer and his colleagues found reason to laugh. Here was the man charged with the financial stewardship of the state apparently laughing in the face of those who will have their jobs and businesses stripped from them because of his failure.

When investment opportunities may be forgone because of the price of electricity, such hilarity did not look good. But we should not be surprised; it is part of a pattern. The Treasurer and all his colleagues opposite went to the people of South Australia at the last state election with a simple promise: that the electricity industry in South Australia would remain publicly owned. Various senior members of the government reiterated this commitment numerous times throughout the election campaign. Even John Howard would have considered it a core promise, a genuine commitment. Yet a mere three months later the Premier informed parliament that his government had it all wrong. It had made an enormous mistake but, thank God, they had seen the light and would privatise our electricity industry. There was joy in the streets, they thought. A new set of promises replaced the election commitment. We were promised \$2 million a day interest savings on our state debt. Yes—even the abolition of that debt. Our schools, our hospitals, our waterways, our parks—just about everything was going to benefit from the extra cash.

We were told that we would be able to expect a more reliable supply of electricity; we were told privatisation would bring cheaper power; we were promised the earth. And if we did not sell? Dark mutterings of billion dollar trading losses, hundreds of millions of dollars of competition payments denied, price rises should the assets remain in public ownership. The sky was bound to fall.

We are now in a position to assess the veracity of much of what was promised. Having privatised our single most

valuable asset, state debt hovers around the \$3 billion mark, and the remaining assets on the government's privatisation wish list are not going to make much of a dent on that figure. So much for the abolition of state debt.

What of the promised investment bonanza for public infrastructure? A brief consideration of our major hospitals' overflowing emergency departments, growing waiting lists, harried staff and closed wards—despite ambulances being on regular divert—indicate that there has been no flood of spare money into Treasury.

I note in the report tabled just yesterday that the Auditor-General states that it is not possible to form an opinion in relation to the fairness of the prices received for the government-owned electricity business but he puts the net benefit at around \$100 million per annum. I am interested to note precisely how the Auditor-General calculated that figure. He indicates that interest savings for the years 2000-01 and 2001-02 are estimated at \$261 million per annum. In 1995-96, before privatisation was a glint in the government's eye, ETSA returned \$236 million to Treasury. Given the strong growth in the consumption of electricity during the last five years, it is reasonable to assume that figure would have continued to grow. In that scenario, the Treasury benefits are likely to be revenue neutral. But for a truly valid assessment, EBIT (earnings before interest and tax) should be compared with interest savings. In 1996-7 ETSA's EBIT was around \$300 million. Consequently, we are in the red from the first year, just as the Democrats predicted we would be. The Treasurer will not stand in this place and admit the reality of this situation—

*Members interjecting:*

**The PRESIDENT:** Order, the Hon. Mr Davis!

**The Hon. SANDRA KANCK:** He will deny it, just as he denies the economic pain he is inflicting upon 3 000 South Australian businesses; and just as his Premier denied his intention to privatise ETSA before the 1997 state election.

What of the promise of more reliable power? That question cannot be answered definitively at the moment. What we do know is that last summer ETSA Utilities' distribution system experienced widespread problems that had many people hot under the collar. We know that our reserve plant margin is dangerously low and that, should one of our major units go down on a hot day next summer, rolling blackouts would strike. We know that next summer will be our greatest test.

Yesterday, I asked the Treasurer precisely how much extra generating capacity will come on line before next summer. Finally, he let us know that just 65 megawatts will supplement local generating capacity. In the last five years, peak summer demand has grown from 2 078 megawatts in 1995-6 to 2 833 megawatts for 2000-01. That is an average growth of 150 megawatts per annum. That means that, with just average growth in demand next summer and the new capacity, we are 90 megawatts closer to breaking point. Further, AGL's aggressive demand management scheme probably knocked another 2000 megawatts of demand from last summer's peak. Those efforts will need to be redoubled next summer. We could be right on the line of total demand equalling total supply. That means last summer's astronomical pool prices will be repeated and in all probability exceeded. That means the loss of investment and jobs in South Australia.

We could continue. There is the sorry saga of the millions of dollars paid out to consultants; the dismal failure on alternative energy; the flat-footed response to demand

management issues. The Treasurer says that this is nothing to do with him. He is profoundly wrong in that assessment: it has everything to do with him and the future of this desperate government. He will find out come polling day.

Yesterday the Treasurer said he would be raising the issue of errors in a media release of mine. For the record, my media release of Monday 26 March erroneously stated that the average pool price had soared by 200 per cent last year. It was not clear that I meant a 200 per cent increase in January 2001 compared to January 2000 and I apologise for that error. I hope that the Treasurer apologises to the people of South Australia for his inept handling of the privatisation of the South Australian electricity industry. And I hope he will apologise for his naive trust in the market to provide a solution to our energy needs.

The impact of electricity price hikes on business will not stop there. It will be passed on in terms of job losses in some of those businesses and price hikes on goods, all of which will impact on the wider economy. It is vital that the matter of our electricity supply and its impact on the South Australian economy should be treated seriously and not as a matter of hilarity, as we saw in this chamber yesterday. This matter must be treated with the utmost seriousness. The Treasurer has demonstrated that he is the wrong person to do that. We need a hands-on approach. A special minister would give a clear message to South Australians that the government recognises the gravity of the situation.

As a priority, the new special minister for electricity supply should intercede on behalf of business customers attempting to negotiate contracts to ensure they receive electricity at the lowest possible price; monitor generator activity for abuse of market power; coordinate demand management initiatives to reduce the consumption of electricity during peak periods; investigate the viability of Business SA proposals to use the embedded generators to supplement the grid during peak periods; establish a sustainable energy agency (as promised by the Treasurer in 1998) to effectively promote the production of green energy; seriously investigate putting our clocks back half an hour to create different peaking times in South Australia and Victoria thereby maximising the effectiveness of the interconnect; and act to secure adequate supplies of electricity for the summer of 2002-03 and beyond.

The Premier must take action to show he is serious about these problems. Creating a special minister for electricity supply will show that he is beginning to understand the potential for massive economic damage to the South Australian economy. However, should the Premier follow this suggestion of a special minister, it would be vital for him to ensure that all responsibility for electricity infrastructure be stripped from the Treasurer.

He has been the minister for selling off assets. We now desperately need a minister for keeping the lights on. With the cavalier way in which he dismisses concerns about the reliability and security of our electricity supply and the advent of more blackouts in the coming summer, some members of the public are referring to the Hon. Mr Lucas as 'the prince of darkness'. 'Turn on the Lights' was the election slogan of the Liberal Party at the—

*Members interjecting:*

**The PRESIDENT:** Order!

**The Hon. SANDRA KANCK:** I will try again. 'Turn on the Lights' was the election slogan of the Liberal Party at the 1975 federal election. It may well become the slogan of South

Australian electricity consumers by the time we get to the next state election.

**The Hon. T. CROTHERS:** Thank you, Mr President.

**The Hon. T.G. Cameron:** You didn't have the nod.

**The Hon. T. CROTHERS:** He called me. I have lost a lot of weight, but he can still see me.

**The PRESIDENT:** Order! The Hon. Trevor Crothers will either address the chamber or resume his seat.

**The Hon. T. CROTHERS:** I rise to ask some questions in respect of the motion standing in the name of the Hon. Ms Kanck. I do so because one cannot see the present parlous situation of Australia's electricity supply in an honest light unless one canvasses the totality of the problems with electricity going back to when John Bannon was the Treasurer and when Tim Marcus Clark got this state into billions of dollars worth of debt—I understand that it was something like \$8.5 billion, of which Marcus Clark was responsible for about \$6.5 billion.

Members will recall that the interest rates being paid on the principal that we owed were running at—and the Treasurer will correct me if I am wrong—approximately \$1.65 million a day. If you multiply \$1.65 million by 365, you will come to approximately \$500 million of interest alone off the loan without even talking about the principal. I recall seeing the 'prince of negativity'—the Leader of the Opposition—on a television program a week or two ago, and it may have been *Today Tonight*. He said sincerely, '... but we sold the biggest earner we had in ETSA.' To my knowledge, ETSA only ever put \$365 million into this state's kitty, and very little of that occurred during the term of the Labor government since the State Bank debt was incurred under Bannon's Treasurership and Marcus Clark's chairmanship of the State Bank, and in the first three or four years of this Liberal government.

In fact, a year before the proverbial hit the fan, because I was the numbers man at the time, Stan Evans pleaded with me to talk to Bannon and explain to him that Stan Evans had a folder on Marcus Clark which had been sent to him by friends in Victoria, telling us to be very aware and very careful in our dealings with Tim Marcus Clark.

**The Hon. T.G. Cameron:** It would not have done you any good.

**The Hon. T. CROTHERS:** I did not go because of that reason. Colin McKee, who was a member at that time, also came to me with some information he got from his Liberal pal down in the South-East, and I advised him to go and see the Premier. I do not know whether he ever did.

Because of that State Bank indebtedness, little if anything was being spent on the maintenance of our power stations in Port Augusta and at Bolivar, and in other smaller power stations. Of course, the Liberal government had no option but to continue on because it had no money to spend on maintenance. The consequence of that is that, in order for us to renew the power manufacturing capacity of at least one of those power stations, it would cost us approximately \$600 million or \$700 million. And that power station has about 15 years of life left in it, so that would be a terrible waste of taxpayers' money. By the way, it is near Port Pirie. Let me say that the Liberal government has some blame at its door to answer for. I have given the rationale that underpinned the situation it inherited.

I understand what the Hon. Ms Kanck is saying to me. But what is the state going to do if it is trying to catch up on other interest rate structure matters that were not met during the

time of the State Bank indebtedness? Hospitals, for instance, were allowed to run down because we did not have the money to expend significantly. I noted the fact that members of the Labor Party were opposing—on the surface, in their public face—the lease of ETSA. I point out to the Hon. Ms Kanck that the Democrats opposed the lease of ETSA. Where would we have been today in respect of having any money to spend if we had not leased ETSA? So there is a question of having a public face, but the private situation or the public situation does not stand up when put in the balance against the comment of the Hon. Sandra Kanck.

As I said, I can well understand, but the Liberal government over the last seven years has to bear some of the blame. Having said that, I can understand why it did not have the money to expend on maintenance, to keep up the output of power so that a major power station could contribute to the statewide grid.

In addition to the foregoing, I point out that it was the Hon. Bob Hawke and the Hon. Paul Keating who introduced the privatisation of electricity. They were the ones who adopted the Hilmer report, and I believe some of its statements were correct. Unfortunately, we have let our private enterprises right across the nation get their hands on it. Of course, that could not happen today because there is a rebellion against globalisation. That is the issue that we ought to be taking up—what happened in Brussels recently and what happened on the West Coast of America, where people were coming out abhorring the sell-off of government assets.

I make no apology for the part I played in the lease of ETSA and I go on record again as saying that my proposition was for four blocks of 25 year leases. The Labor Party members—because they hated my guts, and for no other reason—moved an amendment extending the lease to one set period of 99 years. And they did not even get that right, because they made a mistake in their amendment which enabled this government to set the lease for 200 years—thanks to the incompetence of the drafter of the Labor Party amendment.

**The Hon. T.G. Cameron:** Ron Roberts didn't support that.

**The Hon. T. CROTHERS:** I am pleased about that, but then he did not support the sale of ETSA and, of course, where would we be now in respect of the wage claims of the teachers, recently met, the wage claims of the fire brigade, recently met, and the wage claims of the nurses, recently met, if we did not have some wherewithal—

**The Hon. T.G. Cameron:** The police are lining up now.

**The Hon. T. CROTHERS:** But the police have already lined up. Do not tell me they are going again. Where would we be if it had not been for the Treasury having some money to spare rather than being stone motherless strapped and broke? So whereas the Liberal Party has to take some of the blame for the lack of maintenance of ETSA, we know why; we know the logic of why that happened. We know who really was to blame. We know where it all started. It started from the Keating-Hawke government adopting the Hilmer report, and we were in power at the time in this state as the Labor government (of which I was then a member)—and we signed the Hilmer report.

*An honourable member interjecting:*

**The Hon. T. CROTHERS:** Yes, we blooming well did.

*An honourable member interjecting:*

**The Hon. T. CROTHERS:** Yes, we did. In any case, let me remind the Hon. Ron Roberts that section 92 of the federal Constitution meant that we would have had no other

option, given free trade between the states, once the Hilmer report was adopted. We would have had no other option but to sign it because, under section 92 of the Constitution, we had to allow free trade between the states. And there is a lesson, the Hon. Ron Roberts, from one Bombay lawyer to another. I hope you will join me.

The position I take is as follows. Whilst I have a little sympathy with what the Hon. Sandra Kanck is saying, she is not putting the picture in its totality. Nowhere near it. The Liberal Party inherited the debts of the Bannon government caused by the bank and, I suppose, by the ineptitude of the Treasurer and the almost criminal intent of Marcus Clarke. That is what was inherited here. There was earlier warning. I have put on the record Stan Evans coming to me about 15 months before it happened. Ian Gilfillan was prosecuted for defamation when he mentioned it in this Council. I think it cost him \$20 000 in a subsequent court case when he stood up and revealed part of the truth about the State Bank. I will recall these matters. So, that is the position. I am sorry I have taken so long, Mr President, because I have other—

**The Hon. R.R. Roberts:** So are we!

**The Hon. T. CROTHERS:** Well you can leave any time you like and you will not miss Robert—oh, Cameron.

**The Hon. T.G. Cameron:** No, he said that.

**The Hon. T. CROTHERS:** I don't give a stuff. Sorry, Mr President, I don't care. Anyhow, I have other matters to speak to later on tonight. I hope I did not keep the Council too long but I am determined to see those other equally as important matters through. I hope that I have contributed some logic and sanity to this debate by going over the totality of the picture. In one of the hottest summers we have had in years we still did not have as much trouble as I thought we would have because of a shortage of electricity.

I think that the Treasurer, because of the way that was handled, far from having a motion to remove him from his job, should be congratulated. I might move an amendment to that effect as to his handling of our electricity supply last summer, which, if my logical memory is correct, was the hottest summer—

**The Hon. T.G. Cameron:** Have you got the numbers for it?

**The Hon. T. CROTHERS:** Never mind the numbers, give me the logic.

**The Hon. T.G. Cameron:** I'll take the numbers.

**The Hon. T. CROTHERS:** But you can have my logic as well for nothing. I am trying to teach you, as leader of SA First.

**The Hon. T.G. Cameron:** I can count 10 votes. I am wondering where the eleventh one is coming from.

**The Hon. T. CROTHERS:** I can count only nine. You have to be careful, nothing is ever certain. I believe the Treasurer ought to be congratulated on his skilful handling of the electricity to be had for use last summer, given, as I understand it, that last summer was the hottest summer on record. I cannot support the motion. At some subsequent date I might move an amendment congratulating the Treasurer. I might not, but I might.

**The Hon. L.H. DAVIS:** I am going to use a four letter word to describe this motion—J-O-K-E. I suspect that the Hon. Sandra Kanck is trying to draw attention away from herself by moving this motion. If one looks at the Hon. Sandra Kanck's record both in and outside this Council one will see that it is absolutely lamentable. We saw the Hon. Sandra Kanck, for some reason which still escapes me, given

charge of the Australian Democrats' position on electricity privatisation. She claimed, in that now famous statement which will go down as one of the most laughable propositions that we have heard in this Council for a long time, that she had done a thousand hours of research to reach her position.

**The Hon. Sandra Kanck:** Better than your 10 hours.

*Members interjecting:*

**The Hon. L.H. DAVIS:** The remarkable thing is that a thousand hours of research, if you do the sums, is a very long time—and yet she still did not get it right. I will leave it to the Treasurer in his very strong rebuttal speech to highlight some of the misconceptions that were paraded by the Democrats. I challenge the Hon. Sandra Kanck, when she winds up the debate, to tell us exactly what has happened as a result of the national electricity market in both Queensland and New South Wales.

The Hon. Sandra Kanck continues to believe that ETSA is corralled from the impact of the national electricity market. The Hon. Sandra Kanck continues to believe that ETSA, in aggregate as a monopoly if it had been allowed to continue as it was, would have achieved a \$300 million result, presumably in the financial year just ended. She gave no reason to back up that assertion because there is not any. The reality is that both Queensland and New South Wales—

**The Hon. T.G. Cameron:** They've lost \$1.5 billion.

**The Hon. L.H. DAVIS:** Exactly. I am going to ask the Hon. Sandra Kanck to detail to the Council—and I hope she is listening, because she has the attention span of a hummingbird generally—exactly what has happened in Queensland and New South Wales in terms of the losses that have been sustained as a result of the national electricity market. I challenge her to give the Council that detail, because what happened there could have happened in South Australia.

*The Hon. P. Holloway interjecting:*

**The Hon. L.H. DAVIS:** If it had remained in government hands, as the Hon. Paul Holloway has just tacitly admitted to the Council, we would have sustained massive losses not through private sector ownership but through a government instrumentality. I suppose the Hon. Sandra Kanck then would have said that it is outrageous, that you should not have been making those losses. Let me explain to the Council the contribution the Hon. Sandra Kanck has made to political debate in recent times. As recently as early this month (6 March) the *Advertiser* reported:

Ageing male Democrats feeding sexual fantasies were contributing to the party's leadership tussle, South Australia's Deputy Leader, Sandra Kanck, said yesterday.

I am not sure whether she was referring to the Hon. Mike Elliott, who has some flecks of grey in his very hirsute appearance, or to the Hon. Ian Gilfillan, who is being perhaps follicularly challenged these days. She then went on to say that women over 50 were resented in Australia because their 'breasts are no longer pert'. She said that the issue was not limited to the Democrats but also affected the workplace at large. I have to confess that after I read that I went home and—

*Members interjecting:*

**The Hon. L.H. DAVIS:** I just want to share this in the confidence of the Council, but I did take off my shirt and I looked in the mirror and thought that the Hon. Sandra Kanck was perhaps right, that my breasts were not as pert as they used to be.

**The Hon. T.G. Cameron:** Are you still shaving your chest?



**The Hon. L.H. DAVIS:** No, I don't shave my chest these days, I leave that to the hairy breasted—

**The Hon. T.G. Cameron:** These days?

**The Hon. R.R. Roberts:** When did you?

**The Hon. L.H. DAVIS:** Nor have I ever shaved my chest, for the Hon. Mr Cameron. I do not know whether this is something that you picked up from the Australian Democrats, but it is simply not true. The Hon. Sandra Kanck then told ABC Radio that the debate about Senator Lee's age reflected ongoing discrimination against mature women. She said:

There is a resentment from society that we give way to gravity, that our breasts are no longer pert. Our mouths drop and we get crow's-feet around our eyes. There's a great resentment about it. I don't know many women who succeed in getting prettier as they grow older.

Well, I suppose you could say that about men, too. I thought this was a masterstroke for the campaign of Senator Natasha Stott Despoja. I thought that this was a clever way, being used by the Hon. Sandra Kanck, of drawing attention to the merits of Senator Natasha Stott Despoja. It certainly was a national story, but it did not do the cause of Sandra Kanck and her not so covert support of Senator Meg Lees any good. In fact, it was a tacit admission that there was rampant ageism at work amongst the Australian Democrat membership.

As Brad Crouch observed in the *Sunday Mail* of 11 March, when talking about the leadership battle in the Democrats:

Into this battle waged MLC Sandra Kanck, hilariously suggesting it is turning into a contest about who has the best breasts. Ms Kanck, who is in no danger of being asked for a pictorial by *Playboy*, was righteously rebuked by Nat who said age and looks were irrelevant.

Of course, that was the only response that Natasha Stott Despoja could possibly make, that age and looks were irrelevant.

**The Hon. T.G. Cameron:** Who is going into *Playboy*?

**The Hon. L.H. DAVIS:** Brad Crouch said that Ms Kanck is in no danger of being asked for a pictorial by *Playboy*. It attracted enormous attention.

**The Hon. R.R. Roberts:** What has this got to do with Rob Lucas?

**The Hon. L.H. DAVIS:** I am coming to that. You are always far too impatient: I am developing my case patiently. The Hon. Sandra Kanck, who is arguing that the Treasurer, Mr Lucas, should step down from that position because he has not done a good job with the privatisation of ETSA, has an extraordinary anti-democratic record. She said that the Liberal government broke its promise about privatisation of ETSA, yet her record as a Democrat is far from spotless. In October 1986, the *Australian Democrats National Journal* published a letter from Dorothy McGregor-Dey from Underdale, who said:

... [the Australian Democrats] Council, in general, and our Executive, for the most part, are strenuously opposing the reactivation of the Port Adelaide branch and procrastinating its official recognition, even though the branch can now boast at least 15 members. We cannot understand why senior and prominent members of the Division would harass the members who have indicated they wish to belong to the Port Adelaide branch.

These actions consist of persistent and inquisitory phone and home calls, mischievous statements which are untrue to excitable members, messages not being relayed to selected members, approaches being made to individual members, movements of selected members to various branches, the suppression of individual rights at meetings, branch delegates not directly representing their own branches, the rapid ascendancy of new members to official positions, and so on ad infinitum.

Next followed a letter from Sandra Kanck to the Editor of the *Australian Democrats National Journal*. It attacks the *National Journal* for daring to publish that letter.

**The Hon. T.G. Cameron:** You have been going through your old files.

**The Hon. L.H. DAVIS:** Yes, I have gone through my old Democrat files.

**The Hon. T.G. Cameron:** You are having one last go at it.

**The Hon. L.H. DAVIS:** I am having one last go at it. She attacked the Editor of the *National Journal* for daring to print a letter like that because:

Nothing constructive comes from such criticisms... other members have written in to correct lies and half-truths, and to give their side of the story.

It was an extraordinary, anti-democratic statement from Sandra Kanck in that letter, where she attempted to repress matters of opinion being discussed in the *Australian Democrats National Journal*.

Here in this forum we debated electricity at length in a most democratic fashion. A majority of the Council supported the ultimate leasing of ETSA assets. That leasing of ETSA assets was made possible by the very courageous stand of the Hon. Trevor Crothers and the Hon. Terry Cameron, who both resigned from the Labor Party to support the proposition that it was in the best interests of South Australia that those assets be privatised.

The Democrat position on this score has been extraordinary. The Hon. Michael Elliott is on the record opposing the privatisation of the State Bank, which raised hundreds of millions of dollars to reduce the extraordinary debt that was the legacy to the state of the incompetent Bannon-Arnold Administration, a debt which in today's dollars exceeded \$9 billion. The privatisation of the bank and other assets, but principally the privatisation of ETSA assets, has resulted in a diminution of the state's debt to \$3 billion. Through the leasing of ETSA assets, we raised \$5.3 billion gross. The net reduction of assets as a result of the leasing of ETSA assets was a touch under \$5 billion.

**The Hon. P. Holloway:** It was \$4 billion.

**The Hon. L.H. DAVIS:** The Hon. Paul Holloway says \$4 billion. He is, I understand from the information in front of me, apparently the shadow Minister for Finance, and I think that the emphasis is on the word 'shadow'. I will ask the Treasurer, but my understanding is that the net reduction of debt from the ETSA sale was—

**The Hon. R.I. Lucas:** Just under \$5 billion.

*The Hon. P. Holloway interjecting:*

**The Hon. L.H. DAVIS:** The Hon. Paul Holloway is on the record as being a lazy \$1 billion wrong. Join the Sandra Kanck fan club.

*The Hon. T.G. Cameron interjecting:*

**The PRESIDENT:** Order, the Hon. Mr Cameron!

*The Hon. P. Holloway interjecting:*

**The PRESIDENT:** Order! The Hon. Paul Holloway will come to order.

*The Hon. T.G. Cameron interjecting:*

**The PRESIDENT:** The Hon. Mr Cameron!

**The Hon. L.H. DAVIS:** The other point that should be made is that, if we had not reduced the debts as we have succeeded in doing, what would the Democrat position have been? We would have been faced with an Electricity Trust which, under the Democrats and the Labor Party, would have remained government owned, albeit that it was split into various component parts—

**The Hon. T.G. Cameron:** Competing against each other.

**The Hon. L.H. DAVIS:** Yes, as required by the dictates of the national electricity market. I would ask the Treasurer, very slowly and in simple language, to explain how problems emerge when government-owned instrumentalities compete against each other. The Australian Democrats have moved a motion against the Treasurer when in fact they should condemn themselves for their inability to understand the economic realities in South Australia following the introduction of the national electricity market and, most importantly, the financial position in which the state found itself following the demise of the State Bank, SGIC and other commercial operations which, of course, were run into the ground with massive losses by the previous Labor government. I oppose the motion most strenuously.

**The Hon. T.G. CAMERON:** I had not intended to speak on this issue but now I will. It was only this morning that I took the opportunity to congratulate the Hon. Sandra Kanck on one of the best speeches I have heard in this parliament, and I refer to her speech on voluntary euthanasia. It was thought provoking and it had an effect on me. However, only a few hours later, I have to place on the record that I have now heard one of the worst speeches that the Hon. Sandra Kanck has made in this place. I was looking forward to the speech because I thought it would be a repetition of what I considered to be her fine effort on the voluntary euthanasia bill that she introduced. I think the Hon. Sandra Kanck would confirm that I did congratulate her in relation to that. However, the speech that she made supporting the resolution condemning the Treasurer—

*The Hon. Sandra Kanck interjecting:*

**The Hon. T.G. CAMERON:** What are you doing?

*The Hon. Sandra Kanck interjecting:*

**The Hon. R.I. Lucas:** It didn't sound like an endorsement of my current efforts.

**The Hon. T.G. CAMERON:** The Hon. Robert Lucas interjects that it did not sound like an endorsement of his current efforts in relation to the lease of ETSA. He is very accurate in his assessment of that. Quite clearly, the tone, the text and the content of the Hon. Sandra Kanck's speech was meant to be a criticism of the role that the Treasurer played in handling the lease of ETSA.

When I heard yesterday that the resolution was to be moved I took an opportunity to look at the recently released report of the Auditor-General. I thought I would wade through some of the Auditor-General's Report because I believed that I would find heaps of criticism. We all know that the Auditor-General delights in attacking this government. So, I thought there would be plenty of material in this report with the Auditor-General getting stuck into the government and the Treasurer. I will refer to some quotes from the Auditor-General's Report, as follows:

Electricity asset disposals have achieved an announced disposals value totalling \$5.315 billion (\$5 315 million).

The Auditor-General goes on to say that the gross cash proceeds that are not adjusted for retained liabilities were \$5 036.8 million, of which \$4, 692.8 million was from long-term leases and related transactions. He also states that to 28 February 2001 the application of the gross cash proceeds included \$284.2 million for stamp duty. I will run through some of these quotes because they hardly sound like criticisms of the Treasurer, and I would have thought that the Auditor-General would gleefully accept any opportunity to

criticise the government and the Treasurer. The Auditor-General goes on to state:

The total available for debt retirement after adding back amounts equating to stamp duties and other known adjustments but before interest income was \$4 898.5 million, representing 97.25 per cent of the gross cash proceeds.

So, we can hardly be critical of the Treasurer so far—97.25 per cent of the gross cash proceeds were paid off debt. As I understand it, in round figures, we have been able to slice \$5 billion off what the taxpayers of South Australia owe. Let us look at the interest savings from the retirement of state debt. Whilst I think the Auditor-General has been conservative in his calculations of the interest savings from the retirement of state debt, I will not enter into the arena of being an accountant or an economist and criticising or debating how the calculations were made because that will not serve very much effect. However, I believe that the figure that would be saved by the retirement of this debt would be somewhat higher than \$264 million, which is the estimated savings by the Auditor-General for 2001-02.

One of the things that the Auditor-General does not point out in his report is the volatility that we are now experiencing with interest rates. If anyone follows the financial markets—and I know that the Hon. Paul Holloway does—you could not help but be somewhat surprised by the volatile nature of interest rates over the past 12 to 18 months. It is quite clear that Australia is hostage to American constraints and that the Australian dollar is becoming hostage to the euro. When one considers that the euro was floated at, I think, \$US1.17 and it is now trading at US88.98¢, if you look at the positive correlation between the trendlines of the Australian dollar and the trendlines of the euro you can see that our dollar is closely marking time.

One can only hope that the foot and mouth disease which is now ravaging England and which may well ravage Europe before it is over does not spread too far. It is estimated that the UK has already lost \$9 billion because of foot and mouth disease. If you read some of the internet reports of what is taking place, it could end up with a total cost of up to \$100 billion. So, the evidence is quite clear, if you look at the world economic scene, that it is probably more volatile and more unpredictable than it has been for a long time. One might well ask: why is Terry Cameron talking about interest rate volatility or exchange rate volatility? This country could well be in very serious trouble if the Australian dollar plunges to US45¢ or US44¢. There may well be only one really effective way to defend the dollar and that could be to open up the gap between American interest rates, European interest rates and Australian interest rates.

That may well be the only way that the dollar can be protected. We all know that over a 10 year period long-term interest rates can fluctuate from 5 per cent up to about 10.5 per cent, particularly if you look at the benchmark for long-term interest rates around the world, which is the US Treasury's 10 year and 30 year rates. Over the past couple of years we have seen Alan Greenspan pushing down interest rates in order to revive and encourage confidence in the local domestic American economy. Of course, every time America adjusts its interest rates, countries such as Australia do not have much choice other than to follow.

We currently have a situation where the last decrease in the US rate was, I think, half of 1 per cent, and the last decrease by the Australian government was a quarter of 1 per cent. So, the gap has been opened up a little more, and that may well be the only way that the federal government in

these difficult economic times can protect the Australian dollar. I do not think it wants to see it fall too much more because, every time it falls a few cents, it finds its way into the price of petrol, and that has become a very sensitive political issue with a federal election only nine months away.

If we had not leased ETSA, we would be placing this government and any other government in a very difficult situation. I am sure that the Hon. Paul Holloway understands a little more about these matters than the shadow treasurer, so there is still hope for the Labor Party caucus because it still has Paul. If it listens to him, perhaps he might point it in the right direction, because heaven only knows which way it will go if Labor happens to fall into office after the next election.

We have seen that interest rates can go both up and down by fairly significant amounts in a relatively short space of time. We have seen interest rates go up by 1.5 points and now they are heading back down again, but who knows whether in three, six or 12 months down the track they could be rising rapidly again. One only has to look at what the Auditor-General says. With \$5 000 million of our debt being paid off, there is basically an insurance policy that protects the South Australian taxpayer from the possibility of having to find another \$50 million per year for each 1 per cent rise in interest rates. That is basically what we are looking at. How do you get proper, long-term economic planning when you have state Treasurers hostage to interest rate fluctuations? They will not be able to accurately determine budget spending for the next year.

We know that interest rates are currently running at almost 30 year lows. If you look at the down side and the up side of interest rates, any economist worth his salt would tell you that the risk over the medium to longer term is up side and not down side. Heaven forbid that our economy should end up in a situation like the Japanese economy, where you currently get .25 per cent interest on your money if you have it deposited in the bank and the banks are now lending money at nil interest rates. Even the Auditor-General is acknowledging that on a very conservative estimate—and Auditors-General, as is their wont, as is their nature and as is the nature of accountants, are conservative—has made a very conservative estimation of \$264 million worth of savings. What makes anyone in this chamber—and I put the question seriously to the Hon. Sandra Kanck—believe that ETSA would have automatically made \$300 million profit again?

**The Hon. L.H. Davis:** She will be able to respond to that; she'll be able to tell us how.

**The Hon. T.G. CAMERON:** One would hope so, but heaven forbid, over the last 10 years Labor and Liberal governments have sucked over \$2.2 billion from the profits of ETSA. We only have to go back and look at the reports to see that the \$300 million that they made last year—

**The Hon. L.H. Davis:** And the government didn't take all of that, of course: it only took, say, \$200 million and a bit, because some of it was left with ETSA—

**The Hon. T.G. CAMERON:** Thank you: the Hon. Legh Davis is about 20 seconds ahead of me. That was the overall profit they made, but moneys have to be lent for maintenance, ongoing infrastructure and so on, and what evidence do we have that Labor and Liberal governments have not been sucking too much money out of ETSA and not leaving enough. This is one of my reasons for supporting the lease of ETSA, and I could go on for a while yet. Obviously, governments of the day are trying to balance their books. The temptation is there to extract as much of that profit as you can.

I understand—and the Hon. Legh Davis has interjected and confirmed—that the state government last year probably got back only something like a touch over \$200 million. What guarantees do the taxpayers of South Australia have, as it is not written in stone and is not a tablet handed down from high, that ETSA would have made \$300 million this year? If one were to go looking for evidence to form even an approximate opinion as to what the profitability of ETSA might have been this year had it be left in public ownership, one only has to look at New South Wales and Queensland. One of the disaggregated generating companies, as I understand it, currently owned by Queensland would have been placed in receivership had it not been for a \$490 million emergency loan rushed through parliament to bail it out of bankruptcy. That is something which the taxpayers of South Australia do not have to worry about and that is something for which they may one day thank the Treasurer.

**The Hon. L.H. Davis:** She will be able to explain that to us in her summary.

**The Hon. T.G. CAMERON:** She may need 1 000 more hours of research to get to that point: be that as it may. We have a situation in New South Wales where the state government, taxpayer owned generators lost \$900 billion—and that may well only be the start of it. Already something like \$1.5 billion of taxpayers' money has been sprayed up against the wall in New South Wales and South Australia. Even the Auditor-General has to grudgingly acknowledge in his report (and I will not bother to quote it) that South Australians are no longer at risk from rising interest rates or falling profits. The Hon. Paul Holloway would love to be sitting in the chair if you cop double jeopardy—a rise in interest rates of a couple of percent and a result like Queensland. It would be *deja vu*: it would be the State Bank all over again. One only wonders how many billions we would have squandered eventually had we hung onto the Electricity Trust.

These are just some of the points I could make. I could probably go on for two or three hours on this, but I will only take you up to six o'clock. What were the capital investment plans required by ETSA over the next 10 years? It was estimated that \$3 billion would have been required to maintain electricity infrastructure and sufficient generating capacity in South Australia. I have to tell you that you would not have to be a fly on the wall of a Labor caucus meeting: if we had not sold ETSA they would have hung onto it and ETSA would have come along to them and said, 'Hey, if we are going to maintain our electricity generating capacity in South Australia in public hands, we need \$1 billion next year, \$500 million the next year and we need to build some emergency generating stations to make sure we can meet peak demand. Heaven forbid, people are buying air conditioners and electricity demand is going up.' I have no doubt at all what that caucus would have immediately decided on the recommendation, in all probability, of the then minister for finance, who would have been the Hon. Paul Holloway. With the kind of budget situation that South Australia is looking at, with our recurrent costs—

*The Hon. T.G. Roberts interjecting:*

**The Hon. T.G. CAMERON:** It is not only air conditioners: computers have had an impact on our rising demands. Where would the \$3 billion come from? They would have been scurrying around like rabbits looking for a rabbit hole, trying to find private investors to invest in South Australia so that they did not have to borrow one more dollar to invest in new generating capacity in South Australia. That is the reality

of the situation and that is what the Australian Labor Party will not tell you. Maybe the Hon. Sandra Kanck could provide advice on where the \$3 billion would have come from to maintain sufficient generating capacity in South Australia to meet our demand.

**The Hon. M.J. ELLIOTT:** On a point of order, if one looks at the wording of the motion, one sees that it in no way reflects upon whether the sale of the electricity assets—

**The Hon. T.G. CAMERON:** I was just getting warmed up.

*Members interjecting:*

**The PRESIDENT:** Order! The honourable member is taking a point of order.

**The Hon. M.J. ELLIOTT:** The point of order is that I think the debate has for a long time been shifting further away from the motion currently before the Council.

*The Hon. L.H. Davis interjecting:*

**The PRESIDENT:** Order!

**The Hon. M.J. ELLIOTT:** It is not unusual—

*Members interjecting:*

**The PRESIDENT:** Order! I cannot hear the honourable member.

**The Hon. L.H. Davis:** Gilfillan was not here at all.

**The Hon. M.J. ELLIOTT:** Talking about hummingbirds, you've got the brain of one. That might be an insult to a hummingbird.

*Members interjecting:*

**The PRESIDENT:** The honourable member will come to his point reasonably quickly.

**The Hon. M.J. ELLIOTT:** It is not unusual in any debate to range widely but, when the debate seems to be centred almost entirely away from the point of the motion, I believe it is out of order.

**The PRESIDENT:** I thank the Hon. Mr Elliott for his point of order. I think the motion is reasonably broad in the sense that it refers to relieving the Treasurer of all responsibility for the South Australian electricity industry and creating a special minister. That in itself makes for a fairly broad—

*Members interjecting:*

**The PRESIDENT:** Order! I am trying to answer the point of order. I do not believe there is a point of order, but the honourable member does have a point in that we should keep as close as we can to the spirit of the motion.

**The Hon. T.G. CAMERON:** Thank you for your protection, Mr President. I thank the Hon. Mike Elliott for his interjection because it has enabled me to find a couple of quotes from the Auditor-General. As to the reduction of risk exposure, this is what the Auditor-General said:

The government has by reducing debt reduced debt management related risks and in particular outright interest rate risks.

I can understand that statement. He continues:

Following the announcement of the first electricity asset disposals in December 1999 the state achieved an improved credit rating to AA plus.

Another plus for South Australia. He continues:

The government has also reduced its risk exposure to operating businesses in the national electricity market by the disposal of the electricity businesses. This is offset by eliminating the opportunity to earn revenues and profits in that market and reducing the state's limited unsourced revenue base.

It is quite clear from the Auditor-General's own report that the lease of ETSA has been beneficial to the taxpayers of South Australia.

As to the probity of the disposal process, the Auditor-General states:

I am of the opinion that, although there are a number of matters that I have identified that had the potential to undermine the probity of the disposal process, including the process leading up to the making of each relevant long-term lease, nothing—

zero: that is what 'nothing' means—

has come to my attention to cause me to believe, and I do not believe, that these matters have in substantive terms affected the probity of the overall disposal process.

I can assure members that, if the Auditor-General even had a sniff that there was something amiss with probity, he would have been all over the Treasurer's back like a rash. But, instead, he says:

... and I do not believe that these matters have in substantive terms affected the probity of the overall disposal process.

So, another tick there. No problem with probity. We have the reduction of risk. The Auditor-General has also made reference to the fact that we have now eliminated the risk in relation to the lease of ETSA. I must apologise to the chamber: I only got to the first 15 pages of the report.

**The Hon. M.J. Elliott:** Page 16 is deadly!

**The Hon. T.G. CAMERON:** Actually, there is hardly anything on page 16. That shows that the Hon. Mike Elliott has not even read the report! That is page 16, right?

**The Hon. Sandra Kanck:** Deadly!

**The Hon. T.G. CAMERON:** Yes, it is deadly all right; there is nothing on it. There has been a great deal of play in this place and outside about the blackouts which occurred in South Australia this summer. I think the Treasurer has already put on the record the factual situation in relation to that. However, it must be taken in the context that we had the hottest summer in 96 years; we had 17 or 18 days over 100°F; demand for electricity increased by 8 per cent; and a record number of airconditioners were installed during the summer. Some of my relatives install airconditioners, and they were flat out seven days a week, from 6 a.m. until 9 p.m., and they still could not meet the demand. It is only my opinion but it was pointed out to me that when you are on a computer and connected to the internet you may be using 1 kilowatt an hour, which seems a lot of—

**The Hon. L.H. Davis:** When you are doing a thousand hours of research you are just chewing it up, aren't you?

**The Hon. T.G. CAMERON:** Yes, you are just chewing it up, aren't you.

**The Hon. L.H. Davis:** They probably use wind power and save energy for us.

**The Hon. M.J. Elliott:** We will just put a generator right in front of your mouth.

**The Hon. T.G. CAMERON:** So you reckon you would get both heat and wind if you did that? Anyway, it has been put to me that when people come home they have their dinner and then log on to the internet, which causes an upshot in our demand. Quite clearly, demand was much higher than forecast. I think the long-term demand was forecast at 3 per cent to 4 per cent but demand went up by 8 per cent.

The point has to be made that, if Trevor Crothers and I had not crossed the floor and the assets had stayed in public hands, are we to automatically assume that we would have had generating stations sprouting like mushrooms all over the state? The fact is that under public ownership we would have had exactly the same amount of power this summer as we had under the leased arrangement. I think members of the public can see through the hollow, superficial arguments; they are completely translucent. You have only to look at the arguments in relation to generating capacity and so on to see that they do not stand up to scrutiny. When all you have to do is

stand in front of a television camera and make a quick 10 second statement, of course you can sound good because you are not subject to any scrutiny whatsoever.

One can only assume that the intent of the resolution moved by the Hon. Sandra Kanck is to remove the Treasurer from any further involvement with ETSA. Well, I understand that it has all been sold and there is nothing left, so perhaps she is six to nine months late. If it was thought that the Treasurer was stuffing us up so much, I cannot quite understand why she waited so long to put this proposition forward. The simple fact of life is that ETSA has been leased, and it is a 200 year lease. The Labor Party amended the Hon. Trevor Crothers' bill—the wonderful old socialist in the Australian Labor Party. I say 'old' because most of them are getting on now. The young ones in the Labor Party have a different outlook but it is the oldies who control the show. It is not a personal criticism of the Hon. Terry Roberts when I say that, because he has been a dinky-di socialist all his life and he still is. At least he is not a pretender.

If anyone believes that there would have been additional generating capacity in South Australia ready for this summer then they are kidding themselves. The fact is that most of the outages occurred because generators were breaking down and you do not have to dig around for long to find out that it was because proper maintenance had not been done over the last 10 years.

Does anyone believe that if ETSA had remained in public ownership someone there would have polished their little crystal ball and said, 'Next year we are going to have a record number of hot days, consumption will go up by 8 per cent, and we are going to have 18 days with temperatures above 100°. We'd better put \$15 million, or whatever, into maintenance of the transformers, and so on, because if we don't we could have a few more blackouts than usual.' Anyone who believes that still believes in the tooth fairy. It would have been exactly the same situation in South Australia in terms of generating capacity and maintenance problems that we would have had if the Electricity Trust had remained in public ownership. I defy anyone to mount an argument contrary to that. As I have said, I was a little disappointed in the substantive material contained in the Hon. Sandra Kanck's speech.

**The Hon. L.H. Davis:** But not surprised.

**The Hon. T.G. CAMERON:** Well, it is clear to me that she did not spend 1 000 hours researching this resolution. I am a little surprised that it has come forward at this particular point in time. I know that the Democrats have now joined the two other major parties as a party internally divided. Having belonged to the Australian Labor Party for 40 years and having been secretary of that party for nine years, I do appreciate what it is like to belong to a party that is divided.

*The Hon. M.J. Elliott interjecting:*

**The Hon. T.G. CAMERON:** The Hon. Michael Elliott is on a steep learning curve when it comes to party unity. It really is a bit of a joke. I guess he will jump up and take another point of order on me—

**The Hon. M.J. Elliott:** Why would I do that?

**The Hon. T.G. CAMERON:** Well, you probably won't. I do not wish to damn her candidacy but I did tell the Australian Democrats the other day that I would be voting for Meg Lees if I were a member of the Democrats. I would not be voting for Senator Natasha Stott Despoja. It is only my opinion but I believe that Senator Natasha Stott Despoja knew exactly what she was doing when she crossed the floor and did not support the GST. She had already made up her mind then to challenge before the next election. I wish the

Hon. Mike Elliott, the Hon. Ian Gilfillan and the Hon. Sandra Kanck well. I hope that you get Meg Lees up. If you do not, do not throw the baby out with the bath water because you will have to work with Senator Natasha Stott Despoja.

The resolution we have before the Council really is a waste of time, and I have probably wasted too much of the time of the Council debating it. There are many other points that I could make but, at the end of the day, there is one inescapable fact: the only way to get rid of Labor's \$5 billion worth of debt and interest left from the State Bank and the SGIC was to sell or lease something. The only decision I could come to was to support the government and leave the Australian Labor Party, which no doubt pleased some of its members.

I have said before, and I will say again, it was a rare form of political courage that saw the government bite the bullet and seize the opportunity to get the debt burden off the backs of South Australians. If ETSA had not been leased, we would now be accruing hundreds and hundreds of millions of dollars a year in interest. Look at what the Auditor-General has said.

**The Hon. Diana Laidlaw:** We would have to find hundreds of millions of dollars for capital costs, too.

**The Hon. T.G. CAMERON:** Yes; I did point out that ETSA needed \$3 billion to be spent over the next 10 years just to meet generating capacity and to maintain its current infrastructure. Where would that \$3 billion have come from?

*The Hon. Diana Laidlaw interjecting:*

**The Hon. T.G. CAMERON:** Well, read the transcript. I will tell you what would have happened: a Labor government would have invited private operators to come in and build power stations. That is what they would have done. They would have sold it to a Labor conference—but the Hon. Terry Roberts would have opposed it. I intend to oppose this frivolous resolution.

It is not a serious resolution. It is a resolution aimed at getting a headline. I dip my hat to the Democrats because, when it comes to getting a headline, they are very good at sensationalising an issue. They get a one-day headline and then the issue disappears—it just disappears off the screen forever and a day. The only advice I would give to the Hon. Sandra Kanck is, 'Please, no more of these resolutions. You have plenty of work to do in your party if you want to get Meg Lees up.'

**The Hon. M.J. ELLIOTT:** In my contribution I do not intend to examine the merits, or otherwise, of the sale or lease of electricity assets. Different members of this place will have their own views about that, and I would suggest that within about 18 months the public will have a definitive answer, by way of evidence, as to whether or not it was a good or a bad thing. I would expect that, as we have seen with the Hon. Terry Cameron's contribution, there will be a great deal of self-justification for actions at that stage.

About two years ago—I have lost track of time now—this government appointed a minister for the year 2000. When it did that I think there were various reactions to the appointment of that position. The argument for the creation of that ministry was that there was a special problem which needed a great deal of focused attention. We did not know how big the problem was going to be, and people were predicting that the year 2000 bug had the potential to cost billions of dollars and, until the year 2000 ticked over, we really did not know how much damage might be done and what all the consequences would be. This government decided that it was not worth taking the risk in relation to the year 2000 bug.

**The Hon. L.H. Davis:** And what did all the other governments in Australia do?

**The Hon. M.J. ELLIOTT:** I am not sure whether that is relevant. I was not criticising it. I was noting that the government had done this and the reasons why it was done. Regardless of the merits of sale or lease, the position we are in right now is that any honest person would have to say that there is uncertainty about how we will be placed next summer. The Treasurer is indicating—

*An honourable member interjecting:*

**The Hon. M.J. ELLIOTT:** I will get to that in a second. The Treasurer is indicating that he is hopeful that MurrayLink will be in place. There are some questions about how much power that will deliver and when, but he is hopeful that that will be there. He is also hopeful that several generators will be in place in South Australia and that there might be further generation capacity going into Victoria. He would realise that there would not be a whole lot more certainty about that than there would be certainty about some of the investors that were going into the rail line up north. Conversations with various businesspeople indicate that they are revealing what their intentions are at this stage.

I think the Treasurer could honestly say that he really does not know what installed capacity will be in South Australia at the end of the year, nor will he know what capacity will be available, not just in terms of the capacity to come over the border but, indeed, the surplus capacity in the other states. We see that Victoria has gobbled up most of its surplus capacity, as we have in South Australia. It may well be that the rapid growth that we had this summer related to the number of hot days we experienced. However, regardless of the reasons, we did have a significant growth in demand, and it is not unreasonable to assume that there will be further growth.

I think any honest person would say that we were pretty lucky to get through last summer without having a really major blackout. The extra installed capacity helped but, regardless of that, we were still lucky to get through last summer without a major blackout. It would have taken only one major generator to go off stream or for the interlink to go down for some reason and South Australia would have been in serious trouble.

The first serious concern that we have to confront in South Australia is whether or not sufficient capacity will be available next summer to simply guarantee continuity of supply. That is one issue. The second issue is that, regardless of whether or not we have installed capacity to reach peak demand, and allowing for nothing going wrong, will the installed capacity be of a form that will guarantee that prices do not escalate? There is a great deal of speculation at this stage about what will happen to the prices for some users come 1 July when some of those become contestable customers. They are unable to get contracts and it seems that they will be sitting in an open market; and travelling through June, July, August and September they will probably see increases in price. That will not be the half of it. The bigger question is: what will happen to the price for them as demand gradually starts to lift later in the year? Even if installed capacity is capable of supplying all electricity that is required, the question will be: at what price?

*The Hon. Sandra Kanck interjecting:*

**The Hon. M.J. ELLIOTT:** Well, that is right. There are a lot of question marks about whether there is sufficient gas to look after the new installed capacity. I found it interesting that AGL, which was talking about putting a new power

station in Victoria, said to me at a meeting only four weeks ago that you cannot buy generators off the shelf and that there is a significant lead time in getting them. As I recall, it implied a couple of years—

**The Hon. Sandra Kanck:** Eighteen months to two years.

**The Hon. M.J. ELLIOTT:** Yes, 18 months to two years from when you order. This is AGL, which is installing capacity in Victoria, and that is what was said to me in a meeting only four weeks ago. I hope that the capacity is there, but the point I am making is, even if the capacity that the Treasurer is talking about is installed and as long as everything goes well, it may meet peak demand but it will not really cushion us from anything going wrong, from a major generator going down, for instance.

*The Hon. R.D. Lawson interjecting:*

**The Hon. M.J. ELLIOTT:** Just let me finish. Nor will it insulate us against the interlink going down during a time of peak demand. But importantly, as I understand what the Treasurer is saying, some of this new installed capacity will be peak demand stuff. That sounds attractive superficially, but if you are worried about price, except at times of peak demand, what we really need is more competition at the lower cost generation end because the price is set by the last successful bidder.

For the people who bought Flinders Power, it was money for jam because most of the time it is selling coal generated power at gas generation cost or bid cost. Putting in a peak generator will not change their ability to do that nor will it change the ability of the cheaper gas generators to be able to take the price of later bidders. So, whilst peaking capacity will be useful in terms of guaranteeing continuity of supply at times of peak demand it will not do anything to tackle the more fundamental problem we have within the structure of our current market which reflects upon price.

There is a need for urgent action in South Australia or some companies will be packing their bags; they are going to say that the cost of electricity has become too expensive and are going to leave. It appears to me that not only will we have to focus our minds very sharply on how we can guarantee continuity of supply, and part of that may be about installed capacity, but also on demand management. AGL certainly carried out some demand management strategies, and some of that involved a lot more customers switching off.

But just how far can you push the envelope in that direction? It has been trying to encourage people to turn off their airconditioners at certain times. Frankly, it is in the area of demand management that we have the best opportunity to try to ensure that there is surplus capacity so that at times of peak demand we do not suddenly find, if anything goes wrong, that South Australia is caught short. If we can get a working demand management strategy in place, it will also depress the price of power. For a lot of industries that will be crucial. Crunch time will come on 1 July.

The point I am making is that we are facing not only an urgent situation next summer but an urgent situation as early as 1 July, and we need to focus on it very intently. Without any reflection on the minister who currently has the portfolio, he also happens to have the Treasury—

**The Hon. L.H. Davis:** What does this motion do? Does it reflect on the minister?

**The Hon. M.J. ELLIOTT:** If you read it carefully—

*The Hon. L.H. Davis interjecting:*

**The Hon. M.J. ELLIOTT:** I think this is a portfolio that needs undivided attention. I may not be as fluent as you but

I do not talk as much bull. You are very fluent but you are full of it.

**The Hon. L.H. Davis:** Where would we be now if we still had ETSA—would you like to tell us that?

**The PRESIDENT:** Order! This is not question time.

**The Hon. M.J. ELLIOTT:** The situation that is confronting us now with electricity is such that I believe it should be a ministry in its own right, probably for a relatively short time in exactly the same way as the government created a Minister for the Year 2000. I believe that the threat to the South Australian economy of the current energy situation is greater than that of the year 2000 bug. It would be very useful to have a minister devoted entirely to that task with a team working on two aspects: first, energy supply and, secondly, demand management. We do not have a lot of time. We are taking enormous risks. I am not suggesting that the Treasurer is doing nothing. What I am saying is that when you have a responsibility such as the portfolio of Treasury and a budget to bring down in a couple of months that has to be more than a mild distraction from this other job.

I repeat that while I have a view about the privatisation of ETSA and the way certain things have been handled I have not expressed those views as part of the argument here. The argument that I am using is that we are facing a crucial situation in the next 12 months in relation to energy supply, particularly electricity supply. It puts industry at serious risk. It puts our economy at serious risk, regardless of privatisation.

In those circumstances it would make a great deal of sense to have a minister who was devoted to that task to ensure, first, that the electricity issue is tackled and, more broadly, that the energy issue is tackled. I note that the government now is starting to address issues around gas. When the electricity debate first started we argued that the gas issue was a more significant issue for the long-term future of the state than was the electricity issue. We have now reached the point where there is insufficient gas to look after all the generators at peak demand time, so we were right when we said that.

I think that, whilst this ministry would focus in the first instance on electricity because we have some major challenges in this next 12 month period, increasingly, once those problems are addressed, we would move more generally on to issues around the long-term energy security of the state, and the energy future of this state is not very secure at this stage. I urge members to support the motion.

**The Hon. P. HOLLOWAY:** The opposition caucus has not yet had an opportunity to take a position on this motion, but given that the opposition moved a no confidence motion against the Premier over the electricity outcome last week I do not think it would surprise anybody if we were to support the sentiment in the first part of the motion. As to the question about a special minister, that is a matter that we will come back to; one of my colleagues will deal with it next week.

If this motion is carried, one thing that would concern me is to who exactly in this government the Premier would give the portfolio. For a start, we could not go back to Dr Armitage, because he had the whole portfolio taken off him in the first place. He made such a mess of it that he had to be removed from the equation, and I think I am on the public record as saying thank goodness he was. We could not bring back Graham Ingerson, because he was the one who not only said that ETSA would not be sold but who was also responsible for shifting \$450 million of debt into the Electri-

city Trust before the last election in 1997. He was also the minister who negotiated the deal that resulted in taxpayers receiving \$117 million less for the Northern Power Station. I do not know whether we would want him back.

The Premier himself might be able to take on the portfolio, but I think that we could rule that out because he was the minister in charge of electricity in the first place and also one who said that he would not sell ETSA, but he broke that promise, along with many others. We would not want to give it to the Hon. Iain Evans, Minister for Environment and Heritage, because he is more concerned with the birds and the bees at the moment and his own survival.

**The Hon. Carolyn Pickles:** What about Joan?

**The Hon. P. HOLLOWAY:** The only trouble with Joan Hall is that, next time she goes to a hotel, she is likely to leave all her papers in the back of her car, and that could be a bit of a problem. Mind you, it could be fairly convenient at the same time. There is always Dean Brown. The Premier gave Mr Brown the poisoned chalice of health, because that is a most difficult portfolio, so he would be a good candidate, given the problems with electricity that the state faces in the near future. Perhaps he is a candidate. The other one might be Robert Lawson, because we heard yesterday that he seems to have taken over some parts of this area. He is the one who is negotiating the electricity contracts for the government agencies that are now facing problems when we deregulate on 1 July, and I will turn to that matter shortly. We do have a problem about who else we might get, so that is one thing that makes me a little concerned about supporting the first part of the motion.

Much of this debate today has centred on the privatisation of our electricity assets. To some extent that is a historical issue. There is no doubt that, come the next election, the privatisation of our electricity assets will play a significant part in the campaign. However, now we have to move on. Many of the urgent problems facing the state in relation to electricity concern the national electricity market. Whereas privatisation will still be an issue because of what has happened, we have to address a number of other issues. In some respects, it is up to the historians to judge that issue, whatever its merits or otherwise, and I have made so many speeches on this subject in the last two or three years, as we all have, that I do not wish to go through the issue again. Rather, we need to address some of the very urgent questions in the electricity market at this moment.

Indeed, on Thursday 15 March, Mike Rann made a speech at the Institute of Engineers' breakfast on the subject of reforming South Australia's electricity industry, and that set out many of the views of the opposition in relation to the problems now facing the national electricity market. It was very interesting that, within two or three hours of Mike Rann's having made that speech, the Premier immediately took one of his points and announced that the government would be setting up a task force to look at some of the problems we now face in the national electricity market. So, within two or three hours, it had its effect.

Since that speech, it is interesting to note how the rhetoric of the government has changed. For the last two or three years in this place, I have asked questions about the national electricity market. When on 6 August 1998 I made my speech first opposing privatisation, I made this point:

The point that I am making in relation to Riverlink is that when NEMMCO made its decision it had to get legal advice as to what the code actually said. What I am suggesting. . . is that I think we need to look at the national electricity market and its operations. I have

discussed these issues concerning the national electricity market to indicate that, in my view, the national electricity market has flaws. It is my view that we are experimenting with a highly bureaucratic and artificial structure to make the national electricity market look like a free market when it is at least in part a natural monopoly.

I went on to discuss that issue in greater detail. I and other members of the opposition have been expressing our concern about the operation of the national electricity market for at least three years.

It is true that the Labor Party supported the legislation that set up the market and, to this day, we support in principle the national electricity market. The point that we have been trying to get this government to take up for some years is that there are flaws in that market, there are problems with it, and they need to be addressed urgently by the government. All through last year when I asked the Treasurer whether he was satisfied with the operation of the national electricity market, he kept saying that he was. Is it any wonder that, in his report earlier this year, the Auditor-General pointed out how this government has been totally reliant on market forces to deal with the questions of supply in the electricity industry?

Other industry observers such as Lew Owens, appointed by this government to be the Independent Industry Regulator, have been pointing out for some time that there are huge problems in the electricity industry and they will all come to a head on 1 July this year when large electricity customers, those who use more than \$20 000 of electricity a year, become contestable. They will have to go into the market and get electricity contracts. At least since the end of last year, Lew Owens has been saying such things, and I will put it on record because it is the key issue currently in relation to electricity, in my view. On 1 March, Lew Owens said:

Average prices have changed very little in the NEM states since the commencement of the NEM (and the analysis is somewhat complicated by the introduction of the GST from July 2000). The main price reductions occurred in the five years prior to NEM commencing.

Of course, we do not know what the prices would have been without NEM, or what they would be if vesting contracts did not constrain prices. There is certainly evidence that NEM spot prices are currently higher than the vesting contracts levels, possibly by as much as 20 to 50 per cent. If these prices flowed through into residential and industrial tariffs, prices would be 10 to 30 per cent above present levels. Consumers might not recognise that as a benefit of competition!

So Lew Owens says ironically. He goes on:

However, smaller customers (below 160 MWh per annum) are protected from any increases until January 2003 by the electricity pricing order and vesting contracts, and market prices may have fallen by that time if new capacity comes online. The real problem arises for South Australia's largest (approximately 3 000) consumers who are already contestable and who must sign contracts before 1 July this year. Because of a number of factors, these consumers are at a disadvantage.

Lew Owens provides a list, as follows:

There are very few active retailers; the retailers have limited contracted volumes to sell; and generators have high price expectations resulting from spot market prices.

It continues:

This situation may result in numerous South Australian employers either having no contracted electricity supply from 1 July (with no obligation on any party to supply them) or being forced to accept a contract with significantly higher prices or indeed with 'market-plus' price arrangements. Either outcome does not auger well for the competitiveness of South Australian employers or their ability to plan for reliable and competitive electricity supply. The economic development of South Australia is at risk.

So, there we have the independent Industry Regulator appointed by Legh Davis's government saying that the

economic development of South Australia is at risk. That is the most serious issue facing us in the electricity market. We can go through all the historical arguments about privatisation, but the most urgent issue facing this state at the moment in relation to electricity is the problem of these industries that will be contestable from 1 July this year.

There are 3 000 of them, and of those 3 000 some 300 will be government offices. We have the extraordinary situation where this government apparently has not yet done anything to secure the electricity supply contracts for at least 300 government sites. The minister responsible for negotiating those contracts, the Hon. Robert Lawson, has just come into the Council. I would be interested to hear at some stage exactly what this government has put in place. The question I would most like to hear the minister answer is, given that these larger level customers were supposed to be deregulated from 1 January this year but have been given a period of grace of six months, why has it taken so long and why has the government left it so late in relation to its own schools, hospitals and large users of electricity to negotiate contracts.

It was pointed out during questioning in the House of Assembly yesterday that some of these larger consumers such as the big hospitals have electricity bills of over \$1 million a year. If there are to be increases of the order that Lew Owens is talking about (anything from 30 per cent to 50 per cent), that will result in hundreds of thousands of dollars in additional costs that will have to go onto the budget to pay these bills. So it is not just industry outside—as Lew Owens said, the economic development of the state is at risk—but it is the services provided by our hospitals and schools and large consumers of electricity that are facing this problem. It is that matter for which I think the Treasurer, who has been in charge of electricity, is most deserving of condemnation at the moment.

In relation to the national electricity market, I wish to point out that, since the history of it has been covered, there are a number of matters where my views have been misrepresented by the Treasurer, in particular, over the past few weeks. One thing that I want to put on the record is that, back in 1996, the Olsen government was well aware from reports that it had received that this state would face electricity supply problems at about this time. The report that the then government commissioned from the Industry Commission—

*The Hon. T. Crothers interjecting:*

**The Hon. P. HOLLOWAY:** It was nothing to do with the State Bank. Whether or not this state is short of electricity depends on the expected demand for electricity and whether we have enough generators. Back in 1996, the then Brown government (through Minister Olsen) received the Industry Commission's report entitled 'The Electricity Industry in South Australia', which stated:

Current demand forecasts indicate that South Australia will need to augment capacity or increase input shortly after the year 2000.

The then Premier (the minister responsible) said at that time that capacity was certainly adequate to the year 2000 but that extra capacity from Riverlink would meet the requirements beyond that time. Premier Olsen, when he was Minister for Infrastructure, was the one who supported Riverlink. There were also recommendations at the time that the Torrens Island Power Station be upgraded and converted from the rather old-fashioned gas and oil burners that it used to a combined cycle gas, which is much more efficient. The government of the day scrapped both of those proposals.



We also know now from some information that was in the *Advertiser* recently that, over the past five years, this government slashed its spending on maintenance within ETSA. That is one of the reasons why over the last summer we have had a number of problems within the electricity industry, because there has been a considerable curtailment of maintenance work within the electricity distribution area. So, rather than blame the new owners of ETSA, it would be more appropriate to blame the Olsen government for the considerable cuts that it made to ETSA's maintenance budget over the past five years. I think that is an interesting point that needs to be—

*The Hon. L.H. Davis interjecting:*

**The Hon. P. HOLLOWAY:** Pelican Point. Let us get the record straight on that. The Labor Party opposed Pelican Point as a site—and rightly so—but we did not oppose—

*Members interjecting:*

**The Hon. P. HOLLOWAY:** What is incredible is that, as I understand it, this government never even looked at Torrens Island as a possible site for a power station. This government spent \$20 million or \$30 million on extra powerline capacity and gas capacity to build the power station at Pelican Point where it was not wanted by the community. It is rather interesting that, now that the government is selling off the ports and we need a new port at Port Adelaide, instead of the grain terminal being able to be built on the wharf, because Pelican Point is on a prime piece of foreshore with access to the deep port, it now has to be 200 or 300 metres away with a long conveyor belt.

This government did not even look at Torrens Island (where the existing infrastructure was) as a choice for the new power station. Let us get the record straight. The opposition has never opposed additional power capacity in this state. That is untrue. I challenge the Treasurer to find that on the record. He will not find any record of where we opposed additional power capacity. Indeed, it was the reverse.

*The Hon. R.I. Lucas interjecting:*

**The Hon. P. HOLLOWAY:** No, that's not true. I refer to the comments that I made on 6 August 1998. The *Hansard* record states:

The reason I have gone into such detail regarding that decision is to try to indicate that in my view there are problems with the national electricity market.

**The Hon. R.I. Lucas:** Are you supporting Riverlink?

**The Hon. P. HOLLOWAY:** No. The point I am making in relation to Riverlink is that when NEMMCO made its decision it had to get legal advice as to what the code actually said.

The point I made earlier when the Treasurer was not listening was that it was Mr Olsen himself when he was the minister who put his faith in Riverlink as an excuse for not doing anything to upgrade our power capacity. When he was getting warnings back in 1996 that this state would be short of power by the end of the decade, he turned his back on the upgrade of Torrens Island and on Riverlink. All we have ever said is that Riverlink should have had a fair go.

I pointed out in my speech nearly three years ago that there are problems in the market. Everyone now concedes that it is widely accepted within the electricity industry that there are problems within the market as far as dealing with the interconnectors is concerned—and I would have thought that the Treasurer would agree that there are problems. One only has to read the Electricity Supply Journal for last month to see a number of people who have done—

*The Hon. L.H. Davis interjecting:*

**The Hon. P. HOLLOWAY:** Well, this government should have addressed it seriously. For three years we were asking this government about the supply—

*The Hon. L.H. Davis interjecting:*

**The PRESIDENT:** Order!

**The Hon. P. HOLLOWAY:** The record will show that three years ago we first raised questions about the supply problems that we would face in this state. Three years ago we raised questions about the national electricity market and flaws within that market. This government until very recent days has refused to acknowledge that there were any problems with the national electricity market. Now it has become obvious that there are significant problems and, at long last, at the 11th hour and the 59th minute, this government is just starting to take those matters seriously—and well it might.

I will not go through all of this now because it was set out in a speech by Mike Rann on 15 March at the Institute of Engineers. We have outlined the first stage of some of the issues that we believe should be addressed. As I said, Mr Olsen, within two hours of Mike Rann making that speech, adopted most of the things that we had asked for. It is interesting that since that speech the Treasurer has actually changed his rhetoric. He is now starting to admit for the first time that there are flaws in the national electricity market and that we need to address some of these issues urgently. We support the notion that this Treasurer has made a real mess of the electricity situation in this state.

As I say, I will not touch on the privatisation debate. That is now for the historians, although it will certainly still play some part in the next election. What we have to address most urgently as a state are these problems that are now in the electricity market. When my colleagues speak on this matter next week, they will address the specific wording of the motion of the Hon. Sandra Kanck. I must admit that it is not the way that I would have worded it, but I certainly agree with her that the Treasurer's cavalier attitude towards electricity prices and supply issues in the state is deserving of condemnation.

**The Hon. R.I. LUCAS (Treasurer):** I will commence in the few minutes before the dinner break and perhaps continue with some comments after the break, subject to the passage of the railways legislation which I understand is nearing completion in the House of Assembly. At the outset—

**The Hon. Sandra Kanck:** You are deeply hurt, I know.

**The Hon. R.I. LUCAS:** As I said yesterday, I was distraught when this motion was moved and I remain deeply hurt that the deputy leader of the Australian Democrats is moving to have me sacked as the minister for electricity supply. Nevertheless, her leader said that this was not a condemnation of the minister in charge of electricity supply. He said that this motion was no reflection on the Treasurer in relation to his handling of the portfolio.

I must admit that he obviously was not listening to his deputy leader's contribution, and I am not surprised. Many of us try not to listen too hard to the contributions from the deputy leader on issues in relation to electricity since that infamous day almost three years ago in mid-1998 when she made what my colleague the Hon. Legh Davis constantly refers to as 'the 1 000 hours of research speech'. It has been hard to take the deputy leader seriously when we come to debate electricity issues.

As I said yesterday, I was looking forward to the opportunity today to address the motion, because a number of the

claims made by the deputy leader in the press release that she issued yesterday were just so grossly and deliberately wrong as to be quite seriously guilty of misleading the South Australian community and also the South Australian parliament. During my contribution, I will highlight a number of those, but in particular I refer to the statement made by the deputy leader on Monday which states:

The fact that last year the average pool price for electricity soared by more than 200 per cent damns the Treasurer and his government's policies, Ms Kanck says.

The deputy leader would have known at the time she made that statement that it was wrong, yet she deliberately included that comment in her press statement, and gained considerable publicity as a result of making that outrageous claim, when she must have known it was wrong. It was so outrageous a claim that I would have hoped that even one hour of research, rather than 1 000 hours of research by her own staff, if she was prepared to have her staff do some work for her on this issue, would have demonstrated that that claim just could not have been correct. Yet she went ahead and made that claim on Monday in a quite deliberate and malevolent fashion to try to damn not only the government's policies in relation to this area but also my oversight of the electricity portfolio.

Indeed, what more damning criticism could one make up—that prices in the past year had gone up by 200 per cent as a result of the Treasurer's activities? Sadly, that has been the history of the deputy leader's contribution during the whole of the electricity debate from 1998. This press release, which is a very sad indictment on the leadership of the Australian Democrats here in South Australia, damns the deputy leader and damns the Australian Democrats' contribution to the whole electricity debate.

The deputy leader really ought to be ashamed of herself for having lowered the tone of this debate to the level where those sorts of claims are made by her. She must have known and her staff must have known when that press release was put together that that statement was grossly wrong. She must have known in terms of her own involvement with this portfolio.

*The Hon. T.G. Cameron interjecting:*

**The Hon. R.I. LUCAS:** I do not know why. The reason was that it was a guaranteed story on Monday. On Monday every television and radio station and all the news feeds and the press—

*The Hon. Sandra Kanck interjecting:*

**The Hon. R.I. LUCAS:** It was. I was the one who had to respond. They said that the Deputy Leader of the Australian Democrats is saying that there has been a 200 per cent price increase, quoting the deputy leader as an authority in this area. I would have hoped that after three years they might realise that they should not believe anything the Deputy Leader of the Australian Democrats says on the electricity issue. However, sadly, there are still a few people out there in the media who said, 'Here's what it says: a 200 per cent increase as a result of the government's policies.' I guess if I was in the media and a person in a leadership position of a party put out a press statement that said that there had been a 200 per cent increase in the past year, I would believe it to be newsworthy. Even Lew Owens has been talking of only 30 per cent to 50 per cent: the deputy leader managed to get the number up to 200 per cent even before the end of the year. She was talking about what had occurred and what potentially would happen for customers further down the track.

Later this evening I will go through in more detail some of the other gross errors. I can only assume that they were

quite deliberate errors made by the Deputy Leader of the Australian Democrats in her press statement of Monday, which she has repeated in this chamber in her contribution to this motion. Time will not allow me to warm up to the next item prior to the dinner break, so I seek leave to conclude my remarks later.

Leave granted; debate adjourned.

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

#### HOLDING ALLOCATION EXEMPTION

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

That regulations under the Water Resources Act 1997 concerning holding allocation exemption, made on 19 October 2000 and laid on the table of this Council on 24 October 2000, be disallowed.

The committee notes that these regulations relate to the holding allocation exemption that were made on 19 November last year. The holding allocation licence was created under the Water Resources Act following a select committee recommendation into the South-East water issue early last year. The select committee recommendation was endorsed by the government.

In introducing the legislation last year, it was indicated that it was the government's proposal to implement the thrust of those regulations. The committee had recommended an immediate freeze on new applications for water allocations in the South-East, and it stated that the remaining unallocated water should be shared amongst landowners who did not have allocated water. However, the resulting legislation and regulations have been implemented in a very different way than that envisaged at the time. Instead of an automatic allocation, landowners have had to apply for a holding licence to ensure that their access to the remaining water resources is protected. Those who did not apply have lost their expected right to the water. Indeed, the minister held back water rather than fully allocating the whole of the resource.

In order to establish a water market, the select committee recommended that all—and I emphasise 'all'—remaining water be allocated to landowners. Consequently, if there was an increased demand for water, a market would be created as landowners sold off part of their allocation. However, considerable volumes of water remain unallocated, which essentially means that the water is still available at no cost, which significantly undermines the attempt by the government to establish a water market.

The overall outcome of this process is that a policy was implemented contrary to the expectations created as a consequence of the select committee's recommendations, and as a consequence of the indication by the minister as to how the amendments to the Water Resources Act 1997, as amended in July last year, would be promulgated. At the very least (and I have to say this is an understatement), it is disappointing when a clear intent of a parliamentary committee and a clear intent of a piece of legislation is not promulgated. And certainly at the time that it was not promulgated, communication was not made to this parliament to the effect that that was what the minister was doing. I move:

That this order of the day be discharged.

Motion carried.

#### DIGNITY IN DYING BILL

Adjourned debate on second reading.

(Continued from 14 March. Page 1040.)

**The Hon. CARMEL ZOLLO:** I have made my feelings known in this chamber on the subject of voluntary active euthanasia on several occasions so I will not speak at great length. There are some differences in this bill from the earlier ones regarding the manner in which voluntary active euthanasia would occur, including the appointment of a monitoring committee. These changes are supposed to make legislation more acceptable and workable but it still does not in any way overcome my total objection—on religious, moral and legal grounds—in enshrining in legislation the right of one human being to intentionally assist the death of another.

In many ways, this legislation is more frightening than previous attempts because it would allow for voluntary active euthanasia not just for the terminally ill but also for those hopelessly ill. The word 'hopeless' can mean many things to different people. It can mean anything from useless to desperate, to doomed to failure. More importantly, it is a relative term depending on which perspective you are looking at it from. Life itself at different times often looks hopeless for many people.

Dignity in Dying is an objectionable choice of words for this piece of sad legislation and is no doubt designed to give people the impression that you can somehow legislate for dignity. Why not call this legislation what it is—voluntary active euthanasia—or assisted suicide or killing. To quote a recent article in the *Advertiser*, it is 'legalised people killing'. The title of the legislation is nearly as Orwellian as the acronym for the South Australian Voluntary Euthanasia Society Inc.—SAVES: it certainly does not stand for saving lives.

I am not normally one to dissect another member's speech when it comes to matters of conscience but some of the comments of the Hon. Sandra Kanck should not go unchallenged and should be responded to. The Hon. Sandra Kanck made a great deal of comment about the double effect that medical practitioners are faced with. In the Consent to Medical Treatment and Palliative Care Act 1994, a doctor, with a patient's consent, can administer treatment of symptom relief and, should such action have the side effect of hastening the patient's death, action would not be taken against the doctor, the reason being that the intent for the practitioner was pain relief and not to kill. The Hon. Sandra Kanck says that she has a problem with this and that another practitioner could give identical treatment but, if their motive was to put the person out of his or her misery, then that doctor becomes a criminal according to our law.

I would like to think even very young children understand that 'intent' is the usual basis for judgment of our actions in all areas of our lives. 'Intent' is the factor by which many actions are measured in our community, especially in most areas of the law. Thousands of people are killed on the roads each year, in many cases due to careless driving, speeding, drink driving, etc. Even though we are all aware that a side effect of such actions is that people may be killed or maimed, no one is ever—or at least very rarely—charged with murder for their action because there is no intent to deliberately kill anyone. As a community we are prepared to tolerate a certain number of deaths on our roads for the many advantages that modern means of transport provide us with. Everything we do in life is full of risks.

What possible reason is there for not judging one individual assisting another individual to take his or her life as anything but intent or motive? Surely it is a prerequisite of

a society that professes to be just and treats the death of a human being with the respect that it deserves.

Some comment was also made about how humans treat animals better than other humans and that we are kinder to animals and euthanase them when they are unable to heal or are suffering. Should we also emulate the animal kingdom and encourage only the strong or those with the right genes to survive? It saddens me sometimes that some people do seem to care more for their pets and animals in general than for their fellow human beings suffering from malnutrition, disease and natural disasters.

Should we give everyone the option to be put down whenever things become hopeless or intolerable? I believe that this is where we could be headed if we do not respect the sanctity of life. If the intent towards another human being as far as is possible is to heal and ultimately alleviate pain, why are we being inhumane? I have always thought that the difference between the animal kingdom and humanity is that we are able to think and rationalise at a higher level than animals. So does it not make sense that our treatment of both subjects would be different?

Left in the wild, a sick lion would be abandoned to die by the pride if it were not able to look after itself. Should we do the same with anyone who is seriously ill and leave them to suffer in pain and die without trying to assist them? I do not think we should compare decent human behaviour with that of animals where life and death is purely based on instinct and survival of the fittest.

**The Hon. Diana Laidlaw:** That's not what the bill says.

**The Hon. CARMEL ZOLLO:** I am responding to some of the comments made by the Hon. Sandra Kanck.

**The Hon. Diana Laidlaw:** I know, but that's not what the bill says.

**The Hon. CARMEL ZOLLO:** I am responding to her comments: I have just said so. There are some inferences in relation to the aged—

*The Hon. L.H. Davis interjecting:*

**The Hon. CARMEL ZOLLO:** If the Hon. Sandra Kanck thinks I have misled the Council in what she had to say she can deal with it later.

*Members interjecting:*

**The PRESIDENT:** Order! The Hon. Carmel Zollo has been called to speak.

**The Hon. CARMEL ZOLLO:** There are some inferences in relation to the aged which I find even more disturbing. Economic rationalism over the past few years has been applied relentlessly to hospitals and aged care by conservative state and federal governments which have turned one of the best health systems in the world, despite its problems, into absolute chaos. Sure, we need to use our resources efficiently, but the best possible health and aged care is everyone's right and should not be subject to the bottom line or run purely for profit.

This will become a huge problem for our rapidly ageing community. Surely as a community we should be looking towards other solutions when our elderly are suiciding, than providing a cleaner and neater method to kill themselves by offering to euthanase them. It concerns me deeply when we talk about the older members of our community and those with hopeless illnesses in the same breath. We should not be applying pressure on our elderly or their families by implying that there is a duty to die when a particular stage in life is reached.

Already we hear enough about the elderly, who should be in nursing homes, clogging hospital beds. The sick elderly

have just as much right being in hospitals as young people. Last but not least, the poor Roman Catholic church is singled out for with some attention: the sacrificial lamb, as it were. I firmly believe—and I am certain that I am joined by the majority of people regardless of their religion—that enshrining in law the voluntary act of euthanasia is dangerous and objectionable and has little to do with any religious views we may hold. Australians practise many religions. I do not know whether or not the Hon. Sandra Kanck has noticed, but it is not only the Catholic church that does not sanction voluntary active euthanasia. From what has been communicated to me, so do all Christian religions.

Previously I have mentioned that I find the attitude of saying that some people are hiding behind their religion patronising, and I have not changed my mind. Two letters in particular that I recently received—and no doubt so have other members—vividly sum up the issue. The first one is from the Commission on Social and Bioethical Questions from the Lutheran Church of Australia dated 8 March 2001. I will not read the first paragraph, but the second paragraph states:

In my 30 years as a specialist physician I have encountered four reasons why people with serious illness ask their doctor to kill them. First, if they have inadequate relief of pain or other distressing symptoms which means they need the help of a good palliative care team. Second, if they have clinical depression, which is very treatable. Third, women often fear being a burden to their families, which means they need to know that they are loved and valued. Fourth, people who are socially isolated may see no reason to keep on living, which needs a creative and caring response from our community.

Which of these four groups are we to believe is best treated with a lethal dose?

The letter is signed by Dr Robert Pollnitz, Chairman, LCA CSBQ. The second letter I think was received yesterday and it is from Mr Robert Britten Jones, Emeritus Surgeon, Royal Adelaide Hospital. The letter is addressed to the Editor of the *Advertiser*, but I do not believe it has yet been printed. I will not read the first sentence; I do not think there is any need to put in *Hansard* other people's names. The letter states:

The key issue is a doctor's intention to relieve pain, not to kill. Our society's laws include intention as a critical factor in deciding whether an act is right or wrong. The South Australian parliament has already passed an act allowing a doctor or nurse to give drugs or other treatment to relieve pain and distress even though it may hasten death (Consent to Medical Treatment and Palliative Care Act 1995).

The Dying with Dignity Bill at present before parliament is unnecessary. More importantly, it is dangerous on three counts. First, because of undue pressure on the patient, real or imagined, by relatives. Second, the trust between doctor and patient would be destroyed. Instead of being invariably trusted as only to relieve and comfort, doctors would become double agents: agents both of health and of death. Third, doctors are fallible. Over the years I have seen patients labelled 'hopelessly ill' when in fact they have recovered to lead useful lives. This act would allow them to have their lives unnecessarily terminated. My experience is that with modern palliative care the overwhelming majority of patients die free of pain or distress.

The Hon. Sandra Kanck believes that euthanasia should be an election issue. If she thinks that this is the critical issue that the community is most concerned with at the present time then she and her party are totally out of touch with the community.

My views are well known as are the views of many other people who do not want to see such legislation, and certainly many of us have not shied away from our beliefs. I made my views known at the last state election and responded to all correspondence to me seeking my views. I mentioned in one

of my previous contributions that the persons running on the platform of voluntary active euthanasia at the last election received a very low percentage of the vote overall: I think it was some figure like 4 000.

*The Hon. T.G. Cameron interjecting:*

**The Hon. CARMEL ZOLLO:** It wasn't. I think it was around 4 000. I don't think it was more than that.

**The Hon. T.G. Cameron:** It was over 10 000.

**The Hon. CARMEL ZOLLO:** I'll check it, but I think you're wrong.

**The Hon. T.G. Cameron:** He had one person handing out how to vote cards across the whole state.

**The Hon. CARMEL ZOLLO:** I have just checked. It is 4 000 votes, not 10 000 as you just said.

*The Hon. T.G. Cameron interjecting:*

**The Hon. CARMEL ZOLLO:** Well, he stood on the platform. The Hon. Nick Xenophon got a few more than he did, didn't he? So, it must have been a more important issue in the community.

*The Hon. T.G. Cameron interjecting:*

**The Hon. CARMEL ZOLLO:** No, I said he got 4 000 votes and he did. I have checked the facts. I was not shooting my mouth off at all.

*The Hon. T.G. Cameron interjecting:*

**The PRESIDENT:** Order! The Hon. Carmel Zollo will return to her speech.

**The Hon. CARMEL ZOLLO:** Much is made of the high percentage of people wanting to see euthanasia legalised. I believe that asking the general question without explanation will get back the response that one is seeking. In any case, we do not legislate for capital punishment simply because 80 per cent of people are in favour when simplistic questions are asked. Perhaps we should include as part of that question information about our Consent to Medical Treatment and Palliative Care Act and exactly what rights people have under that act. We all know that statistics do not always tell the truth. The figures do not reflect the number of people who seek information or assistance when they are terminally ill. Statistics tell us that between only 6 and 10 per cent of people are in that category.

Death is never easy to cope with, not for the person facing death or for their loved ones and friends, but then neither is life sometimes. In a recent *Advertiser* article, Andrew Holman talked of the sacredness of life and the sacredness of death. Euthanasia is not the answer and I do not support this legislation.

**The Hon. T.G. CAMERON:** Again it was not my intention to speak on this bill at this stage but I will do so briefly. Honourable members would be well aware that, on the last occasion, I voted against voluntary euthanasia, and that is my inclination again. I will probably vote that way because I have concerns about some of the health aspects of this matter. I made a brief reference to it earlier today and I wanted to explain to the Council why my opposition to voluntary euthanasia is not as strong as it was when this chamber last debated the matter. I can attribute that to the speech made by the Hon. Sandra Kanck, so I was somewhat surprised when the Hon. Carmel Zollo ripped into the speech that was made by the Hon. Sandra Kanck, because in my opinion it is probably one of the best speeches that I have heard anyone from any party give in this place.

The Hon. Angus Redford also made a brilliant speech on water one night, but I took the opportunity to go back and read the Hon. Sandra Kanck's speech today. It is a very

persuasive, logical, well thought out and compassionate argument in favour of voluntary euthanasia. Whilst I do not pretend to be an expert on this subject, I shall listen to all the speakers who oppose the Hon. Sandra Kanck's Dying with Dignity Bill and then make a final contribution. I will conclude my speech by saying that the last speaker did not help in that process one little bit.

**The Hon. DIANA LAIDLAW** secured the adjournment of the debate.

#### ROAD TRAFFIC (TICKET-VENDING MACHINES) AMENDMENT BILL

**The Hon. T.G. CAMERON** obtained leave and introduced a bill for an act to amend the Road Traffic Act 1961. Read a first time.

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

*That this bill be now read a second time.*

This bill is about fairness and it will prevent motorists from being overcharged because it will compel councils to provide parking ticket vending machines that give change. Currently councils and, as I understand it, the state government as well are not required to provide parking ticket vending machines that provide change, and they have shown little inclination to do so.

The Adelaide City Council alone has around 300 parking ticket vending machines, not one of which gives change. Unless motorists have the correct change when they purchase a parking ticket, they could pay in some instances up to 90¢ too much. Some machines have a ticket price of \$2.20. If you only have two \$2 coins in your pocket, it costs you \$2.20 for your parking and the council picks up \$1.80 for nothing.

Parking fees in the Adelaide council area raised \$25 million last year and the fines for overstaying the parking limit range from \$9 to \$39. My numbers may not be accurate but I also understand that, in addition to the \$25 million that the council raised from parking fees, it raised an additional \$5 million from fines. Estimates that I have been given indicate that more than \$1 million is being siphoned out of motorists' pockets because the machines are unable to give change. Quite frankly, I consider the situation outrageous.

If it is good enough for the Minister for Transport, the Hon. Di Laidlaw, to install train ticket machines that are able to provide change, why cannot the Adelaide City Council do the same? Perhaps it has something to do with what the machines cost. On information given to me, I believe that the machines that were installed by the Minister for Transport at the Adelaide Railway Station cost approximately \$8 000 each, and they provide full change. However, the machines that the Adelaide City Council has installed—and I understand that it has installed 300 of them—cost about \$7 000 each.

If we go back to when these machines were installed, we can see that the Adelaide City Council has really double-dipped. Nobody would complain about the replacement of the old parking meters by the new machines because aesthetically it has improved the appearance of our streets. However, with the old parking meters, if you put in a dollar for an hour and you left after 40 minutes and somebody parked immediately after you, all the council got for that hour was \$1. With the new machines, you pay for an hour, leave after 15 minutes, another person comes in, parks and pays, and I am told that three or four people may use the same parking spot in that one hour.

If that did not provide a substantial boost to the council's income, and I do not know who was in government when these machines were installed, they really went for the lot because they put in machines which not only save money according to the capital cost but also, as I understand it, they actually thief over \$1 million a year from motorists parking within the Adelaide City Council area.

I have no idea about the veracity of these comments, but I have received phone calls from people claiming to be Adelaide City Council parking inspectors who allege that the new CEO recently addressed them, telling them to lift their game, that they had to lift their performance and become more effective. That sounds a little bit like revenue raising to me. Quite simply, if cigarette machines and train ticket machines are able to provide change, why cannot parking ticket machines provided by councils do the same? It is not good enough for the council to say that they will cost \$1 000 more. This is about fairness and governance. Local government is the third tier of government. It is about doing the right and fair thing by the people whom they look after.

Some of these councils, since they have amalgamated and become larger organisations, almost act like corporate predators. I am beginning to wonder whether the whole council amalgamation process was the right way to go. If we compare the way in which the Adelaide City Council and some of the metropolitan councils such as Woodville and Onkaparinga treat their ratepayers, it is almost the same way as Dun & Bradstreet would chase a bad debtor. They treat them like petty criminals.

If you compare the way that some of the metropolitan councils act with the way that country councils act, where they still appreciate that they are part of the local community and that the people are ratepayers, they conduct themselves as if they are part of the community, not like some of the metropolitan councils which use any trick, ruse or rort to extract a few more dollars out of their suffering ratepayers and motorists. This is an excellent example of that.

I am not suggesting that through the bill that I put forward we should go out and order Adelaide City Council to spend a couple of million dollars and replace all its parking machines. What I am hoping to achieve is the success of this bill, which will mean that councils will conduct themselves in exactly the same way as the state government. Could you imagine the howls that would come from the opposition, and me, and probably the Democrats, if the government installed machines at the Adelaide Railway Station that did not give change? Di Laidlaw would be condemned, we would get stuck into her, we would accuse the government of being greedy and predatory and trying to reduce the state debt through ticket machines that do not give change.

*The Hon. Diana Laidlaw interjecting:*

**The Hon. T.G. CAMERON:** That is what the opposition would have said. I would have said worse things about it. I commend the Hon. Di Laidlaw. I have always found her to be a fair person, even if I do fight with her on occasions and disagree with her. She has acted fairly on behalf of the government in ensuring that passengers on our train network when they buy a ticket get their change. Could you imagine the howls if you put \$3 in a machine for a \$2.10 train ticket and did not get any change?

If we are to adopt that attitude with the state government, we should similarly adopt that attitude with the Adelaide City Council. As this bill winds its way towards a conclusion, I hope that, at the very least, we end up with a resolution that requires the Adelaide City Council to phase out its 300

machines or find out what it would cost to convert them and sit down and work out a reasonable plan so that, in Adelaide at least, we as legislators and the Adelaide City Council can hold our heads high and say that in South Australia we treat people fairly, that we do not unfairly take advantage of them and put our hands in their pockets and steal their small change. It is not good enough, and I seek the support of members for the bill.

**The Hon. T. CROTHERS:** I rise to support the bill. Without being an encumbrance on this Council, I want to recite a very sad tale about lack of due care for ratepayers living in the Campbelltown council area. The point that Terry Cameron raises is ultra important. Local government is now being paid rates and taxes and it has become a law unto itself. For over 12 years I have been involved in a particular matter. Because we set the rules in here, I never used to get involved with the councils. I even had a barrister draw up a letter and we sent it by registered post to a Mr Riddle, the person in question. It was picked up because we checked with the post office.

I rang councillor Di Fede, who is purportedly a Labor councillor in the district. He put the matter on the agenda of the council. I saw the agenda for discussion that night. It was an absolute disgrace. The engineer whom they sent around was Harvey. Chief Executive Officer Vlatco who, I understand, was the chief executive officer in the latter stages of the Stirling council, gave evidence to the Stirling select committee when I was a member of it under Robert Lucas. He knows all about the damage that trees can cause. It is not very long ago that this fellow's trees were going through the high tension cables. He had a sign on his front gate 'Greening the plains of Adelaide'.

*The Hon. Diana Laidlaw interjecting:*

**The Hon. T. CROTHERS:** You can send a copy of *Hansard* to the mayor; I do not care. I am not walking away from this. There will be diabolical trouble. The trouble is that the Campbelltown council, like so many other councils, has not often been challenged. That will change at least for one council, which will have me to contend with, a fellow who used to be a campaign director for the Australian Labor Party. I am so annoyed with these people. I will not walk away from this. I already have other matters in train to deal with this issue. It is perfidiousness.

The Chief Executive Officer, Vlatco, to whom I gave the matter nine months after this government passed the necessary amendments, did not even know that the Local Government Act had been changed and that we had absolutely revamped every clause. The letter which I drafted was signed by a fellow called Phil Dawes, who is the strata title agent for Whittles and a decent fellow. I drafted a four-page letter and he signed it after I got someone in here on the other side to check the letter.

At the end of the letter I said that in the first instance the council should contact Trevor Crothers, and I gave my work telephone number and my home telephone number. Did they contact me? Did they hell! We had a little Chinese girl who was living de facto for six weeks with an English bloke who had just separated from his wife and two children. They were renting the property—

*Members interjecting:*

**The Hon. T. CROTHERS:** It is the powers of the council. Are you dumb or something? The point I am making is this: it is the structure in the corporate power. These people are not exercising duty of care. They are getting away with

murder. I have triggered a move that will see justice done. I do not think that Mayor Woodcock and his councillors have been advised by Chief Executive Officer Vlatco, and Harvey, one of the chief engineers who was sent out there, was not fully appraised of all the correspondence. We even sent correspondence from the Fire Prevention Office of the Metropolitan Fire Service which condemned these trees. The bloke in the house opposite told us that the wife in that house planted these trees along the fence line.

An Indian family with a five month old baby moved into the end unit. A huge branch, capable of giving mortal blows to adults, fell off through the clothes line. Fortunately I had got the little Indian chap to take colour photographs on Sunday. Riddle, because of the letter he got from us, knows that the game is afoot, and unfortunately our old local secretary of the units himself was a former councillor of the Campbelltown council (I sometimes have great wonderings about that), and Riddle himself (the bloke we are having trouble with) lives opposite the council depot: I wonder what, if any, connections are there. The bloody engineer did not even know that the Local Government Act had been changed. He sent us out a screed that was five years old about why they would not deal with trees. Yet, Vlatco, the Chief Executive Officer, took up the slack when they sacked the Chief Executive Officer of the Stirling council.

The Hon. Mr Lucas may remember that he came and gave evidence to us. I think it is him—I checked it out with one of the local members and they assure me that I am right. He came and gave evidence to us because he was then the Chief Executive Officer of the Stirling council. We have a letter from the chief fire prevention officer saying that the trees are right up against our fence. We offered to cut them down for nothing, but he would not let us on his property, which we had to do to do it. I have engineered a series of events which will deal with this corporate arrogance that councils are all too unfortunately more and more displaying. I support—

**The Hon. T.G. Cameron:** They are good words for it—'corporate arrogance'.

**The Hon. T. CROTHERS:** Yes, they are. I support the bill.

**The Hon. A.J. Redford:** Does the LGA support this?

**The Hon. T. CROTHERS:** It supported my amendment.

*The Hon. A.J. Redford interjecting:*

**The Hon. T. CROTHERS:** Someone read the letter I sent and gave me some legal advice. Anyhow I have set matters in motion to resolve this once and for all, and we will see how the Campbelltown council likes it when all their voting ratepayers get letter boxed regarding the perfidiousness of this council against seven ratepayers from whom they have no trouble getting rates. I support with much pleasure the Cameron proposition. I thank you, chair, for your tolerance.

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

#### LEGISLATIVE REVIEW COMMITTEE: ROCK LOBSTER POTS

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

That the report of the committee concerning the allocation of recreational rock lobster pots be noted.

On 17 November 1999 the Legislative Council passed the following resolution:

1. The Legislative Council notes—

- (a) The complete failure of Primary Industries and Resources SA to fairly and equitably manage the allocation of rock lobster pot licences, and
- (b) the subsequent investigation by the South Australian Ombudsman into alleged anomalies in the allocation process.

2. The Legislative Council therefore calls upon the Legislative Review Committee to investigate and report upon the fisheries general regulations 1984 and their application to the allocation of recreational rock lobster pot licences.

The terms of the inquiry inviting submissions were advertised in the metropolitan and 11 regional newspapers during March 2000. The committee received well over 30 responses. The inquiry attracted considerable interest from all sections of the media, especially in the South-East area of the state. The committee heard evidence and received written submissions from interested persons and groups, including recreational and professional rock lobster fishers from the West Coast, Kangaroo Island and the South-East.

On 16 and 17 May 2000, the committee travelled to Millicent and heard evidence from representatives from the South Australian Recreational Fisheries Advisory Council, representatives from the District Council of Grant, professional and amateur rock lobster fishers, Mr Rory McEwen MP, and SA Fisheries compliance officers. On 17 April, the committee heard from Mr Will Zacharin, Acting Director of Fisheries of Primary Industries and Resources SA. On 25 October 2000, there was further evidence at Parliament House in Adelaide from Mr Zacharin, as well as from recreational fishers and representatives of SARFAC, and the Recreational Fisheries Committee West Coast Region Zone 1 also gave evidence. Indeed, Mr Zacharin was given a copy of all the evidence and submissions in order that he could respond on behalf of PIRSA.

The committee also received submissions from the South Australian Fishing Industry Council, the Boating Industry Association of South Australia and the Ombudsman, Mr Eugene Biganowsky. The committee heard evidence on, among other matters, so-called grandfather pots and made a recommendation in relation to them. The committee found that the telephone system of allocation mentioned in the terms of reference was flawed and inadequate. That was acknowledged by the Minister for Primary Industries and Resources and PIRSA, which took immediate steps to improve the allocation system.

While the latest system conducted by ballot seems to have been more successful, the committee also believes that there is perhaps no perfect system of allocation for a limited number of pots. Those who obtain pots will be pleased, while some of those who do not will feel aggrieved. The committee accepted the evidence that the resource was well managed due to the efforts over time by PIRSA, the ministers involved and the relevant advisory committees in conjunction with both professional and recreational rock lobster fishers.

The committee also noted that Captain Richard Allen, a commercial fishing consultant from Wakefield Road Island who recently attended a conference in South Australia, made the observation that the South Australian rock lobster industry was the best managed industry in the world. The committee also accepted the advice of Mr Zacharin that the fishery was in good health and could undergo a limited expansion of the exploitation of the stocks without any impact on sustainability. He also noted that conditions in the fishery will change from time to time and that there needed to be flexibility in any allocation mechanism to ensure that sustainability. The committee also acknowledged the

contribution by both professional and recreational fishers to the health of the resource. He also noted the cooperation of the recreational fishers in relation to sustaining the resource.

It was also noted that the professional industry had worked closely with the South Australian Research and Development Institute on research programs, and in particular the monitoring and assessment of lobster stocks, their sustainability, growth rates and movements, and population dynamics. We also observed that according to PIRSA this research had resulted in one of the most expensive databases in the world that is updated annually to provide stock assessment reports to the state government and the managers of the fishery. We also observed that the industry has been actively involved with the assessment and determination of research programs.

It was interesting that Mr Zacharin indicated that the introduction of a system where there were no restrictions on the allocation of recreational pots in South Australia provided that there were other control mechanisms would probably not result in much of an increase in the rock lobster harvest. This follows on from his experience in the Western Australian and Tasmanian systems. I must say that in private conversations I have had there has been some suggestion that Mr Zacharin's evidence was not correctly stated. I will read it into *Hansard* so that those who do not take the trouble to read the report can see precisely what he said. He said:

At the end of the day, that may be a reflection of that level of access, and if I was to hypothesise that we had unrestricted pot levels, I really do not think you would see much of an increase. A lot of people register a pot and it sits in the back of their garage and it is not used for two years.

He added:

I am relating my experience to what happens in Western Australia and Tasmania where there are no restrictions on pots. They have found that without that restriction the catch has stayed around the same level. In fact, I can tell you that in Tasmania, which has a lower catch—it is about 3.35 per cent—there are no restrictions.

For those who want to source that, it is in the committee *Hansard* of 17 April (page 7) and was reiterated when he returned to give evidence on a subsequent occasion.

The committee also acknowledged the sacrifices over time by the professional fishers as well as the evidence that other rock lobster fisheries have of the recreational sector taking a higher proportion of the annual harvest of the resource than happens in South Australia. The committee considered there were options for controlling the recreational catch of rock lobster by limiting: first, the size of the lobster caught; secondly, the number of recreational pots; thirdly, the time during which rock lobster can be caught; and, fourthly, the number caught per day. The committee believed that the current minimum size of rock lobster that can be taken is based on scientific evidence and should not be changed in the absence of scientific evidence to the contrary.

The committee saw difficulties in any limited allocation of recreational pots. It concluded that, in any system where a recreational fisher feels that he or she missed out, there is bound to be resentment. In this regard, I mention the contentions of those for and against grandfather pots. I might add for those who are not familiar with the system that, when the then Minister for Fisheries Kym Mayes was confronted with allegations that the resource was under pressure as a result of what recreational fishers were doing, he closed off the granting of any new licences, and over a period of years those who had licences and who renewed them came to be known as the holders of licences of grandfather pots.

The committee considered the number of rock lobster caught per day or when the number of rock lobster that could be caught could be changed where there was an unacceptable increase in the recreational catch determined by scientific means. Indeed, evidence from a number of people, including local government, is that the recreational fishery provides substantial economic benefit to the local community, and that is something which has in the past not been quantified or specifically identified. Indeed, anecdotally we had evidence that, whilst a professional fisher might return to the local community in the order of \$50 or \$55 per kilo, when they are getting an excellent price, recreational fishers are returning substantially more. Indeed, in one case it was estimated to be in the order of \$300 to \$400 a kilo. They are matters that need to be taken into account.

I must say that I personally agree with what Mr McEwen said quite succinctly—and I know the committee endorsed it, because it appears in the report. He said:

... to suggest that to simply deal with the first order issue about the resource share between professional and recreational takes off all the pressures. I would like to suggest also that it gives you the best economic return to the state, to the public as the owner of the resource. I would like to make available to you a paper 'The competition between recreational and commercial fishers—management options and economic research' an ABARE research report 92-11 which looks from an economic point of view at the complex question of maximising the economic return to us, the owners of the resource, by striking a balance between the competing pressures of recreational and professional use.

Mr McEwen stated with approval that he thought that the ABARE analysis was as follows:

... a minimalist position, anyway. I think there are benefits beyond pure economic benefits. A lot of other community benefits accrue in terms of giving recreational people access to a resource. But, even if you took a pure economic point, there is a stepping off point, there is a balance between the two.

I must say that I whole-heartedly endorse the member for Gordon's sentiments in that regard. He went on in terms of determining an appropriate balance and said:

Recreational users spend an enormous amount of money to make it possible to catch their percentage of the catch, and we need to look at the impact that has on a lot of small coastal communities including the boats they buy, where they live or build a home.

... some very detailed modelling has been done. It is important, when we try to balance the equation between the two competing users, that we have some scientific basis for it. I suggest that points to a 90:10 as not being an unreasonable position. Yet in South Australia, if we simply up the resource to, say, 5.5 or 6 per cent, the debate we are having would not be necessary.

Mr Bob Long argued for a minimum target in the short or long term of 15 per cent of the total allowable catch based on the New Zealand model. That should be considered in the light of Mr Zacharin's evidence in the sense that he is of the view that, if there was a full and open allocation of pots to all recreational people who wanted to apply for one, then the catch share would be in the order of 3.35 per cent to recreational fishers and 96.65 per cent to professional fishers, and on any analysis one would have to come to the conclusion that the professional fishers receive the lion's share of the resource.

This is particularly pertinent when one looks at the changing lifestyles of our relative communities when we all know that people are retiring younger, in better health, for longer and with more money than any previous generation that has been on this planet. A fair proportion of those people base the whole of their retirement plans around access to facilities and resources, and one significant resource is access to the fishery. In that sense, there is a huge challenge before

any modern 21st century government to deal with an ever-growing lobby of retired people who are seeking some form of equitable access to our fishery.

Whilst 20 years ago people did not cast their vote based on their perception of their future recreational needs, I have to say that my experience—and I know this is anecdotal—indicates that that has changed significantly. A substantial proportion of people will exercise a vote in accordance with what government may present to them in the form of recreational activity post retirement.

In any event, in all of that the committee recommended that there be a trial period of two years for the unlimited allocation of recreational rock lobster pots with the current number of pots per allocation. It also recommended that divers would be required to purchase a non-transferable allocation. The committee further recommended that during the two year trial period a scientific assessment of the effect (if any) on rock lobster numbers be made. If during that time there is an unsustainable increase in the recreational catch, limits should be placed on the number of lobsters caught per day, and other measures may also be introduced to control the catch. The committee accepted the view of Mr Zacharin that there was likely to be little effect, if any, on rock lobster stocks during that time and that an accurate assessment of any effect will be made.

The committee also recommended that during the trial the system of grandfather pots be retained and thereafter, if the proposal recommended by the committee fails, they continue to hold their grandfather pots. However, if the system is successful, the people having those pots will become part of the unlimited allocation. Research should be undertaken about the cost and benefits of recreational and professional rock lobster fishers and the allocation of the resource between the two sectors.

I will digress to say that, being a person who has regularly holidayed in the township of Beachport from the age of four years, I can say with a great deal of confidence that many of the businesses that exist in towns such as Beachport, Port MacDonnell or Robe or, indeed, right around the coast extending to Ceduna would not exist in the absence of a tourism and recreational fishing industry. Many businesses and services that are available to professional fishermen are available to them as a consequence of the activities of recreational fishers. It is absolutely vital—

**The Hon. T.G. Roberts:** And retirees.

**The Hon. A.J. REDFORD:** Yes, and retirees. It is vital that all groups who seek to share in this resource understand the necessary requirement that each has their place in the economy so that those services and benefits can continue to be provided and, if our economy grows under this excellent government, to thrive. I notice the Hon. Terry Roberts nodding over there; I am not sure whether there is any reason for that but it is uncustomary.

**The Hon. Diana Laidlaw:** He just wants unlimited access to the pots.

**The Hon. A.J. REDFORD:** Perhaps it was a knee jerk, involuntary and unguarded reaction.

*The Hon. T.G. Roberts interjecting:*

**The Hon. A.J. REDFORD:** It was also recommended that this research be commissioned by Tourism SA after consultation, and this includes specific reference to the effective recreational rock lobster fishing on tourism. We recommended that because there is a perception—and I emphasise 'perception'—that those charged with the administration of the fisheries in this state tend to focus on



and listen to those who are on the professional side of the equation as opposed to those on the recreational side.

It has been anecdotally said to me in passing by a lot of recreational fishers, 'Surely it is a lot easier to manage one or two hundred professional fishermen than the estimated one million South Australians who, on more than one occasion each year, engage in the practice of recreational fishing.'

Finally, the committee recommended that, in order to ensure that any abuse of an unlimited allocation of recreational pots is minimised, there be a review of the penalties currently applying to recreational fishers who exploit their recreational pots for commercial gain. It is my view, and I am sure it is shared by my colleagues, that, if recreational fishers are to secure an increased share of the resource, they must be conscious of a number of facts. First, it is a resource that is owned by the whole community and not by any particular segment of the community. Secondly, to expand their access to this fishery, they must understand that there will be increased enforcement, policing and compliance costs. Indeed, it would be incumbent upon them to ensure that they behave in a very responsible fashion to make sure that they have continued access to and enjoyment of the resource, as we would all hope they have.

I look forward to other members' contribution. It is a very important issue and one that has attracted a lot of attention. I commend the Hon. Paul Holloway for bringing this issue before the parliament and to the committee. As it is normally done, it was done in a bipartisan fashion. Finally, I would like to thank my colleagues on the committee—the Hon. Ron Roberts, the Hon. Ian Gilfillan, Robyn Geraghty MP, John Meier MP, and Steve Condous MP—for their diligence, attendance and contribution. I would like also to thank Mr Peter Blencowe, the secretary of the committee, and Mr George Kosmas for the work that they put in in relation to this report. I commend the report and I look forward with some interest to the delayed response from the minister.

**The Hon. R.R. ROBERTS** secured the adjournment of the debate.

#### **FISHERIES (SOUTHERN ZONE ROCK LOBSTER FISHERY RATIONALIZATION) ACT REPEAL BILL**

Adjourned debate on second reading.  
(Continued from 27 March. Page 1105.)

**The Hon. K.T. GRIFFIN (Attorney-General):** I thank members for their indications of support for the bill. It is very simple: it is a repeal bill. Although members have taken the opportunity to make observations, there is nothing in the contributions so far which requires me to give any further information or reply.

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

#### **SANDALWOOD ACT REPEAL BILL**

Adjourned debate on second reading.  
(Continued from 27 March. Page 1106.)

**The Hon. T.G. CAMERON:** The bill repeals the Sandalwood Act which fixed the maximum amount of sandalwood that could be taken from the state. The provisions of the bill are now covered in the Native Vegetation Act and

the National Parks and Wildlife Act. The bill repeals an obsolete act, and SA First will support it.

**The Hon. DIANA LAIDLAW (Minister for Transport and Urban Planning):** I thank all members for their contributions, the brevity of their remarks and their support for the repeal of this act. A number of questions were asked by the Hon. Mike Elliott. The first concerned the penalties under the Sandalwood Act, presumably in the event of an illegal clearance. I advise that section 5 of the act provides for a fine of not less than \$10 and not more than \$200 or imprisonment of any term not exceeding six months in the event of sandalwood being removed from the land without a licence.

His second question was, 'What penalties are offered by the Native Vegetation Act for the illegal clearance of sandalwood?' I advise that it is a division 2 fine, that is, a maximum of 10 years imprisonment, a \$40 000 fine or a sum calculated at the prescribed rate for each hectare or part of a hectare of the land in relation to which the offence is committed, or whichever is the greater. These matters are determined by a magistrate of the District Court. Also, the National Parks and Wildlife Act provides for a fine of \$7 500 or 15 months imprisonment.

The Hon. Mike Elliott further asks, 'Does the minister consider that these penalties are sufficient?', that is, the penalties under the Native Vegetation Act. I am advised that the penalties provided are considered sufficient for the following reasons. First, the Sandalwood Act in itself does not prevent the clearance of sandalwood; if anything, it is enabling legislation that is now quite inappropriate and redundant. Secondly, the species *santalum spicatum* (sandalwood) is listed as vulnerable under the National Parks and Wildlife Act.

Thirdly, clearance of species listed as vulnerable would be seriously at variance with the principle of clearance under the Native Vegetation Act. Fourthly, the Native Vegetation Council must not make a decision that is seriously at variance with these principles. Fifthly, consequently it is beyond the discretion of the Native Vegetation Council to approve clearance of sandalwood. Sixthly, in summary, the Native Vegetation Act prohibits the clearance of sandalwood and adequately protects the vulnerable species.

I am also advised that the government is currently addressing concerns relating to difficulties in successfully prosecuting cases of illegal clearances of native vegetation by proposing to amend the Native Vegetation Act. These proposed amendments include increasing the powers of authorised officers and directing cases to the Environment, Resources and Development Court.

Bill read a second time.

#### **LAKE EYRE BASIN (INTERGOVERNMENTAL AGREEMENT) BILL**

Adjourned debate on second reading.  
(Continued from 27 March. Page 1110.)

**The Hon. T.G. CAMERON:** This bill provides for the ratification and binding of the Lake Eyre Basin intergovernmental agreement. The Lake Eyre Basin agreement, together with an act to ratify the agreement, are essential legal instruments to protect South Australia's interests as the downstream state in the Lake Eyre Basin. Like the Murray-Darling Basin, the rivers of the Lake Eyre Basin

have their origins in other states. Our geographic position at the receiving end of these river systems makes it imperative that we establish formal cooperative agreements with our upstream neighbours.

On 21 October 2000, after several years of effort by local community groups and officers of the South Australian, Queensland and commonwealth governments, the Lake Eyre Basin agreement was signed in Birdsville. The agreement comes into effect when it is approved and ratified by the parliaments of South Australia and Queensland. The passage of this bill is therefore vital to give effect to the agreement. SA First supports the bill.

**The Hon. T. CROTHERS:** I support the bill. It is a very important agreement that the South Australian government has signed with Queensland. There are two ways to think about this. It is essential if federal minister Hill and our state minister are to have success in increasing the flow of the River Murray for South Australia's benefit and in ensuring that the water that we get from the River Murray continues to remain potable drinking water. It is in Queensland where the headwaters of the Murray rise and where the headwaters rise of the two rivers that flow into Lake Eyre, namely, the Diamantina and Georgina. It is essential because we may well be setting a precedent in respect of future agreements with the Queensland government over the much more important source of potable water, the Murray-Darling system.

On the other hand we have to be careful because the Queensland government may think that, by giving us agreement over that, that abrogates it from having to deal with us over the River Murray. However, I prefer to look kindly on the former option that I have canvassed and I believe that the Beattie government has some commonsense. The price of cotton, a crop which we should never be growing in this country, unless it is up on the Ord River, because it is a gobbler and a polluter of water, has fallen considerably on the international market.

**The Hon. T.G. Roberts:** That's because you can't sell socks.

**The Hon. T. CROTHERS:** I am trying not wearing any socks. I am protesting over the price of cotton. I issue the caution that Queensland may think that, in giving us rights over the Georgina and Diamantina Rivers in respect of Lake Eyre, that might finish our aspirations of dealing with it over water rights for the Murray. Because Peter Beattie, the Premier of Queensland is a very close friend of mine, I trust that he will remain a man of his word, as I have always known him to be.

**The Hon. T.G. Roberts:** You see him on the weekend.

**The Hon. T. CROTHERS:** I probably will. He does not wear socks, either.

**The ACTING PRESIDENT (Hon. J.S.L. Dawkins):** Order! The honourable member should continue with his speech.

**The Hon. T. CROTHERS:** Thank you, Mr Acting President. I am always pleased to get protection from the Hon. Mr Sneath and the Hon. Mr T. Roberts. I said that I would be brief but my speech has been stretched because of the inane interjectory matters that were put my way, specifically by the Hon. T. Roberts. I support the bill.

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

## YOUTH COURT (JUDICIAL TENURE) AMENDMENT BILL

Adjourned debate on second reading.  
(Continued from 27 March. Page 1111.)

**The Hon. K.T. GRIFFIN (Attorney-General):** I thank members who have indicated support for the second reading for that support. I note that the Leader of the Opposition intends to oppose the second reading. That is disappointing but I will endeavour to set out some further background and reasons for proposing this change in the hope that I may be able to convince her to change her view.

The first issue relates to communication with the Law Society. The Leader of the Opposition has queried whether the government forwarded a copy of the bill to the Law Society. A copy of the bill and second reading explanation was sent to the Law Society as part of the consultation process but no response has been received. The second issue is the turnover of judges. The Leader of the Opposition has suggested:

If we go back to about 1991, I believe, the Juvenile Justice Select Committee recommendation was that there should be a turnover of judges in the Youth Court, and we still support that view. The government, of course, has an opposite view: it wants to move to have a 10 year tenure.

The select committee on juvenile justice made three reports: an interim report on 26 November 1992; a second interim report on 25 March 1993; and a final report on 20 April 1993. The first interim report contained the substantive recommendations of the committee. The second interim and final reports contained drafts of the three new acts by which it was proposed to implement the recommendations.

Without recording the reason for this or adverting at all to the issue of limiting judicial terms of office of the Youth Court judiciary, the select committee's sole recommendation on the constitution of the new court was:

That the existing legal structure of the court remain essentially the same. Paragraph 9.13, recommendation 2.

In its second interim report of 25 March 1993, the committee included a draft Youth Court bill. The draft bill contained in clause 8(5) a provision that a person may not be designated as a judge or master of the court for a term exceeding five years or for a series of terms exceeding five years in aggregate. The report contained no explanation for this provision. In debate on the Youth Court bill in 1993, the necessity for a provision limiting judicial terms of employment was created in both houses. The then Liberal opposition did not support a fixed term of office, preferring indefinite terms. The issues were thoroughly explored at the time with arguments relating to judicial independence being set off against issues such as the need for rotation. At the time, the Hon. Martyn Evans (Labor) explained:

The issue of rotation was another suggestion of the select committee, which felt that it was appropriate that there should be some turnover in judges of the children's and/or Youth Court to ensure that the judiciary were exposed to a wide range of experiences including in adult courts so that therefore they were aware of what was going on in other jurisdictions. (*Hansard* House of Assembly, 22 April 1993 at page 3057)

Well, the select committee... unanimously recommended this provision... the reality is that, because the committee felt that the Youth Court jurisdiction offers a limited area of experience, it was appropriate that members of the judiciary in that area should gain broader experience by serving in other parts of the judiciary and, indeed, that those in the adult jurisdictions should share part of the

responsibility and workload and gain the experience which comes from serving in the youth jurisdiction.

It was for these reasons, and for no other particular reason beyond that, that the committee unanimously advanced this suggestion. I believe that it will improve the experience of members of the judiciary and the quality of justice in this state. (*Hansard*, House of Assembly 22 April 1993 page 3058).

As mentioned, the select committee published no recommendation as to a limit on judicial tenure. Its draft Youth Court bill simply contained a provision to this effect with no published reason for it, let alone that the committee was unanimous in advancing it.

In the Legislative Council debate on the Youth Court bill, as shadow Attorney-General I opposed any limit on judicial terms in the Youth Court on this basis:

... it seems to me quite inappropriate to fix a period of time up to which judicial officers and magistrates may serve, and apply its only to this particular court. . . the Chief Justice says that he has considered the issue and is very concerned about the limitation on the terms of office. (*Hansard*, Legislative Council, 4 May 1993 at page 2298)

I argued that comparable continuity should be afforded to Youth Court judges as to specialist judges in the ERD Court. Ultimately, a compromise provision was enacted which distinguished between the principal and ancillary judiciaries of the Youth Court, applying the five-year term only to members serving in the former category (current sections 9(7) and 9(8)) and allowing only those members first appointed to the new Youth Court to have their term extended to up to 10 years by proclamation (current section 9(9)).

In June 1998, as Attorney-General, I moved a successful amendment to the judicial tenure provision so that the maximum term of office of first members of the principal judiciary, for the purposes of extension, could be calculated in aggregate. It is now some years since that compromise. In practice, we are in a better position to see the effect of the provision. The court has since then had a turnover through movement at principal judicial officer level that has occurred independently of this provision.

The first senior judge who would have otherwise held office for 10 years was appointed by the federal government to become a judge of the federal Family Court, and then a subsequent senior judge who was appointed on my recommendation after serving for a period was similarly appointed to the federal Family Court as a judge of that court. So, through no fault of the government of the day we find that the membership of that court has changed quite significantly. That brings its own difficulties in terms of continuity and also in respect of replacement.

While I accept that a turnover may be desirable, this must be weighed against the stability of the court, which can be achieved only by there being members who can pass on their knowledge to incoming members and gain experience in the job. The present Chief Justice has no objection to the proposed extension to a 10-year term. He has indicated that the issue of tenure in the specialist courts raises some difficult issues which he would be keen to address in the proposed government review of fixed terms in the Youth Court. Members will remember that I indicated that it was my intention to conduct a review of the fixed terms issue because it had created problems for us over a period of time.

I turn not to the third issue—the proposal to have a five-year term with a five-year additional right of renewal. The Leader of the Opposition says that the Law Society does not support a 10-year term but ‘might look at the option of a five-year term with a five-year right of renewal’. I am not sure

what is meant by this. Whose right is it to renew the term? Is it the judge who has served five years or is it the government? Each option has vastly different consequences.

**The Hon. Carmel Zollo:** It would have to be the government.

**The Hon. K.T. GRIFFIN:** Yes, it is the government, and I think that that is right. However, you would have to have the concurrence of the judicial officer. One of the difficulties that I was going to refer to later is that there is no way that a government can compel a serving judge of the District Court to take up an appointment in the Youth Court. It must be done by way of invitation and persuasion, and certainly no threats can be used in that context. So, effectively, if a member of the District Court judiciary does not wish to serve in the Youth Court, he or she does not have to do so and, in any event, there may be difficulties in terms of suitability for serving in that position.

We will have this difficulty again when the terms of office of magistrates in the Youth Court expire. We have made special appointments of people who are particularly suited to that role in the Youth Court. However, after five years they will be required to go back into the mainstream magistracy and then there will be a potential surplus in the mainstream magistracy and we have to make another appointment. It becomes a no win situation for the government of the day.

**The Hon. R.K. Sneath:** Who is in charge of the judges?

**The Hon. K.T. GRIFFIN:** There is a chief judge of the District Court and a senior judge of the Youth Court. All of the judges of the Youth Court are judges of the District Court. Because of the pressure of work, it has not been as possible as we would have liked, but we have sought to get some of the judicial officers in the Youth Court to fill in on occasions in the District Court so that they keep within the mainstream. I have always had a concern about specialist courts.

I recognise that in the Youth Court you have to have a specialist court to deal with special circumstances. Judges in the ERD Court, for example, are also judges of the District Court. They are designated as judges of the ERD Court, and there are principal judicial officers and others. The problem with specialist judicial officers is that, unless they are able to do additional work within the mainstream, there is the risk that they will be out of touch. Also it is important for them to have contact with their judicial colleagues to understand some of the issues in the mainstream jurisdictions. This is the way we now have the system and we have to find the best way of working with it.

**The Hon. Carmel Zollo:** How long have the five year terms been in place?

**The Hon. K.T. GRIFFIN:** We are talking about only the Youth Court. When the legislation was passed in 1993, it came into effect on 1 January 1994. At that time a senior judge was appointed by the previous government. Mr Sumner was the Attorney-General and made the recommendation; Judge Christine Dawe was the first appointment. Had she stayed in that office she would have been there for 10 years. She went to the Family Court and her successor, Judge Robinson, would have been able to serve for only five years, even though we got nowhere near the 10 years that the first senior judge would have been entitled to serve had she stayed in that office.

The same applies with magistrates. Initial magistrates were appointed for an aggregate term of 10 years. As their 10 years come up, they will have to be moved and we will have to appoint new magistrates. The real problem is that, whilst the principle of turnover may be attractive, it nevertheless

does move fairly quickly and by the time these judges and magistrates have developed expertise it is time for them to go. In addition, generally we have to make new appointments and those who move onto their mainstream jurisdictions add to the numbers, which means that in those mainstream jurisdictions there is a surplus of either magistrates or judges.

**The Hon. Carmel Zollo:** There would be without rotation.

**The Hon. K.T. GRIFFIN:** The Hon. Carmel Zollo says that it would be the case without rotation: that is what I have been saying. I do not know what sort of principle the honourable member wishes to apply to achieve rotation. One has to weigh up the desirability of getting a person specifically chosen for the job of judge or magistrate in the Youth Court, one who is equipped to deal with the difficult issues facing the juvenile jurisdiction, always having one eye on the suitability of that person to be a judge of the District Court or a magistrate in the Magistrates Court. That is what we have been trying to do in the appointments so that, if we are faced with this dilemma now confronting us with Judge Jennings, we might at least have a better prospect of appropriately dealing with it.

Judge Jennings was one of those rare judges who was appointed a judge of the District Court, served there for a while and then indicated that he was prepared to be considered for appointment to the Youth Court. He moved across, but his five year term is coming up. The proposal now before the Council would allow a judge to be appointed for any term or aggregate of terms to a maximum of 10 years. This means that the term may be for any period under 10 years (not necessarily five years) but that in aggregate the total period of service as a member of the principal judiciary of the Youth Court must not exceed 10 years. The length of term is therefore as it is now in the hands of the government to the extent that it sets the limits of that term, but now this is to be within a 10 year rather than a five year maximum. That decision is always made in consultation with the Chief Justice, the Chief Judge of the District Court and the Senior Judge of the Youth Court.

I turn now to the issue of cost savings. The Leader of the Opposition asked for cost savings to future governments in the event that this bill passes. I did not suggest that there would be cost savings. Rather, I was pointing to this. If you have to appoint a new judge to the Youth Court every five years, there is likely to be a surplus of judges in the District Court unless judges are rotated from the District Court into the Youth Court. That is what the Hon. Carmel Zollo was advertising to when she interjected. Such frequent rotation presupposes that every judge on the District Court has the necessary skills and the desire to adjudicate in a specialist area involving children. In this sense, rotation every five years is a false economy. There is also a cost involved in actually administering the rotations at this rate.

I made a comment by way of interjection in the earlier part of the second reading debate about the cost of appointing additional judges. My recollection is that, with the judge's salary and all the on costs, plus the accommodation, equipment, secretary and research officer, for a District Court judge you are looking at at least \$350 000. You can see why from a cost viewpoint one would not want to have surplus judicial officers in any particular jurisdiction. The cost is not the primary reason: the primary reason is that, notwithstanding what appears to be some well intentioned proposal by the then government, it is just not workable. As I said earlier tonight, I intend to review the rotation issue and the limit on

terms of service in the Youth Court. I will involve the judiciary because important principles of judicial independence are involved and I will certainly consult with the Law Society, the Bar Association and others on that issue.

I turn now to the issue of legislating for the individual. The Leader of the Opposition mentioned her concern that this bill appears to legislate for the individual. I share her regard for the principle that legislation should be of universal application and not for the benefit of an individual. Whilst that is an appropriate observation, the only element of this which could be construed as being enacted for the benefit of an individual is that the expiration of the period of tenure for Judge Jennings is imminent and the government desires him to continue in the office as a Youth Court judge. He is competent to do that and has served that office particularly well, but when the legislation is enacted it will apply to other judicial officers. So, it has general application, even though it is triggered by the impending expiration of the tenure of Judge Jennings.

The need for this bill arose because this state is about to lose the services of an outstanding member of the Youth Court judiciary and to this extent the bill is about an individual, as I have already indicated. The law as it now stands means that this judge and others appointed to the Youth Court bench must retire from that jurisdiction after a very short period of office. The expertise that each judge develops is forever lost to this jurisdiction on his or her retirement after only five years of service. That is a terrible waste of professional resources and can only have a disruptive and negative effect on the workings of a very important high volume court. Expert judicial involvement in the juvenile justice and child protection systems is a fundamental component of an effective criminal justice system and is essential to the welfare of a large number of children and families in this state. This proposal, while maintaining a limit on the term of principal judicial officers in the Youth Court, allows service in this jurisdiction to be for a realistic and cost effective period of time.

Bill read a second time.

#### EXPIATION OF OFFENCES (TRIFLING OFFENCES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 27 March. Page 1112.)

**The Hon. A.J. REDFORD:** I support this legislation, and I support the sentiment behind it. Indeed, with the growth in the ability of authorities to issue expiation notices over the past decade—and I must say that it has been an exponential growth—there has been increasing criticism of in many cases the legitimate issuing of expiation notices by occasions of excess on the part of some of those who issue such notices. I am not sure how many expiation notices are issued each year, and in that respect I would be grateful if the Attorney could at some stage enlighten me as to how many expiation notices are issued each year by the various authorities. If that information is not readily available, I am happy to await that information notwithstanding the passage of the bill. I would not be surprised if they were in the order of tens of thousands or, indeed, hundreds of thousands of notices each year.

It would not surprise anyone in this chamber that, with such a substantial number of expiation notices being issued each year to citizens who are generally law abiding and

generally make positive contributions to this society, there are not occasions where they are issued in circumstances that might be described as trivial, trifling or petty. Indeed, probably a percentage of expiation notices are issued to people who may have a reasonable defence to a charge but find themselves in a position where, either through costs of seeking legal assistance or their particular life-style or the like, they choose not to challenge the issuing of the expiation notice but pay the fine instead.

So, as this exponential growth in the issuing of these notices to ordinary citizens increases—and I suspect it is likely to increase into the future—as members of parliament and as a community we will be confronted with more and more instances of people who complain because they have been issued with a notice in circumstances that are either trifling or trivial or, indeed, in circumstances where perhaps the offence has not been made out.

These people may not choose to challenge the issuing of the expiation notice by an officer in a court of law as is their right, and they may choose not to take up the matter with the appropriate authority because of the difficulties associated with that. As this happens, we run the risk as a community of creating general resentment in relation to what the legitimate objectives of legislation and of this parliament might be in ensuring that we live ordered and reasonable lives, and at the same time seek the pursuit of, as the Americans put it, liberty and happiness.

I see this bill as an important step to remove that perception and to give ordinary citizens an opportunity to redress that balance. There is no doubt that there is a real perception in some parts of the community that some of the processes of issuing expiation notices are merely revenue raising, and I have been in the middle of that debate. That is a debatable point. There are those who legitimately say—and we see advertisements on television to this effect—that speed kills and is a major contributor to deaths on roads, and I have no doubt that that is the case. However, there are those—and the Hon. Terry Cameron leads the march on this in some respects—who say, ‘The placement of speed cameras and the way in which expiation notices are issued have little to do with road safety and more to do with raising revenue.’

Whilst a proportion of our community believe that, there is a real risk that the resentment against the issuing of these notices will reach a point where the legitimate designs are undermined in terms of public confidence to a degree where the whole scheme comes into question. All of us would be concerned if it got to that point. I am not saying that we are at that point yet, nor am I saying that we are reaching it. As I have said—and I know that the Hon. Terry Cameron is not looking for a big proportion of the vote at the next election and he would be happy with 8 per cent or 9 per cent based on the current polls—there may be a proportion of the electorate approaching that percentage who hold that view.

In that sense, I think we as legislators and members of parliaments, in defending laws that have been passed previously, can point to this bill as a response to those concerns. I am sure that some members of parliament, perhaps even the Hon. Terry Cameron, will monitor the performance of the issuing authorities in relation to expiation notices. Indeed, I suspect that we might get a question on notice, such as, ‘How many expiation notices were withdrawn on the basis of triviality or on the basis that they were issued in relation to a technical instance or breach of a relevant enactment?’

I am sure the authorities will be caught in the middle—but that is the way it is in public life. If a lot are issued, the authorities will be criticised because they are issuing them. If they waive a lot of them on the basis that they are trifling, then that will be indicative of over-zealous officers. On the other hand, if not many are waived I suspect that some arguments might suggest at some stage in the future that the authorities are not exercising their discretion under this bill often enough.

The grounds, in clause 4 of the bill, are fairly narrow and will not provide any significant gap to enable substantial numbers of people to avoid payment of expiation notices. I note that clause 6 (insertion of new section 8A) allows for a process of review. I would hope that the whole process of review was the subject of parliamentary review at some time in the not too distant future and perhaps in the next one or two years to ensure that it is working.

My first question to the minister relates to clause 6 of the bill, which enables a person to apply to the issuing authority for a review. I would be interested to know how people will be advised of their right to apply for a review. Will there be a notice on the expiation notice itself, and what does the Attorney envisage will be on that notice? It could take a number of different forms. One might be, ‘You are advised pursuant to section 8A of the Expiation of Offences Act that you can have this reviewed’ in small print whereby no-one can see. Alternatively, you can go all the way to a whole form to be filled out wherein it is set out in some detail. I know this is not common legislation, but are there any other jurisdictions that have tried this and will this become the norm? I understand, from evidence I have received in my capacity as chair of the Road Safety Transport Committee, that the number of people applying for photographs in relation to speeding offences is also growing exponentially and I am sure that is a significant cost to the whole scheme. I wonder what would happen if that occurred in every case—or in a substantial number of cases. What effect might that have on the system and what options are there to ensure that only genuine applications for review are made?

Will the Attorney give examples of what he thinks might fall within the category of ‘compelling humanitarian or safety reasons’ or where in all the circumstances an offender could not have reasonably averted committing the offence? For example, if there is a suggestion on the part of the driver that he or she could not have averted committing the offence, will the officer be interviewed and, in those circumstances, how will the issuing authority deal with those differences, bearing in mind that it is envisaged that the issuing authority will be dealing with these issues on the papers—that is, there will be an assertion in writing from the officer to one effect and an assertion on the part of the offender to the other effect? I know that when dealing with parking offences there is quite a different approach from the various councils, some of which are extraordinarily reasonable—and I cite the Marion council in that category—while others are extraordinarily unreasonable—and a near city western suburbs council probably falls into that category. I think it has been mentioned in parliament on previous occasions. I would be interested to know what approach may be adopted. Perhaps it is something that the Attorney cannot answer at this stage and it is something that the authorities will have to grapple with over a period of time, because I think it is a very difficult issue.

Finally (and I suspect I know the answer to this), in relation to clause 7, which basically provides that these decisions are not reviewable by the court, will the Attorney

advise whether there might be some circumstances where they are reviewable by a court? I suspect that in relation to these matters there might well be, for severe breaches of natural justice and so on, some grounds for reviewing, notwithstanding the insertion of that section. I apologise for the rambling nature of this speech but I did not have much time to prepare it.

**The Hon. J.F. STEFANI:** I rise to make a very short contribution, noting the remarks of my colleague the Hon. Angus Redford. I endorse some of those comments, particularly because I had a constituent who would qualify for being issued with an expiation notice. He is a wheelchair ridden person and collects firewood with a little trailer for his cooking, and he was unfortunate enough to forget about the ball to which his little trailer is attached to the tow bar.

He drives a 1986 Falcon and was apprehended by a police officer who claimed that the ball partially obstructed the number plate. The constituent offered to remove the ball. The officer said, 'No, you don't have to remove the ball, but I'll issue a fine anyway.' He appealed against the fine and was knocked back and finished up having to pay the fine as well as an additional penalty.

In considering his circumstances, I feel it was a trifling offence. He was not speeding at the time he was apprehended so there was no question about the fact that he would be impeding a speed camera from correctly identifying his number plate. I believe that, under the circumstances, he was unjustly treated. I hope that the bill goes some way to redress issues and incidents of that kind. I hope that the parliament can find a way to redress some of these issues.

**The Hon. IAN GILFILLAN:** The Democrats support the second reading of the bill. In our opinion it is a sensible measure. I note with interest that the South Australian style of expiation notice was an Australian first: they were first created in legislation by the Police Act Amendment Act 1938. This was done as a means to reduce the burden on local governments, allowing them to issue expiation notices for breaches of their by-laws or regulations. The impetus for this seems to have been that councils around Adelaide had begun the practice of inviting alleged offenders to make voluntary payments to forestall prosecution for breaches of by-laws. Needless to say, the Police Act amendments also made this practice illegal.

Since this time their use has been expanded from illegal parking to traffic offences, and in 1986 to possession of cannabis. Certainly, we would argue that the possession of cannabis in itself is a trifling offence. It is one of the concerns about the increasing reliance on the infringement notice system that they would be used excessively. It is very pleasing to see that the bill addresses that matter.

The Hon. Angus Redford highlighted that measures such as these, which are designed to offer relief to members of the public, are less effective if the public is not aware of this relief. His question addressed to the Attorney is pertinent, and I look forward to either the Attorney's answer, which may set our minds at rest on that, or some measure which will guarantee that the public at large will be aware of the relief offered through this legislation. I repeat that we support the second reading.

**The Hon. K.T. GRIFFIN (Attorney-General):** I thank members for their indications of support for the second reading of the bill. I will endeavour to deal with some of the

issues raised tonight. There will be some I may overlook or be unable to deal with tonight which will mean I will deal with them during the committee consideration of the bill.

The Hon. Terry Cameron asked me whether I would be willing to give a brief verbal explanation to the Council within about six or 12 months about how the provisions of the bill are operating in practice. I am prepared to give a commitment that we will monitor the implementation of it and within the next six to 12 months provide a report to the parliament on the way in which it is operating. Rather than verbal, I think it is probably better that we do it in writing, and it will be on the record subject to any intervening elections.

*The Hon. T.G. Cameron interjecting:*

**The Hon. K.T. GRIFFIN:** Sorry, yes we would. In relation to the questions raised by the Hon. Angus Redford, he did ask how many expiation notices are issued each year. I may be able to get some information on that but it may not be ready for the committee consideration tomorrow. We can do it in relation to the Motor Vehicles Act expiation notices, and probably for others across government. The difficulty will be that we probably will not be able to gather that information from local government.

Regarding some major councils which issue parking tickets and so on might be able to give us that information fairly quickly, but there are a wide range of expiation notices issued by local government and most probably I will not be able to get that information without a considerable amount of effort. I am not sure, with respect, that much turns on it, except that this scheme is intended to apply to parking tickets as much as to other offences which are committed.

The Hon. Angus Redford asked a question about clause 6 and its application: how will people be informed of their right of review? The detail of this has not yet been resolved. It is likely that there will be some notice on the back of the expiation notice which draws people's attention to the right, and of course I would expect there will be information available through the issuing authority and maybe on the internet sites relevant to those issuing authorities. I cannot say what the form of words will be at this stage. I note his concern that it be legible and in sufficiently large size to ensure that people can read it. At this stage I am not able to say what the form of words will be. They will be developed and obviously will become public when agreed.

The Hon. Angus Redford asked whether any other jurisdictions have tried this and whether the provisions of the bill will become the norm. I do not know if any other jurisdictions have tried it. I will see if I can get some information about that, but again it may not be possible to identify it. I would expect that, if this works, as I hope it will, it may become the norm around Australia for the review of expiation notices. Of course, we should not forget that if a person objects to an expiation notice there is always the right to allow the matter to flow through to court and to dispute the matter in court.

The Hon. Angus Redford said that he did not think that the provisions of the bill would give a particularly wide right of review. It will nevertheless give a right of review. It is intended in good faith that we should have an appropriate review of trifling offences. It is certainly not intended to give everybody an opportunity for review, but it is limited. Nevertheless, it is another opportunity for the citizen to gain redress where the citizen believes that he or she has been poorly treated within the terms of the grounds for the review.

The Hon. Angus Redford asked whether I would be able to give him some examples of what might fall within that part

of the provision that relates to humanitarian reasons. The only one that immediately springs to mind where I think it is likely to be relevant is the example of a driver who gets a ticket for parking outside a hospital in a no parking zone because he or she had to rush a child into the hospital as an emergency. In those circumstances I would have thought that a very clear humanitarian basis exists for the withdrawal of the notice.

Another question raised was: how will an allegation that a person falls within the category of trifling offences be determined and will the officer be interviewed? We will have to develop guidelines, certainly for government officials, as to how they should operate. I suspect that it will become clear if a person who has been in receipt of an expiation notice makes a complaint, because there should be sufficient information on the report from the officer about the circumstances of the issuing of the expiation notice. I realise that might not be so easy with camera offences but, even there, information should be sufficient to enable the allegation, particularly if it relates to the driving circumstances, to provide the grounds for review.

The last issue raised by the Hon. Mr Redford concerned clause 7 where the bill provides clearly that decisions are not reviewable. The last thing we want to do is put another really significant step into the review process, remembering that, ultimately if a person disputes the issue of an expiation notice, they have a right to go to court and have the issue tested. Nothing interferes with that right. This is an additional step, limited because we want to ensure that it focuses upon trifling offences. I doubt whether there are any circumstances in the light of the way in which this is drafted where a decision resulting from such a review will be reviewable. However, as I say, it must be remembered that the notice itself can still be reviewed through the process which is already provided in the legislation.

I thank members for their indications of support and, if I have missed any questions raised by members, including the Hon. Mr Gilfillan, I undertake to have them followed up and I will provide the answers in committee.

Bill read a second time.

#### **ALICE SPRINGS TO DARWIN RAILWAY (FINANCIAL COMMITMENT) AMENDMENT BILL**

Received from the House of Assembly and read a first time.

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

*That this bill be now read a second time.*

The passage of this legislation will be an important step in the realisation of the construction of a railway link between Alice Springs and Darwin and the facilitation of the operation of train services between Adelaide and Darwin.

This Bill reflects further effort to achieve the culmination of almost a century of work to bring about the construction of a railway linking Darwin to South Australia and from there to the rest of the Australian rail network. This marks an important moment in Australia's history.

The railway is a strategic infrastructure project that forms an essential part of the state's economic strategy. It will build on the momentum for economic growth that this government has fostered, lift confidence in the state's economic future and will provide opportunities during both the construction and operational phases for South Australian industry.

This Parliament has previously considered three other bills related to the railway, dealing with the authorisation of an

agreement between the South Australian and Northern Territory governments to facilitate the construction of the railway, the form and commitment of the South Australian financial support for the project, and the last to convert the previous \$25 million loan guarantee to either a concessional loan or grant and to provide a general regulation-making power.

This latest bill is a logical progression of this work after an extensive and competitive submission process was conducted, resulting in three international consortia, all with significant Australian partners, being short-listed to provide detailed proposals. The preferred consortium selected by the AustralAsia Railway Corporation (AARC) from this process was Asia Pacific Transport Pty Ltd (APTC).

APTC comprises: Brown & Root, a major US-based multinational engineering and construction company that incorporates SA-based project managers Kinhill as bid leader; SA-based civil construction company Macmahon Holdings; rail maintenance construction companies Barclay Mowlem and John Holland; and the SA-based US rail operator Genesee & Wyoming. As can be seen, this consortium has significant South Australian and Australian consortium members.

As a result of the withdrawal of the Hancock Group APTC sought a further government financial contribution to the project of \$79.2 million. South Australia made clear that it would not consider the request until it had exhausted all avenues for private sector involvement, in part based on the existing legislative cap on South Australian financial support to the project of \$150 million, which had already been met.

Following advice from AARC, the State actively sought to fill the gap from the private sector. Cheung Kong Infrastructure Holdings Ltd indicated that it would consider investing in the project, following an earlier approach to CKI by the Asia Pacific Transport Consortium (APTC), which is the preferred consortium for the project. CKI undertook a due diligence process to determine the quantum and nature of any investment in the project. This process has now been completed.

The final offer from CKI amounted to \$26.5 million, made up of the following facilities:

- (i) \$10 million in Mezzanine Debt (notes A).
- (ii) \$16.5 million of the \$26.5 million 'commercial loan' (notes B).

This offer was made by CKI specifically to take up the additional contributions which had been sought from South Australia. These arrangements were formalised in a memorandum of understanding (MOU) signed between the State and CKI on 12 March 2001 in Hong Kong, acknowledging that parliamentary approval would be required.

Since that time, the consortium and CKI have been undertaking negotiations to finalise the deal. However, they have been unable to agree commercial terms within the required time frames. It is therefore now proposed that the South Australian Government Financing Authority provide the shortfall in funding. These amendments will authorise the making of a loan or loans up to the \$26.5 million, plus the amount of any GST or costs that may be payable in respect of the making of the loan and provide the flexibility for this support to be transferred to a third party at a later time if commercially feasible.

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

Leave granted.

## Explanation of Clauses

*Clause 1: Short title*

This clause is formal.

*Clause 2: Commencement*

This clause provides for the commencement of the measure.

*Clause 3: Amendment of s. 6—Extent of financial commitment*

This clause will authorise the making of a loan or loans up to a total principal amount of \$26.5 million in connection with the authorised project, and, if appropriate, the Minister entering into arrangements to underwrite or support the provision of loans in connection with the authorised project.

**The Hon. P. HOLLOWAY:** I indicate that the opposition will support this bill. Obviously, we are facilitating its passage through the parliament at very short notice; so short, in fact, that I have not read the bill in its new form. This bill was introduced into the House of Assembly last week, but of course it was amended at the last moment. I will briefly say a few things about that in a moment. The opposition has supported this project in principle and in practice since it was first mooted some years ago. Of course it is a project of national significance.

It is my personal view that the main beneficiaries of this line when this bill passes through parliament in a few moments and becomes reality will be the Northern Territory and the national government, but it will certainly have considerable benefits for this state as well. I say that because I think it is a great pity in a way that the commonwealth government, which took over control of the Northern Territory from South Australia nearly a century ago and in doing so promised to complete this rail line, whilst it has put in a third of the cost, in my view it should have been more.

I believe that one of the principal benefits of this rail line, through the reduction in transport costs to the Northern Territory, will be the opening up of that region. That will not only benefit the Northern Territory but it will be very much in the national interest, and that is why I think that the commonwealth government should have put more into this project. It would have been nice if that was the case, but what we are dealing with here is the reality.

The funding of this project has been fairly tortuous, as I am sure we are all aware. When this project was first considered there had been a number of studies of this rail line. I remember one that Neville Wran headed, and I think there was one by David Hill, the former head of the New South Wales Railway Commission and, in later times, the Chief Executive Officer of the ABC. I think the general thrust of their reports was that, whereas the rail line was not at that time considered viable, it was expected that it would become more viable as time went by. We are now at that stage.

It must be getting on for at least five or six years ago since the first discussions for a privately funded rail line. Given the marginal nature of the line, it was inevitable that some assistance by taxpayers would be required. As a first step, it was agreed that \$100 million would be put in by the commonwealth, South Australia and the Northern Territory. That was later increased to \$125 million, then to \$150 million, and now finally the figure is to be something like \$176.5 million.

To make this project a reality, it has unfortunately been necessary to keep increasing the taxpayer component. That is naturally of some concern to all members. Whilst we all want this project to go ahead, because it is an important national project and will bring benefits in terms of employment and opportunities for trade to people within this state, obviously there must be some limit on the amount of support that we can provide.

The question is: at what level do taxpayers get the benefit from the money they put in? When we last debated this bill several years ago when the figure was raised to \$150 million, in the now famous words of the Premier that was the 'drop dead' figure beyond which we would not go. Of course, things happened, and we all know what they were. The Premier tried to obtain private finance to avoid taxpayers having to contribute directly to make the project viable. That took six weeks. The Premier negotiated a deal with CKI, the owners of our electricity assets and other assets within this state.

Unfortunately, that loan, which was still a reality earlier this week, fell through yesterday as we were about to debate this bill because apparently the terms of the loan were unacceptable to the partners who are responsible for the rail line. What we now have before us is a taxpayer contribution of a figure which will be similar to that the Northern Territory and the commonwealth allocated for the project. One can only hope that, once this legislation is passed and the money is committed, it will go ahead without any more hitches or the requirement for any further contributions.

As I mentioned, this legislation has been brought in at very short notice, and particularly the change to the funding arrangements. I think it is important to say, therefore, that, whereas we certainly continue to support the project, the opposition has not been in a position to examine the details of these financing arrangements. So, we have to take the government completely on trust in respect of this matter.

*The Hon. M.J. Elliott interjecting:*

**The Hon. P. HOLLOWAY:** What are the options facing the Council? The choice facing us is: do we vote for the further exposure of taxpayers' money—in this case, \$26.5 million—with less than 24 hours notice when we have no way of independently analysing the deal or verifying the arrangements that are provided in the bill? Many of the details of this arrangement are unknown. I know that questions have been asked in another place, but I have not had a chance to read the *Hansard*. However, I did hear some of the debate.

Obviously, it is difficult for us to obtain an independent assurance. On the other hand, we have to accept that if we oppose this bill because we did not have sufficient time to look at it we are told by the government that that would mean certain death for the project.

**The Hon. L.H. Davis:** You have had briefings, though.

**The Hon. P. HOLLOWAY:** I have not personally had them. Some of my colleagues have had briefings, but parts of those have changed. I make the point that we do have a choice. We could say that we have not had enough time to look at it properly and we need to get independent verification, but we all know that this project has to be signed off by the end of this month, and we have heard the reasons for that. We know that in the Northern Territory they have a wet season and a dry season. The dry season starts soon. If the work does not begin shortly, it will not be completed before the wet, and that will put the completion date of the project at risk, add costs and therefore affect its financial viability.

I think that that is a logical argument. I do not think that anyone would dispute that. Those are the options. We have to accept what we are told at face value or we could kill the project. We are not prepared to kill it given the number of years that this project has taken, but it means that we have to trust the government in spite of its record in relation to this matter. It means that in having such little choice in the circumstances our support must not and cannot be taken in



any way as an opposition endorsement of the financial viability or integrity of the arrangements for the project we are supporting tonight. The government must accept full responsibility for the outcome of those and I put that caveat upon our support. I listened to some of the debate in another place and the Premier conceded during his speech that it was unreasonable for such little time to be provided to analyse it, but that is the reality of the situation and we accept that. If this project is to be saved, it needs to be done very quickly.

There was a lengthy debate in another place with many questions asked and the opposition's view was put in considerable detail so there is no point in my going over that again. I have summarised the main points of the opposition's position. We support the bill and trust that this final contribution will be the last element that needs to be put in place to get the project up and running.

**The Hon. T. CROTHERS:** Without equivocation, I support the government in respect of this measure. I place on the record in a logical sense why I do that. The port of Darwin has been dredged for the past couple of years and has had a couple of extra berths built ready for the container trade that will undoubtedly come when the Alice Springs to Darwin rail link is completed. I for one certainly know of one very large mining project here in South Australia which has had a lot of advance work done and of four in the Northern Territory at least that are ready to go in respect to the rail link from Alice Springs to Darwin. I have been doing research. It is said that the project based at Meekatharra would be economically viable even if the product has to be shipped right around the Australian coast. Even the old Roman legionaries when building their roads always knew that the shortest distance between two points was a straight line.

**The Hon. T.G. Cameron:** Not according to Albert Einstein.

**The Hon. T. CROTHERS:** Well, you would know about crooked lines. It was a straight line. It seems that the corridor for the rail track having been secured by agreement with all interested parties—the Aboriginal people and so forth (and I think the Hon. Ms Laidlaw played no small part in that)—the track is ready to go in and there will be enormous work here for South Australians, both directly and indirectly: BHP in terms of the rails at Whyalla and the concrete sleepers are but a couple of examples of the spin off that will flow into the industries of this state from the commencement of the rail link—costing in excess of \$1 billion—to its completion in about 2½ years.

When I first joined the Labor Party it was a party that believed in, pushed and supported the policy of nationalisation. If we look at the rambunctious activities of people in the San Francisco area, the Brussels area recently and in other places, we see they are now taking to the streets in fairly large numbers protesting against privatisation and globalisation. I have always supported that concept. It is unfortunate that, because of the indebtedness left to us by the Bannion government and Tim Marcus Clark, we had no other option but to lease ETSA. People were voting with their feet and our population was diminishing. There was no future for the young people here. So, the Liberal government, whilst saying that it would not sell it, acted courageously, in my view. Olsen reversed the position and I applaud him for having the courage to reverse his position, so soon after saying that he would not.

Let us find out one of the reasons why we have to get this completed fairly quickly. It is this: John Howard, who can

count, knows that there are a lot of federal seats in Victoria, New South Wales and Queensland. What do we have? We have one federal seat in the Northern Territory and 11 here. So, there is not much mileage for a federal government in courting support from a state like this and a territory the size of the Northern Territory but, on the other hand, in terms of the federal Parliament, if we take away the five seats in Tasmania, the 11 seats here, the 13 seats in Western Australia, the three Lower House seats in Canberra and one in the Northern Territory, all the rest of the seats in the federal parliament come from Queensland, New South Wales or Victoria.

*An honourable member interjecting:*

**The Hon. T. CROTHERS:** Right. John Howard is desperate to try to hold office, which he will not. The Democrats will go down because of their support of the GST. Had Howard started 10 years ago over this matter he could not win the next federal election—not even with an eleventh miracle.

So this matter has an imperative all of its own for this state. We have already seen the government here make preparations in a farsighted way to use up the treated waters from the Bolivar sewerage plant in respect of horticultural growing—an additional 50 000 acres at this stage, I believe, in the Two Wells-Virginia area—and that is using only 12.5 per cent of the treated water available from the Bolivar effluent. If you look at what is happening with the exports from the Ord Valley with the Ord River scheme and its exports to the Asian market, what does it hold for us, given that we will be able to produce the type of vegetables in our rich soils in the Adelaide Plains tailor made for the Asian demand?

*The Hon. T.G. Roberts interjecting:*

**The Hon. T. CROTHERS:** Farmer T. Roberts would not know a bull from a bloody cow, so stop your interjecting. On the other hand, I did come off a farm in my youth.

*Members interjecting:*

**The Hon. T. CROTHERS:** I used to chase all the bulls away from the cows. John Howard would build that rail link tomorrow. Look at the money he has expended on the pork barrelling he has been doing already. Make no mistake about it: the Olsen government has again grasped the nettle. I am pleased that the Labor government has supported this matter, even though I thought there was a lot of unnecessary debate and to-ing and fro-ing taking place in the Lower House. We might have got the type of negativity on this bill that is normally shown by the Leader of the Opposition, who is a trained journalist and therefore a very negative man. Had he been chief Druid, Stonehenge would never have been built; had he be on the throne of the Pharos in Egypt when Cheops built the great pyramid of Giza, it would never have been built. I shudder to think what his position would have been in respect of the billion dollar Parliament House that sits on Capital Hill in Canberra or regarding the Opera House. The Opera House is regarded as one of the modern day wonders of the world as far as the art world is concerned. As for the parliament, we have something not dissimilar to Westminster, which will see out the democratic usage of parliamentary buildings for hundreds of years to come.

Thanks to the foresight of Malcolm Fraser, John Howard and Keating and Hawke, that was built in the face of great adversity. If the prince of negativity had been about the place with something to say about that, they would never have been built. Fortunately, on this occasion the Labor Party has turned its normal negativity into a positive real light and has

supported the bill. I thank it for that, because this bill is so essential to the future well-being of this state. If anybody has any ideas that are contrary to that, they should go home and rethink their position.

Even if this state does not make any money, it will not matter because it is a part nationalised project. It is occurring not before time, given that three governments have contributed to it. The Labour Party always supported it; indeed, it was part of its policy plank up until Tony Blair had it removed just prior to winning the election and becoming Prime Minister of Britain. If he had to do it today, he would meet very solid and very correct opposition in respect of the benefits of globalisation and privatisation—policies that the Labor Party supported. I never supported them in caucus or at the convention. The only time I supported them was when we were left with no option due to the Bannon/Marcus Clarke indebtedness left to this state as their legacy. We had no option but to use the only asset that could provide us with sufficient moneys to discharge two-thirds or three quarters of the debt. I hope I have not spoken too long, and I hope I have covered matters. I will support this bill unequivocally with my dying breath, and I inform my former colleagues in the Labor party that that will be at least 12 months from now.

**The Hon. M.J. ELLIOTT:** Proposals for this railway line have been around for the past century.

*An honourable member interjecting:*

**The Hon. M.J. ELLIOTT:** The past century. Those in this place in the early 1990s will remember that Ian Gilfillan was encouraging the then Labor government to work with the Northern Territory government to revive the north-south railway line. The Democrats were involved with the latest round of trying to get the railway line up. We have a long record of support, so it will come as no surprise that we continue to support the construction of the north-south railway line.

I did not see it myself, but it was reported to me that there was a cartoon in a recent newspaper—it might have been the *Australian*—showing a person being tied up on a railway track. The person was pleading, 'Please don't leave me here; I might starve to death.' Quite clearly, that seemed to be the biggest risk in respect of this railway line to the north. It certainly has been a long time in coming, and even in recent days the chances still have looked very bleak.

Certainly, when the Hancock Group fell out, the Northern Territory and the commonwealth governments quickly stepped in and said, 'We are prepared to make some further moneys available.' Our state government said, 'No, we'll go and find another investor.' Even from very early on CKI was being talked about. From those early days I was getting reports from the Northern Territory that the rest of the consortium was extremely nervous and very toey about what might happen and thought that any group brought in would be brought in on highly favourable terms—highly favourable to them. With the government desperate to try to bring in somebody, it saw that as a risk and, indeed, that appears to have been the case. The sorts of terms offered to CKI were highly favourable to it but not favourable to the consortium who would be left with a pretty significant interest bill.

*The Hon. T.G. Cameron interjecting:*

**The Hon. M.J. ELLIOTT:** The interest rate—12 per cent.

*The Hon. T.G. Cameron interjecting:*

**The Hon. M.J. ELLIOTT:** Have you checked?

*The Hon. T.G. Cameron interjecting:*

**The Hon. M.J. ELLIOTT:** What was it?

*The Hon. T.G. Cameron interjecting:*

**The Hon. M.J. ELLIOTT:** Okay. In terms of briefings from the government, we were offered one yesterday. At about 5 o'clock the government thought, 'Perhaps it's time we came and talked, because we want the legislation to go through in less than 24 hours.' That was the first briefing that was offered by the government on the current state of affairs. As I said, we had certainly been warned quite some weeks ago that there was likely to be some difficulty with the arrangements the government was trying to strike up with a private investor, and those warnings proved to be accurate.

Unfortunately, too often in this place we are asked to do things very quickly. When we are talking about significant amounts of public moneys, we have already put a lot in but we are now being asked to commit further moneys, albeit by loan. However, this loan is not secure. We are guaranteeing it, but it is not secure for the state. The state parliament should normally have a responsibility to ensure that minimal risks are taken.

Frankly, in the time that has been made available, this parliament has not had that option at all. So the Democrats find themselves in a position like that of the Labor party that we support the building of the north-south railway line. We have totally inadequate information, and we are being asked to trust somebody we do not really trust. That is an absolute no-win situation. This government does not have a good record in terms of its handling of matters of a similar nature. At this stage all I can do is put on record our concern about the time scale that we have been given to consider the legislation and to examine any ramifications of such legislation. Once again, we can but protest at the government's contempt of the institution of parliament and what it represents in terms of trying to maintain accountability.

**The Hon. NICK XENOPHON:** I join with the Hon. Mike Elliott in expressing a number of concerns about the process in relation to this deal. With regard to the history of this bill, I understand that it is a matter of some urgency. I received a briefing from government advisers yesterday, and I am not critical of the government in relation to that, given the evolving and tortuous nature of this financing deal. From the media reports of the initial 12.5 per cent interest rate of the CKI deal following the briefing, it was apparent that the effective rate was closer to 8.3 per cent.

*The Hon. T.G. Cameron interjecting:*

**The Hon. NICK XENOPHON:** As the Hon. Terry Cameron said, it was not in terms of what was reported. The effective rate was somewhat lower. Notwithstanding that, the CKI deal fell through, as the Treasurer has pointed out, and we are now effectively faced with the state or SAFA underwriting this deal. We know that this railway project has been mooted for something like a century. Indeed, in 1961, the Playford government took the commonwealth to court to hold it to an agreement that, as part of the handover by the Northern Territory to the commonwealth, the railway would be built. However, because the fine print said that there was no time limit, the commonwealth was not held to that. So it was a case of someone in the early part of last century not looking at the fine print of the deal.

Like all members, I wish the project well, but it seems that it has been the case that in recent times, with an increasing degree of government involvement of taxpayers' funds in relation to the bail-out, it is an area of concern. I know the member for Hammond has said that, if fuel prices continue

to reign high and if the dollar continues to reign low, the viability of this project is something that becomes more attractive.

**The Hon. M.J. Elliott:** You can always electrify it.

**The Hon. NICK XENOPHON:** I don't think we should go there on the question of electricity. I understand that the Premier has said that \$150 million is a drop dead point in terms of financing. We are now faced with a \$26.5 million additional degree of financing—a loan that ultimately taxpayers will be responsible for if the deal goes bad. So, in relation to \$150 million being a drop dead point, as the Premier has pointed out, I think it has been said by the member for Elder that this is a Lazarus loan. It has raised taxpayers' obligations from the dead. This project is a major infrastructure national project but, in the discussions I have had with a number of members on both sides of the fence, it seems that it has become a bit of an untouchable icon. It has become a political issue rather than a public policy issue. I hope that we have not lost sight of some good public policy in relation to what this deal is about, given that there is an increased exposure for taxpayers.

Again, I emphasise that I hope that my reservations prove to be unfounded and that this will be a good deal for taxpayers and that we will not be left with an Albatross around our neck for years to come. I sincerely hope that the predictions and the forecasts in relation to this deal prove to be correct in relation to the benefits to the state as a whole and, in particular, our export trade. I think that it is a case where the major parties have bound themselves up so tightly in a cloak of bipartisanship that they have become too constrained to do anything but to hurtle along and support this bill.

**The Hon. A.J. Redford:** Say something positive.

**The Hon. NICK XENOPHON:** I am just saying that the fact that we were told that it was initially \$100 million and it is now \$176.5 million I believe is an area of some concern. The member for Chaffey and a number of members in the other chamber have expressed some real concern about it.

**The Hon. L.H. Davis:** What does Danny Price think about this?

**The Hon. NICK XENOPHON:** I am afraid I have not spoken to him for quite some time but I think that Professor Blandy is quite positive. This bill is being dealt with tonight as a matter of urgency because of the tortuous and convoluted process of financing. The saga over the financing has been extraordinary. If this whole deal was turned into a movie it would have to be called—

*An honourable member interjecting:*

**The Hon. NICK XENOPHON:** I think it is not unreasonable to say that—

*Members interjecting:*

**The Hon. NICK XENOPHON:** I am trying to finish this as quickly as possible.

*Members interjecting:*

**The Hon. NICK XENOPHON:** Give me another minute.

**The PRESIDENT:** Order!

**The Hon. NICK XENOPHON:** I think it is unfortunate that it seems to be almost treason for anyone to raise any questions about this deal. I am saying that I wish the project every success but I think it is fair to say that there are some reservations in terms of that. It has been such a tortuous process in the financing that, if this deal was turned into a movie, it would have to be called 'Crouching financier, hidden railway' because it has been such a convoluted process. Having said that, I hope that my reservations prove to be entirely unfounded and that it is a positive project and

does wonderful things for the states in relation to employment. With those reservations, I hope that this project proves to be a success and not a burden on taxpayers in the future.

**The Hon. T.G. CAMERON:** I support the legislation. This has been a very difficult project to get up and running. Anyone who has looked at the project would appreciate that it is not a rolled gold project and that both state and federal government funding was required before a suitable financing package could be put together.

I do not intend to be negative. If we were a board of directors sitting around a board meeting we would be cracking the champagne now and congratulating ourselves, shaking hands and wishing everyone the success that this project deserves. I take this opportunity not only to congratulate the South Australian government and the perseverance of the Premier in seeing this project to finality but also to congratulate the Leader of the Opposition, Mike Rann, who, despite a few quibbles along the way, has acted on the only occasion I can recall in a bipartisan manner. I also take the opportunity to congratulate the Hon. Nick Xenophon and the Australian Democrats who, despite a few sour grapes about the shortness of time that we have had to consider the proposal, are supporting it as well.

Anyone who has had experience in putting together financing packages in today's age would know that they are extremely complicated projects. There is the volatility of interest rates, because this is a long-term project, and a continued weakness in the Australian dollar. There has been one hurdle after another to surmount in getting this project to this conclusion. There were many occasions when I think we all thought that the link between Alice Springs and Darwin would never get off the ground, but here we are tonight, part of history. It is an historic moment: this is a \$1.2 billion infrastructure project. Despite some of the question marks some people might have about its financial viability and whether we can complete the project on cost, we are part of an historic moment tonight.

As I understand it, we have been fighting for this project for well over 100 years and one day the 22 members of this chamber might sit back with pride, look on the decision that we have made tonight and say, 'What a great step forward for the people of South Australia.' For some 20 years, South Australia has been considered by other Australians—and I think even ourselves over the last years since the State Bank collapse—as a mendicant state with no future and prospects. Yet here we are tonight about to ratify a bill that will see \$1.2 billion worth of infrastructure finally connecting South Australia to the northern most part of Australia. It is something I am certainly proud to be a part of. I am proud to stand here tonight to record a 'yes' vote for this project. You will not hear any sour grapes or reservations from me. I wish all those involved with the project consortium and everyone all the best on behalf of every South Australian alive today. It gives us an opportunity to look forward with a little bit of pride and perhaps with an eye on the weather bell to say that we might have finally turned the corner and South Australia might once again take its rightful place along with the other states in this Commonwealth of Australia.

**The Hon. DIANA LAIDLAW:** Like the Hon. Terry Cameron, I stand to contribute to the debate with a great deal of pride. I note that the Premier on introducing this bill in the other place said that it was an important moment in Australian history—and it is. I think those who have ques-

tioned South Australia's increased financial contribution to this project should look back in history. I have done this over time, having debated this project in this place over 12 years. Honourable members should look back to the debates of the 1870s, the 1880s, the 1890s, the 1990s: always this place—the Legislative Council and the parliament as a whole—has fought for this project as part of the establishment of this state. In 1911 a bill was passed in this parliament to cede the line to the commonwealth. Some 100 000 South Australians only had invested in this line from Adelaide to Oodnadatta and from Darwin to Pine Creek. It was an extraordinary investment following the investment in the overland telegraph. Tonight I have no misgivings, having seen the history of this project and South Australian investment and vision in it for well over a century, about contributing by voting positively for the bill before us.

In relation to construction and operations, the opportunities for South Australia are bewildering in terms of the confidence in our manufacturing industry and trade skills. This project offers everything that we have been looking for for years, for jobs and for the opportunity to demonstrate the full employment of those skills. I think that, from blue collar to white collar workers in this state tonight, there will be great rejoicing when the bill passes.

**The Hon. T.G. Roberts:** And in regional areas.

**The Hon. DIANA LAIDLAW:** And in regional South Australia. It has been a long time coming. I can say that it has come a long way since I was shadow minister for transport when, before the 1983 election, I gained endorsement from the party that, as a government, we invest \$100 million in this project. The sum has increased since that time but the very fact that \$100 million was committed was the trigger for many understandings that were reached initially with the Northern Territory government and subsequently with the commonwealth government and then the private sector.

If one looks at South Australia's and Australia's future, one sees that there is no question that it is with the Asian market. We have options to get to that market through air, port and road, but we have never, from this state, had the option of rail. Looking at the rail infrastructure in this state, I have no question in my mind, and if you had listened to the consistency in the Democrats' statements tonight you would have heard them giving full support for a rail option.

We cannot advance the interests of this state to the north and to the Asian markets by rail alone for our heavy produce. In terms of competitive business, our ports alone will not be the most viable option. We are too small to be competing with the big investors and the governments of the eastern states which will prey on our business to attract trade through their ports. We need every transport option in terms of infrastructure to be competitive in this state, and rail will be a massive advantage for us on that score.

I want to make a few brief comments before concluding. People have made a big deal about the amount of \$26.5 million. I have said many times in this place and to my cabinet colleagues that transport alone could eat the whole of the state budget. One should consider that amount of \$26.5 million in a project of national significance and then look at the Southern Expressway which cost \$156 million and at the federal government's investment in the Adelaide-Crafers road. What was it? We have been rejoicing for some years about that project, which in the end was \$146 million. And where did it go? Seven kilometres at best. This project links Adelaide to Darwin.

Considering that South Australia is to gain that advantage, not only in immediate jobs but in long-term prospects and pride, for an investment of \$176.5 million, I would have said to the Premier that we should have gone for it long ago. But he tries every other option to save taxpayers' money. He nearly killed himself in terms of the energy he put into it. I support him totally in seeking to relieve the state of the money, but in the final analysis it is money well spent.

Finally, I applaud the Premier at a personal level. I know what he has endured in negotiations with the consortium. I strongly suggest to the consortium in terms of business integrity that there may be a lesson to learn—but I will say nothing more on the public record in terms of their negotiations.

In the past many officers from Transport SA have helped me, as has Parliamentary Counsel, Richard Dennis, with the issues concerning the Competition Council. Jim Hallion and his people put in a mighty effort, but that will probably be unsung because the public sector is so often taken for granted. It has been a mighty personal and professional effort and I know the support you have given to the Premier, the government and the whole of South Australia through your unstinting efforts in time and intelligence.

Anything worth while in life is worth fighting for and this has been a fight by South Australians through this parliament for well over a century. It is a proud night when we can say that South Australians will sign off on the Adelaide-Darwin railway.

**The Hon. A.J. REDFORD:** I support the bill. I think that more than 25 premiers have had it on their agenda and it is a great tribute to this Premier that he has managed to deliver this project to the people of South Australia. It has been a team effort through the initial efforts of the Minister for Transport, the Hon. Diana Laidlaw—

**The Hon. Diana Laidlaw:** Minor.

**The Hon. A.J. REDFORD:** —the Treasury and my Leader, the Hon. Robert Lucas, the legal expertise and the difficulties attached to that with the Hon. Trevor Griffin and cabinet throughout recent years. It has been an extraordinary effort led extraordinarily well by the Premier. It has been a true team effort. The Hon. Terry Cameron did steal a little bit of my thunder, but if I were a coach of a football team and was picking a team to deliver something that was difficult, such as a premiership, I would want people who were prepared to be involved in the hard and tough decisions.

**The Hon. Diana Laidlaw:** And never give up.

**The Hon. A.J. REDFORD:** And never give up. I cannot express enough my disappointment in listening to the Hon. Michael Elliott's contribution, which was both churlish and critical and then at one stage sunk to the depths of Spike Milligan, whom I remind members wrote a book called *My Part in Hitler's Downfall*. When I started to hear how, but for the Democrats, we would not have a railway line, I nearly fell off my chair.

Then there was the Hon. Nick Xenophon, who I understand is currently enjoying support in the polls at 74 per cent. Generally I try to be as positive as I can with the Hon. Nick Xenophon but I have to say that it was one of the most churlish performances I have ever seen him deliver in the 3½ years that he has been a member of this parliament. He stood up and not once did he seek to fulsomely congratulate the government on delivering a project that dozens—and I mean dozens—of other governments have failed to deliver to South Australia.

I say this kindly to the Hon. Nick Xenophon: it is quite uplifting to be involved in something where you achieve positively rather than endeavour to tear something down, take a bet each way or fail to acknowledge that what is important to us all occasionally is hard to deliver and that occasionally you have setbacks. It has happened in nearly every cricket and football match I have been involved in. When you win, as the Hon. Terry Roberts would know, the effort and work that was put in is worth while. To my knowledge, as we enter the 21st century, this is probably one of the biggest projects in the world today and certainly the biggest land transport project in the world today. It is something that I wholeheartedly endorse and I congratulate the Premier and his team on delivering. Well done!

**The Hon. R.R. ROBERTS:** I support the money bill that has been presented to the Legislative Council. This is the culmination of the railway line that we had to have. We have to have it because, for over 90 years, successive governments have told South Australians in particular that this is not only desirable but almost essential, and 25 premiers have been mentioned tonight who have looked at this, although none of them was able to achieve it. In most instances that occurred after extensive economic evaluation and it was never shown in almost all of those reports that it was economically viable to complete the railway line, based on the amount of expected traffic and comparing the expected costs of that transportation with other forms of transport that were available.

*Members interjecting:*

**The ACTING PRESIDENT (Hon. J.S.L. Dawkins):** Order!

**The Hon. R.R. ROBERTS:** This project is now an inevitability. It has reached icon status and, whether or not it makes economic good policy, the political policy is inevitable. South Australians have been convinced that this is a profitable exploit. When the centenary of Federation came around and projects were being mooted, it was determined by the South Australian government, the Northern Territory government and the federal government that this would be something that we should deliver to Australians because we have been promising it for 90 years.

I have had a look at the bill before us, which I first spotted when the Treasurer was delivering the second reading speech. I did have some advantage in that I attended some of the discussion in the lower house. We in this House cannot amend this bill because it is a money bill, although we can make a suggested amendment. In my view, this is no different from the budget or any other money bill that comes before us. It is on that basis that it has my support because the Olsen government is in control of the finances of our state. It has been elected, rightly or wrongly, to have its hands on the economic levers of our state.

I live in the northern part of South Australia and I know the great expectations of people who live in country areas. I am extremely hopeful that those expectations will be delivered. At first blush, my reading of the bill did not indicate that, if any further loans need to be acquired, we have to go back to the parliament. The bill states:

(a) by inserting after paragraph (b) of subsection (1) the following paragraph:

(ba) in addition to paragraphs (a) and (b), if the minister is satisfied that it is necessary or desirable to facilitate implementation of an authorised project—

(i) after consultation with the Treasurer to make a loan or loans up to a total principal amount of \$26.5 million (being a total for such loans). . .

My reading of this bill does not indicate that it has to go back to the parliament. I listened to the contribution made by the Premier in his explanation during the committee stage. Although I never cease to be amazed by the parliamentary process and the drafting of bills, the Premier did explain, and I am confident that he is right, that, because he brought the proposal for the last loan to the parliament, the legal advice from Parliamentary Counsel and one assumes from the Crown Solicitor was that that meant that, if any further loans were required, that would occur. The Premier acknowledges my comments from the gallery. I am confident with that.

From a personal point of view, I am happy for the state of South Australia and for all the people who live in the seat of Frome, the seat of Stuart and the seat of Giles, in particular, that their expectations will be delivered by the passing of this bill. I hope that this project will go ahead, I hope it will be successful, I hope that we are making good economic policy. I support the passing of this bill on the basis of the assurances that I have been given by the Premier.

*Members interjecting:*

**The ACTING PRESIDENT:** Order!

**The Hon. R.R. ROBERTS:** After all, the Premier and the government have negotiated the terms of these bills. The Australian Labor Party was not involved in those discussions: they are rightly the province of government. The Premier has done that. He has given the assurances and, at the end of the day, it will be the Premier and the government who will wear any political odium for this, or take the credit. I hope for their sake that they take the credit because, if we come into government after the next election—

*Members interjecting:*

**The ACTING PRESIDENT:** Order!

**The Hon. R.R. ROBERTS:** If we come into government after the next election and have to exercise the provisions of clause 3(b)(1a)—that we have to take up any defaulted loans within three years—we will not take any credit for putting on a tax. We will put on the Lucas levy to retain those moneys and we will make it very clear that the political responsibility for this is with this government. I hope that we never get to that position—

*Members interjecting:*

**The ACTING PRESIDENT:** Order!

**The Hon. R.R. ROBERTS:** —because the people of South Australia have been convinced by successive governments and oppositions that they were going to be on the gravy train. I ask those doubting Thomases opposite, who think this is going to be an economic bonanza, to address some of the comments made by Ralph Clarke in another place when he compared freight rates today and the ability to change those freight rates, which do not fall under the auspices of the ACCC. They are sobering comments.

I have no hesitation in supporting the passage of this bill on the basis that it is a government bill and it provides for moneys expended from the budget of the state and it is the government's responsibility. I wish the project all the best.

**The ACTING PRESIDENT:** Order! I call the Hon. Sandra Kanck.

*The Hon. Diana Laidlaw interjecting:*

**The Hon. SANDRA KANCK:** Yes, the Democrats are great supporters of rail.

*Members interjecting:*

**The ACTING PRESIDENT:** Order! The Hon. Sandra Kanck has the call.

*Members interjecting:*

**The ACTING PRESIDENT:** Order!

**The Hon. SANDRA KANCK:** There are very good reasons for that support. Rail is a very fuel efficient means of moving freight and passengers. It is very good in terms of reducing greenhouse gas and it also reduces road trauma. I have been a member of Rail 2000 for a number of years and I am now a member of the Rail Technical Society of Australia. I recall a recent meeting that I had with Chuck Chabot of Australia Southern Railroad and his comment about Rail 2000 and its members. One comment that he made, which I am reasonably comfortable to wear, is that they never met a rail that they did not like.

I think there is good reason for feeling that way about rail. My very first action in parliament on the day that I was sworn in was to give notice of a motion to set up an intergovernmental committee with representatives of the South Australian, Northern Territory and commonwealth governments so that the Adelaide—and I say ‘Adelaide’—to Darwin rail line could be completed expeditiously.

Despite that enthusiasm, when the federal government announced the amount of money that it intended to give to the project prior to the 1998 federal election I said that it would not be enough. I have monitored that reasonably closely. When it became clear 18 months ago that there were some problems, I proposed infrastructure bonds. I am sorry that those infrastructure bonds were not taken up, because that idea inspired many south Australians. Only today I had a telephone call from a man who expressed his disappointment that the government had not taken up the option of infrastructure bonds because of their inspirational nature. He said that if there had been infrastructure bonds with the sort of rate of interest that CKI was apparently offered—and I take note of the comments that the Hon. Terry Cameron has made about that; nevertheless, it is a public perception that it was 12 per cent—if that sort of infrastructure bond had been offered at favourable terms to South Australians, he had \$500 000 that he was ready to invest. So, South Australians want this project to go ahead.

I am aware that the whole concept of this line is somewhat tenuous. There are detractors of the project, but my view is that it will be strengthened by the very act of building it. We have a number of mining projects in South Australia and there are others in the Northern Territory which are not yet going ahead but which I believe possibly will go ahead when they know that this rail line will pass by them. I envisage that a number of those mines (both current and projected) will build spur lines so that they can link into it.

*Members interjecting:*

**The Hon. SANDRA KANCK:** I note some of the interjections that have just been made. I recognise that some of the material that is being mined is not the sort of material that I want to see mined. Nevertheless, if we are going to mine material that is radioactive and transport it, I would rather see it transported on a rail line than on roads. This aspect of other projects that possibly will get up in South Australia as a consequence of this line will help to drive it and make it more efficient once it has been built. I believe there are other aspects to this in terms of other forms of infrastructure. This corridor has been mostly sorted out in terms of native title issues.

**The Hon. Diana Laidlaw:** Completely.

**The Hon. SANDRA KANCK:** I am pleased to hear that. I did not know that it was complete. That is positive news, because, if there is a corridor between Adelaide and Darwin

where native title issues have been worked out, it means that, potentially, other infrastructure could run alongside it.

**The Hon. Diana Laidlaw:** The gas pipeline.

**The Hon. SANDRA KANCK:** The Hon. Diana Laidlaw has read my mind. I am thinking of the gas pipeline that can be built from the East Timor Sea. I note that there is a shortage of gas coming up in South Australia. So, again, this line presents a lot of opportunities for South Australia. It also presents opportunities in terms of jobs that will be involved in the construction of the line.

So, from my point of view, \$26.5 million is extraordinarily good value and it will beat funding for road construction projects any time that you want to look at it. South Australians want this line to be built. It is the right of South Australians to have this line. I am pleased to support this legislation tonight, because this line will be a potent symbol of South Australia’s statehood.

**The Hon. L.H. DAVIS:** I have much pleasure in supporting what appears to be a unanimous vote of the Legislative Council to ensure the passage of this legislation. It is historic. There are just three clauses in this bill which break the shackles of three generations. In 1911 when the state of South Australia ceded control of the Northern Territory, the understanding was that the commonwealth government would build the rail link.

There have been many attempts to complete the line from Alice Springs to Darwin in the intervening period. The line from Adelaide to Alice Springs was completed in 1929. That line was largely built on sand and it took 48 hours to do the trip from Adelaide to Alice Springs. I remember that only too well because for several years I was a conductor on the Ghan.

*The Hon. R.R. Roberts interjecting:*

**The Hon. L.H. DAVIS:** I was a member of the AWU. I just thought I would throw that in to encourage some interjections. The line was upgraded—

**An honourable member:** Do you still have a ticket?

**The Hon. L.H. DAVIS:** I do not have a ticket any more. The line was upgraded in the late 1970s and early 1980s and the trip was reduced to just 24 hours—the time was halved. The completion of this line will see a line extending 3 000 kilometres from Adelaide to Darwin. The last link will be 1 400 kilometres. It will cost \$1.25 billion. The private sector will inject just over \$700 million into the project and the federal, state and Northern Territory governments will contribute the balance.

**The Hon. T.G. Cameron:** And we will end up owning it in 50 years.

**The Hon. L.H. DAVIS:** Exactly. Other members have made the point during the debate that \$26.5 million is not a large sum of money when one looks at the total cost of the rail link. Of course, this additional tranche has come about because of the withdrawal of the Hancock Group and the requirement for the three governments to contribute an extra \$26.5 million each. The three governments have done this.

The Northern Territory government and the federal government made their contributions immediately from the public purse. The Premier of South Australia resolved to have another attempt at encouraging private sector involvement in the project; in other words, to minimise the exposure of the taxpayers of South Australia. It is a matter of record that CKI put up its hand. The Premier, in a bold attempt to minimise further public exposure to the project, flew to Hong Kong and secured CKI.

It appears that there was some consensus in regard to CKI's involvement from the consortium, Asia-Pacific Transport (APCT), but that subsequently fell over at the last minute. So, we have this bill before us tonight. If one looks at the reality of the situation, and the 90 years since this project was first proposed and all the failures down through the decades, one recognises that this has always been a project that has been seen to be on the economic edge. The fact that the Premier had the courage to seek private sector involvement is typical of his style: he will leave no stone unturned to secure a project or a benefit for the state. He is passionate about that.

If one looked at the options, one would see that was the only other option he had, apart from dipping into the public sector. The fact that CKI was not accepted in the final analysis by APTC does not reflect badly on the Premier in my mind whatsoever. If we had this time over again, what would we be saying to the Premier? I would have suggested, irrespective of the political coat we wear, we would say—and it was implied in what the Leader of the Opposition said—that we should not be committing in the first instance further public funds if we can avoid it. The Premier took that view, went out, tried to secure additional funds, succeeded and delivered his part of the bargain. CKI, for reasons which are not for debate tonight, was ultimately rejected at five minutes to midnight by the APTC consortium.

It is interesting to reflect, is it not, that there has been a lot of debate about the economics of this project and whether it will stack up. It is interesting to reflect that, as we speak about the \$26.5 million contribution from the South Australian government, through the South Australian Finance Authority, the commonwealth government has publicly announced that it is spending \$380 million on upgrading the road hub in the Albury area. That is a big slice of money. Does anyone ever stop to think, in talking about the economics of this project, whether if we were debating the measure today we would build the rail link between Perth and Adelaide, or whether we would build the road link between Perth and Adelaide? As someone who was rather passionate about railways, given a seven or eight year involvement as a conductor on the East-West and Ghan expresses, I can say that one of the great tragedies of nation building in Australia is that we got the rail links all wrong. Through the bloodmindedness of the colonies we had different rail gauges and we have really made the tyranny of distance—which Geoffrey Blainey so aptly uses in that wonderful book of his—a much greater burden for Australia and Australians than it should have been. If we had had a coherent, efficient rail system from the start, we would be better off today: there is no question about that.

The history of this project, as several members have mentioned, has been littered with failed attempts. It is a matter of record—and I am not playing politics here—that the last federal Labor governments under both Prime Minister Bob Hawke and Prime Minister Paul Keating were not great fans of putting buckets of money into this project. It is a matter of record that Prime Minister Malcolm Fraser, immediately before the 1983 federal election, had committed a federal Liberal government to supporting the project financially. In the intervening 13 years that passed with Prime Ministers Hawke and Keating and transport minister Brown, there was no positive outcome in their negotiations or their interest in the development of the rail link.

**The Hon. T.G. Roberts:** Neville Wran headed up an inquiry.

**The Hon. L.H. DAVIS:** The Hon. Terry Roberts interjects, perhaps unwisely, to say that Neville Wran headed an inquiry and that was in 1995. He recommended that the rail link, on balance, should be supported, but that did not manifest itself, the Hon. Terry Roberts, in overt financial support from the commonwealth government. It did not happen: end of story. The inquiry ended well before the 1996 federal election. There was a six or seven month period as I recollect and Keating, even at the end, was still resolutely opposed to a commonwealth government commitment to the project. Closer to home, the last Labor government headed by Premier Lynn Arnold was staunchly against state government financial involvement in the project. It is a matter of record.

**The Hon. T.G. Roberts:** On our own.

**The Hon. L.H. DAVIS:** No, you are wrong. In the *Advertiser* of Thursday 9 December 1993 Lynn Arnold is quoted as saying there should be no state government injection into the proposal. He said that this is a nation project and that they would have nothing to do with it. He said that the commonwealth should be putting money into it. What was the commonwealth attitude on it? Prime Minister Paul Keating was saying, 'We don't want to be involved with it'. So, there it was.

The investment climate is certainly favourable to the consortium: interest rates have weakened, which is an advantage to the borrowers. The support of the South Australian parliament is obvious, and that is reflected in overwhelming community support for the project. I believe that the supply, the rail link itself, will create its own demand. When Neville Wran reported in 1995 on the viability of the project, he did not factor into his figuring any impact for mining in South Australia.

As the Hon. Trevor Crothers, who has his finger very much on the pulse of the economy in South Australia, mentioned in his speech, there is a major pig iron project at foot, which will be centred in Whyalla and which will involve the mining of coal and iron adjacent to that rail line. It may well involve using that rail link to export raw materials or finished product through to Darwin.

**The Hon. T.G. Roberts:** The Hon. Mr Crothers did not want to stampede the Stock Exchange.

**The Hon. L.H. DAVIS:** I did not know the Left knew the Stock Exchange existed: you shock me. Supply will create its own demand.

We have the extraordinary advantage, which has not been mentioned by anyone, of Darwin as the most efficient port in Australia, a non-union port, close to the ports of Asia, saving many sailing days not only for exporters out of South Australia but also out of Victoria. It is a highly efficient port.

This is an exciting day for South Australia. I congratulate Premier John Olsen, whose tenacity in this matter has been rewarded, and all members of the House should pay tribute and acknowledge his commitment to this project, which has seen it brought to finality. Hopefully, within a few weeks we will see the beginning of this 1 400 kilometre line from Alice Springs to Darwin linking Adelaide to Darwin, opening up our economy and opening up export opportunities. It will be one of the great capital projects we will see this century in Australia.

**The Hon. CARMEL ZOLLO:** I will make a very short contribution. The opposition has demonstrated bipartisan commitment to the Alice Springs to Darwin project. Like all South Australians, I certainly have had reason to question the

various events that have occurred in the securing of funding for the project. The concern, of course, is in relation to the amount of funding required from the South Australian public sector—from the original \$100 million of taxpayers' money to some \$178 million all up, or nearly double our original component. The bill before us allows for the latest taxpayer contribution up to a total principle amount of \$26.5 million plus GST and costs. The opposition has agreed to take the government on trust and to pass this legislation in the interests of all South Australians and in the national interest in that a rail transport system is part of nation building. Whilst expressing my concern in relation to taxpayers' exposure, I wish the project every success.

**The Hon. T.G. ROBERTS:** I will not hold up the chamber for long. I will not repeat any of the contributions involving the history of the project. I need to put something on record in relation to what we can expect if it is built, and perhaps what we could expect if it is not built. There are economic advantages for South Australia to be linked with the Northern Territory, and I suspect Victoria will want to be a part of the in-feed to the rail link. It makes sense to have an economic zone by linking the Northern Territory and South Australia not only through infrastructure but also through governance. I would like to see a future economic zone similar to the Western Australian model. The area is almost the same, and it makes good sense for the southern and northern sections of the geographic zone to be linked and to form a governance that allows for an even distribution of growth and wealth. It certainly would make it much easier for Darwin and Alice Springs, which are probably the only two large centres in the area, to be linked and to combine the benefits of tertiary and health institutions, along with the infrastructure, to form an economic zone that will assist not only that zone but Australia in putting together an economic zone of some strength.

I went up to Darwin when the free trade zone was being put together and looked at it both in its infancy and when it was about to fall over. Had that economic zone got up and running, I am sure that if it had been a successful economic zone South Australia's manufacturing base would have been dealt a severe blow. I am not saying that it was fortunate that it fell over. However, the premise on which it was built and the way in which it was administered and the exploitation of labour that occurred within that economic zone made sure that it was not going to be a success. Unless we link our futures together, that is, the northern and southern parts of the nation, we will not get an even distribution of growth and wealth. Benefits will be enjoyed by Darwin and the Northern Territory by being a geographical zone close to the Asian markets—they are certainly closer than we are.

To overcome the distances that separate us from markets, there has to be some linkage and advantages to overcome that isolation. When the infrastructure is being put together—and I am not arguing that the governance question should be settled at the same time as the infrastructure arguments—in the future there needs to be a mature debate between the Northern Territory on wanting to become a state and not remaining a territory and South Australia in relation to the future governance of a genuinely linked infrastructure zone. Such an economic zone should be given some commonwealth support to allow the territory to become a state and for South Australia to assist in that process. The future of that can be debated and discussed at other levels at another time. I am

sure that there would be some advantages for the nation if that occurred.

**The Hon. R.K. SNEATH:** I will be very brief. I support the project, and I would like to wish those involved all the best. I hope it is successful and that it employs many South Australians, as well as Northern Territory workers. I hope that the project has many satisfying hours of work for those who need work and that it is a safe project and that there is no injury or loss of life or limb while the project is taking place. Before the project begins, I hope a successful enterprise bargaining agreement is arrived at with the trade unions and that it flows well and finishes on time. After it is completed, I hope that industry takes advantage of a line up the middle and that the port of Darwin has a lot of success.

**The Hon. R.I. LUCAS (Treasurer):** I thank all honourable members for their contributions to the debate. They were made with various degrees of enthusiasm, but nevertheless it would appear that for a variety of different reasons all members will support the second reading and the passage of the legislation. Whilst sorely provoked by the Hon. Ron Roberts, I will not respond to him. I acknowledge that Legislative Council members have had a relatively short period in which to consider their position. I thank them for their willingness to conclude the debate late this evening. I will briefly respond and say that the events of the past 48 hours have necessitated our moving quickly. It has also meant that, until the past 48 hours, we were unable to brief the leader of the Australian Democrats and others.

In the past 24 to 36 hours events changed significantly and, as has been widely reported, cabinet met with the opposition, other parties and the Independents in both houses. As members would know, it is not the way we would normally like to conduct business, but the special events of this project and the bill have necessitated our processing it as quickly as possible.

In concluding, and in thanking members, I join with my colleagues Legh Davis and others in publicly acknowledging the persistence, tenacity, hard work and commitment of John Olsen. It is very easy to criticise leaders, politicians and members of parliament. As people look back many years hence at this major nation building infrastructure project, I hope that with the passage of time people will acknowledge the commitment of John Olsen. As his colleague and a fellow member of cabinet, I can say that he has had 100 per cent commitment from his colleagues in his endeavours. Frankly, virtually all the work has been undertaken by him. There has been a hard working group of officers in the Department of Industry and Trade, Crown Law and also latterly Treasury and Finance and in particular SAFA.

Most of the hard work has been carried at the political level by the Premier himself, and his own personal staff. Given his willingness to travel on short notice wherever and whenever it was required, the time that he put in and his personal commitment, I hope that with the passage of time people will acknowledge what he has achieved. However, behind him has been a hard working team of people.

I know I should not single out individuals, but I will mention Jim Hallion from the Department of Industry and Trade and Phil Jackson from Crown Law—two officers who represent many others who have spent seven days a week working around the clock to put this project together, supporting the government, the Premier and the state in what they have done. Too often public servants are criticised and



they are thanked publicly too infrequently. During the passage of this bill I would hope that all members in this chamber will acknowledge not only the work of the Premier but also those hard working officers within the public sector who have put together the deal.

Bill read a second time.

In committee.

Clauses 1 and 2 passed.

Clause 3.

**The Hon. P. HOLLOWAY:** At what stage is it envisaged that this loan will be drawn, and how and where will it appear and be treated in the state's financial statements?

**The Hon. R.I. LUCAS:** The answer to the first question is that the draw down is expected to be 18 months after the financial close. Fingers crossed, God willing and all those other sorts of things, we are hoping that financial close will be in the next few days. Some legal documentation will need to be finalised and within, say, 18 months of that it will appear in the SAFA accounts as both a liability and an asset. So, it will appear on both sides of the SAFA accounts.

**The Hon. P. HOLLOWAY:** I gather from the earlier answer that it will appear in 18 months' time. Is that correct?

**The Hon. R.I. LUCAS:** Yes.

**The Hon. P. HOLLOWAY:** I note that this facility does include an amount for GST. Is any estimate available as to how much GST is payable on this loan, and does this facility have any other taxation implications?

**The Hon. R.I. LUCAS:** We understand that the provision in relation to the GST is being included by counsel through an abundance of caution. The combined legal advice in the corner seems to indicate that GST would not normally and should not be payable on financial instruments. However, counsel has advised that generally in all these provisions the GST bit has been included in an abundance of caution. However, it is not anticipated that that particular provision will be activated.

Clause passed.

Title passed.

Bill read a third time and passed.

#### **POLICE SUPERANNUATION (MISCELLANEOUS) AMENDMENT BILL**

Received from the House of Assembly and read a first time.

#### **ADJOURNMENT**

At 12.01 a.m. the Council adjourned until Thursday 29 March at 11 a.m.