HOUSE OF ASSEMBLY

Thursday 19 August 1993

The SPEAKER (Hon. N.T. Peterson) took the Chair at 10.30 a.m. and read prayers.

MUTUAL RECOGNITION (SOUTH AUSTRALIA) BILL

Adjourned debate on second reading.

(Continued from 5 August. Page 110.)

Mr S.J. BAKER (Deputy Leader of the Opposition): The Opposition supports the reintroduction of this Bill to the House. It is worth considering the path we have trodden previously. We will lay down a position with which we hope the Government will be comfortable.

The Hon. T.H. Hemmings: Have you changed your mind?

Mr S.J. BAKER: On certain matters we have not changed our mind at all. We do not believe in the referral of powers to the Commonwealth. For example, as we saw with the budget, every Labor member of this House got dudded with the budget and who, in their right mind, would refer powers to that madman we have got in Canberra? Who would trust Canberra to operate in the best interests of the people of South Australia? No-one at all, after what we have seen in recent times, particularly with the budget. There are distinct differences between us and the Government's position on this Bill, but we are trying to accommodate some form of compromise. It was absolutely appropriate to reject the Bill in the last session of Parliament because it was quite clear to us that a number of concerns expressed to us had not been answered. The Government had not done its homework and had not been able to accommodate a number of matters that had been raised with it. A large number of concerns were expressed that we believed were not being properly considered.

On the other side of the coin, for those people in favour of mutual recognition there was not a resounding accommodation of the Bill. Many of the people who communicated with us said, 'It sounds like a good idea.' If we are going to do our job properly as a Parliament we should ensure that every Bill gets debated on its merits and that all the factors are considered. We are not talking about a black and white situation: we are talking about taking a step which has got some deficits, costs and which is going to disadvantage people. Those steps should not be taken lightly. I had no problem with the previous position of the Liberal Party on this matter on the basis of the debate and on the basis of the information that was made available to us at that time. That position was quite comfortable. However, since our rejection of the Bill we have had representations from the broader community about certain losses that South Australia would suffer if the Bill did not pass. We have had businesses now talking about some of the down sides if we do not reconsider the Bill.

So I do not have any problem with the fact that we have brought people out and made them come to us and say, 'Look, in certain areas of professional operation and in certain areas of business we will not be able to access interstate markets without some form of recognition that flows between the States.' I might add that there is nothing uniform about recognition, as the Premier would know. In Western Australia, they have still not considered the matter. The new Liberal Government is still considering its position, so we do not have uniformity. In Victoria, the Premier of that State decided that he would not have the full referral of powers retained, as was the original proposition, but he was willing to embrace the Commonwealth Act. So, the position is still in a state of flux. It has not reached a point where we have all States and all jurisdictions comfortable with the elements of mutual recognition, particularly the referral of powers to the Commonwealth.

For those who were concerned about the original Bill, they still remain concerned. Everyone who wrote to us and communicated with us that the Mutual Recognition Bill would cause them difficulties has emphasised that this is still the case, so that position has not changed. What has changed in the interim is that more people are saying to us, 'Can you look at this again because it may disadvantage South Australia?' That is what we are doing. The Premier accepted our invitation to look at the Bill, because we want South Australia to win and not to become losers in the process.

I will take up the matters that have been brought to our attention, and I do thank the Premier for supplying a listing of items from each of his departments in relation to the impact of the legislation on those departments, or more importantly, in the areas that they administer. The matter of the dried fruits industry has been raised again with us. It is a matter that is mentioned in the report provided by the Premier. Quite clearly it has not yet been satisfied. There has been some discussion, but it is also quite clear that, without a controlling board which, for example, does not exist in Queensland, we can see the influx of lower quality dried fruit from overseas which, in a very short space of time, can ruin the local market. So, the position remains the same. I know that the Premier in his previous position and capacity as Minister of Agriculture took up this matter, but it still has not been satisfied, and it needs to be satisfied.

In the area of road transport, it is recognised that some work has to be done on getting heavy vehicles and the national uniform road traffic code aligned here in South Australia. So there is work to be done in that area, but it does not appear to be of great difficulty. I read the segment relating to the Department of Labour about occupational health and safety and dangerous substances. It would appear that in South Australia our legislative framework and the provisions in our Acts are more extensive than most other States. I am sure they are more extensive than those that exist in Queensland, quite frankly, and there is obviously an underlying concern about dangerous substances and health and safety standards which may be put at risk by this Bill.

Whilst there is a provision under the Commonwealth Act for exclusion of certain categories—and dangerous substances falls within that list of exclusions—there is still the concern that we in South Australia may be put at greater risk than we deem appropriate. Certainly that needs to be addressed and is the subject of current discussions.The point was made in the Health Commission that the health occupations are well advanced and that there is no conceivable difficulty in the Mutual Recognition (South Australia) Bill, but there are some ongoing discussions about educational standards and the acceptance thereof.

The printing industry has again expressed its concern about the Mutual Recognition (South Australia) Bill and has sent a fairly detailed response to the Liberal Opposition on the possible impact. The response states:

Therefore it is essential that the impact of a Mutual Recognition Act on business and industry is fully evaluated for consequential ramifications and balanced against any benefits which may result.

The 'removal' of State boundaries for purposes of trade did not assist the printing industry of which the larger percentage is small business. Larger business is able to travel interstate to compete by securing business, however the small business is unable financially or because of lack of staffing to participate in such activities and can only view their traditional market evaporate to interstate companies seeking business in the local area. This situation may not be peculiar to the printing industry only.

It goes on to say that a number of matters should be considered, and then continues:

There is a clear risk in the legislation that the lowest common denominator will prevail in standards where they differ between States and therefore could disadvantage some States where legislation dictates higher standards. This is identified in the statement 'that goods which can be sold lawfully in one State or territory may be sold freely in any other State or territory even though the goods may not fully comply with all the details of regulatory standards in the place where they are sold.'

We have some difficulty with section 17(1)(b) of the proposed Act 'pending such registration to carry on equivalent occupations in the second State', particularly when coupled with section 21(1) which provides that 'registration must be granted within one month after the notice is lodged', therefore on face value a person could operate in a profession or trade for up to a month without qualification which may be contrary to State legislation.

Section 19(B) [of the Commonwealth Act] provides that 'the notice must be accompanied by a document that is either the original or a copy of the instrument evidencing the person's existing registration. We submit that the words 'a copy' should be replaced with 'an extract duly authenticated by the issuing authority.'

It goes on to mention a number of sections of the Commonwealth Act where it believes the Act needs to be tightened up and improved to allow the States to be able to protect their businesses without putting up barriers. In other words: let us have fair competition.

The very nub of the argument is: what is fair competition? The Liberal Party has always believed in fair competition. That means that if someone has an advantage from interstate, because they have lower standards with which to comply, it is a questionable practice or a questionable initiative if you allow that person to enter the State and compete unfairly. That is the point that is being made, and the Printing and Allied Trades Employers' Federation of Australia makes the point very strongly that the Commonwealth Act can disadvantage States in the process. That means that decisions have to be made about the extent to which local standards decline to the lowest common denominator, which is an issue that we have raised previously.

The Australian Institute of Conveyancers wrote to us saying that it does not support the proposition of dual conveyancing which exists in other jurisdictions. It makes the point that there is a conflict when two clients are involved in the sale and purchase of a property, or whatever, so it would be inappropriate to accept a standard that we do not believe is necessarily in the public interest.

The South Australian Farmers Federation has written to us again emphasising that two important points need to be addressed. One is that mutual recognition is a cheap and easy way out of setting national standards and that this will impede the setting of national standards. The second point it makes is that with regard to food we run the risk of having imports coming through the less regulated States to the disadvantage of local producers. Whilst the South Australian Farmers Federation believes that there is a great deal of value in mutual recognition, there are some sticking points that need to be understood and addressed relating to food and national standards.

I should like to take up the point about national standards, which we have mentioned previously. Everybody was content with the initiative taken by the Federal Government, and it has been happening over the past 20 years, to set in place national standards in professions and in goods, so that as a nation we decide on our future and on standards that we wish to apply whether in the conduct of businesses or in the quality of the goods produced in this country. We have already seen other legislation introduced relating to financial institutions where national uniformity has been a hallmark of changes that have taken place recently. We are also seeing other changes of a similar nature taking place in road standards and in various other areas. The process of achieving national uniformity is important and it should not be delayed because the easy option is taken.

The easy option is to use mutual recognition as the driving force, using the lowest common denominator and forgetting about national standards. I have heard no criticism whatsoever about national standards. That is because there is a national working party with representatives from the various interest groups. For example, in the recognition of professional qualifications, everybody gets together round the table and they decide what standards should apply, what are the minimum requirements for a person to participate with that qualification, and that becomes the standard throughout Australia. It is a very healthy and productive process. It also assists us in recognising overseas qualifications. It is a step in the right direction, and it has been a very fruitful change from the way that we have previously operated.

However, if mutual recognition is to be the driving force, as the South Australian National Farmers Federation recognised, it will be anything goes and we will have States with lower standards prevailing. It could be that the Commonwealth's desire to implement national standards will give way to the much easier option of allowing whatever prevails in the market place to dictate the standard. That is not much good for South Australia or certainly for Australia, and that is one of the problems with the legislation.

The Engineering Employers Association has again written to us and expressed concern about being overrun from other jurisdictions which have lower standards. People who have invested at considerable cost in their companies in this State to comply with our regulations could face severe disadvantage from a company interstate without the same requirements being able to compete at a lower cost because of the lower standards.

The Engineering Employers Association makes a very compelling point involving the 12-month rule. There is provision in the Commonwealth Act for a 12-month breathing space in recognition of areas of concern, difficulty or dissension. What the Engineering Employers Association suggests is that, in areas of safety, health and the environment, where those standards are being applied more rigorously in another State, some attention needs to be paid to those matters before there is mutual recognition in relation to that good or that service across Australia. It made reference to quality dumping, a matter, again, which has been canvassed previously and which should not be forgotten. So the Engineering Employers Association has put up a constructive suggestion that the Premier of this State or the responsible Minister should look at the 12-month breathing space rule to ensure that the State is not unduly disadvantaged.

The Motor Trade Association has again written to us about the proposition making some fundamental and practical points. It is concerned that the standards in South Australia, for example, are much higher than those in other States in such areas as the handling of liquefied petroleum gas and the accreditation of persons who service motor vehicles and more particularly the air-conditioning systems of motor vehicles, which, of course, involve the disposal of material involving chlorofluorocarbons. We in South Australia have said that we needed special protective regulations in both areas, but those regulations do not exist uniformly across Australia, so people can walk into South Australia and fix up the gas bottles and the air-conditioning systems without complying with our standards. The question of a licence to sell secondhand motor vehicles also needs to be addressed.

The Motor Trade Association has made the point that there are areas where it is quite proud of the position taken in South Australia, which will be undermined by our accepting the lowest common denominator. The point has also been made about tow truck drivers. We have more stringent testing procedures here in South Australia and in the past, as members who have been here for some time would remember, we have had some interesting debates about the tow truck industry. It has now virtually been cleaned up because of actions that were taken three or four years ago. However, some of the stringency that we apply does not prevail in other States. Conceivably, tow truck drivers could walk into South Australia without appropriate licences and do the same sorts of things that the industry was involved in some years ago. So, the point is well made that this is a possible down side.

We have had two approaches from the horticultural organisations in the Riverland about the impact on the products they produce, and that is allied to the previous matter I raised about dried fruits. The fact that South Australia could be subject to a flood of cheap, nasty, second rate imports and have no capacity to defend itself is of grave concern.

So, they are the anti cases. They are the areas where people have said, 'Let's take more time. Let's not give way to the Commonwealth. Let's us address these issues.' Those issues, of course, were the subject of our previous representations and were very much behind our opposition to the Bill. The number of people who would now wish to see some form of mutual recognition in place has grown as the difficulties have been brought forward to the Opposition about operating in interstate markets if there is not some form of mutual recognition. We are not dealing with a black and white situation.

We wish that we could opt into the Commonwealth legislation in those areas where we do have comfort, where we believe that the standards here are appropriate and where we believe that it is important to maintain safety, health and welfare. Regarding other matters that are important to this State, we would have liked an opt in process but we have not got it because of the attitude of the Commonwealth. We are therefore left with either accepting or rejecting the adoption of the Commonwealth Act.

On balance and because of further representations, the Opposition is willing to reconsider this Bill. We are not content with referring powers to the Commonwealth, for the reasons I have already stated, but certainly we are prepared, despite the problems, to accept the Commonwealth Act.

Dr ARMITAGE (Adelaide): I certainly do not intend to detain the House for long in contributing to this debate, but a couple of important points need to be made. First, I would like to say that I have a genuine fear when a State adopts any Commonwealth-wide standards. One can only cast one's mind back to when the Commonwealth Government decided to equalise the amount of care that it would pay for for patients in nursing homes. In fact, South Australia did extremely well. We were at the top of the pile regarding the amount of care that we provided for patients but, because of a system of equalising the amount of care across Australia, we were unfortunately forced to decrease the number of hours per week for which the nursing home type patients could cared for with payment from the Commonwealth.

It is this tendency for standards to unfortunately equilibrate at the lowest common denominator that ought to be avoided. The reason that South Australia ought to be anxious about such an occurrence is that South Australia does many of these things at least as well as, if not better than, many of the States in the Commonwealth.

So, I have a fear that, unless South Australia is ultimately vigilant in this matter, we may end up sacrificing some of our extremely high standards. One case that I would quote where this type of thing may well occur is that of occupational therapists. In New South Wales occupational therapists are not required to be registered and until recently they were all within the hospital premise; because they were employed by a hospital board or by a department of health, a standard was expected of them. As the occupational therapy needs of the community increased, some of those occupational therapists, loosely termed again, set up in private practice outside the bounds of the hospital where there were no strict criteria for employment by an employer within the system, hence allegations are made to be regularly that the standards in New South Wales of these non-registered (I accept) people in New South Wales is less than our standards.

I understand that this is for registered bodies only, but it is a trend and it is something again that South Australia ought to guard against, otherwise our standards will equilibrate with those that are lower than ours at present.

I do not believe that there are any particular transitional provisions in the Bill, and that is a matter of concern. I expect that they would be prescribed in regulations, and I would equally expect that they will in certain circumstances prescribe that certain foreign medical practitioners may continue registration.

Another matter of concern is that, generally speaking, the saving provisions of the New South Wales Medical Practice Act are the common form agreed on between the various medical boards in looking to these matters for registration. In fact, section 18 of the New South Wales Medical Practice Act makes an arbitrary choice of four days practice per month, meaning that they have worked enough to be registered during that month. Section 16(1) of the New South Wales Medical Practice Act provides:

> For the purpose of this part, a foreign medical practitioner is liable to deregistration unless the practitioner:
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> (a) was unconditionally registered in Australia on 31 January 1992 and practised medicine in Australia for at least six months during the period from 1 January 1992 to 1 September 1992;

It then goes on to other matters. This means that the situation now pertains whereby a practitioner who worked for four days during each of those six months—in other words, a total of 24 days over that six-month period—has practised suf-

ficiently to come within the saving period of practice for at least six months during the required period, namely, 1 January to 1 September 1992.

However, a practitioner who practised for a continuous period of just less than three months but did not practise for those other three months between January and September 1992 does not comply with section 16 of the New South Wales Medical Practice Act which, as I said, is the saving provision that is usually adopted. So that practitioner, to be registered, must rely upon the discretion of the board.

It seems to me to be quite bizarre that a practitioner who has practised four days per months for six months, being a total of 24 days, is not liable for deregistration, but a practitioner who has practised for three months continuously and not practised for the other three months is liable for deregistration. Surely, a more appropriate way to deal with this matter is for the practitioner to have been unconditionally registered and to have practised medicine for a specified number of days during the particular period.

So, in essence, I think there are dangers in just adopting the New South Wales Medical Practice Act and, unless that is looked at very carefully, we may well have the situation where practitioners who have practised for 24 days are given an advantage over practitioners who have practised for three months continually in the specified period.

Other than that, Mr Acting Speaker, I merely wish to say that it is clear, in my view and that of the Liberal Party, that where appropriately qualified persons (and I stress that) move throughout Australia there is good cause for them to be mutually recognised throughout Australia, provided that the dangers to which I have alluded, namely, that standards may well be regarded as being the lowest common denominator, are avoided.

Mr INGERSON (Bragg): I rise to support the Bill that is currently before the House and in doing so I need, obviously, to point out that I have a personal interest in one of the professions that has written to me and suggested that I should support this Bill.

As a pharmacist having received the deputation from the Association of Pharmacy Registered Authorities, which incorporates all the pharmacy groups, I obviously need to make that position clear to start with. It is clear to me from discussions I have had with the professions that there is an urgent need for the recognition of the standards set in each State to be accepted as a national exercise. When I was President of the Pharmacy Guild some 15 years ago, one of the major issues we were discussing was the difficulty for young pharmacists in getting recognition in other States. It seems to me that any move that can hurry that recognition of professional skills right around Australia is a very important issue. Consequently, not only am I endorsing the request from the associated societies but also I add my personal view to that, having been involved in this issue some 15 years ago.

Secondly, there is no question that some sectors of the business community see significant advantages in the recognition of standards as it relates to their industry. One in particular is the Motor Trade Association, particularly the Australian representative body, which sees the need for some of the labour skills and standards to be brought into line nationally. It sees this as a start to get to that end point, hopefully in the not too distant future.

Obviously, there are some objections and, more importantly, some concerns in introducing this Bill, and the Premier would understand those. I hope that with the passage of this Bill those problems are not just swept aside. The major problem I see is that, in any State that has excellent standards, we may see in the passage of time a reduction of those standards down to a common denominator. I note that the member for Adelaide and the Deputy Leader pointed that out.

It seems to me that that is the major single downside to mutual recognition right across Australia. Apart from that, there is no doubt that we must recognise that, being part of the international community, we need to be able to move our labour and products around Australia so that they can be exported as quickly as possible. This whole Mutual Recognition Bill I see as not only affecting the movement of goods and skills within Australia but also having an important spin-off as part of the export drive. It seems ridiculous to me that we have to look at different standards right around this country in anything.

Another example of the nonsense that I see in some of these standards is the issue of registration of pharmaceuticals. It seems quite crazy that a product that is available in South Australia under the pharmacy laws can be sold here but not in Victoria, and can be sold in New South Wales but not in Queensland. This step of recognition may hurry some of those other issues that have been sitting on the table of departments and in the area of Government control for some time.

In making the comment on the downside, I hope that the Premier will recognise that there are some genuine concerns in the community about this change and that, once this Bill has been passed through the Parliament, he will make sure that those concerns (which in my view are genuine) are followed through and not just left at the bottom of the pile as most of these things are.

Mr LEWIS (Murray-Mallee): I sincerely believe in the notion of a federation and the benefits which can be derived from the devolution of power that arises through the federation that we have in Australia, where there is a Commonwealth of States and now Territories involved in our nation in determining the laws which are the codes of practice that write the way in which our mores state we should behave.

Having made that point, I want to go on further and immediately say that I support the notion that it should be possible for a citizen of our nation—where that citizen is properly and appropriately qualified—to be able to conduct their business or profession, which depends in law on those qualifications, in any part of the nation. Equally, where sensible standards are established for the production of any good, any product, any useful thing, there should be absolutely free trade in that item throughout the nation. Therefore, I conclude that the thrust of this legislation as a matter of principle within the framework of those mores that we seek to codify in law is desirable.

The problem I have is that what we are doing in this legislation is in fact referring all the power to determine our laws about these things to the Parliament of the Commonwealth. You and I, Mr Acting Speaker, and over 20 other members in this Chamber that I know of—indeed, probably in their hearts and in their minds, a majority of members in this Chamber—would agree with what I have just said as being a wise and sensible assessment of the situation. However, we should not refer and cede our power to the Commonwealth in the process, because there are other members in this place who believe that we should abolish State or Territory Legislatures.

They believe that they ought to be abolished and that in their place should be established regional administrative bodies, or soviets—because that is what they are called, in this ideal model that those members follow, by the person who was the architect of the model. They would probably advocate the establishment of about 40 or 50 such single-level administrative soviets, in which the decisions made were subordinate to the law determined by a single-level supreme soviet at the head of the nation. That supreme soviet's meeting place would likely be in Canberra. There would be no Senate; it would be an assembly of elected representatives from those 40 to 50 regional soviets.

I am flatly and utterly opposed to that concept and anything that would hasten the prospect of its being adopted. So, I would have to say that until and unless this legislation simply adopts the Commonwealth Act, where good statute within that Act determines what shall be done, I will oppose it. I am not in favour of referring the power totally to a central Government. I believe that power should remain in the localities in which people live. I do not believe that the current State boundaries are necessarily desirable or that we have the ideal number of States, but I still believe in the basic principle that there ought to be a federation of sovereign States.

This legislation, because of the framework through which it seeks to act, is therefore, in my judgment bad, because it refers the power to the Commonwealth, and it will be used, Mr Acting Speaker, by your and my political enemies who envisage this different model of society. It will be used as an argument against us and against those who are like-minded to us when the day comes to argue whether or not the States should remain. That day, I fear, is not too far off while we have this mad, narcissistic fool in Canberra called Keating running this country, a man who does not know what he will do next to steal the attention of the public in the course he is determined to follow. He is determined to somehow or other write himself into history in the biggest possible letters in the shortest possible time. Of course, the thing that I fear most about all of this—from remarks that have been made to me over recent times and something that has just happened this morning in Murray Bridge, where I live—is that he may well end up becoming the first Prime Minister to be assassinated in office, the way he is carrying on. When I have heard that put to me I deplore it. But the threats that I hear constantly, almost daily, about what people would like to do—because they see that as some way of solving the problems that have been inflicted on them by the policy settings that emanate from that man's brain—make me worry. I have to tell them that is not the solution and that the way is through proper debate.

That brings me to make the point, before I conclude my contribution on this matter, by referring this power to the Commonwealth we know that in the House of Representatives it is very unlikely ever to be properly debated. There will always be a mood of the moment in which the Government of the day focuses on the narrow political opportunity of the most important thing it can debate, and not the long term consequences. That is reflected in the fact that most of the long term consequences of legislation are ill considered in debate in the House of Representatives. Any House of Parliament controlled by a Government which considers that it has properly debated legislation, both in terms of its short and long term effects on each of the constituencies represented by members in that House by ramming through 40 Bills in 26 minutes is kidding itself.

There are other words in the Australian vernacular which I do not have to use but which former Prime Minister Bob Hawke used to describe that sort of a process: 'It's a wank.' No appropriate or adequate consideration is given in that sort of approach to determining changes to our laws and how the effects of such changes will impact on all people, right across this nation. That is why I believe in a federation, and in the necessity to adopt the Commonwealth Act in this instance and the provisions which will enable professions and products to be traded and accepted freely across the nation; but not to hand over the power to do so, as that is another matter.

Mr BLACKER (Flinders): I wish to put a couple of points before the House. Whilst I fundamentally agree with the principle behind the Bill, there are some concerns that I have, particularly as I represent more remote areas of the State, whose constituents have difficulty in getting their message across to the bureaucracies situated in Adelaide. Of course, in this case we are now referring to the bureaucracies that could well be in Canberra.

I believe that the wider public has some fundamental concerns with that philosophy. However, it is desirable in some areas. The member for Bragg referred to the laws relating to pharmaceutical products. Obviously, that is a logical extension of the need for a rational and common approach to the setting of licensing standards. However, the concern that immediately comes to mind is in the transport area. South Australian transport laws, whilst they are being tightened up rapidly, are not nearly as stringent as those which apply in New South Wales where that State's transport industry operates predominantly through the Blue Mountains.

I fear the common denominator factor, and I note other members' remarks indicating that the laws that will be applied will be the lowest common denominator. In this instance, the South Australian transport industry could well adopt the reverse side of that argument and say that we have to take the highest common denominator, because it could be expected that every farm truck may go to the Blue Mountains. Obviously, that is not a practical extension of the situation, and I could envisage some big problems if every farm truck had to meet braking capacity standards and other requirements in order to climb through the Snowy Mountains.

That is an extreme case, but it is technically possible that the Act could be interpreted in that way: that, because extreme situations apply in one small area of the State, the remainder of the State will be licensed according to the same standard. I can easily foresee the transport industry and the primary producing sector, which in the main provide their own vehicles to transport their product from the farm to the local silo—

The Hon. H. Allison interjecting:

Mr BLACKER: As the member for Mount Gambier said, many of the railways have been closed down, and that is therefore forcing vehicles back onto the road. We could now force higher standards on those vehicles when, quite frankly, the farmer cannot meet the cost.

I see this legislation as handing over power to the Commonwealth. The Commonwealth decision makers are far more remote from the people in the field. In turn, that will add not only to the complexities of the matter but to the frustration and costs of the producers who are required to farm their product and get it to market. I note the laws relating to pharmaceutical products and the comments of the member for Bragg. I think that is commonsense. With the many standards relating to the use of farm chemicals, uniform

laws should apply, and there are probably many other products involving the same situation. With those few words of caution, I support the second reading.

The Hon. LYNN ARNOLD (Premier): I thank members for their contribution to this debate this morning. In politics, there are many occasions when Parties or individuals have to change their mind or their expressed view even though their private view may be different. What we have seen this morning is a reversal of mind, a change of heart on the part, of the Liberal Party in this State. If it were an Olympic medal performance, as we have heard the Prime Minister say, it would be a backflip. What we have seen this morning is something of a bronze medal backflip. I would not give members opposite a gold medal because they do not deserve full credit for the way in which they have argued the case for changing their mind on this matter. However, some interesting points have been made by members opposite, and I assure all members that any of the serious points that have been made will be taken into account and responded to as far as possible now and later.

On the other hand, there were many circumlocutions around the place to try to justify their change of view when their earlier position was quite clear. I remind members opposite of the words of the Hon. Trevor Griffin, who earlier this year rejected this legislation on the ground that 'it would result in an amorphous mass of lowest common denominator standards across Australia'.

Their position and views on that have obviously changed. I certainly acknowledge that. So, for the serious acceptance of that I give appreciation. There was one contribution—from the member for Murray-Mallee—which was clearly not even a medal-winning performance; it was simply a belly-flop. When he started talking about Soviets, the next thing I waited to hear was a reference to the Mensheviks and the Bolsheviks, and so on. That just makes a joke of the whole debate and cannot be taken seriously. It does not deserve to be taken seriously; it does not seriously represent the interests of the constituents of that electorate, and certainly it does not represent the interests of this nation which is a Federation of sovereign States and which I support as a Federation of sovereign States. It does not do any credit to that kind of debate at all.

I note that a number of views have been expressed since the Bill was not able to pass through the Parliament previously, and various people have expressed very strong views on this matter. Lindsay Thompson of the Chamber of Commerce and Industry indicated in July that he would be approaching the Liberal Party soon and making clear in no uncertain terms how wrong it is. I also noted what was said in Federal Parliament last year by Senator Boswell, a National Party Senator from Queensland. I noted your remarks, Mr Acting Speaker, and I will be looking very closely at them and taking into account the points you made. Referring to mutual recognition, Senator Boswell said:

> I urge all State and Territory Governments to meet the State responsibility in endorsing this principle and ensure that their industries and people grow and prosper from the move and that no unintended damage or consequence follows.

Before dealing with a number of the comments that were made I will deal particularly with the comment that you made, Mr Acting Speaker, with respect to trucks on Eyre Peninsula. My advice is that this is not a problem; standards are being worked out by different road transport authorities throughout Australia, and recognition will be taken of vehicles whose purpose is more limited. Frankly, however, if a vehicle on Eyre Peninsula is part of the national transport network and will be likely to traverse Australia and reach the Snowy Mountains, it will have to meet those standards. If, however, it is destined for flat country work in areas like Eyre Peninsula, I am sure those problems will be considered by the road transport authorities. I will respond to a few points now and others we can respond to later. I have noted that amendments are being put on file by the Opposition, and we will deal with those in Committee.

The first point I want to make is that reference is made to a letter, dated yesterday, from the Engineering Employers Association. I have now received that letter. It is our initial view that in this letter the association somewhat missed the point. There is certainly a need for a review process, and I have at all stages been committed to that, in terms of both particular matters of mutual recognition and also the general principle of mutual recognition. Indeed, the Bill I have before the House now acknowledges that by the clause that builds in a review process involving the general principle. In any event, I give the commitment that we would accept ongoing reviews of particular issues of standards under mutual recognition. It is my belief that this letter does miss the point on that matter. We will be responding to the association and we will make that response known to members in this place and another place as they debate the matter.

A number of comments have been made about the recognition of occupations. I remind members that recognition of other States is based on the premise that the registration regime for that occupation is adequate for the originating State. That makes a lot of sense, because a State would not set a registration standard it did not think adequate. It would be bizarre to imagine why a State would set a standard that was less than adequate in its view. The Commonwealth Act places the onus on registering bodies in the second State (in the instance mentioned by members today, that would obviously be South Australia) to show that the practitioner should not be registered here, once having been registered in another State. We have heard a lot about registration standards across the country. The blunt reality is that South Australian registration standards are not significantly different from those of equivalent registered occupations in other States or Territories.

This legislation has provided an impetus to the development of national competency standards for occupations, and I think that is something we would all agree is a good thing to do. The comments about dual conveyancing will be picked up through that particular mechanism. There are a number of areas of occupations that are presently being further considered at the South Australian level. There is a review of partially regulated occupations that picks up, for example, users of CFCs and those who service air-conditioners; the secondhand motor vehicle industry; tow truck drivers—and of course that was mentioned in the debate this morning—and occupational therapists. So, those areas are themselves the subject of some further review. That review comes out of some other work that has been taking place at the national level under the Vocational Education, Employment and Training Advisory Committee (VEETAC) working party on mutual recognition on behalf of the Ministers of Vocational Education, Employment and Training (MOVEET). South Australia was of course represented on that particular working party.

On the matter of dried fruits, I appreciate the fact that the Opposition has acknowledged my role in the dried fruits area

when I was Agriculture Minister. The Riverland Horticultural Council seems to be the only group continuing to voice fears about the alleged threat of dried fruits. The Department of Primary Industries, and my colleague the Minister of Primary Industries could confirm this, believes that the issue has been effectively addressed and that the fears that have been expressed are not fears that need worry people. We dealt with the matter of fruit-fly previously.

Coming back to qualifications, it needs to be noted that a number of professions have supported very strongly the mutual recognition area, for a number of reasons, and one of the reasons has been because of overseas qualifications and the handling of those from overseas. People with overseas qualifications, as we know, are often caught between the anomalies caused by variations in the licensing or registration requirements for their occupation. This is an unnecessary barrier to the overseas qualified person, who may have incurred considerable personal cost to satisfy a State requirement but is precluded from taking up employment in another State on the basis that the licensing or registration requirement is different. I remind the House that the concerns we have had expressed about this have been not only by people from overseas bringing with them their overseas qualifications but also by professional associations in this country, those who, in a sense, receive this overseas professional expertise. They have expressed concern about this matter.

Skilled migrants apply to migrate to Australia and are selected in part on their employability in accordance with the Department of Immigration, Ethnic Affairs and Local Government's points tests system. They are required to undergo an assessment of their skills by a migration officer, a Department of Industrial Relations technical adviser, NOOSR or the relevant professional association, as in the case of engineers. Although this assessment is expressly for migration purposes only, it is understood by the prospective migrant that their qualifications and skills have been accepted in general academic terms. This is a point we do have to address. I have come across a number of people who have made that point to me: that on the one hand they are received by the Australian Government's immigration process, and that says, 'Yes, yes, yes,' but they find they come into the country and the system then says 'No, no, no.' That is clearly a matter of some considerable confusion, not to say irritation.

The principle of mutual recognition is critical to the overseas skills recognition reform agenda, and there is absolutely no evidence to suggest that the work undertaken to date by NOOSR and the State authorities has lowered the standards required by those overseas qualified to satisfy Australian standards. Through a network of professional panels and examining councils, NOOSR draws upon specialised expertise to provide the best possible comparison of the skills of an overseas trained person with Australian occupational standards. Some people suggest that there will be a lowering of standards if we enter into this system. I have argued before, and argue again, that that simply is not going to be the case.

Some concerns were expressed about consumer protection, that we will not be assured of the levels of protection from unsafe products, which people presently enjoy in this State. In other words, we come back to the Hon. Trevor Griffin's views of the lowest common denominator approach. However, under mutual recognition consumers will have a wider choice of goods produced under a range of standards and have access to additional trade-offs between price and quality.

Mutual recognition is based on the assumption that the differences in regulations between States and Territories are not great and it would be a major point of concern if, for example, there was a State in Australia that had the standards of some overseas countries whose record is appalling. There are some countries that have absolutely no standards or, at least, very inadequate standards in some areas and we see, tragically, in the media examples of the outcome of a lack of standards in a number of areas, for example, in the building industry. But that is not the case in Australia. The difference between the States is not that marked.

Indeed there are already numerous areas where regulations have been or are in the process of being harmonised and this work is continuing so that the risk of any downward spiralling of any standards is exceedingly limited. The Commonwealth-State Consumer Products Advisory Committee has been assessing a range of products which are regulated in some jurisdictions and not in others. The aim of this work is to ensure that national standards are established where these are seen to be necessary in the interest of consumers. Furthermore, the mutual recognition scheme has in-built safeguards allowing temporary exemptions for goods to be declared to ensure that standards aimed at protecting health and safety and preventing environmental pollution are kept at an acceptable level. The result may be an elevation of standards in many instances. South Australia will retain the ability to impose such exemptions for up to 12 months.

They are all the comments I want to respond to at this stage. We will go through the speeches and, if there are other points that need further picking up, I can give an assurance to members that we will provide responses, certainly before the matter goes to another place, so that members can see our considered reactions to some of those comments. I thank the Opposition for doing its about-face on this matter. It is an important Bill and is something that South Australia does need; it is something that Australia needs and we are all Australians and the building of a cohesive Federation is an important thing for us to do.

Mr S.G. Evans interjecting:

The Hon. LYNN ARNOLD: I hope that the member for Davenport will not start coming in and joining the kind of Menshevik/Bolshevik argument of the member for Murray-Mallee which, as I said, was the very down-point in the quality of the debate this morning. Everything else in the debate has been above that particular low point. I thank members for the comments that they have made and I look forward to the passage of the Bill.

Bill read a second time.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Interpretation.'

Mr S.J. BAKER: I move:

Page 1, lines 20 to 29—Leave out the definition of 'participating jurisdiction'.

This clause will obviously be a test clause. The Liberal Party has made clear its point of view about the referral of powers—

The Hon. T.H. Hemmings: Was that before or now?

Mr S.J. BAKER: We said the same thing before on this issue, if the member for Napier was awake at the time. We believe it is inappropriate to refer the powers; we believe it is appropriate to adopt the Commonwealth Act. By accepting the amendment, effectively, we would remove the provision that South Australia is a participating jurisdiction in relation

to the referral of all our powers to the Commonwealth. That is consistent with the position that we have put down, and it is also consistent with the position taken by Victoria. It may also be consistent with the ultimate position taken by Western Australia when it gets up to the mark. I think that is the position that will be the sustainable position across Australia as the benchmark.

The Hon. LYNN ARNOLD: We will oppose this amendment which is related to some further clauses, and we object in principle to those amendments for reasons that have been outlined in previous debates which I do not think need to be recanvassed now.

The Committee divided on the amendment:

AYES (20)

Allison, H.	Armitage, M. H.
Arnold, P. B.	Baker, D. S.
Baker, S. J. (teller)	Becker, H.
Blacker, P. D.	Brindal, M. K.
Brown, D. C.	Cashmore, J. L.
Eastick, B. C.	Gunn, G. M.
Ingerson, G. A.	Kotz, D. C.
Lewis, I. P.	Meier, E. J.
Olsen, J. W.	Oswald, J. K. G.
Venning, I. H.	Wotton, D. C.

NOES (20)

Arnold, L. M. F. (teller)	Atkinson, M. J.
Bannon, J. C.	Blevins, F. T.
Crafter, G. J.	De Laine, M. R.
Gregory, R. J.	Groom, T. R.
Hamilton, K. C.	Hemmings, T. H.
Heron, V. S.	Hopgood, D. J.
Hutchison, C. F.	Klunder, J. H. C.
Lenehan, S. M.	McKee, C. D. T.
Peterson, N. T.	Quirke, J. A.
Rann, M. D.	Trainer, J. P.

PAIRS

Evans, S. G.	Evans, M. J.
Matthew, W. A.	Ferguson, D. M.
Such, R. B.	Mayes, M. K.

The ACTING CHAIRMAN (Mr Holloway): As there is an equality of votes, I give my casting vote to the Noes.

Amendment thus negatived; clause passed.

Clause 4—'Adoption of Commonwealth Act.'

Mr S.J. BAKER: I move:

Page 2, lines 8 to 17—Leave out subclauses (2), (3) and (4) and substitute new subclause as follows:

(2) The adoption under this Act has effect for a period commencing on the day on which this Act commences (but not so as to give effect to any adopted provisions before that provision commences under section 2 of the Commonwealth Act) and ending on the fifth anniversary of—

(a) the day fixed under section 2 of the Commonwealth Act or

(b) if more than one day is fixed under that section—the earlier or earliest of those days.

The amendment sets a time limit during which period the operation of the Commonwealth Act would have to be reassessed. We believe that the Kennett proposition does have merit. We believe that no Act should stand unchallenged for any extended period. We believe it is important to review the operations of the legislation to work out whether it is operating in the best interests of all Australians. Therefore, we have said, 'Look, Commonwealth, we are taking on board mutual recognition. There are some costs; there are some benefits; and we would like the whole position reviewed before it becomes a permanent part of our legislative framework.'

It is the fifth anniversary, if you like, of the enacting of the Commonwealth legislation, which is effectively within about two months of the Victorian position, so we are very much on stream. I would say to the Premier that I did not necessarily challenge the fact that he was rejecting referral of powers to the Commonwealth, because we have been through this debate previously. I remind the Premier on this and the other issue that that was the area of accommodation that the Premier was willing to give to allow the legislation to pass previously. We were expecting the same level of accommodation to occur on this occasion. However, it appears that that will not occur on this occasion. I point out to the Premier that that was one of the trade-off areas previously, and we would expect the same approach this time otherwise there could be more difficulties.

The Hon. LYNN ARNOLD: The Deputy Leader makes note of the fact that when we previously discussed this matter I indicated I was prepared to accept something of this nature as a compromise. I did so because I was very keen to see South Australia well served by legislation that would help us in terms of the nation. I was attempting to make all sorts of efforts to get the Liberal Party out of its troglodyte stand and its position of intransigence. In fact, its approach is the twentieth century version of the rail gauge mentality of the nineteenth century with respect to Government standards and regulations.

In an effort to try to make that work I thought I would go that much further along the way to achieve something. Unfortunately, that was then rejected by the Liberal Party, and it now talks about the fact that it is something that Jeff Kennett has put into his legislation. It did not matter who said it or where it came from—it was going to reject it. Members opposite have now introduced it themselves as their own amendment—something which they themselves rejected. As I said before, they have learnt how to do back flips. Their back flip during the second reading debate was a bronze medal performance. But this one, I suspect, is worth a silver medal because this back flip on this occasion has a bit more class to it.

I want to indicate that this Government, ever reasonable and ever trying to assist, is not in a position to accept the amendment in this place for two reasons. One is that the wording needs to be modified somewhat. We would want some work to be done on that and it can then be presented to another place. The other point is that, if that amendment were accepted and we continued to oppose, as we shall, opposition to clauses 5 and 6, there would be some technical anomalies in the wording. We want the opportunity to make the consequential amendments that will need to be made to clauses 5 and 6, and clause 8 would have to be dropped. We would want to get all that tidied up before accepting this amendment as it is. We will oppose this amendment in this place, but we will support a modified version in another place. We will have some discussions with the Opposition on what modification might be acceptable to both sides and any other consequential amendments that will need to be made to clauses 5 and 6.

That is a sign of just how far this Government is prepared to go in the interests of South Australians to make sure that we get legislation that serves us well. We have been prepared to do all these things, and I am pleased that the Opposition is prepared to work on this whereas it was not before. At least that is an achievement. Nevertheless, it is appropriate that

members are aware of how far we have been prepared to go. My opposition is on that basis only: we will have further discussions.

Mr LEWIS: I am at least gratified to have the Premier acknowledge the benefit of a bicameral system in the course of considering legislation. He now sees that the likely overall consequence of the legislation will be improved by using the review of legislation in the other place as the opportunity to put the compromise together. That cannot happen in Queensland. At the Commonwealth Parliamentary Association meeting last week I learnt that the New Zealanders now hanker after the notion of an Upper House to review legislation a second time for that purpose.

Without dwelling too much on the mechanics, I still find the notion of referring powers to the Commonwealth abhorrent to my view of how best to provide for the government of society. Australia became great through a Federal system. It is a diverse location and the best benefit is derived from the devolution of power as near as possible to where people live and the decisions that affect their lives, notwithstanding the benefits of standardisation. Nonetheless, I commend the Premier for his willingness to do that. I will not reflect upon his remarks about me, other than to say that it takes one to find one. When the next election comes, it will probably be an even bigger belly flop for him.

The Hon. LYNN ARNOLD: Once again I have heard a contribution by the member for Murray-Mallee, and it was about as useful as his earlier contribution. The fact is that the State has the power of veto so this Commonwealth legislation is not the bogey of centralism casting its dread hand or tentacles across the State. It is an enabling piece of legislation to allow this country to work together as an effective federation.

The member for Murray-Mallee slightly misinterprets what I was doing in being so reasonable on the matter of this amendment in another place. I believe that the Bill that I have brought in is still the best way to deal with this matter. I do not believe that it is necessary to have this automatic cut-off. I think that the review process that I have built into the Bill in a later clause is entirely adequate. But because I am so concerned about the importance of the principle of this legislation for South Australia and South Australians and because I do not want to see the shambles that Opposition members gave us last time around on this matter, by their total refusal to be part of a constructive debate for South Australia—I am more concerned about the effect on South Australia than the games we play in this Parliament—I have indicated I am prepared to accept a modified version of that just to see that we get this through the Parliament and into law.

I could easily play the political game and say, 'No, no, no; we'll go back to what I've got there. We'll see it in the Upper House. If the members of the Liberal Party want to be troglodytes again, if they reject it again and if the legislation fails again, I would not regard that as a proud achievement of this Parliament.' I am doing what I can to try to get this Bill through the Parliament so that we can all benefit from it and not bring disrepute upon this Parliament. So, do not be in any misunderstanding as to the basis of my accepting this amendment. I repeat the assurances I gave to the Deputy Leader before on this matter.

Mr S.J. BAKER: I thank the Premier for his assurances to consider the way in which any amendment should be worded; that is appropriate. In relation to those areas where there are difficulties, such as the plumbing area, the point was made very clearly last time that our standard plumbing equipment in South Australia has to be so much higher because the water quality is such that it makes galvanised iron disappear very quickly. What mechanisms does the Premier intend to pursue to ensure that we do not have cheap, nasty products coming onto the South Australian market? We have already had representations from members of the plumbing industry who wish to be exempted from mutual recognition totally, and under the circumstances that may well be appropriate. I would appreciate the Premier's direction on that. Some significant areas probably do have to be looked after, and I would like to know how the Premier will accommodate them.

The Hon. LYNN ARNOLD: The Deputy Leader is correct: of course, we do have situations such as this where some special circumstances apply in South Australia that do not apply in most other parts of Australia. I did write, as the Deputy Leader acknowledges, to the Opposition making a number of references to the points that were raised earlier, and this is partly canvassed in that letter. But the issue is being further looked at by the E&WS in terms of how best to frame the regulations. My advice is, at this stage, that the point is best addressed by conditions-of-use regulations rather than point-of-sale regulations, because that then clearly addresses the circumstances we are trying to address, namely, the fact that our water is harder and does have a higher corrosive capacity on plumbing fittings than water in the Eastern States. The answer is that that work is being done.

Amendment negatived.

Mr S.J. BAKER: I will not be pursuing my other amendments, and I have no further questions on the clauses.

Clause passed.

Remaining clauses (5 to 8) and title passed.

The Hon. LYNN ARNOLD (Premier): I move:

That this Bill be now read a third time.

Mr S.G. EVANS (Davenport): I will debate this Bill as it comes out of the third reading stage because I will soon be leaving the Parliament and I chose not to enter the debate during the second reading or the Committee stages.

At first glance, and even after some consideration of the Bill, as it comes out of Committee one can see some benefits. I want to place on record that we, as a small State, with very little corporate or political power, mean very little in the Commonwealth. We are the type of State that is likely to feel the brunt of any future Governments that might decide to make it more difficult for us. The opportunity for us in the Playford era to be able to have a cost advantage in some areas, whether it be with goods or, as in this case, occupations, which is a very broad area, became a distinct advantage to the State.

This Bill limits those opportunities if somebody wants in the future to exploit the powers that are in it. For example, I will give just one matter, namely, the building trade some consideration. The types of standards that might have to apply on the East Coast of Northern New South Wales or the coast of Queensland or Darwin would be different from those for Adelaide. The types of soils are different and the types of construction need to be different; that is just one area. I do not want to go into all the other ramifications that can be affected by this and that can, in the end, adversely affect a State that has a small population, not much commercial wack within the country and, more particularly, very little political power.

Fourteen million of the 17 million people in Australia live down the eastern seaboard and they do not give a damn. There are examples in the recent budget that show that they do not give a damn what happens to this State and they display it now. I do not care whether in the future Labor or Liberal, or some other Party, is in control in the other States or the Commonwealth: this can, in the end, have an effect on how we operate, because some of our standards might be better than theirs. That may give us an advantage. In some cases they may need to be as good as their's for us to be able to operate in an effective way.

So, my Party colleagues know that I have a strong view about this matter, because I am concerned that, with each step we take that makes it easier for the octopus in Canberra to throw out its tentacles and crush the smaller States, they will do it, because a person who is representing the Parliament in Victoria, New South Wales and Queensland does not really worry about South Australia. In the end that is what this Bill can allow them to do: forget about us.

Likewise, perhaps we in this State do not think about the people in Oodnadatta. With my electorate being around the Blackwood area I do not necessarily think about what is happening in Oodnadatta, because it is a local thing: those who are coming to you daily affect you and those for whom you make representations.

So, I am not going to vote against the Bill. I just want it on record so that somebody who may follow in this Parliament later on from wherever they are in this State might look back and say, 'It sounded great, but we do not have to compete only with other countries; South Australia has to compete with other States.' I believe that this move today is one step down on a dangerous path that I would not have been keen to have go through the Parliament. As I am leaving, and others have to front it in the future, I have recorded my grave doubts about the action this Parliament has taken.

The Hon. LYNN ARNOLD (Premier): I find that contribution very disappointing indeed. The honourable member is having this sort of each way bet, namely, 'My name is on the record in case nothing works out so that I can point back to the fact that I did not contribute—

Mr S.G. Evans interjecting:

The CHAIRMAN: Order!

The Hon. LYNN ARNOLD: —to the second reading debate. However, I will still put it on the record as saying these words in case it fails. If it does not fail and it is a success then my name is on the record as having voted for the principle of it in the second reading vote stage.' I really do not know that that does much to the—

Mr S.G. Evans interjecting:

The Hon. LYNN ARNOLD: Well, if you have an each way bet, you have to be right. I really think that the debate has not been particularly well served by that contribution, and I call on honourable members to go back to the principle of this matter, to which I have acknowledged members opposite have been a party. I hope that the contributions which have been made to this matter and which I hope will be made in another place will lead to a constructive approach to this important issue.

Bill read a third time and passed.

SOUTHERN POWER AND WATER BILL

Adjourned debate on second reading.

(Continued from 4 August. Page 57.)

Mr S.J. BAKER (Deputy Leader of the Opposition): The Opposition is vehemently opposed to this proposition. For the edification of the House, it is the Opposition's intention to treat both Bills as one in a cognate debate. We have the Southern Power and Water Bill, which is before us now, and the Statutes Amendment and Repeal (Power and Water) Bill, which is to be considered thereafter. For this purpose it shall be one debate and, therefore, we do not have to go over the same ground again.

The Opposition is opposed to the proposition because it can find 100 good reasons not to approve and five good reasons to do so. On the weight of numbers, on anybody's assessment, we would have to be opposed to it and question the Government's thinking. As far as we are concerned, it is one last desperate attempt to show that the Arnold Government is capable of making decisions and of making savings when it has previously found itself wanting in both areas.

It is not good enough for any Parliament, for any Government, to make decisions on the basis of political expediency to the extent that it affects so many lives and puts at risk so much investment. So it is an act of desperation. There is no validity to the argument that a merger of the Engineering and Water Supply Department and the Electricity Trust of South Australia will produce the savings that have been touted by the Minister. There are certainly some very large question marks as to whether the quality of the service will be dramatically affected if anything like those savings are to be achieved.

So, we believe that this is an act of a desperate Government, which has run out of ideas, simply has no plan to manage its finances and has decided to put this up as a last minute thought just before the election to prove that it is capable of doing something correctly. Well, the Government has done something awfully wrong, because it has not thought through the processes.

The absolutely worst aspect of debating this legislation before the House is the fact that there has been no preparation for a change of such significance. Looking at the issue of the assets, in particular the valuation of the assets in the Auditor-General's Report, we are talking about a sum of more than $5 billion. The replacement costs for those assets is $15 billion or $16 billion. Of course, the Government uses various valuations to suit its purposes. But that is not the point. We are talking about a super organisation comprising assets, on one valuation, of over $5 billion, and, at the other end, to replace them all, a valuation of over $16 billion, with over 7 000 employees and $1 billion worth of turnover.

We are not talking about peanuts: we are talking about some very fundamental things for this State—electricity and water. We might be able to do without the electricity for a while, although it might be a little bit cold during the winter. However, we certainly cannot do without the water and the quality thereof.You cannot expect anyone to accept a proposition you have not thought through yourself. With every piece of information we have available to us here, we have found out that the Government had given no consideration to this proposition. It had no plan prior to the beginning of April this year. That just astounds us. If we are going to do

something, let us do it properly. Let us not pull the rabbit out of the hat at the last minute. Let us not make this last minute decision because the Government is desperate and interested in demonstrating some capacity to the people of South Australia instead of continuing to display its total incapacity.

We know that there was a last minute decision, because we have written to the Office of Public Sector Reform in which area this would have naturally belonged and, of course, have received a response under freedom of information to say, 'We have not considered nor do we have any papers on this matter whatsoever.' It is obvious that the Office of Public Sector Reform did not look at it. We know that at the end of March this year the Attorney was still saying that the Electricity Trust of South Australia was one of the first organisations to be corporatised, so it was clearly not in the mind's eye of the Government as late as March this year that the organisation should be corporatised; that the organisations should be combined into one entity.

We heard Mr Phipps say that the first he knew of the new organisation was early in April, when some genius decided to put forward the proposition. So, we have a situation where there has been no plan or consultation whatsoever. We have had no costings and no research at all into how you can best put these two organisations together. It is a flight of fancy and an idea that suddenly gathered momentum because of the political imperatives, not because it is a very sound idea in principle.

Why should the Opposition support this proposition? We are going into an election: there is a more than even money chance that there will be a change in Government, so why should the outgoing Government decide that it will impose its rotten policies and changes on an incoming Government? Why should an incoming Government be saddled with this monster? The answer is, it should not, in any shape or form.

When I said at the beginning that there were 100 good reasons to reject the proposition and possibly five to accept it, that is predicated on our initial findings without the benefit of the company records. All we have available to us are some Auditor-General's Reports and some statements that were considered in the Estimates Committees last year; that is all we have to go on. We do not have the intimate records. We do not know exactly how the organisations work to the extent that the Minister or his employees do. We have had to grapple with the best estimates available to us and, on those best estimates, the professed savings simply do not exist.

The debate has escalated in a very interesting fashion. The Government originally said that there were $30 million worth of savings from the amalgamation. We questioned that, but we did not have enough information available to us—and still do not—to determine whether or not that was realistic. But we did have some reservations about the principle of joining together water and electricity. However, to ensure that the Government had greater capacity to influence people outside, it said, 'Look, it's not only $30 million; now it's $50 million.' Then the debate escalated again and it said, 'Look, it is higher than that; it is $111 million.'

So, we have had these incredible figures plucked out of the hat and then, when the Parliament resumed, we had a paper presented that quite frankly was an absolute heap of junk. I do not know where the Minister dreamed up this little item, although I was told that Mr Phipps got together a few finance officers on the Saturday before the Parliament started and said, 'What are your best dreams on the amalgamation? We will put them in a paper.' Well, you are left with that paper, Minister, because it does not stand up to any form of scrutiny and, in fact, it misleads the Parliament.

When we do get the final figures, which we still do not have, then you will be shown for what you are: a hopelessly inadequate Minister who really cannot even manage the process of change and a process as important as the one we are talking about now. The Minister in the Parliament is responsible for the Bills; he is responsible for the amalgamations; he is responsible as the policy guide of the two entities. To date he has shown his inadequacy because he allowed what I would call this scurrilous document to be presented to the Parliament. I will talk about that in a minute.

Why should we as the potential new Government of this State accept something that is fundamentally alien to us? The issue of whether we have compatible organisations and how they should relate to each other is absolutely vitally important. I will take up the argument about what is compatibility and what actually makes things work. The Minister has plucked out three examples of where electricity and water can hang together. Of those three examples, we know that Canberra has a very small area and population and that its combined facility is a more recent development. The Minister also mentioned Los Angeles. For his edification that city has two separate entities but a common board, and they are separate in function. He mentioned Singapore and, as he would know, that city is in the process of privatising its power and water supplies, but again it is hardly a parallel situation with South Australia. We have three examples and there are one or two others in America covering very small jurisdictions which he forgot about and which he could have used.

However, I make the point to you, Sir: how can he stand up and say, 'Look, it works in three jurisdictions. We know it does not, but we will say that it does'? How can he use that as a salient argument when the rest of the world says that we must separate the two functions? How can a 1 per cent argument defeat a 99 per cent argument? Is the rest of the world wrong? Has the rest of the world not figured out that there are great savings in putting these two bodies together?

We must realise that the process of establishing efficiency in the public sector is far more advanced in other countries than it is here. So, we have the genius of the world having power and water systems separate. Of course, in some areas like the United States power is privately owned and water is supplied through the water boards. We have the rest of the world determining that power and water really should not come together, because there are no cost savings and efficiencies. Yet here we have the genius of the Minister and whoever is advising him saying, 'Look, we can save $30 million or $50 million, or we can even blow their minds and talk about $111 million.' The thinking of not only the Minister but also his advisers really is highly questionable.

Why and how could the rest of the world be wrong? I would like that explained, because the situation is quite clear. In America, I discussed the provision of power, water and sewerage and it was quite clear to me that entities stay separate because they have separate functions.

They have a separate capacity, and they have separate accountability. Each of them is accountable to different jurisdictions. The water board, for example, was accountable to the boards set up under the State, county or city jurisdiction. Electricity supply mostly involved a private undertaking, subject to the State or City Parliaments determining the level of tariff, which obviously had to be competitive. So, there were checks and balances in the system.

There was a clear belief that separate accountable agencies had to be responsible for delivering that particular service—and delivering it efficiently and not messed about by the transfer of functions between the two jurisdictions. That is how the rest of the world operates, and operates very effectively. I refer to the achievements of Japan, for example, where they face the highest electricity costs because they have to import everything, yet they have become one of the most efficient producers in the world. Japan has separate organisations for the supply of power and water, and I understand that that country is in the process of privatising its power system.

We get back to the argument of why would the Minister do this, and we keep coming back to the fact that there is no compelling argument to sustain the proposal. I would like to take up a number of matters which I believe are important.

I mentioned earlier the combination of two unlike entities. According to the last available set of figures, ETSA for the year 1991-92 generated revenue of some $862 million and expenditure of $713 million, and it delivered $104 million to the State coffers. It had net assets of $2.6 billion, borrowings of $607 million and employed 4 300 people, costing about $160 million. For the same period, the E&WS Department generated revenue of $361 million compared with an expenditure of $362 million. It had $2.6 billion in net assets, borrowings of $974 million and employed 3 500 people. In total, therefore, we are talking about 7 800 people—possibly closer now to 7 000 with voluntary redundancies.

The difference between the two organisations in terms of financial performance is quite startling. Here we have the E&WS, an organisation which has, according to the Auditor-General's Report, assets of $2.6 billion but in the asset return, which is used for the financial statement, claimed assets of $7.6 billion, depending on the accounting methods used, and a return of minus some percentage. I compare that situation with ETSA, which is returning on capital about 4 per cent

The organisations are financially quite different and, while the Minister suggests they should be brought together and the performance of E&WS lifted, we do not have any doubts that the performance of the E&WS has to be lifted. However, this particular process is quite destructive and will not lead to the savings that the Minister suggests.

On the matter of savings, we still do not know: the Minister was written to before Parliament commenced and asked for specific details that could have easily been supplied within a week at the most. We are still waiting on that information, yet the Minister expects a constructive debate to take place on this matter, having failed to come up with the goods. We have two organisations that are incompatible in terms of financing, and have a number of questions about financing which I will mention briefly. We also have two organisations that are incompatible in terms of their functions. The compelling point for me is the extent of the difference between the two organisations, and my colleague the member for Hayward suggested that we can now look forward to being electrocuted in the bath. I think he is probably expressing the sentiments of a large number of South Australians.

I would like briefly to go through a number of points. Much more detail will be provided on some of the cost implications by some of my colleagues, and a number of members on this side of the House will talk about closures and the loss of services, and I think that is important. One of the most important facets of this legislation is that, quite frankly, it is absolutely sloppy. The Minister has done a quick fix, found an easy solution: wherever the Minister appears responsible he has inserted 'the corporation'—and I will refer to that shortly. It really is a sloppy piece of drafting, unless the Minister intends that all ministerial responsibility in relation to water quality and sewerage be carried by the corporation.

That is something that he will have to answer for to the people of South Australia. If he believes that the reservoirs will be under the control of a corporation which, under the Public Corporations Act, has some particular responsibilities for performance and efficiencies, if he is going to trade off in an area where we are experiencing dramatic deterioration in our assets, and if he is going to charge the corporation with maximising its returns at the same time as our assets are deteriorating, the Minister is doing the people of South Australia a massive disservice.

In contemplating this measure, we have to look at the ways in which common functions have been combined, but when we have principles involving water quality which must transcend all other considerations, given our reliance, we simply cannot put that matter in the hands of the corporation in the way in which the Minister suggests. That is my point of view, and it is an important issue which we will pursue.

I have said that the drafting is sloppy. The Minister merely said, 'We will throw it all over to the corporation to work out what is in the public interest.' The public interest extends much further than the more compelling issues of profit and efficiencies in the system. There is a long-term need for our water supply quality to be preserved. I do not believe that it is appropriate to thrust together these areas of extreme concern and need into what we hope would be a far more effective and profitable organisation.

Some public interest matters need to be determined. First, even if the Minister intended to put the two organisations together, he would have had to consider what was in the public interest, as well as considering his responsibilities in the provision of water quality and efficient sewerage systems, while acknowledging the enormous pressures that exist to reduce capital maintenance budgets in a number of areas, and that is already happening. Secondly, the existing legislation—and I am referring to both Acts—gives guarantees relating to subsidised water and electricity in country areas. Incorporated in the changes to the legislation we find that the rights of country people have been taken away and ministerial discretion has been inserted in their place.

We have a number of other parts of those Acts and Acts that are being eliminated which preserve the right of certain consumers in South Australia, and of course legislation removes those as of right but allows ministerial discretion in certain areas. It is interesting to note that two important provisions in the original Act of 1897 which have stood the test of time and which remain in force to the present time are to be removed. The requirement for the approval of councils before ETSA overheads can be put in place has been removed, and we would like to know why. The quality of charging for customers required that a certain type of customer could not be discriminated against. That provision has been removed and nothing has been put in its place.

It is interesting to note that under the new legislation ETSA employees are admitted to the new entity as of right and, of course, the Engineering and Water Supply Department employees are there by invitation, and that has been the subject of a number of submissions to the Liberal Opposition. As, presumably, the next Treasurer of this State I have some terrible concerns about how the financing of this organisation

will occur. The new corporation will assume the debts of ETSA which it holds in its own name, but it is quite unclear how the debt servicing will be accounted for, in order to preserve structuring accountability and avoid cross-subsidisation.

I do not know whether anybody has discussed this in a constructive and serious fashion, but we have seen nothing in the documentation to date which would suggest that we will be able properly to account for the full costs of water and electricity delivery so that the customers get a fair deal, so that the figures do not get fudged and so that there is no cross-subsidisation. We have no guarantees whatsoever. So from a Treasury point of view I want to ensure that the delivery of electricity is the most efficient and effective possible, that capital inputs are properly costed and that the depreciation is done properly so we do get a clear understanding of how much it costs to deliver electricity in this State. We can then constructively bring down the charges to be competitive with other States.

If you do not do the proper costings you always run the risk of fooling yourself and having subsidies in the market which should not exist. In the same way, water should be properly costed, including the long-term needs of infrastructure replacement. The maintenance that is required to our pipes is of significant proportions. We want to ensure that those are treated separately, that there is separate accountability and that the price of water reflects the price of delivery plus a small return on assets. We certainly do not have that today, and putting the two organisations together increases financial complexity and reduces financial accountability, and at all costs we cannot afford that or allow it to happen.

I make this point from a financial point of view. I am not happy about bringing together these two organisations. I have said on numerous occasions that every organisation has to be separately accountable so that we know exactly what we are spending and why we are spending it. For far too long Governments in this country have been borrowing money and shifting resources without any clear understanding whether they are getting value for money, whether the taxpayers are getting value for money and whether the service they are delivering is worth while. I am a great believer in accountability, and this proposition blows accountability apart.

I am interested to note that reference to Leigh Creek mining operations has been taken out of the legislation, and I am not sure of the final implications. I note that vegetation clearance will now be subject to the Minister of Environment and Land Management, so if we have a potential bushfire on our hands, we will send something down to the Minister of Environment and Land Management and wait for six months until a few people have been burnt out, and we might get approval for that process. I am interested in some of the changes that are taking place. I am interested in how they will account for superannuation. We know that ETSA is a fully funded scheme and that E&WS is part of the general superannuation scheme, but no reference has been made to that matter, except that there are superannuation changes in the Act.

This Act allows the Government to utilise the superannuation resources of ETSA. There is no suggestion in the superannuation changes that they will all be fully funded. Is the Minister suddenly going to put in some $700 million for the E&WS employees to make the scheme fully funded? I would bet you that he does not. The reverse side of the coin is: what about the money that is already in the $300 million or $400 million of superannuation which is stuck within ETSA? I know what will happen. Given the way that the general scheme operates, there will be a draw-down on the existing trust funds. So the Government, by stealth, intends to get its hands on the $400 million of money that has been set aside in the ETSA trust fund. Let us be warned about these things, because it is quite clear from the legislation that the door has been opened in this particular area.

The only right of direct intervention, as we have noted,is in relation to the pricing and the water allowances themselves. I was wondering how the whole operation would be controlled. The Minister said, 'For the public interest I should have a say in water pricing, how much water can be provided and what allowances can be associated with base provision.' That is fine. But he does not actually give himself a direct right of intervention in a number of other matters, and I have mentioned public interest previously: the need to provide good quality water, the need to preserve our reservoirs, to get hold of the algae bloom problems, to look at the Murray River and to get a better filtration system going up on the Murray River and to talk about the salinity problems. These are all big cost items. There is no right of intervention on those. But when it comes to dollars and cents, something that could hit the hip pocket nerve, the Minister says, 'Well, look, I had better have a say in those matters. We cannot leave it up to the corporation. We are going to have a direct say.'

The important thing is the future of this State. We are told that this is the driest State in the driest continent. What is the future of this State if they get it wrong? The Minister says, 'I don't give a damn about that. I don't want to have any right of direct intervention there'—although he does have overall control. He says that he does not want any right of intervention there, but when it comes to water, the allowances and the pricing, he says that he wants to have a say. I would have thought that, fundamentally, the Minister would want to have a big say directly to the organisation on matters of public concern and the future of South Australia. But he suggests, 'Well, I have that overall right because the new corporation will be under the control and direction of the Minister.'

There are many other areas that should be canvassed. The savings of $111 million do not even stand to reason. We have wages bills of about $260 million to $290 million. The main savings would be in the wages area, if that was possible. We are talking about 2 000 employees being thrown on to the scrap heap. If the Minister intends to knock off 2 000 employees and if the quality of the service is going to take a dramatic decline, then let him tell the people of South Australia. It just does not stand to reason. We have been through the set of figures that were given to us, and we can find only about $20 million to $25 million that is completely offset by other costs.

There are simple issues, such as common billing systems, to be considered. We know that ETSA bills the consumer and the E&WS bills the owner of the property. In relation to meter reading, ETSA goes along every month to look at the meter of the corporate customer and every three months it looks at the residential customer. Every six months the E&WS wanders along and looks at the water meters. There is no commonality within that system, although there is some potential for rationalisation. I have some definite detail on the compatibility of the two computer systems; they are not compatible. The E&WS has just spent $38 million putting its system together, with a terrible number of problems associated with it. We have the ETSA computer, which has just had about $6 million spent on it, and I am told that we are now

going to have to spend another $60 million to integrate the two systems, and that is from very good advice.

I do not know where the Minister is coming from. The fact that he wants to close down all the depots in the country should outrage country people. He is saying to country people, 'If you have a break in your electricity supply, you do not deserve any service. If your water pipes break, do not expect any service.' He is saying to country consumers, 'You are second rate and second class consumers.' These services are to be rationalised, but the rationalisation process does not stand up to scrutiny because of differences in personnel between the two organisations. These organisations are like chalk and cheese, yet the Minister says he is going to close down all these depots.

Certainly, there is need for improvement. We know of depots where there is need for improvement, but that can occur without going this far. The Minister says, 'People in the country can all go and get knotted. We do not care.'

The SPEAKER: Order! I draw the attention of the honourable member to the need for decorum in the House. I do not think that type of comment needs to be used in debate in the House.

Mr S.J. BAKER: Thank you, Sir, I take your guidance on that matter. The Minister is really saying that there are two sets of citizens: one set in the metropolitan area will be all right because access is not a problem but, for country consumers, he is saying, 'Don't worry about calling us if you have a problem with the water supply or the electricity. In a crisis there is no-one there.' We agree that there is some need for improvement and rationalisation, but that could take place without merging the two organisations.

I intend to conclude now because a number of other members wish to participate. However, information has been given to us that we will be able to compare with the information that I assume will eventually come from the Government. We have done our sums, and at this stage we believe the merger will cost about $136 million, with ongoing costs of about $25 million. We computed the savings at about $25 million, so we ended up on the wrong side of the ledger.

As the future Treasurer of South Australia, I would be concerned about that result for no just and due outcome. I reiterate: the public interest is not served by bringing together these organisations. No-one else does it. We have seen four or five examples out of thousands, so there is no justification. Further, the fact that it is being done at the last minute is regrettable and highly questionable. The fact that there has been no planning and no consideration or consultation in respect of the process leaves the Opposition with no capacity to consider the matter on its merits.

We cannot consider the matter properly because no detail is available. We have had to scratch around and get whatever we can and, under those conditions, we reject the proposition. We signal our intention to ensure that the matter is further scrutinised so that we get access to the information that will enable us to further consider this matter. The Opposition is vehemently opposed to the amalgamation of the two organisations.

Mr VENNING (Custance): I support my shadow Minister in vehemently opposing the Bill for reasons obvious to most members of the House. One of the greatest concerns about the Bill is the effect that it will have on the rural sector in this State. Every day in this House we have heard what is being done to South Australia with respect to regionalisation and decentralisation. The Government's plans are nothing more or less than part of what seems a debilitating policy to run down our rural communities. This has been a cyclical downturn, going down slowly, but it is now compounding and, with an issue like this, it will speed up.

Members can imagine what this sort of Bill does to rural communities, particularly one like Crystal Brook, which is my home town. I have lived alongside the E&WS all my life, and I know what that facility has meant to the community. Time and again I have had cause to plead in this Chamber against making the rural and farming communities South Australia's forgotten people.

Time and again this Labor Government has arrogantly made these communities bear a disproportionate part of the burden caused by its own financial mismanagement, obviously in the belief that, because they are a lost cause politically, they deserve nothing better. With this Bill, the Government has done it again. Our regions in South Australia are cycling down, and we must put a stop to it. It is high time that this Government said, 'Enough is enough. Our statistics are telling us that we have gone too far, and we should stop it'. We hear fine words about rationalisation and efficiencies, but they cover up the fact that country people will bear the brunt of this measure.

It has been said that three out of four depots will close and that that is an inflammatory comment but, when one looks at the figures, that is not the case. I believe that the merger of the power and water authorities into a single entity will mean that, of the 80 premises owned by ETSA and the E&WS Department, only 20 would remain with the new authority. I have made that comment publicly, and it has not been refuted by the Minister or anyone else. Shut downs of this scale with the accompanying retrenchment or transfer of staff can be only another blow to rural centres, which are already reeling from the effects of this Government's economic calamities and a run of bad seasons and natural disasters.

I have a copy of the Minister's own report which, at page 8, states quite clearly:

> 8.2.3. Headquarters Facilities.
>
> The opportunity exists with the merger to rationalise the number of business units and headquarters.
>
> ETSA and E&WS presently have 5 and 6 headquarters and business units respectively and potential exists to reduce this to 4 in total. Once off savings associated with sale of property and facilities will be available but have not been included in this report.
>
> 8.2.4. Service Centres.
>
> The merger also provides opportunities for rationalisation of service centres. ETSA and E&WS each have 28 service centres [that is, 56] at present, and it is estimated that there would be a need for only 20 service centres in the future. These new centres would be 'high profile' providing a complete range of common services. A reduction of 36 service centres can be expected to achieve savings of $3.2 million to $5.9 million per annum.

That is 56 back to 20. The four headquarters facilities that we previously mentioned will be included in that, so that is effectively 67 down to 20. You do not have to be a mathematician or very bright to be able to see this. I was cross that I received a copy of this report only a day or so ago. The report continues:

> 8.2.5. Depots.
>
> ETSA and E&WS presently have 50 and 41 depots respectively. Rationalisation associated with the merger is estimated to result in a need for only 20 common service depots. A reduction of, say, 40 depots can be expected to achieve savings of $0.7 million to $1.9 million per annum savings.

It states, 'a reduction of, say, 40 depots'. What a vague, rubbery comment that is. The whole thing is founded on what may be, and so called figures. The statistics vary and are all

over the place. I have also seen Mr Phipps' video, entitled 'Face to Face'. It is very entertaining. It is very good stuff, and Mr Phipps is very well versed on the situation, but I am not convinced in the least. Mr Phipps has been brought in to do a job on E&WS and ETSA, and is obviously very well trained to do just that. What he knows about the service facility on the other end is a different question. Certainly it is a very professional video and quite entertaining.

This exodus will have dire consequences. There would be the loss not only of electricity and water supply workers but of their entire families. An exodus on this scale will have dire consequences for the small communities. I have had people ringing me from across the State, particularly from my home town of Crystal Brook. This fear about what may happen has been going on for nine months. Their worst fears have been realised with this report, which I could not get a copy of. I am a little critical of the people on the ground not telling the local member of Parliament what was going on—particularly those at a higher level. The workers, the community and the district council were certainly keeping me informed, but I could not find out what was going on from the higher levels of management.

From where my constituents stand, the merger looks like anything but an exercise in efficiency. It looks like a crude bid to throttle the life out of centres in the bush. The Crystal Brook complex, as members may know, is practically brand new. It is a magnificent complex, which people waited 60 years for, and now, after getting that complete area upgraded, it is under threat. Not only is that a worry to the people who work there and to the community but also it involves a complete waste of money.

Clare is the same, having a very large key ETSA regional centre. The CEO rang me yesterday to express his concerns about the future of Clare. I find it very difficult and a most unpleasant situation when I have regions in my town saying, 'We want Clare to win but we do not want the other town to win', and vice versa. It is difficult for a person representing the whole area to see town pitted against town and region pitted against region. I do not want to be part of that picture. I want to see our communities get a fair go. It is an insidious way of winning an argument by turning people on people, and I totally reject that.

There is a similar situation in the Barossa. The Barossa has fine facilities in both ETSA and the E&WS. I will join the fight to keep the facilities. I also want to continue the fight for clean water for the Barossa. The water in the Barossa Valley and the region is absolutely disgusting, as most members would be aware. If a merger comes about, will it guarantee the people of the Barossa cleaner water sooner? I doubt it. The only way we will get clean water for the Barossa is to have a change of Government. The new Government will realise its priorities and give the people of the Barossa Valley the right, which we all expect, to have clean water in their taps.

This is nothing but a push to centralise. There is a hidden agenda, although not as hidden as the Government would like. It is using the merger as a smoke screen for the push to centralise operations in the metropolitan area. I have suggested many times outside this place, and I will suggest again, that what is needed when departmental cut-backs and reductions call for closures in country towns is a CIS (community impact statement). If a development program needs to satisfy an EIS (environment impact statement) to ensure it does not harm the quality of life of the community, why should the same conditions not apply when facilities that have such an impact on their communities face the axe? Nobody seems to be able to give me the answer. Community impact studies ought to be done at every chance when you realise what this sort of merger will do to many of our country communities.

What would be the result if the E&WS Department at Crystal Brook closed? I will let the Parliament know in no uncertain terms that I will fight to the end, as will the candidate for Frome. As we know, the seat of Frome happens to be a bit of a cliff-hanger. I cannot understand the Government getting involved in a little doozey like this—in a marginal seat. I inform the Parliament that I will not be taking this lying down, because that community means a lot to me. It is my home ground. Rob Kerin, who will be the new member for Frome, is doing all the work on the ground.

I assure the Parliament that I shall be doing the work in this House to make sure that it does not happen. It would be a total disaster for that community. The cost of houses in that community is down to about half their replacement value. If 60 employees are taken out, what will they do with their houses in Crystal Brook? We know that their jobs will be moved somewhere else. As we have heard before, they will not be sacked, but they will be moved intrastate and they will have to try to sell their houses, because three-quarters of them own their own houses in Crystal Brook. How will they be able to sell their houses, and for what price? Is any compensation to be paid to these people? You know the answer, Sir: no, no, on all fronts. I think you can understand why I get very emotional about this matter. I shall be in there fighting to the last for these people.

Instead we have a Government which, either through arrogance or fear or perhaps a combination of both, blunders in without even the pretence of consultation. I am annoyed that so many key employees until now have remained silent. That is grossly annoying to me, because I have been trying to get information. I go to the office and all I get is stony silence. I want those people to know that. I have been accused of scaring people at various community functions, but in hindsight I have been right on the trail. It could have been avoided much sooner if we had been given a few more facts earlier. Those people know who they are, and I hope they will read *Hansard*. If the hat fits, I say they should wear it.

The Government and this Minister say, 'This is what we are going to do; this is what is good for you; so you will just have to put up with it.' This Minister is not known for his diplomatic or democratic approach: shove it down your neck and you wear it. I call that a jackboot approach. This Government, since its own financial fiascos have left it without the means to play nanny State, although it still tries, is now going to try to the jackboot approach. It is clear from the Government's own statements that this whole thing has not been thought through.

This merger is not needed. Of course, there is room for many efficiencies to be made. The Minister knows that, and I will give him support to do that, but they do not have to be achieved by wholesale, mindless hacking. That is how I see this. There is plenty of scope to share the facilities of these two authorities. We have heard about the meter readers. I know that they do their jobs completely differently from each other, but there is scope there for rationalisation. Stores and vehicle workshops could be shared, as could some of the administration. The ground service has to be kept separate because there is no common ground in power delivery. In the air electricity is dangerous and water delivery in the ground

is essential and quite safe. Infrastructure that is a lot more expensive would be involved.

Mr Gunn: They will be putting electricity down the main.

Mr VENNING: They will be putting electricity down the main, and we shall be getting wet and rusty power. As you know, Sir, on 1 April last year I brought up the point about wet power. It looks as though it will become a reality. Of course, this is not a frivolous occasion or the time for jokes; it is a very serious situation.

Mr Lewis: The Minister's a joke though!

Mr VENNING: The Minister is a joke, as the member for Murray-Mallee says. I am sure he does not realise what is going on; he just plods wearily on. I can assure you, Mr Speaker, he will not be plodding on for much longer. Nor need there be a full-scale merger, with the resultant bigger than ever bureaucracy, centralised in the city and more remote than ever from its real clients. The Government has again lost the plot.

Looking at the background to the proposals in this Bill, I am convinced that the Government has got it wrong. The Premier's first airing of the plan offered no estimates of the savings that might be made. The figures in the report are $50 million to $111 million. If I were to put forward a proposition like that to you, Sir, you would say, 'Come on, be a bit more specific.' There is no substance or substantiation in those figures. It is totally ridiculous. I seek leave to continue my remarks later.

Leave granted; debate adjourned.

[Sitting suspended from 12.59 to 2 p.m.]

LEGISLATIVE REVIEW COMMITTEE

Mr McKEE (Gilles): I bring up the minutes of evidence given before the committee on the general regulations under the Firearms Act 1977 and move:

That the report be received.

Motion carried.

QUESTION TIME

TAXATION, STATE

The Hon. DEAN BROWN (Leader of the Opposition): My question is directed to the Premier. In view of the Premier's commitment yesterday that the State budget will not tax South Australians any more in the aftermath of the high taxing Federal budget, will he adjust the rates of alcohol and tobacco taxes to ensure South Australians are not the victims of double taxation?

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: State tax revenues will be boosted by the rises in the wine taxes and the tobacco excise announced in the Federal budget. Because of the way the State Government levies liquor licensing fees and tobacco tax, State revenue this financial year will increase by about $4.5 million. This will increase to more than $16 million a year when the five step increase in the tobacco excise is fully implemented in about 18 months time. This would mean that South Australians would be paying almost another $50 million a year over the next three years, because the State Government imposes its tax on top of the Federal Government tax increases.

The Hon. LYNN ARNOLD: I recall that when the tax was increased from 10 to 20 per cent some years ago a similar question was asked about the States being beneficiary of a windfall gain. At the time the then Treasurer undertook to have a look at that matter but some doubt was expressed as to whether the windfall gain would actually take place and I will certainly have some research done on whether or not that happened. That will be an important clue as to whether or not there is the prospect of a windfall gain on this occasion. I quite accept the point made that if there were to be a windfall gain on revenues other than what we had anticipated that matter would need to be looked at. However, it is not a matter of simply saying that the rates should then be varied, because the rate would then need to be varied for wine differently from what it was for beer and spirits, and that would, therefore, involve a complex situation that could add to administrative costs. I believe in a much more positive way.

Members interjecting:

The SPEAKER: Order!

The Hon. LYNN ARNOLD: Well, Mr Speaker, first of all I am undertaking to have some research done to see whether or not there was a windfall gain on that previous occasion.

Members interjecting:

The Hon. LYNN ARNOLD: If I can finish answering the question I will deal with that. If there is the prospect of a windfall gain that comes from this matter we will certainly examine that and report to the House on whether that is likely to happen and, if it is likely to happen, what should best happen to that windfall gain. My view is that, if there is a windfall gain and it is administratively very difficult to do much about having separate sorts of rates, a better way would be to ensure that those funds were used to promote the wine industry and its exports. That would be the way I would want to see any such gains go. In other words, I would commit those gains to help the wine industry, which I think would feel much happier with that kind of commitment. I know they are very happy with the support we have already given them, particularly that $1.5 million support we gave them last year, where we certainly led the nation in that respect. I will come back with a report on the matter and advise members of the results.

BEHAVIOUR MANAGEMENT

Mr HAMILTON (Albert Park): Will the Minister of Education, Employment and Training outline the key points in the Government's policy for behaviour management in schools and provide information on the introduction of these measures into schools in South Australia? The question of student behaviour in schools is a sensitive issue and one which, among the teaching fraternity, has generated considerable discussion, hence my question.

The Hon. S.M. LENEHAN: As the honourable member says, the management of behaviour in schools is a sensitive community issue, one that is being addressed by this Government through a range of initiatives. 1993 has seen all levels of schooling consolidate and review their school discipline and management policies. The introduction of the procedures for suspension, exclusion and, finally, expulsion of students from attendance at schools has provided a very valuable resource for principals, staff and students. To support the implementation of these procedures in secondary

schools, funding has been provided for extensive programs in areas that schools have identified as their priorities.

One of the most important parts of the implementation of this policy is the learning centres that have been established as part of the TASS services available to schools and students with behavioural problems. Students can be sent to the centres, where specific behavioural and learning needs are addressed. The number of students currently being sent to these learning centres is quite low. This of course reflects positively on the pro-active work of the school personnel. Primary school counsellors are now located in 70 primary schools throughout the State, and these ensure that students and staff receive hands-on support to achieve positive, preventive and developmental approaches to student management and school discipline.

The achievement of strengthening school discipline has been outstanding, and those who have been involved deserve to be very much congratulated by me as Minister and by this Parliament. There is an ongoing commitment to the implementation of the various strategies that form the school discipline policy, and an intensive review of the policy and practices has already begun.

I also note that the Liberal Party education policy promises to provide resources to assist students with significant behavioural problems. The learning centres to which the Opposition has referred are in fact not being fully utilised, which indicates that the Government's policy is working—and working very effectively. Of course, in their policy the Liberals do not say how they will implement their part of the policy. They have obviously moved forward from the policy they recently announced and then retracted, which was, of course, to reintroduce caning and beating of children.

FEDERAL BUDGET

Mr S.J. BAKER (Deputy Leader of the Opposition): My question is directed to the Premier.

Members interjecting:

The SPEAKER: Order!

Mr S.J. BAKER: Will he accept that the Federal budget papers are a condemnation of Federal and State Labor Governments that have failed to reduce unemployment and encourage business investment? The Federal Government is forecasting only a very marginal reduction in unemployment this financial year, mainly because the participation rates will fall as more discouraged job seekers leave the labour market. The Federal budget papers also analyse economic activity and employment in the States and show South Australia lagging behind all the other mainland States in business investment and dwelling investment.

The Hon. LYNN ARNOLD: As I indicated in answer to a question last week on the matter of employment figures, there is not only the matter of the rate of unemployment, which is too high (and that point is accepted): the rate of youth unemployment particularly is far too high. This Government is very concerned about that, and we are looking at ways in which we can address that. My colleague the Minister of Education, Employment and Training has given a number of statements to the House on this matter.

But the other side is the actual number of new jobs created. What we are seeing month on month on month is more new jobs created this year than was the case last year, and the estimate is that that will continue to apply throughout this financial year. What we all want—and I am sure we would all agree on this—is the rate of that job creation to be accelerated. I can assure the House that my aim as Premier (and that of my Government) has been to try to focus that as a very key issue—economic development and economic growth. The very reason I brought down the Meeting the Challenge statement in April was a recognition of that.

There had to be things that the Government could do, and that it should be doing, to help encourage economic growth in our State and, if that did not happen, there was the danger that the economy would stagnate. We disagree with the point of view of many other people—including members opposite—that Governments should play no role at all in economic development and economic growth.

The Hon. Frank Blevins: Leave it to the market.

The Hon. LYNN ARNOLD: Yes, they say leave it to the marketplace to determine. On that kind of analysis, South Australia would do very badly indeed. As the A.D. Little Report said, there needs to be good interaction between the Government and industry. My Government is committed to that, and we are committed to doing what we can within the financial resources we have available to stimulate economic growth in this State. Meeting the Challenge was all about that, and the budget next week will be about that. Other policies to come will also be about that, so that we ensure that South Australia gets the best possible share of GDP growth in this State.

Of course, we must remember that in the period 1981-82 to 1991-92 South Australia had the second highest rate of GDP growth of any State in Australia, second only to Western Australia. That is growth in real terms, taking the inflation factor into account. The growth in Western Australia was 55 per cent, while in South Australia I think it was about 38.6 per cent. We pipped Queensland to the post by .1 of a per cent, so they came a very close third. The Australian average was below that again. The worst performing State, if members remember, was Victoria. We want to ensure that in the next decade we do not come second in GDP, but that we come first.

ARID LANDS BOTANIC GARDEN

Mrs HUTCHISON (Stuart): Will the Minister of Tourism undertake to make representations to his Federal counterpart to ensure that the Port Augusta Arid Lands Botanic Garden receives the Federal Government's support promised by the previous Federal Minister of Tourism? The organisation concerned is anxious to receive the Federal Government's support to add to the financial support recently received from the State Government. This will enable work on the garden to progress and also assist in attracting corporate sponsorship.

The Hon. M.D. RANN: I am delighted to answer this question on the day of our State Eco-Tourism Conference. To educate all members of the House about this project that the honourable member has been such a keen protagonist of, I remind the House that we are talking about an arid zone botanical park on a 200 hectare site just north of Port Augusta. It is located on the Stuart Highway adjacent to Spencer Gulf. Two-thirds of the site will become a park displaying local native vegetation, while the balance of the site will be devoted to interpreting the importance of arid land ecosystems in Australia. It will very much be a national focus. It is quite unique—an arid lands park.

I am very pleased to inform the House that a grant of $300 000 has been made from my portfolio to assist the development of this important project that has the total

support, as I understand it, of the Port Augusta community and, indeed, the surrounding regions. It is vital that the Federal Government follows through with its previous commitment, which was announced in the last election campaign, and ensures that this potential tourism attraction gets off the ground as soon as possible. There are very strong corporate backers for the scheme: Western Mining and ETSA have announced their support. The project captures the beauty of the outback and fits particularly well with what we are doing in the eco-tourism area, and has received very strong support from the Port Augusta council. I was certainly impressed by the vision of the council and its committee when I visited the site earlier this year, and again quite recently, and I hope that the Government's support will act as a catalyst to secure valuable further private sector support.

It promises, as I say, to be a national focus for arid land ecosystems and conservation. All the market research internationally shows that prospective visitors to Australia from the United States and North Asia want to experience wilderness, the outback, and our unique flora and fauna, so we certainly hope that the national Government will get behind this project. I will certainly take the honourable member's comments on board and make representations to the Federal Minister of Tourism. I hope there can be some bipartisan support for this project, although we have not seen much sign of it so far.

TRADING HOURS

Mr INGERSON (Bragg): My question is to the Minister of Labour Relations and Occupational Health and Safety. Does the Government have a secret agenda to allow 24 hours, seven days a week trading exclusively in Rundle Mall? Last night the Lord Mayor, Mr Henry Ninio, spoke at a BOMA forum on the issue of retailing in the city versus retailing in the suburbs and the impact of seven day trading. I have a transcript of what the Lord Mayor said, as follows:

> Without being too specific, because I am constrained by confidentiality at the moment, I am able to tell you that the transformation of the Mall into a world standard 24 hour, seven day a week tourism precinct is beginning to happen.

The Hon. R.J. GREGORY: The answer to the honourable member's question is 'No.' However, the honourable member has been in the Magic Cave too often; he might have had some of those mushrooms as well.

Members interjecting:

The SPEAKER: Order!

The Hon. R.J. GREGORY: I thank the member for Bragg for his question. I have frequently enunciated our policy on the extension of shopping hours quite clearly, and that is that, after the election, when we are in Government again, we will consider the whole question of deregulation of shopping hours. We have made that quite clear. We have spoken with one voice on that matter, unlike the Opposition which, when invited to attend a meeting of some 200 retailers, had a letter read out that said it would consider deregulation of shopping hours within the first two years of its Government, after it had deregulated the industrial relations system.

The shadow Minister for industrial relations attended that meeting after it had commenced and towards the end indicated that if in Government the Liberals would not change the shopping hours until after they had been in office for four years. I might add that one of the shadow Ministers, when canvassing for votes in his electorate, has advised people who asked about shopping hours that upon election they would deregulate shopping hours. Unlike members of the Liberal Party, who speak with divided voices and do not know what they are talking about, our Government does know what it is doing.

INDUSTRIAL RELATIONS

Mr McKEE (Gilles): Will the Minister of Labour Relations and Occupational Health and Safety explain to the House what degree of consultation should be applied in developing industrial relations legislation, and could he advise whether he intends to introduce legislation in the manner in which it has been done in Western Australia?

The Hon. R.J. GREGORY: I thank the member for Gilles for his question. This is a very real issue—

Members interjecting:

The SPEAKER: Order!

The Hon. R.J. GREGORY: —because exactly what is happening in Western Australia is lack of consultation and ramming through legislation that will fundamentally change the industrial relations scene in that State. One has only to recall the words of the current Premier when he was Leader of the Opposition. He said, 'I am no Jeff Kennett'. Certainly, he is not a Jeff Kennett, because the advice I have received in discussions with leaders of the Labor Party in Victoria and trade union officials and their counterparts in Western Australia is that he is going further than Jeff Kennett. He is ensuring that workers in that State have their rights taken away from them. We live in a democracy, and from time to time we anticipate that when people are aggrieved with decisions of political Parties they have a wont to demonstrate on the steps of Parliament House. In this State, I have participated on both sides of the platform, and I think it is a very important part of our democracy for citizens to be able to do that.

Over there, the President and Speaker of the Houses have had barricades put up to stop the citizens from doing that. I point out that they are not independent as you are, Mr Speaker, but are members of another political Party which is opposed to the ordinary citizens of the State visiting their members of Parliament.

The sorts of contracts of employment we will see under the proposal put up by the Liberal Party in Victoria, Western Australia and this State are much like this contract. These are the sorts of things for which one can be dismissed. One can be dismissed for being involved in a lottery or gambling of any description. The member for Mitcham knows that people are perfectly free in South Australia to go to the Casino, to go to the corner shop and buy a X-Lotto ticket or to go to the races or the TAB to have a punt but, if working for this employer, one would get the sack for such activities. One could get the sack for buying a raffle ticket. That is what it says: one can get the sack for being involved in lottery or gaming of any description.

Members interjecting:

The Hon. R.J. GREGORY: The member for Bright might laugh and the member for Mount Gambier might be shooting off his mouth, but that is exactly what the contract says. It then refers to distributing written or printed matter without the permission of management. This is not something new: it is a contract that I have come across that applies in Victoria and South Australia where an employee sought redress.

What does distributing written or printed matter without permission mean? It means that, unless the employer agrees, one cannot go to a polling booth and hand out how-to-vote cards. If you are aggrieved about what local government is doing, you cannot hand out anything. If you happen to be of a particular religious faith and want to stand on a street corner handing out religious tracts, you cannot do that unless you get permission. All members who have represented interested employers in this House know that, when you get these sorts of contracts around the place, they can be used in an oppressive manner against employees.

Mr Meier: Name the employer.

The Hon. R.J. GREGORY: I will. Some of the other conditions require a worker to be medically examined at any time by a company-nominated doctor. That means that, if you want to keep your contract of employment and the employer wants you medically examined, the employer can say, 'Go to the doctor and be medically examined.' If you do not do that, you are gone. There is no redress provided under the proposals put forward by members opposite—none whatsoever—and from my understanding and interpretation of this document employees have no right to terminate their own employment. There are no redundancy entitlements and there is no compassionate leave; there is no provision for lunch or tea breaks—no provision for them at all—no public holidays or Sundays, no overtime rates and sick leave has been significantly decreased.

Members interjecting:

The Hon. R.J. GREGORY: The members for Goyder and Newland cry out, 'Who is it?' It is Copperart, a group of companies with oppressive conditions of employment for its workers. Those conditions of employment cover only about three pages in quite large type and are nothing like people involved in industrial relations have seen of employment conditions. It is just one of many contracts that are starting to turn up around the traps in Australia where the Liberal Party is putting in its freedom of choice. What it means is the freedom to have a job or not to have one.

The SPEAKER: The Minister will resume his seat. The Deputy Leader.

Mr S.J. BAKER: On a point of order, Mr Speaker, I draw your attention to the time that the Minister's answer is taking.

The SPEAKER: The Chair is well aware of the time. Has the Minister finished? If not, I ask him to come to a conclusion quickly.

The Hon. R.J. GREGORY: I do not wish to say any more.

PRISONERS, RELEASE

Mrs KOTZ (Newland): Mr Speaker—

Members interjecting:

The SPEAKER: Order! The member for Newland.

Mrs KOTZ: Will the Premier meet with his colleagues the Minister of Emergency Services and the Minister of Correctional Services urgently to review procedures which at present allow people charged with or convicted of serious offences to be released from custody without consideration of the severity of those offences? Two serious cases of child abuse have created in the public mind in the past two days grave questions about how decisions are made to release offenders and who makes these decisions. I refer first to the case of a man who sexually assaulted three children and who has now been released after serving only 2½ years of his eight year sentence. The reasons given by Correctional Services was the man's good behaviour, procedural factors and that there was not sufficient room in the prison, the room being needed for other criminals.

In the second case, a man originally charged with murdering his nine month old boy—and I say 'originally charged'—was released on bail and was taken into custody again only because police found that the man had failed to pay traffic fines. I have been contacted by several constituents who are amazed at what they believe to be potentially dangerous and inappropriate decisions, which disregard the serious nature of certain crimes when orders are given to release convicted and charged offenders.

The SPEAKER: I remind the House that long questions will by necessity require long answers.

The Hon. LYNN ARNOLD: I will certainly have further advice sought from both my colleagues the Minister of Emergency Services and the Attorney-General because clearly much of what the member for Newland refers to comes within the purview of the courts of this State and the sentencing provisions which apply. That matter would have to be followed in that direction.

I would remind the member for Newland that this Government has, over the years, done a number of things with respect to sentencing arrangements through the laws which have been passed by this Parliament and which were freely debated by both sides of the House. Indeed, we have done a number of things to ensure that there is a more correct reflection of the sentence handed down and the actual term that takes place in prison. That would have to be acknowledged by the member for Newland.

I also remind the member for Newland that this Government, and indeed the Attorney-General of this Government, has on many, many occasions appealed sentences that have been handed down by courts as not being stern enough. I think I might be correct in saying that the rate of appeal by the Attorney-General in this State far exceeds similar actions by—

The Hon. Frank Blevins interjecting:

The Hon. LYNN ARNOLD: It certainly exceeds anything that the Hon. Trevor Griffin ever did. But it exceeds the rate of such appeals in any other State of Australia. I think I am correct in saying that.

Mr Olsen interjecting:

The SPEAKER: The member for Kavel is out of order

The Hon. LYNN ARNOLD: This Government is certainly concerned to see that appropriate sentences are handed down, that appropriate sentences are served and that they are used in their proper way.

Members interjecting:

The SPEAKER: Order!

Mr Olsen interjecting:

The SPEAKER: Order! Will the Premier resume his seat. Does the member for Kavel wish to ask a question? I take that as no. I would suggest he wait for the call.

The Hon. LYNN ARNOLD: The member for Kavel, the five minute Minister of Correctional Services as he was in the Tonkin Government, is really getting very defensive about the record of the Government of which he was a ministerial member.

The Hon. D.C. Wotton interjecting:

The SPEAKER: The member for Heysen is out of order.

The Hon. LYNN ARNOLD: We have had many questions about telephones and swimming pools in prisons and so on. The five minute Minister of Correctional Services, as he then was, has never fully claimed, as he should do, the

credit for such things as that. I take on board the seriousness of the question and I will refer that matter to my colleagues the Attorney-General and the Minister of Emergency Services to determine whether it is appropriate for any further action to be taken or whether it is possible under the laws, and given the independence of the judiciary, for any other action to be taken.

ANTI-SCALPING LEGISLATION

The Hon. J.P. TRAINER (Walsh): Will the Minister of Environment and Land Management ask the Minister of Consumer Affairs to study the Anti-Scalping Bill introduced in Victoria in 1990 to see whether something similar can be considered in South Australia as a solution to the racketeering in AFL tickets for Adelaide Crows matches which has been reported in the media?

Yesterday's *Advertiser* described thousands of Crows supporters being disappointed at missing out on tickets for the match against Collingwood, yet somehow scalpers were able to corner supplies of tickets selling through BASS for $12.50 and to rip off Crows fans with ticket prices of $50, representing a mark-up of 300 per cent. Indeed, the article quoted one demand being made for $200, representing a mark-up of 1 500 per cent.

A tentative examination by me of the relevant legislation revealed that there is a $1 000 fine for selling a Grand Prix ticket above the official price and that the Recreation Grounds Act bans SANFL tickets being sold by scalpers, but that Act applies only in the vicinity of Football Park and in either case neither Act applies to AFL tickets. The Victorian Consumer Affairs (Resale of Tickets) Bill 1990, popularly referred to in the media there as the anti-scalping Bill, involves a fine of $2 000 for first offences and $5 000 for subsequent offences. Anecdotal evidence to me indicates that this has drastically reduced the exploitation of AFL Grand Final patrons in Melbourne.

The Hon. M.K. MAYES: I thank the member for Walsh for his question, which I will refer to my colleague in another place. I had this matter raised with me previously when I was Minister of Recreation and Sport. The Recreation Grounds Act, as the member indicated, provides some control over scalping outside SANFL matches. Unfortunately, as we saw on Monday for the home match between Collingwood and the Crows, it was very bad for those people involved and somewhat stressful for those who queued up.

A constituent who contacted me said that he had phoned BASS prior to the tickets going on sale and was advised that 5 000 tickets would be available on the morning, so he queued up for 40 minutes before the doors were due to open at 9 a.m. Apparently only about four persons in the line actually got the opportunity to purchase tickets. I saw a report of a young woman who, having queued from 4.30 in the morning and was second or third in the line, allowed an elderly person to go in front of her through courtesy, and that person had the last tickets that were available through the Adelaide office.

So, an unfortunate situation has developed, and obviously it is not the best PR for the Adelaide Crows in the circumstances. I think that we need to look at this matter particularly as, from what I have heard, there is a considerable amount of scalping going on with those tickets. I will ask my colleague in another place to take up the matter with the management of the Crows and the ticket managers to see what can be done to redress it so that we can prevent large numbers of tickets being drained off prior to being put out for sale to the general public.

CHILD ABUSE

Dr ARMITAGE (Adelaide): I address my question to the Minister of Health, Family and Community Services. Why has the Government failed to increase funding for the Child Protection Unit at the Adelaide Women's and Children's Hospital when children requiring assessment and treatment for child abuse are having to wait for periods of up to three months? Since I raised this matter a fortnight ago, I have been contacted by the parents of a number of children awaiting assessment and treatment at the Child Protection Unit. Their information and my further inquiries reveal that children requiring interviews, often about allegations of sexual abuse, can wait up to six weeks for an interview.

There are about 15 children in this category. After abuse is confirmed, children requiring more general assessment or treatment can wait up to two to three months for treatment, and my inquiries show that about 25 children are currently in this category. The Minister answered my previous question by saying that resources in the Child Protection Unit were adequate. My information is that the unit is experiencing a significantly increasing workload, resulting in growing waiting lists for assessment and treatment, and that it will not receive any additional resources from the Minister's recent announcement of increased funding for child protection services.

The Hon. M.J. EVANS: The budget, as I indicated to this House a few days ago, provides substantial additional funding for the child protection services at the Women's and Children's Hospital and at the Flinders University Hospital. I believe that those funding provisions are quite substantial—

Dr Armitage interjecting:

The SPEAKER: Order! The member for Adelaide is out of order.

The Hon. M.J. EVANS: —and will allow additional funding to be made available for those who provide for the counselling, assessment and treatment of children who suffer abuse. That substantial additional funding this year is on top of the substantial funding increase which occurred last year. Some $200 000 was provided to those two units last year, and an additional $300 000 is provided in the budget which I announced a few days ago. That is also to be looked at in the context of the additional funding which has been provided for domestic violence at community health centres and for treatment.

Members interjecting:

The SPEAKER: Order!

The Hon. M.J. EVANS: If the member for Adelaide has (and he has done this previously) raised with me, after having first raised it here, issues about individuals then I am prepared to deal with those outside of the public proceedings of this Chamber and they will, of course, always receive attention. I can only indicate to this House the funding which has been provided in the last financial year in this very vital area (and I acknowledge the importance of it) and which has again been provided and acknowledged by substantial increases in this budget. I invite him and any other member to come forward with any detail of an individual case which they do not wish to raise publicly and I will, of course, have that investigated.

Mr Atkinson interjecting:

The SPEAKER: Order! The member for Spence is out of order.

SALINITY

The Hon. D.J. HOPGOOD (Baudin): Will the Minister of Public Infrastructure immediately investigate whether there was a misprint in the reading in this morning's *Advertiser* for salinity at Goolwa yesterday and if, in fact, it was not a misprint will the Minister as urgently investigate the circumstances which led to that particular reading? As members would know, except on Monday, the *Advertiser* on the third page from the back lists salinity readings at a number of stations from just above the New South Wales border down to Murray Bridge, and on a less frequent basis it also lists salinity readings at Goolwa. I am told that Goolwa is not frequently listed because in that very large body of water there can be a large variation which sometimes renders the reading somewhat meaningless. However, such readings as have been published in recent months have had Goolwa bumping up between 500 and 800 ec units. This morning Goolwa had ascribed to it a reading of 3 763.

The Hon. J.H.C. KLUNDER: In answer to the honourable member's question, I can indicate that it was not a misprint in the *Advertiser* this morning and that the ec salt level at Goolwa barrage yesterday was 3 750 ec units.

Members interjecting:

The SPEAKER: Order!

The Hon. J.H.C. KLUNDER: Today that is 1 300 units and dropping. There was a storm last weekend, particularly on Sunday, with very high tides, and the barrage gates are frequently left open for lengthy periods on such occasions. Some 20 bays were open on the Goolwa barrage throughout last week. On Friday the E&WS checked with the Bureau of Meteorology and sought advice regarding the forecast for the weekend.

Members interjecting:

The SPEAKER: Order!

The Hon. J.H.C. KLUNDER: From that advice the decision was made to leave the gates open over the weekend. However, the weather conditions were somewhat worse than predicted. For instance, at Goolwa there were 15 knot winds, and those conditions, with the high tides and strong winds, caused some sea water to flow back into the Goolwa reach off the River Murray system causing the increased salinity published in the *Advertiser*. As I said, salinity today is 1 300 and it is expected to drop to 1 000 within a day or so. That event, I am told, occurs from time to time under those extreme weather conditions and, as the original crane that is operated to lift or lower the barrage gates was not designed to operate in high winds, there has been some ingress of sea water.

The Murray-Darling Basin Commission, I am happy to advise the honourable member, has authorised the replacement of this crane with a more modern one which will be able to operate in much higher winds and will, therefore, be able to minimise the occasions when salt is pushed back into that particular artery. The point still needs to be made that when sea water intrusions occur adjacent users are advised and, in any case, they have enough water storage to meet those short interruptions when there is high salinity in that particular region.

WELFARE SERVICES

The Hon. D.C. WOTTON (Heysen): My question is directed to the Minister of Family and Community Services. Will the Minister concede that, during an economic recessionary period like the one we are currently experiencing, intolerable pressure is placed on some families to the extent that they need increased support from welfare agencies? Also, will he reject reports widely circulating that rather than increasing the community welfare budget the Government intends to reduce it by $3 million? In view of the Premier's statement quoted in the *Advertiser* this morning that core services will not be cut in the coming State budget, does this reflect the Government's view that community welfare services are not an essential service provided by the Government? I am reliably informed that Family—

Members interjecting:

The SPEAKER: Order! The member for Napier is out of order.

The Hon. D.C. WOTTON: —and Community Services funding is to be cut by $3 million in the coming State budget. That represents a reduction of $10.5 million over the past three years at a time when the demand has been greater than any time since the Great Depression 60 years ago. Community service organisations all agree that unemployment and economic recessions significantly contribute to child abuse, domestic violence, alcoholism, drug addiction, malnutrition and crime.

The Hon. M.J. EVANS: Of course I understand, as does this Government, better than any, I feel, that harsh economic times naturally make times very difficult for families and that that has to be responded to by Government. The Premier and Treasurer will make the appropriate announcements about the precise levels of budgets in this place at the appropriate time, a week from today. The honourable member will have to wait for those details, but I can assure him that the commitment of this Government to Family and Community Services will be reflected in that budget.

EXTRACTIVE INDUSTRY ZONE

Mr QUIRKE (Playford): My question is directed to the Minister of Mineral Resources. How is the Minister dealing with problems arising from the extractive industries zone at Golden Grove? This zone is now slowly being surrounded by residential development.

The Hon. FRANK BLEVINS: I thank the member for Playford for his question. We are very fortunate in Adelaide that we do have these extractive industries zones close to the city. Obviously, it makes the cost of materials for our roads, homes, and so on, much cheaper than it would be if we had to go further away for them. However, when these zones are so close to residential areas special provisions do have to be made for those residents. I am pleased to announce today that $396 000 will be made available for rehabilitation of the extractive industries zone at Golden Grove.

The site, as a number of members know, including the member for Playford, is a very important source of sand, clay and shale for the metropolitan building industry, and the value of the resources at Golden Grove has been estimated at about $800 million. So, it is a very useful resource for the people of Adelaide. However, there is no doubt that the extractive industries can create some noise pollution and visual pollution and residents do have to be protected from that. We have a very good system in this State of levying 10¢ per tonne of material that is taken out of places such as Golden Grove, and that goes into a rehabilitation fund, so that the funds are always there for the rehabilitation of these areas.

I am pleased to announce that work has already started on earth mounding and tree planting along the western boundary

of the Golden Grove extractive industries zone and future work will concentrate on upgrading the existing plantings along Crouch, One Tree Hill, Golden Grove and Hancocks Road. That almost $400 000 will be spent prior to the end of the year, and I know that all members who have constituents within the area that is affected will appreciate the amount of work that the Government has organised, funded by the industry.

The SPEAKER: The member for Heysen.

The Hon. D.C. WOTTON: I have a question, Mr Speaker, but I would prefer to defer to the member for Bright.

The SPEAKER: Order! The question was called and refused, so I call the member for Stuart.

Members interjecting:

The SPEAKER: Order! Is there a dispute on the ruling from the Chair? The member took to his feet and refused the question. The member for Stuart.

LITERACY

Mrs HUTCHISON (Stuart): Will the Minister of Education, Employment and Training inform the House of the extent of the Government's program to develop basic literacy skills in South Australian schools?

The Hon. S.M. LENEHAN: Literacy is not only a complex social issue that the Government is committed to addressing but probably one of the most important issues we as a Government and a Parliament will ever address. Whilst there is no evidence that literacy standards are falling, an independent study of schools in South Australia in 1991 into writing, reading and an assessment program found that the greatest number of students at risk of developing literacy problems is from low socioeconomic areas, and that the gap has widened between those students who are most at risk and those who are most successful.

This Government has many programs in place on literacy and in language areas, starting in early childhood and going right through to retraining programs for mature age students and people in the workplace. For example, the Children's Services Office has already put in place a pilot project in the northern metropolitan area that aims to help parents understand the importance of literacy at a very young age and how parents themselves can contribute to the education of their children. The Education Department has a literacy task group that works on a range of projects such as early intervention programs, strengthening the expertise of classroom teachers, developing a comprehensive framework for literacy assessments, literacy in Aboriginal schools, literacy initiatives in the English as a Second Language program and focus school programs in literacy education.

As well as that, the TAFE sector of my department has several schemes including language, literacy and numeracy and communication programs at workplaces. This is known as workplace education. I am sure members will be very interested to know that the Opposition spokesperson on education issued a statement condemning the workplace program as burdensome on employers. Does the spokesperson mean that adults should be excluded from education programs?

This Government will not have adults needing literacy and communication programs excluded as the Opposition would want to see happening. This is yet another example of the Liberal Party's criticising positive programs, again to cover its lack of any policies or suggestions for any positive programs.

PRISONS, DRUGS

Mr MATTHEW (Bright): My question is to the Minister of Correctional Services. In view of the large increase in drugs in South Australian prisons in the 1992-93 financial year, will the Minister now order an immediate inquiry into the use and trafficking of drugs in our prisons? I have obtained under the Freedom of Information Act documents detailing drug incidence in prisons, which show a staggering increase in their use.

The document shows that 1 148 drugs were found in 521 separate drug incidents in our prisons in the last financial year: an increase of 23 per cent in just 12 months and 520 per cent in the past eight years. In addition to these, in the same 12 month period 1 351 bong pipes or cones, 140 syringes and needles and 104 foils for heroin were also found. I have been advised by concerned Correctional Services staff that drug incidence would be even higher than the figures suggest, because the more expensive drugs such as heroin and speed are consumed almost immediately they are obtained to reduce the chance of detection.

The Minister's response to my previous questioning on 15 October 1992 was as follows:

> Drug abuse or use within the prison community is at best the same level as it is within the outside community.

Concerned officers have pointed out to me that, even if this analogy is relevant, which is very doubtful, the latest figures place the Minister's assertion in very strong doubt.

The SPEAKER: I point out to members that they do have access to the grievance debate. That was a very long question. Again, if you are going to have long explanations and long questions, do not complain about long answers.

The Hon. R.J. GREGORY: One must appreciate that the prison population reflects what happens in our community. There is an increased use of drugs in our community, so one would expect the same thing to happen—

Mr Matthew: These are prisoners locked behind bars!

The SPEAKER: Order! The member for Bright had a very long time to explain his question. He has access to the grievance debate in a moment. If he interrupts again, I will name him. He does this continually.

The Hon. R.J. GREGORY: One would expect that to happen. I am very pleased that the member for Bright is able to get up in this place and refer to freedom of information and the success of prison officers in detecting drugs in prisons. He does not seem to connect. He says 'a staggering increase in drugs in prison' when what he should have said is 'a staggering increase in the detection of drugs in prison', which indicates that our prison officers are getting on top of the situation.

Members interjecting:

The SPEAKER: Order! Does the Deputy Leader want another question?

The Hon. R.J. GREGORY: I am quite confident that the prison officers we have, as they are implementing the new strategy that we have in drug control in our prisons—that is, prevention and denial—are finding the drugs and are denying them to prisoners. If anybody thinks they can totally eliminate drugs from the prison system, they have another think coming, because they will not be able to do it. What we are able to do is reduce the incidence of drugs, which is exactly what is happening right now.

One of the things that is happening is that, as opposed to having guard dogs, we are going to move to dogs that are

more suitable for sniffing. The training of those animals will start soon, and it is a move that I applaud, because the Police Department is going for the same type of dog that the Department of Correctional Services is looking at, and the same type of animal the Customs Department is looking at. That will assist in detecting drugs in certain areas, which will then enable a very detailed search to take place.

The advice I have from prison officers is that the denial process is really working. What they have been able to detect is random attempts at throwing into the prisons objects that contain drugs, and they are finding more of that. Also, the daily reports I receive indicate that over weekends there is more detection of visitors attempting to pass drugs to prisoners. Here on 11 August the member for Bright referred to allegations he made to the police, when he said this:

> I know the message that the Minister has got back: 'Yes, he's right. . .

He is referring to himself. The honourable member continued:

> . . . 'He's very right, and he's been telling you time and time again in Parliament.'

He is referring to allegations about investigations into prison officers for not conducting themselves properly and possibly engaging in illegal activity. At one time in this House he said that 10 prison officers were being investigated, and I note that the member for Bright nodded his head. I take that to be in agreement. He also said on that occasion—

The SPEAKER: Order! I would ask the Minister to draw his response to a close as quickly as possible.

The Hon. R.J. GREGORY: Yes, Mr Speaker. These matters I have referred to the Police Commissioner, because one of the allegations made is that drugs have got into prisons because prison officers take them in. That is a very serious allegation to make. Every one of those allegations that is made that I am aware of, and every one that other people make that I am aware of, I refer to the Police Commissioner.

I asked the Police Commissioner to have those checked. I do see the Commissioner from time to time. I think it was in my office about two weeks ago that he advised me that there was one current investigation and that all the other investigations had proved fruitless and the investigating officer or the officer in charge of those investigations said that the Correctional Services officers are honest. I do not know how much further you can go. You see the Police Commissioner, he has the full resources of the Police Force, they use those full resources and skills—an enormous amount—and they cannot find anything. I think it is one of those things that goes into mythology: there is something there and, because I say it has got to be there, when it is investigated and found not to be so, there is something wrong.

The SPEAKER: I ask the Minister to come to a conclusion as quickly as possible.

COMPOSTING

Mr De LAINE (Price): My question is addressed to the Minister of Environment and Land Management. In view of the increasing demand for and recognised environmental benefits of composting, can the Minister advise what commercial opportunities are available for companies to obtain a guaranteed supply of compostable material? I am aware that recently the Minister launched a new composting machine at the Jeffries Garden Soils complex at Wingfield in my electorate.

The Hon. M.K. MAYES: I thank the member for Price for his question and his interest in this issue, because it is a very good story and one that relates to a local South Australian company that is based in the honourable member's electorate. Of course, as past performance shows, one of those areas that we need to address is the issue of landfill—the cost and demand on our good soils from the various limited resources we have around the State being used for landscaping, gardening and other activities which place a demand on those limited soils.

I refer to the launch which I was happy to attend at Jeffries Garden Soils a fortnight ago with the member for Heysen. It was a very exciting experience from the point of view of what is being tackled by a private company in South Australia. I congratulate the Jeffries company for its decision and the initiative it has taken in embarking upon this course. It has outlaid well over $500 000 on a piece of machinery that will not only offer South Australians a new opportunity but also be a first in the southern hemisphere. There are only three of these machines in the world. It is a Windrow Turner, which will offer the opportunity of turning what has been landfill, which has been used and regarded as useless, into a very important resource for composting throughout the State. It is much sought after by local government throughout South Australia. The opportunities are there, of course, for export not only to other States but also overseas.

The machine has the capacity to deal with 4 000 cubic metres of waste per hour. What traditionally took up to three years in the normal processes by using tractors and other equipment can now be dealt with in 12 weeks. We will see that, where we have drawn on a valuable resource to provide soils for landscaping and other activities that local government, commercial activities and even private homes are involved in, it is now available through reclaiming waste that has been used as landfill. This landfill has created problems in itself. Problems are created in the Wingfield area and Gillman in terms of the chemicals that are being washed and leached into our estuary and also the nutrients that are being flushed into the estuary; there is an impact on seagrasses, fish stocks and breeding grounds. Mr Len Jeffries, Managing Director of Jeffries Garden Soils, said at the launch:

> Dumping rubbish destined for landfill is no longer environmentally acceptable. The 40 year practice of plundering river banks and quality pasture land as soil pits is decimating our countryside. With modern technology we can turn inferior waste into superior product.

Jeffries went to the United States, sought out this technology, outlaid the money, brought back the machinery and the technology, and trained the staff to embark on this process, and what we saw before as waste, causing and creating environmental problems, will be reduced.

It is very close to your electorate, Mr Speaker. We will see this reduced not only in our land areas but also in the marine aquatic environment. This technology and the application Jeffries will place it to will allow us now to use an excellent resource which previously created waste and difficulties for our community. I want to congratulate Jeffries: this shows again how the private and public sectors can work together to achieve a great result, and I wish them success in their venture.

GAMING MACHINES

Mr S.G. EVANS (Davenport): My question is directed to the Minister of Emergency Services. Are the police being pressured to cut corners in their probity checks on companies to be involved in the introduction of poker machines because the Government wants the machines in operation before the Grand Prix? In May the Liberal Party provided the Commissioner of Police with information about a United States based company, VLC, which is seeking a central role in the introduction of poker machines in South Australia. That information included alleged contract rigging and other serious matters. VLC has been nominated by the Independent Gaming Corporation for the gaming machine monitor licence.

After handing over information to the police, the Deputy Leader was advised in an interview with a senior police officer involved in the investigation that he expected it would take many months to investigate the background of VLC. In a letter dated 9 July, more than a month ago, the Minister advised the Deputy Leader that VLC had not to that time submitted its application for a dealers licence and its application for a monitors licence was incomplete. The Minister also advised that 'further data is required before any character checks can be made in that instance'. However, the Treasurer has now announced that poker machines are to be introduced on 28 October and representations have been made to me that police will be unable to carry out adequate probity checks with this deadline.

The Hon. M.K. MAYES: I heard the question but not the explanation very well. There is no restriction or any interference or any direction being given to the Commissioner; there is absolutely no role being given for the Commissioner to follow.The Commissioner is undertaking that in the normal course of his responsibilities; and he will report directly to the Licensing Commissioner on those these matters. The police are dealing comprehensively with this matter as they see fit in accordance with the Act. I can assure the honourable member that that is happening. The first I will hear of it is when the Licensing Commissioner reports publicly on the matter.

GRIEVANCE DEBATE

The SPEAKER: The proposal before the Chair is that the House note grievances.

Mr S.G. EVANS (Davenport): I wish to speak in the short time available on Craigburn Farm, and I will take the opportunity to speak at greater length in the future. On 18 October 1972 I moved the following motion:

> That Metropolitan Development Planning Corporation of the City of Mitcham planning regulations (zoning) made under the planning and development Act 1966-1971, on 13 July 1972, and laid on the table of this House on 18 July 1972, be disallowed.

If that motion had been carried, there would be no argument today about whether or not Craigburn was subdivided and it would all be open space. Subsequently, after debate by both sides of the House on that day, a vote was taken and there was a division; there were 17 for the Ayes and 23 for the Noes. All members of the Liberal Party supported the proposition and the ALP opposed having Craigburn as an open space property. That has been its attitude all through this saga, which has gone on now for 21 years.

On 14 July last year the Liberal Party said it wanted Craigburn land retained as open space in a press release issued by the Leader of the Opposition. That statement said:

> The Craigburn land should be retained as open space according to the Liberal Party. The parliamentary Liberal Party met last week and agreed that Craigburn Farm, one of the last large tracts of vacant land in the metropolitan area, should be maintained as open space,'. . . 'It is scandalous that the Government can go back on its environmental commitments and neglect the importance of recreation areas to the community.' Craigburn Farm covers some 350 hectares north of the Sturt River between Coromandel Valley and the rear of Flinders University. In accordance with past commitments, Mr Brown said the Liberal Party supported the retention of the whole of the Craigburn property, including the development of open space for recreation. 'If the owner of Craigburn, Minda Inc. and the Bannon Government proceed with their agreement to subdivide 62 hectares of the northern section of the farm, the Liberal Party will then support the retention of the balance as open space', he said. 'The Government is promoting the development of 1 400 light and medium density accommodation units in the subdivision, despite strong opposition from the local community'.

There was a little on the end of that about recognising Minda. Recently I have been approached by people asking me about my attitude towards a Bill that has been introduced in another place. Following those approaches, I found that last Monday 16 August the member who introduced that Bill asked people to comment on an amendment, so the member is still making changes. At the same time there are people attacking Minda and the proposed developer for some agreement they had, calling it a secret deal. There are also people saying they did not know about that secret deal.

One of the candidates in the next Legislative Council campaign is a councillor named Judy Smith, who is a Democrat candidate. As a member of the Democrats and of council she would know what goes on. The clerk of the council was reported in the media of 30 June, as follows:

> Mitcham city manager David Magraith said the council had known for some time about the developer's agreement and had continued secret talks with Minda on saving the farm from open space.

So they knew about it. I said from the back of a truck at a public meeting that the only way it would be stopped is if Mitcham council or the Government wanted to compulsorily acquire the land, knowing it can be compulsorily acquired on present law only for open space. Also, on 16 July 1993 (Monday) a report in the *Advertiser* stated:

> Mitcham councillor for Craigburn ward, Ms Judy Smith, the Democrat candidate, said the Elliott proposal offered the best outcome for all parties. The council is unanimous in its support and the community is right behind saving the land.

In fact, the council met on Monday night and the vote was eight to seven, with one councillor missing, in favour of supporting what they call the 'Elliott Bill'. I have great difficulty supporting a Bill that will negate a private legal agreement, as Mr Elliot says it will.

The Hon. J.C. BANNON (Ross Smith): This is the first opportunity I have had to respond to remarks made by the member for Kavel two days ago, in which he read into the record a letter purporting to come from the former Minister of Agriculture in this State, the Hon. Brian Chatterton, which letter he contended was recently penned by him on 26 July. He did not explain to whom the letter was written; from its context it is a little difficult to conclude that it was written to the member for Kavel. In not identifying either the person to whom it was addressed or the purpose of the letter or what it

was in response to, I think the member for Kavel leaves himself pretty wide open in terms of his reasons for doing this. Indeed, it has been thought, and perhaps there is some credibility in the thought, that all he was doing was acting as some sort of conduit for members of the media in reading this letter into the parliamentary record in order to give it some protection of privilege. I think that constitutes an abuse of privilege, and it is that sort of practice that will see parliamentary privilege come under attack and perhaps even modified severely.

However, I will not address myself to that so much as to the content of the letter. I was rather sad when I heard the letter of Mr Chatterton; sad that he sees history in that way and sad when I reflect that he had the potential to be one of the best Agriculture Ministers in this State, and he threw it away in 1983—by his own volition, not by my will. I had great plans for Brian and we had discussed the way in which the primary industry area should be brought into the central part of Government policy making. I combined the portfolios of agriculture, fisheries and forests. It was to be in that economic mainstream and overseas projects were central to that: exports, downstream processing, things that are now talked about as if they are new, were being discussed at that time, and that was his task. Immediately on being sworn into office, or soon thereafter, he went overseas to pursue that.

Let us look at the reasons that he supposedly gave for his resignation, which he tries to recount in this letter. Perhaps one of the best references would be a question asked by the member for Kavel when he was Leader of the Opposition in 1983. He asked me why I accepted the resignation: was it because of differences over Government policy on farm projects; was it to do with the Minister's wife failing to obtain Government employment; or was it to do with the Minister's desire to replace two of his senior officers?

I responded to that and could only respond on the basis of the reasons the Minister had given me. He had claimed it was over my lack of support for him in relation to overseas projects. I rejected that and rejected it firmly. Indeed, I quote from the letter I wrote to him where I said, in part:

> . . . I. . .confirm my acceptance of your resignation. I do so with regret as, contrary to your apparent belief, I had considerable confidence in your ability and expertise in your portfolio. In view of your past contribution I was looking to you to provide a major impetus in this vital sector of our economy—particularly important at a time of natural disaster and rural recession.
>
> In the light of the above and bearing in mind the time and effort I have expended to assist and support you in the particular area of overseas projects, I cannot accept your reasons for resignation.

In fact, the Minister had been a co-signatory with me and the Deputy Premier of an instruction to SAGRIC to ensure that it corrected what we saw as the low priority given to overseas projects. Certain changes in structure were proposed and a major review was in fact being implemented with the full consent of the Minister. Indeed, he was part of it.

So, I would have thought that that showed support. It was too late, according to the Minister. He said that this action had taken some time. Just recall, he had returned from his trip only at the end of January, a Federal election had been on, we had bushfires, a major drought and problems with the cannery. So, it was not a bad priority.

As to the Minister's wife, there had been much sniping about that. There were complaints about her taking the trip and the role she played in the Minister's office. I had not had recourse to that. However, I had made Government policy clear—that a Minister's wife was not to be employed on the staff of a Minister, in the Minister's office, but that did not preclude someone from getting public sector employment.

The SPEAKER: Order! The honourable member's time has expired.

Mr MATTHEW (Bright): During Question Time today I asked a question of considerable importance concerning the finding of drugs in prisons. My question was asked not simply for the reason that the incidence of detection of drugs has increased significantly but also because, if one goes to halfway houses where people who leave gaol go to stay on their release from prison, they will be told, as I have been told, by the people who run these halfway houses that one of the most significant, if not the most significant, problem they find is getting former prisoners off drugs.

People who go in as non-drug addicts are coming out of our gaols addicted to drugs. When they come out of gaol addicted to drugs, one of the first tendencies they have is to turn to crime in order to maintain their habit. That is one of the most significant reasons today that in South Australia the recidivism rate, that is, the rate at which former prisoners return to our prisons, is greater than 70 per cent over a five year period.

Why has the Minister not looked at what is being done interstate and overseas to combat this problem? One need look only at the chemical dependency treatment facility set up in Victoria or similar models, for example, one that has been set up near Austin, Texas, where prisoners who are self-admitted drug addicts go through an intensive program of counselling and removal from drugs for 12 months prior to their release. I do not know about other members in this Parliament, but I find it totally unacceptable that someone can be imprisoned for three years and then come out of prison addicted to drugs.

That says something about the state of our prison system at this time. Whatever the Government says, the Minister did not deny that there has been a 23 per cent increase in the incidence of drugs in our prisons in just 12 months and a 520 per cent increase in eight years, from the first time that drug incidents were reported in our prisons. The Minister claims that this is due to greater observation by correctional officers—

The Hon. H. Allison interjecting:

Mr MATTHEW: I question that. Probably the best way to question that is to refer in part to a letter sent to me by someone in the Correctional Services system, someone who is concerned that day by day in his job he sees drugs increasing and not always being reported after they are detected. In his letter that officer says, in part:

> Although Correctional Services publicly adopt an anti-drug stance, in practice it adopts a far more tolerant approach. Most prison officers become quickly aware of who is using or dealing and who is not. But because of the enormity of the numbers they perhaps tend to concentrate on those who are less discrete or who cause trouble within the prison.
>
> Most of the searches by the sniffer dogs and by officers are conducted later in the week and not on the weekends when the majority of drugs enter the system.

How ironic it is that an officer says that no drug searches are made on weekends—the very time the Minister admitted to this Parliament today when drug incidents are at their highest. The letter goes on:

> I believe that this is done deliberately to avoid the embarrassment and paperwork that a large discovery would cause.

I find that alarming. Here I am being told that the drug incidence is far higher that the alarming increase we have. It is a problem that is out of control. The letter continues:

> As drugs enter the system in three main ways, by prisoner contact with visitors, over the fence in pre-arranged drops and even through a small [I emphasise 'small'] number of prison officers, it is naive to expect to be able to eliminate their use. However, the current methods of detection and punishment are both ineffective, costly and bordering on farcical.

We have an alarming problem in our prisons system. The Minister did not have the gall to quote from the memo he was given by his departmental director on 26 July 1993, a confidential memo given to the Minister outlining the statement that he was going to make in the House today. After I asked the question, the Minister's advice was certainly far from the truth.

The SPEAKER: Order! The honourable member's time has expired.

Mr McKEE (Gilles): Today I wish to make a slight confession about a matter that I am extremely proud of. In the past couple of years since I have been in this place the question of Vietnam has come up and been bandied around, this week being one occasion, culminating in a report in the *Advertiser* today in relation to the Premier. I have news for some people: the Premier was not the only one involved in anti-Vietnam marches. I was another of them: there were thousands of us and everyone, including me, was proud to be there.

If the Vietnam War has adversely affected any member of the family of a member of this House, I am extremely sorry about that, but that is what we were trying to prevent. I lost a couple of mates from Port Pirie in Vietnam and even worse than that—

The Hon. H. Allison interjecting:

Mr McKEE: Perhaps the member for Mount Gambier is not interested. You are the one spewing about it.

The SPEAKER: Order! The honourable member will direct his remarks through the Chair.

Mr McKEE: I lost one mate after the war, as he drank himself to death at the age of 35 suffering from the effects of the Vietnam War. There are many Vietnam veterans around our countryside and in the city today who are also suffering mentally and physically from their involvement in the Vietnam War. As I said, I am proud to have been in the anti-Vietnam War marches. What members on the other side of the House do not understand is what we were on about in those days. They were peace marches: they were marches to bring peace into Vietnam. They were marches—

Members interjecting:

The SPEAKER: Order!

Mr McKEE: —attempting to draw the attention of the Australian people to the stupid and unnecessary reasons why we were involved in Vietnam. We should never have been there in the first place. The other aspect of the whole Vietnam question at that time was the draft. I opposed the draft and conscription. If members opposite are proud of the situation existing at that time, let them go ahead and shout it out. I am proud of the fact that I opposed it—opposed it then and oppose it today.

I can remember those appalling days. I recall the 'all the way with LBJ' slogan and President Johnson coming to Australia for the laughable reason of attending the funeral of Prime Minister Holt—not out of any great respect for Mr Holt but, I believe, to try to show the Australian people that there was some great connection between the Americans and the Australians and that we should be continuing our involvement in Vietnam. It was a joke then and it is a joke now. Many thousands of us were involved in opposition to the Vietnam war: I was simply one of them and was proud to be involved.

Mr LEWIS (Murray-Mallee): Mr Speaker, most members will know that Lameroo is the most substantial town in the Mallee, and there is no question about the fact that for a long time it has acted as the base through which the Government has provided services to the communities in the Mallee.

The Hon. J.C. Bannon interjecting:

Mr LEWIS: Pinnaroo has been ignored by the Government, except for the occasion on which the former Premier graciously attended a celebration there just a few years ago at the time we celebrated our sesquicentenary in South Australia. Otherwise, wherever it has been possible, the Government has withdrawn services to Pinnaroo over the past years.

The Lameroo council, along with a lot of other councils, has been working extremely hard over the past few years to try to maintain the services they enjoyed and attract new business and residents to their districts, in spite of the policy decisions which State and Federal Labor Governments have successively imposed on the Australian community at large and which have such adverse impacts on rural communities $100 in particular. I refer to policies of high interest rates to damp down demand which have the twin effect of not only maintaining our dollar exchange rate for overseas currencies at much higher than normal or natural levels and thereby reducing farm gate prices, but also inhibiting the gross profit left after deducting costs of production, caused by those high interest rates on the loans which farmers and other businesses in rural communities have had to pay.

This is particularly important to farmers because, of course, they cannot fix their prices in the same way as unions can fix the price for labour. Farmers have to take the prices offered by world markets for the products they are selling, and that has been largely the reason for the transfer of wealth from rural South Australia to urban Australia.

Public servants have ignored that fact and continued to support the ill advised and nefarious policies of State and Federal Labor Governments. As a consequence of reducing populations, other essential services not financed by Government are now put in jeopardy. In this instance the people of Lameroo are acutely aware that if their population continues to decline their area will eventually be a ghost town. For every person that leaves they know that is another nail in the coffin.

Someone who lives in the city may not understand this truth, but one less person in each country town, which is battling for survival, is very significant. That person's departure has a snowball effect as it erodes the critical mass. The council there recognises the problem and has drawn it to the attention of the Department of Primary Industries since, unfortunately, that department employs in Lameroo two people whom they propose to withdraw from that community. What is the end consequence of doing so?

Let us look at what those people mean to the community. It is not only the extension services essential from the agronomist, for instance, and from the native vegetation officer, but more particularly the services of the principal medical officer, who happens to be the revegetation officer's

wife. The principal medical officer at the hospital, Dr Lamey, will leave if her husband, the revegetation officer, is relocated out of Lameroo. What does that community then do?

In addition, the agronomist, who is the husband of a person on the staff of the school, is to be relocated out of the town. This has a considerable impact on that community. Whilst the Minister of Primary Industries has primary industries as his prime responsibility, it is the Government's—

The SPEAKER: Order!

Mr LEWIS: —responsibility overall to consider the implications of these matters.

The SPEAKER: Order! Does the honourable member know that he must come to order when his time has expired? The honourable member for Albert Park.

Mr LEWIS: May I, on a point of clarification, Sir, understand whether or not it is permissible for a member to finish the sentence—

The SPEAKER: Order! Under Standing Orders once the time has elapsed the honourable member's time has finished. The time is very clearly laid down in the Standing Orders. If the honourable member is not happy with the Standing Orders, he may try to have them changed to suit. However, as they stand, time limits are laid down, and that is the limit allowed to the speaker.

Mr LEWIS: I thought the practice was to conclude the sentence.

The SPEAKER: That is not the practice. When the time has expired, the Chair always informs the member accordingly.

Mr HAMILTON (Albert Park): Behavioural problems are a very important issue, and the Government has supported a coherent policy and strategy for dealing with students with such problems. The management of student behaviour in schools is a sensitive community issue and is being addressed through the provision of a range of initiatives. These initiatives are the result of several years of community consultation, planning and reviewing, professional development for teachers and principals, the publication and distribution of information brochures and the provision of a range of options for handling students with behavioural problems.

This year, 1993, has seen all levels of schooling consolidate and review their school discipline policies and practices. Nearly all schools have a negotiated policy congruent with the State school discipline policy and a set of guidelines to ensure a safe, caring and orderly learning environment in their schools. In 1993, there has been a strong movement to combine learning outcomes and behavioural outcomes as schools move to student development plans for students with difficulties.

The introduction of the 'procedures for suspension, exclusion and expulsion of students from attendance at school' has provided a valued resource for principals, staff and students. To support the implementation of these procedures in secondary schools, the department has provided funding for extensive training programs in areas that schools identify as priorities. This training is being coordinated by TASS centres. School requests have focused on developing best practice in student behaviour management methodologies across the middle years of schooling. Parents have been involved in this process and feedback has been encouraging.

Learning centres and salaries have been set up to support the maintenance of behaviour support teachers as part of the TASS services available to schools. That is, students with behavioural problems can be sent to these centres for an allocated period and the specific behavioural and learning needs of the students are addressed.

The number of excluded students has been below expectation and this reflects positively on the proactive work of school personnel, their use of available department support, and the exploration of creative school placements.

The ongoing commitment by the department to the interagency referral process and intersectoral cooperation has meant that a range of options are available for students who exhibit behaviour difficulties in schools.

Primary school counsellors are now established in 70 primary schools and they are ensuring that their schools receive hands-on support to achieve positive, preventative and developmental approaches to student management and school discipline. Some additional salaries over the next five years, as recommended by the R-12 Counselling Review, would enable schools with the highest needs all to be serviced by a counsellor.

The achievement of strengthening school discipline has been outstanding and those who have been involved in the process should be congratulated. This does not mean, however, that the work has been completed. There is an ongoing commitment to the implementation of the various strategies which form the school discipline policy, and an intensive review of the policy and practices has already begun.

Another matter that I should like to raise in this brief time relates to correspondence that I have received from the Semaphore Park Primary School in relation to the registration of interest for an outside school hours care program. They express disappointment that their application for the 1992-93 funding cycle was unsuccessful and seek clarification and further information to assist their future registration of interest. They say:

> Whilst we accept and understand that high areas of needs must be identified according to set criteria, we believe that these criteria are not inclusive of the needs of many disadvantaged areas. Our registration of interest is strongly supported by a high proportion of working parents and consequently it is essential that these parents have access to quality before and after school care as well as vacation care.

I fully endorse and have supported after hours care. Living in the western suburbs of Adelaide, Sir, you would know that it is very important to provide this facility for many people who are battling in those suburbs. I appeal to the Minister to give favourable consideration and a clear undertaking to my constituents that that will be provided in a future budget. It is important that those people be given equal opportunity with those living in many other parts of Adelaide to achieve a fair and reasonable amount of outside school hours care in the western suburbs and, in particular, around the Semaphore Park area. I appeal to the Minister that favourable consideration be given to this matter.

The SPEAKER: Order! The honourable member's time has expired.

SOUTHERN POWER AND WATER BILL

Adjourned debate on second reading (resumed on motion).

(Continued from page 391.)

Mr VENNING (Custance): Continuing my remarks, I was talking about the rubbery figures of $111 million down to $57 million of estimated savings by this merger. Apparently it will save between $50 million and $111 million. Whose money is it? It is State money. But who will pick up the tab for the 2 000 people who will be out of work as a result of this merger? The Federal Government will pick that up; that is, the dole. It is a very sinister act. The nearest thing we have is the cobbled up estimated savings of $55 million to $111 million a year.

What about the costs incurred in this merger? We know about the computers that ETSA and E&WS have and the huge cost and problems we have had with them because of incompatibility. I understand that we will now need a third computer, costing approximately $60 million, to do the work of the merged authority. That has not been considered. No doubt there are many other costs like this about which we do not know. This is just farcical. It is not an estimate; it is a guess—a figure plucked out of the air. It is perhaps one of those items that fly past at which, according to the Arthur D. Little report, this Government has a habit of taking random pot shots.

Public support is entirely misplaced. The Minister has suggested that there is general support for the merger, but I doubt and refute that. I suggest that any public support is because people hope that a single department will be as efficient as or better than the two old ones. ETSA scored eight out of 10 for customer satisfaction in the 1993 national customer service monitor of electrical authorities. How would they feel at the prospect of a super department being as bad as the E&WS, which apparently shredded its own survey report on customer satisfaction?

From what we have already heard in this debate, forward planning, work force problems and many aspects of the joint operation have simply not been thought through. I am sure that things would more than likely sink to the lower level. That prospect would soon see public support waivering. That is just one of many reasons why I am totally opposed to the proposals in this Bill as it stands.

The Government has set up these departments over many years, and very slowly: now they are pulling them down with great haste. If they are going to make these changes, they should do so gradually in a commonsense way. This Government is renowned for its slow moving, yet in this instance we see it moving at almost dazzling speed. The Bill has only just started to be debated, yet so much has already happened. I wonder about the ethics of this move. Some 2 000 employees are to go on the scrap heap. I am sure that when we get into Government a Liberal Administration will look at this matter in a completely different light. I oppose the Bill with all the strength and effort that I can muster. I want a rational debate on this merger. I oppose this zap, tap and crap Bill, and we ought to flush it away in a flash.

Mr LEWIS (Murray-Mallee): My concerns about this legislation are somewhat similar to those that have already been mentioned by other members. Notwithstanding the explicit perspective they may have on the matter, I wish to add my own to it. We would have done a lot better had we continued with the existing departmental structures, broken up the hierarchy, identified the profit centres, and then privatised the services provided through those profit centres, with explicit management and engineering skill, overseeing each of the private contractors providing those services. I believe there ultimately ought to be more than one or two large corporations involved in the task of providing these goods and services in the private sector. Indeed, there ought to be hundreds upon hundreds of private contractors tendering to provide those services. In my judgment, there could have been many management buy-outs by employees who might have chosen to take plant at valuation, establish a small proprietary company and begin the operation they have been undertaking within the agency or department in which they had been working on a fee for service basis.

Let me explain how, for instance, computer suppliers now do this by providing services to Government departments and private corporations. They accept a daily fee, in return for which they give an assurance that they will be on call 24 hours a day to deal with and fix any emergency immediately for an agreed hourly rate. So it could be for the E&WS or ETSA. If staff have to be on standby to meet emergencies, such as may arise with backup staff in the event that the emergency is even greater, that can be amortised against the probability of an event occurring thus requiring a maintenance crew to attend to the problem.

It would be quite simple to budget, seeking quotes from prospective contractors as a fair and reasonable price for their services if they fill that role. The most competitive quote to handle the problem would be successful, locality by locality. That is the way that the rearrangement ought to have been undertaken. The changeover would have to be undertaken at a rate that the community at large could digest, certainly at a rate that the employees could digest. It would have made a lot more sense to them and to the wider community if that had occurred. In that case both the existing authorities could have ultimately ended up with a few top managers and engineers drafting and overseeing those contracts in each of the profit centres of operation and ensuring that the public had the means of determining, through the audit checks done by Government agency, what was going on, if anything went awry or astray. The experts would have answered to the Minister, and they would have had the contractors answering to them.

However, the proposition we have before us is more to do with a convenient arrangement between the Labor Government and the trade union movement, and a desire for some measure of rationalisation. It also fits the Labor philosophical view that this federation must be abolished in the next decade. If we look at the large scale of reticulated water supply and electricity in the other parts of south-eastern Australia, we understand why ETSA and the E&WS are being amalgamated. It is because their control of the hydro-electric resources is also the control of the water supply. That is where the model comes from, and it will make it easier, once this proposed super department is established, for South Australia to be straight jacketed in beside the existing structures in Victoria and New South Wales. It is absolutely bloody ridiculous. It is about as sensible as saying we could do the same thing in a Sahara state. The two are quite separate.

In the Sahara, any other desert country and indeed the interior of this country solar energy would be the principle source of natural energy instead of hydro-electricity. Because we are the driest State on the driest inhabited continent on earth, one would have assumed that anything but amalgamation would ever have been contemplated between these two authorities. That is the direction in which we ought to be looking when it comes to the provision of electricity in the future. The water supply is an entirely separate matter; it has nothing to do with electricity generation.

I have heard the arguments put about that it will rationalise and simplify maintenance work in each locality. That, too, is just drivel. The trade skills involved in each of the major corporations under contemplation are entirely different and, whenever there is an emergency, requiring a call out after hours, both separate services will require exactly the same attention as they do now. You cannot have electricians and people skilled in the restoration of electrical power dealing with burst water mains and *vice versa*. So that argument is nonsense.

Where meter reading is concerned, the frequency of that service is different between each of the agencies for reasons that are historic, and not entirely understood by me, but nonetheless they are different. Even so, they equally lend themselves to contracting, and that would be the place to start. Meter readers could have been invited to tender for the districts in which they now read meters. Those who were not interested could have been offered voluntary separation packages, which is occurring anyway. None of the people in the kind of structure to which I have just referred would be easily recruited into a union, and that is why the Government did not adopt that approach. Self-employed meter readers would not be easily recruited into a union.

In any case, the rationalisation and amalgamation of the administrative structures of the two departments, being justified on the basis that it will save money in reading meters, will shortly be irrelevant in any case. Other technologies are now available, without having to rely on visits of people to physically examine the numbers appearing on the exposed tumblers in the meters. Nobody can deny then that such arguments are specious—the argument that it will save money in meter reading.

The skills required to generate electricity are different from the skills required to store water and then distribute it. The techniques are different, particularly the skills and techniques for the disposal of stormwater and waste water, whether it is sewage or other sullage waters. So, there is no rational or professional reason, other than at the administrative level, for considering it desirable to amalgamate these two utilities. I cannot be convinced that the Government really knows what it is talking about when it puts the reasons it has in the public domain for having chosen this course of action. The real reasons are to be found in the hidden agenda. That is, the Government wishes to maintain the largest possible work force that can be retained as union members affiliated with the United Trades and Labor Council, so that it does not offend its political masters, and thereby does not put at risk the re-endorsement of any Minister or member through incurring the wrath of Trades Hall. Further, it enables the easier dispatch of the States, and by that I mean the Federation of the Commonwealth of Australia.

I have already spoken about the desirability of further examining the possibility of using solar energy in the future for the generation of electricity in a good many South Australian localities. I will not spend time during this debate detailing where I think greater research effort ought to occur in that regard, other than to observe that in the new authority it will be more difficult because the kinds of skills acquired by those who will seek appointment to the administrative posts in the new super department will have some relevance to water supply, waste water removal and electricity generation from either fossil fuel sources or hydro-electric power. If not, fossil fuel sources then certainly the use of hydrocarbons or other combustible gases that can be obtained from the fermentation of sullage and sewage. That is unfortunate because it will divert our attention from what otherwise should be the path down which we go in South Australia in developing a niche market for both the education of people involved in solar energy assimilation as well as the technology and equipment involved in solar energy technology. I do not mind acknowledging an interest in this area by placing on record that I am a member of the Australian New Zealand Solar Energy Society and the Australian Institute of Energy.

I now want to take a closer look at some of the savings which the Government claims it will get and which are not dependent upon the merger but which could have been obtained by competent administration if only the Minister had the energy and wit to pursue it or the determination to require his professional officers to do it.

For instance, I have no idea who the offending officers of the department may be, but it has been drawn to my attention that quite considerable waste occurs through staff members who may work some 10 to 20 minutes beyond knock-off time, thereby permitted to drive a vehicle home, which is ludicrous. I know that happens not just in the electorate I represent but right across the State. I know also that, in many instances, staff who have been concerned to point this out to their superiors all the way up the line to the Minister himself have been ignored and those savings have not been made, the intention being to deal with it after the merger.

I think that is gutless, and it is quite inappropriate for the Minister to say that he has good information that will enable him to make such savings after the merger which he claims cannot be made before it. It also distresses me that, in consequence of the merger, a greater amount of administrative and policy power will be concentrated in the hands of still fewer people located here in the big city, in metropolitan Adelaide. The provision of services on the ground, where they are necessary for smaller communities, will be poorer. I have seen ample illustration of that.

It will happen in Lameroo. It is the same thing I was referring to in my grievance debate, where the revegetation officer will be lost to that community from the Department of Primary Industries, as will be the agronomist. It just so happens that the revegetation officer's spouse is the principal medical officer, and the agronomist's spouse is an important staff member of the school. This will now happen with the new arrangements imposed on the Lameroo community and the staff who work there to supply the repairs and maintenance services to the new authority. No consideration whatever will be given to the needs of that community.

It will all be done in the name of efficiency of the administration of the department, because it will be staff paid positions on strength that provide that service, not contractors who would choose, sensibly, to locate in Lameroo. A crazy situation has arisen in Keith, where we closed down the E&WS Department depot, requiring the employees to travel to Bordertown to clock on and then to drive back up the line through Keith to look at the pipeline and do maintenance work on the north-east side of Keith. That is absolutely daft, yet this Minister has the gall to say he can make greater efficiencies after the merger.

That will not change at all. The kinds of people who will be appointed will have greater allegiance to the new bureaucracy than they will to the services provided in the communities where they are needed. If they happen to live in Adelaide now, they might be appointed to do a job based in Coomandook, say, and they will drive a departmental vehicle down the freeway every morning to Coomandook and back,

as they do now in the Education Department. And you and I as taxpayers will foot the bill. And this Minister and the department will let it go on. They will not give a damn about it, because it suits their ends. It is part of the deal they made with the union. So, it is big Government, big unions and to hell with the taxpayers. More particularly, to hell and gone with the small communities suffering a loss of critical mass throughout rural South Australia.

That is not the way to go. The better way to go would have been to provide the opportunity to obtain contracts for the provision of those services in the localities in which they were needed. It would have been cheaper and more effective because there would have been shorter response times whenever emergencies arose, and it would have been possible for the contractor to choose working hours between midnight Sunday and midnight Sunday, instead of the hidebound arrangement that must exist now when you have to clock on at the starting time, whatever it is, eight in the morning, and finish at 4.30 in the afternoon.

That is in the award, and that is why it has to be done then. You can take the vehicle home if you happen to finish at 4.38 or 4.45 instead of 4.30. And the taxpayer pays, whereas the opposite ought to be the case. The costs ought to be known. Whether or not to use the resource of driving a vehicle home from the yard ought to be left to the person who has the responsibility in the yard and whose pocket will suffer personally if the resource is wasted. It just rolls on, and the people who really suffer are those who produce the export wealth for this nation and this State, the rural communities that are being depopulated.

I wish the Minister could begin to understand what I am saying, but neither he nor any of his colleagues care one whit about that. They have never been part of such communities. They do not understand the way in which this State was made great, and they do not care.

The ACTING SPEAKER (Hon. P.B. Arnold): Order! The honourable member's time has expired. The honourable member for Baudin.

The Hon. D.J. HOPGOOD (Baudin): You, Sir, no doubt at some stage would have heard of the phenomenon of collective amnesia. It is something that psychologists have a great deal of difficulty in explaining but, nonetheless, there seems to be sufficient empirical evidence to suggest that it is a valid phenomenon and one that should be perhaps investigated in greater detail. I raise this rather obscure piece of knowledge because it seems to me that there is some degree of collective amnesia operating in this place this afternoon. It arises from what I have perceived coming from members of the Opposition, principally from the Deputy Leader but echoed by one or two others, that this Bill and the amalgamation that it seeks to facilitate represent in some way a flight of this Government from the important task of maintaining and, if possible, improving water quality.

That was said—and said apparently not in jest but quite seriously. I find that staggering. What was it that kept us from our homes and families for the past two days of sitting, away from doing interesting things (like watching the replays of the world athletics championships on the television or whatever else we might have done if we had got home at a sensible hour instead of the very late hours to which we sat) but the Bill to set up the EPA? The EPA clearly is an addition to the controls that already are available to the Minister in areas of water quality. Of course it goes much further, and I guess I would be beyond the Standing Orders in further recounting it, because it is a Bill we have done with in this place, at least for a time.

It is as if some members in this place have forgotten. Perhaps they prefer to forget (because we sat so late on the two occasions dealing with that Bill) that, in fact, the Government is inviting this Legislature through that Bill to substantially increase the powers that we will have available to us in relation to the control of air, water, land, control of the disappearance of biological diversity and all those sorts of things. Of course, the Government remains extremely conscious of the importance of quality of the State's water resources, and this Bill does nothing to derogate from that.

The issue is complex, but it is under a culmination of legislative provisions and operational and administrative measures. On a number of occasions I have spoken to this House about the question of Murray River salinity—I asked a question about it today—and its consequential impact through reduced agricultural productivity and corrosive effect on pipes and fittings; on costs in our community; and on productivity. Of course, salinity levels in the river are being managed through the initiatives under the Murray-Darling Basin Ministerial Council and the commission, of which the South Australian Government is a member. The Minister at the table no doubt attended the meeting of the council in Sydney on 25 July of this year.

The new Murray Darling Commission has been addressing the salinity of the Murray River water. The pressure exerted by the South Australian Government has resulted in an extensive program of measures to address the matter. Tens of millions of dollars have been spent in this State and elsewhere in the upstream States to counteract the effects of this strategic issue. One need only mention the Woolpunda scheme as one example which is already in place and which is having a beneficial effect on the salinity levels of the Murray. Of course, the example of Murray River salinity is only one that I could give.

I could turn, for example, if time permitted, to water quality management in the metropolitan watersheds and the impact of agricultural activity and urban development on the quality of our public water supply. After all, 60 per cent of our water comes from these catchments, and we do not have the luxury that the Victorians do of having virtually an urban free catchment in the Dandenongs. The Adelaide Hills were extensively urbanised around the turn of the century, and dairying and other activities have been a feature of the Hills for a long time. The E&WS people have noted in a very simple and straightforward index, like the amount of copper sulphate with which they have had to dose the reservoirs over the years to counter the increasing effects of eutrophication.

If time permitted I could turn to the ground water basins of the South East, the Barossa Valley, Willunga and Langhorne Creek where water is sourced for irrigation and agricultural and industrial supplies. We know that we have had our problems in those areas, and we know the great amount of work, initiative and resources that have been put into addressing the water quality issues in those areas. Does anybody suggest that this Bill will change that in any way? Of course it will not, except possibly to enhance the resources, that may be available simply because there will be a larger pool. The management of these vital resources which clearly support the State's economy and provide the vital water resources for the important sectors of economic activity associated with agriculture and secondary industry, is obviously critical to the welfare of the State and the protection of our environment.

I should not have to remind the House that legislative provisions for enabling water resources management in this State were established in 1976 through the introduction of the Water Resources Act. That legislation is still regarded as a model for effective water resource management aimed at the protection of both quantity and quality of the resource. The Act was amended in 1990 with the same principles being preserved and to ensure the ongoing effective and now well proven arrangements to safeguard the State's water resources.

This legislation and its administration provide for extensive community involvement in water resource management. One could go on talking about the sort of challenges we face and the way in which they are being faced. I am sure the member for Flinders, who will be following me in this debate, would want me to mention things like the Polder Basin on the West Coast and some of the challenges that are being faced there and some of the problems that have arisen where in the past water management has not always been all that it might have. Does anybody suggest that this legislation will derogate in any significant way from our capacity to continue to follow those initiatives? This Bill does not change these well established arrangements in any way to ensure the ongoing protection of the vital resource.

The Water Resources Act remains unchanged. The Minister will continue to have the same powers to ensure that these already existing and very successful arrangements continue to protect the quality and quantity of water resources in this State. This Bill brings together concerns about energy and water. I will leave it to other members to address in greater detail the energy concerns that we have and perhaps point out the advantages to us, from an energy point of view, of proceeding in this way. I simply wanted to take the opportunity of placing on record my understanding of where we stand at present in the protection of water quality, and to make it perfectly clear to the House, for the reasons I have outlined, that the Bill does not in any way take away from our capacity to continue to do the job we have been doing and, if possible, do it better.

Mr BLACKER (Flinders): I picked up the point made by the member for Baudin about detraction from the services provided, and I challenge that, because we have just been through a process, within the E&WS and virtually every Government agency, of rethinking and restructuring. Over a period of years there has been a downgrading and a withdrawal of depots around country areas, so much so that in some cases if there is a problem related to water or electricity, more particularly an electricity break, the nearest depot to service that break is 100 kilometres away. I do not think any one of us would believe that was a fair and reasonable thing: I can appreciate that the honourable member is saying that it may apply in the metropolitan area, but it does not apply in the country areas.

You, Mr Acting Speaker, would well know that that restructuring process was going on when you were the Minister of Water Resources. I can well recall the withdrawal of a depot from the Cowell area, and the way in which that was handled caused some embarrassment to me and the officers. Ultimately, there was an understanding and acceptance that the service could be provided from Cleve, and that has been the case. The E&WS went through this process and held a series of seminars throughout this State. One of those seminars took place in the Wayback Football Club rooms; it was a weekend seminar and I attended part of it. Departmental officers from all levels and from all over Eyre Peninsula were called in, and it involved the workers, the unions, the regional depot managers and senior departmental officers from Adelaide, together with the Chief Executive Officer from Adelaide.

That was a top level, all strata reassessment of the problems that were perceived to be facing the E&WS. As a result, an understanding was reached amongst all levels that some restructuring process was taking place and there was an input by the employees at all levels; they had some say in the direction that the department was going. I believe that that was a very constructive seminar and even those present who knew full well that maybe their positions were on the line as a result of that restructuring did at least acknowledge and agree that there was some opportunity for the employees at that time to be able to have some say in their future.

In talking now to those same people who went through that exercise, I find that they believe that the whole exercise was hypocritical and cynical, and I wonder what brought it about. Was it that the senior administration of the E&WS had the foresight to understand a restructuring was taking place and they were systematically working that through their respective departments? After all that, did the Government come in over the top and say, 'Bad luck fellas, we are going to do it another way'? And that is the perception of the employees out in the field.

I believe that a great deal of employee morale has been damaged as a result of the way in which this issue was handled. Nobody seemed to know about it until the economic statement that was brought down in April, and from that point on there seemed to be confusion. There is absolutely no doubt that there is a lack of productivity, nobody knows where they are and, under this piece of legislation, it will be some considerable time before this process settles down, if in fact it goes ahead.

We must look at whether such a proposal can improve services, and I wonder how it can improve services when the only result can be fewer people, therefore fewer people out in the field and therefore greater distances between the depots and the employees who are responsible for the maintenance and the response to any down-time involving either water or power. I cannot help feeling, after discussions that I have had with employees and more particularly with the beneficiaries of the service—the general public—that this is nothing but disaster.

During the last harvest period, as every member here would know, we had a series of electrical storms which brought not only rain and disaster for the serial crops but an enormous number of power blackouts. Questions were asked and letters were written to the paper; people asked, 'What is happening? Is our infrastructure scaling down?' I was involved in many of those cases. For example, a fish factory contacted me because the power had been off. The personnel made a phone call to Adelaide and the response was, 'So what? What do you expect me to do about it?' They were the exact words of an officer in Adelaide in response to a power blackout on Eyre Peninsula. The person involved had a fish factory and wanted to know whether the power would be out for two, six or 12 hours, in which case he would have to get a power generator in or move his frozen fish.

That is not good enough, and it is the very thing that we all fear will be compounded by this type of legislation, because there is nothing in it that I can see that could help solve such a problem. The problem was brought about because the people at Port Kenny had to deal initially with somebody at Wudinna who, in turn, did not have a gang and

they had to deal with Adelaide. The phone calls were redirected through to Adelaide. The same thing happened at Kimba and Cleve, and it went on and on: there were literally dozens of them. When people rang that emergency number because the power was out, they were redirected through to Adelaide and got someone who could not care less. His exact words were, 'Well, what do you expect me to do about it? All of Eyre Peninsula is out.' They were the exact words.

That is the problem and the very reason why I am upset, because I can see a complete downgrading of services. Not one of us believes that we can control electrical storms, but the number of blackouts and the length of those blackouts were such that many people came to believe there was a downgrading of the infrastructure, so much so that many people were asking, 'Why has the infrastructure not been kept up to scratch?' I know and I guess we all understand and appreciate that, when a sewer line is put in, it is designed to handle a certain number of consumers and allowance is always made for the provision of additional services. However, there are many areas where the lines are used to absolute capacity and where upgrading of the main lines is necessary so that those consumers can be adequately handled.

There is a perception that there is a downgrading of services because of that loading factor and because ETSA has not been able to keep up with the upgrading and the building-up of the capacity of those lines, and there are more and more blackouts. A little town just near Port Lincoln, Louth Bay, experiences many blackouts purely because of lack of maintenance and the inability of ETSA to service. This legislation will do nothing for that situation; it will not improve any of those activities.

Unfortunately—and I emphasise 'unfortunately'—there is an attitude within Government departments that there will be a philosophy of user-pays, and that attitude is evident even on this side of the House; when the user-pays principle is applied in country areas, because it costs more to supply the service because of distance, that principle results in a rather exorbitant cost. I reiterate my view that all citizens of this State are equal and are all entitled to reasonable access to the basic services expected and anticipated by all citizens of the State. If that is not achieved, we do have discrimination, and I can see this piece of legislation just lending itself to further discrimination.

What are the perceived benefits of this legislation? In his second reading explanation the Minister quoted figures and suggested there could be savings as a result. All those figures are rather rubbery and they could well be argued point by point down the track. The Deputy Leader challenged many of those figures and, whilst I am not in a position to ask whether his figures are necessarily right, I believe at best the Minister's figures are guesstimates rather than estimates. That could apply to most of the figures.

When we hear that massive amounts of money are required to upgrade the computer facilities, it just shows how far out the Government is in trying to put two organisations together that are really not compatible. That is a cold hard fact. Everyone of us was taken by absolute surprise when the Premier made his announcement to form Southern Power and Water (SPAW). I cannot think of a worse acronym, and it will probably hang around this Government's head for a long time. Surely it could have come up with a better sounding acronym. Power and water are fundamentals of life and deserve a better name than that.

The merger is costing time and money. I do not know how long departmental officers have been working behind the scenes quietly. Presumably they have been working on the amalgamation since April, and presumably many officers have been involved. That must have cost millions. There has been lost time. Certainly, there has been a loss of morale. Departmental officers at all levels really do not know where they are at and they do not know how long before the situation will settle down. They do not know whether they have a job and they do not know whether their job is dependent upon their moving from Port Lincoln to Mount Gambier or vice versa. Consequently, all those families are in a state of flux.

Moreover, we do not know what the computer programs will cost. I can only guess at that, but it would have to involve tens of millions of dollars, and that would all be a negative in regard to the amalgamation. I refer to the extra salaries and insurance provisions. These just go on and on and I just cannot come to terms with what the Government proposes. True, notice has been given to the House a couple of days ago of a motion for the establishment of a select committee, but my view is that this legislation is far broader than that and should be referred to a joint House select committee. It should be properly thought through.

I do not think any member can say in this House that the amalgamation has been thought through considering the amount of work by the E&WS beforehand in all its seminars. The department was systematically, and correctly and accurately, liaising with its employees to try to get the best possible result, and that was the first time I have seen such activity from a Government department. It is the only department that gained credibility for the way in which restructuring took place, but all that good work is gone with the stroke of a pen because of this legislation. I trust that the Bill will be referred to a joint House select committee because such a committee would enable the wider public—not just employees but consumers—to be involved.

I am sticking up in this instance for people who will see a depletion of their service. We have seen it happen under extreme difficulties and perhaps there is an acceptance by the wider community that circumstances are tough but, if a repair vehicle is required to travel 100 kilometres to attend to a broken main, we must ask whether we are up to scratch with our existing service. The only result that I can see from this legislation is the downgrading of services and for that reason I oppose it.

The Hon. JENNIFER CASHMORE (Coles): This is a comparatively simple Bill. It has only 19 clauses and schedules as well yet, if passed, it could have profound consequences for South Australia. The Opposition believes that these consequences are not yet fully understood and that many of them could be adverse. We believe that the Bill should be referred to a select committee. Even if it were referred to a select committee, there is to my mind one overwhelming reason why it should not be passed, at least not in this session of Parliament, and there are many reasons why it should not be passed at all.

Many cases can be made against this measure without even looking at the merits of the proposal to amalgamate the bodies. I am now talking about the case of process, not of outcome. The process in my opinion has been thoroughly bad. If we look at the history of the supply of electricity in South Australia, we see that the present structure was developed after much community consultation and a long struggle. It was not something dreamed up because it seemed

like a good idea at the time and forced upon Parliament in the space of a few months.

There were literally years of public consultation, intense public debate and responses from all sections of the community. There was a royal commission and all kinds of public and legislative efforts before the present structure came about. What the Government is proposing here is a quick dash to the tape by a Government that is totally discredited and in its dying stages. In that context it is quite wrong for a Government—any Government—to attempt to be amalgamating two of the State's critically important infrastructure authorities and to do so by use of crude numbers. Fortunately, the Government does not necessarily have the crude numbers in both Houses of this Parliament and I hope and believe that the Opposition's wish for a select committee will be granted.

Let me look at just some simple reasons for not proceeding in this direction. My concerns are based on several grounds. The first is that there has been or there was a total lack of public consultation and debate. As the member for Flinders said, the Premier just popped up in his economic statement and said, 'This is what we are going to do.'

I know, and so does every member who has consulted with the staff of both the E&WS Department and the Electricity Trust of South Australia, that this proposal took management by surprise. There was not even consultation within the organisations, let alone consultation in the public forums and with consumers. Both ETSA and the E&WS have virtually every residence in this State as consumers as well as the major industrial organisations in South Australia. There was no consultation whatsoever with any of the big users of water and power, let alone with the electorate and consumers at large.

That in itself does not speak well either for the Government's notion of due process or for the outcome. The decision to proceed to a merger conflicts with current Australian trends. In Western Australia, the Carnegie report recommended in favour of the separation of the currently amalgamated electricity and gas utilities. It did so because it believed that the more cost effective means of producing and distributing power and water would be achieved by a separation of those authorities, not by the continued amalgamation.

Members on this side of the House have an inherent mistrust of monopolies simply because we believe that competition is in the best interests of consumers and taxpayers. In both the case of ETSA and the E&WS Department, we have necessarily to date had monopolies, but what the Government is now proposing is a mega monopoly. I think most of us have learnt, through bitter experience of the 1970s and 1980s, that big is not necessarily beautiful; nor is it necessarily effective; and nor is it necessarily responsive to the needs of consumers and taxpayers.

The information that has already been put on the record in this debate about some of the massive costs of the merger by comparison with the alleged cost savings, which have not yet been demonstrated let alone proven, is another reason why we should question very seriously whether this proposal ought to proceed. The aspect of the proposal that worries me more than any other is the fact that the concentration on the merger and on new structures will divert attention and resources from the more important issues. The most important issues for both of the existing authorities are policy issues. The key issues for ETSA are—or if they are not they should be—energy efficiency, and demand management to ensure the most cost effective means of meeting customers' energy and use requirements. The key issues for the Engineering and Water Supply Department are, or should be, water quality and water pricing.

Concentration on new structures and management systems for the merging bodies will inevitably detract from the ability of the bodies or the new merged body, if it occurs, to concentrate on those policy issues. It is the policy issues of demand management, energy efficiency, water quality and water pricing that are absolutely essential for the economic future of this State. We should be devoting our best efforts in terms of management and in terms of resources to achieving our policy goals in both those areas.

I do not believe, from any of the evidence that I have heard or seen so far, that what the Government has in mind for the merged body will mean an effective concentration on those policy issues. I think there will be huge concentration on structures and on industrial matters, the latter being, of course, extremely important, and the latter being able to be achieved by two separate bodies, if only the Government had the will to do so. I assure the House that a Liberal Government will have the will to do so.

I now refer to what ETSA has been doing. I understand there has been practically no work done on demand management in the past 12 months, yet this policy will be absolutely critical for ensuring the adequacy of our future electricity supplies and for their cost efficiency.

The Opposition does not for a moment deny the importance of these two utilities working together to use common resources in the interests of keeping costs down, on meeting consumer demands and on delivering both water and power in the most cost effective fashion. We can do those things. There is nothing whatever to stop us having common meter readers, for example.

There should be nothing to stop the joint use of engineering expertise, where that is appropriate. But to proceed with this merger, as I say, in the dying days of a discredited Government, is not to act responsibly, and I believe that the Parliament should prevent that action occurring. The Bill should be referred to a select committee. I do not believe that it would be possible for a select committee even to examine all the issues in the time that the Parliament has left before it is prorogued in accordance with constitutional requirements.

I think this idea should be set aside. The Government should concentrate, in the little remaining time it has left, on the policy issues and in ensuring cost efficiency in both the organisations, and then a new Government, whoever is elected, should examine the merits of the case, consult widely with consumers and taxpayers, institute public debate and examine whether an idea that was cooked up in no time at all, to grab a few headlines in April, is really worth pursuing, or whether we are better off streamlining and making extremely efficient the two authorities which we already have.

Mr D.S. BAKER (Victoria): I concur with the remarks made by the honourable member for Coles. First, I want to point out that the document 'ETSA/E&WS Merger: Strategic Savings Potential' is probably one of the worst documents I have ever read in that it says nothing. It says nothing about the financials of this supposed merger and what that will do for South Australia. I am going to read this document into *Hansard* in a minute. I have only got 20 minutes to do it so I must get going. This document is a snow job. It is a disgrace.

Also, the haste with which the merger has been put together in many cases is illegal. There are people working at No. 1 Anzac Highway who are still under the GME Act, from which ETSA is specifically excluded. In fact, those people are being paid by ETSA. The board has not ratified any of that but in the haste of cobbling it all together these illegal practices are going ahead.

I went out to an independent person who has eminent credentials and experience and asked him to sit down and reply to this document. I want to read into *Hansard* his reply. If I do not get through it I am going to ask the member for Goyder to finish it. I want to get it on the record because I want the Minister to reply to some of this nonsense, and of course that is why we want this matter to go to a select committee.

This is a political stunt of putting two of the biggest entities of a capital nature together in South Australia with such haste and asking someone from within the bureaucracy in Australia to run a $5 billion entity—the biggest entity in South Australia—cobbling it together for political purposes. I will read that into *Hansard*. This is the ETSA—

An honourable member interjecting:

Mr D.S. BAKER: The member interjected about micro-economic reform. No business in the 1990s—and I run a few—is merging together to make bigger units. What is happening in the 1990s (and we are all learning it through bitter experience) is that we are cutting our business entities into smaller units to make each of them accountable. That is 1990s business practice. The 1980s is when we put all this stuff together and found that it did not work. This will not work; it will never work because it is against all good business practice. If Government members think that it is micro-economic reform that we are stopping, they are wrong, because it is not. Anyway, I do not have to listen to people who will be here for only another couple of months.

Mr McKee: What credentials does the person have who wrote that?

Mr D.S. BAKER: All right, that will come out in due course. This is the paper: ETSA/E&WS Merger: Strategic Savings Potential. The document states:

This report comments on undated and unsigned report bearing the above title which purports to show that there will be gross potential savings ranging from $55 million to $111 million per annum if ETSA and E&WS merged. Part 1 of this report examines the 'Strategic Savings Potential' report on a point by point basis.

PART 1

Comments on specific points in the 'Strategic Savings Potential' report.

Section 1.1. The report is based on a 'zero based greenfields approach'. This term is not defined but is said by ETSA and E&WS officers to mean that all previous agreements and understandings will be rejected. The merged organisations will be required to operate as though they were starting up from no previous base.

This will be a recipe for chaos as almost all working people require some clear, simple directions as to where they should be going or as to what is required of them.

Section 1.3. This section says that the 'Strategic Savings Potential' report is not definitive. There is an implication in section 1.5 that ETSA/E&WS managers will be held accountable for goals that are unobtainable.

Section 1.5. This section says the potential savings are realistic and achievable. This conflicts with section 1.3. for the reasons set out in '3' above.

Section 2. This section says that there is an 'almost identical customer base in South Australia'. This statement is far from accurate.

In the case of E&WS, the water and sewerage charge is rendered to the owner of the property. In the case of ETSA, the charges for electricity are rendered to the consumer. There is no overlap in the case of rented flats, apartments, home units, rented houses, rented factories, etc.

There is no precise information available on the degree of overlap. This would have to be ascertained by a long and tedious matching process. One of the data bases (probably ETSA's) would then have to be modified to take into account the E&WS information. This would take about three years and cost about $10 million.

In addition, the meter readers would still have to read the same numbers of meters. E&WS read half yearly and ETSA mostly quarterly. The savings in this area would be approximately $0.5 million per year. (Basis 10 meter readers earning, say, $27 500 per year with an 80 per cent oncost equals. . . $495 000).

Furthermore, adjustments would have to be made to the billing cycles as most households would be financially embarrassed by having electricity and water and sewerage bills due and payable at the same time. Separate postings would have to be made, resulting in no postal savings.

'Economies of scale' and 'purchasing leverage' are mentioned without identifying how these are to be achieved. It is doubtful as to whether there are 'economies of scale' and 'purchasing leverage' is non-existent. ETSA's major purchases are mainly for fuel, transmission and construction purposes with some power station and coal field spares also required. These items are peculiar to ETSA, i.e. there is no overlap with E&WS. E&WS mainly purchase for pipe construction and maintenance with spares for pumping stations also purchased as required. For some years now ETSA has purchased 'common usage' items, such as office furniture, personal computers, paper, etc, under State Supply contracts where those items suit ETSA's purposes. There is no purchasing leverage available in the merged authorities as the advantages have already been obtained.

Elimination of duplication. There is little duplication in the separate authorities and in any case this assumes that each authority has surplus staff or surplus capacity in the existing staff. ETSA and E&WS have already had very heavy staff reductions and existing ETSA staff strongly assert that they have no spare time or extra capacity.

Increases in productivity through technology, etc, and 'combination of best practices'. These are no more than words expressing woolly concepts and wishful thinking.

Section 3. This section mentions rationalisation of support services, best practice principles and processes, market positioning and improved customer service.

Rationalisation of support services. This could mean payroll, stores and purchasing, personnel administration, fleet administration. In the case of payroll, this activity is already heavily decentralised in ETSA. Stores and purchasing are mentioned previously in this report. ETSA and E&WS are decentralising personnel administration at present. Fleet administration in ETSA is now related to car purchase and disposal, specialised vehicles purchase, repair and disposal. The car purchase/disposal is a minor part of fleet management and specialised vehicle purchase and repair will need to continue under any administration. There offers to be minimal (if any) savings in such a 'rationalisation'.

'Best practice principles and processes.' This is an idealistic concept that has come into vogue in Australia since the ACTU published its report 'Australia Reconstructed.' That report implied that Australia was behind the rest of the world in many areas of technical knowledge and working practice. The way in which 'best practices' is being introduced into ETSA is for groups of workers to be told that they must examine what they are doing and change it—not necessarily for the better. There is an implicit assumption that what everyone was doing in the past was wrong and if it is different in the future it must be better. Correctly interpreted, 'best practices' means creating a culture where continuous improvements in process can be stimulated and implemented. It is fair to say that such a culture already existed in ETSA. At present, levels of productivity in ETSA are at an historic low because so few people are actually working. When analysis stops and work starts again productivity will have to improve, but whether it will ever again reach the levels achieved in the late 1980s is problematical.

'Improved customer service'. This and 'market positioning' are concepts coming from the private sector where there is some competition in some industries. It is arguable as to whether these concepts apply in monopoly essential service situations in any case.

In the case of ETSA, market surveys show that it has a very high standing with its customers and ETSA has already taken steps to build better relations with its high use customers (greater than 10 megawatts) who could be approached by interstate authorities if the

national grid concept is adopted. In the case of water supply, there is no alternative supply available and market positioning, etc, is irrelevant.

From experience, customers mostly value reliability in an essential service together with quick recovery after an accident or disaster. There is considerable evidence to suggest that ETSA's reliability has been significantly impaired by the diversion of resources into restructuring and best practices. (ETSA has not spent all of the funds allocated to construction, upgrading and maintenance of the transmission and distribution system for some three successive financial years. Similarly, maintenance and upgrading at the power stations has not been carried out, impairing their long term reliability and efficiency.)

Section 4. This section says the report is biased in favour of the merger. There should be a view from the opposite direction. This section says, *inter alia*, that the merged organisations will follow a path of continuous improvements in productivity of at least 2 per cent per annum for three years following the merger. There are no specific details given as to how this will be achieved. If the expected chaos and confusion result at the time of the merger, then productivity will be minimum and improvements will be possible from that starting point. However, as stated earlier, it appears unlikely that ETSA will ever again achieve the productivity levels of the late 1980s.

Section 7. This section makes estimates as to the savings to be achieved by merging meter reading and billing functions. They make no allowance for the cost of combining these functions. Using a net present value analysis of the estimated merger costs and the estimated savings, at best the savings and the costs balance out. It is highly doubtful as to whether the savings stated in the report can be achieved because ETSA is at minimum staffing levels following the introduction of the new billing system and the early retirement of associated staff on 13 August 1993.

Section 8. This section claims that there are possibilities for rationalising (i.e. reducing) the number of staff at the field operating level.

Both ETSA and E&WS staff working in these areas advise that since the downsizings of 1992 there is no spare capacity in the staff. Staff are routinely working 10 to 12 hour days (without overtime) in order to stay on top of their work. In these circumstances, further reductions in staff would be hazardous to the equipment, safety and the health of the employees.

Section 8.2.4 says that 56 service centres can be reduced to a total of 20 merged undertakings. It is difficult to see how the public could be better served by such an enormous reduction in service centres. It must be remembered that South Australia is a very large State and travelling time forms a very significant component of a day in most country areas. The same rationale applies to a reduction in the number of depots.

Section 9. This section deals with alleged savings that could be made in a number of operations support areas.

Manufacturing: it is claimed that savings are available by the elimination of duplication. However, after the 1992 downsizing, there is no spare capacity left in either ETSA or the E&WS. Savings do not appear to be available.

Material and supply: section 2 of this report sets out how ETSA and the E&WS have only a small amount of overlap in the material purchasing area and that area has already been explored by ETSA in the use of common contracts. There is talk of reduction in inventory holdings but the high cost items in each utility (transformers, pumps, etc.) are not common usage items. The savings listed here are unachievable.

Fleet: this section talks of amalgamating vehicle fleets and selling of surplus vehicles. Special purpose vehicles need to be held by each utility and are not common usage items. Light vehicles, including cars, are common to each utility but the number can only be reduced if there is less staff requiring them. The savings listed here are unachievable.

Property: the savings listed here relate to amalgamation and property management staff. Numbers have already been reduced and the savings listed here are unachievable.

Environment and technology: the report admits only minor savings are available here. These also are probably unachievable.

Telecommunications: the savings listed here are minimal and probably unachievable.

Information technology: it is alleged here that savings of $10-27 million per annum are achievable on a combined basis. This area needs to be treated with some care as the IT part of a large undertaking can be very easily become a bottomless pit for a large expenditure of money.ETSA has an IT system based on IBM and IBM compatible personal computers and mainframe computers. The Computer Aided Design (CAD) area is filled with SUN equipment and Cadsman software. The IBM PC's use commercially available software and this system has now been spread to quite low levels in the undertaking.

E&WS has lagged behind ETSA and uses IBM equipment for engineering design and SUN for CAD work. Prior to the merger plan, E&WS had arranged a contract with a company, Tandem computers, who proposed for some $38 million to integrate the engineering and corporate computing areas with a commercial system using Apple McIntosh hardware and software. This integration process had not gone very far at the time of the merger announcement and it is understood that Crown Law has advised that Tandem have a watertight contract. There now appear to be the following options:

ETSA & E&WS to have separate IT systems;

E&WS to adopt ETSA's systems;

ETSA to adopt E&WS's systems;

The two systems to be merged in some way.

At present, E&WS appears to be demanding that all ETSA's systems be changed apart from the mainframe IBM and the SUN workstations. IT costs arising from the merger at present appear to be as follows:

Merging of customer databases—$10 million.

Merging of IT software and new software and hardware purchases for E&WS and ETSA—$40 million

Retraining—$18 million

Total—$68 million

Retraining costs are based on 1 000 staff at $40 000 per annum average salaries plus 80 per cent on costs for a training period of one month and a further two months of almost zero productivity while they learn how to use the new system. It is understood that the Tandem computer contract is for $38 million and this is the basis of the $40 million estimate. The merging of the customer databases is based on the cost of the database recently introduced into ETSA for handling customer accounts. It is impossible to see how the claimed savings will be made in the IT area.

They say that it will save $55 million, but it has been demonstrated that it will cost $68 million just to merge the computer software. That is why this is a scam and a political junket, and that is why we want it to go to a select committee. It has been cobbled together as a good idea in the Premier's Department and by a few bureaucrats, but it will not stand up to scrutiny.

Mr MEIER (Goyder): I wish to continue quoting from the document that the member for Victoria referred to, as follows:

Section 10. This section examines savings that it is alleged can be made in the corporate support area.

Executive management: it is claimed that 13 in the combined executive management group can be reduced to five or seven. As the existing executives are already overloaded, this can only result in some work not being done or a general devolution of authority. The costs could be achieved but would result in a also of control at the executive level. This is probably not a desirable outcome.

Strategic planning: combination of the groups in ETSA and E&WS could only produce savings if further staff are retrenched. The million savings are not otherwise achievable. There is little or no overlap in the duties of these two groups.

Finance and accounting: once again, there are already overloaded staff in these areas and the cost savings cannot not be achieved without redundancies.

Human resources: ETSA and E&WS are already devolving human resource functions to business units. The cost savings claimed are already 'in the pipeline'.

Public relations/communication: this area is already tightly staffed and minimal further reductions are possible. The savings of $1.5 million per annum claimed would see almost no staff left in this area. The provision of a centralised PR area has been found to be essential as the necessary skills do not exist in the business units. In addition, the media need to have a central place where they can have their inquiries answered promptly. The claimed savings cannot be realised.

Internal audit: the report claims that E&WS can use ETSA's internal audit unit. As the ETSA unit already has more work than it can handle, no savings are possible. About five extra staff would be needed at a cost of $40 000 x 1.8 x 5= $0.36 million per year. With the merger proposed, both ETSA and E&WS would be entering on a long period of instability with inexperienced/new staff, new systems,lack of clear guidelines, etc. In these circumstances, a strong and efficient internal audit function is essential.

Occupational health and safety: the savings proposed are achievable only if all staff are retrenched in ETSA and E&WS.

Risk and insurance: the savings proposed are not achievable. There will in fact be a significant increase in costs. ETSA has always operated as a corporatised organisation and carried internal insurance while having larger risks indemnified by the insurance industry. At 30 June 1992, ETSA had $120.1 million of reserves for self-insurance (ETSA Annual Report). In addition, ETSA spent about $10 million per annum on insurance premiums-the exact figure is not stated in the annual report. E&WS do not insure externally and it is understood that the Treasury of South Australia would guarantee that any claims would be met.

If the merger proceeds, additional amounts would need to be set aside to establish adequate self-insurance reserves for the merged authority. In addition, premiums for E&WS would have to be arranged. As there is no previous insurance history for E&WS, major insurers could be expected to be conservative and premiums high. An amount of about $20 million per year extra would need to be set aside to insure the E&WS component of a merged utility. However, there is a further significant impact. An agreement exists between the Federal Government and the States so that disasters can be funded by the Federal Treasurer. The States can call up this funding. In 1985, the then Minister for Finance, Senator Peter Walsh, directed that electricity authorities be excluded from this agreement. A merged authority could therefore be excluded. The merged authority would thereby cause South Australia to insure for a liability that is currently being indemnified by the Federal Government
at no charge.

Employee planning and development: the savings proposed are probably excessive (they are equivalent to a reduction of 25 staff in this area and it is doubtful as to whether there will be that many staff in a merged authority).

Section 11: this section examines merger costs.

Information technology transition: as set out earlier, the expenses of combining IT of the two organisations appear to be at least $68 million if they follow their present paths.

Logo and Letterhead: the costs are probably a little on the low side.

Merging property and facilities: as set out earlier, there will only be surplus resources if there are surplus staff. This appears to be unlikely given the previous reduction in staff levels. It is very difficult to make an estimate for these costs but a figure of at least $20 million would be reasonable. This figure is based on the purchase and development of new properties and the sale of existing properties at a loss due to the depressed market values particularly in rural areas.

Merger task teams: these teams are said to be cost-free. This is nonsense. While they are currently being paid, they are working on an unbudgeted task. At present, approximately 700 staff are working on the merger, which will last at least nine months. The cost of this is:

700 x $40 000 x 1.8 x 0.75 = $38 million.

Consultants: it is estimated that at least $5 million would need to be spent on management consultants.

Separation packages: these will not be needed if the merger does not proceed. To keep viable organisations, the number in ETSA and E&WS at present are probably at a minimum.

Salary differentials: the average salary in ETSA at present is $38 000 per annum whereas the average salary in E&WS is $31 000 per annum. There are 3 000 staff in E&WS and to bring the salaries to parity would cost $21 million per annum. It is wishful thinking to believe that two separate salary structures can remain. In addition, there is a once-off cost to align ETSA long service leave reserves with the long service leave accrual rate in the SAPS. SAPS accumulate LSL at a 15 per cent higher rate than ETSA. ETSA's LSL provisions are approximately $36 million ($31.3 million in 1992 annual report). At 15 per cent, increase is $5.4 million.

Summary: it is only necessary to reassert that continuous improvements in productivity of 2 per cent per annum will be impossible to achieve (and are very difficult to measure objectively in any case).

That brings the author to his final summary, as follows:

From an examination of this report, it is estimated that:
1. The merger is costing $38 million in lost time.
2. The merger will result in extra IT costs of $68 million.
3. There will be extra salaries and wages paid annually of $21 million.
4. There will be extra insurance provisions of $20 million per annum.
5. There will be a once-off property merger cost of $20 million.
6. There will be a once-off long service leave equalisation cost of $5.4 million.
7. Additional internal audit staff costing $0.4 million per year would be required.
8. There could be savings of $0.5 million per year in common meter reading.
9. Consultants costing $5 million would be needed to assist with the merger.
10. The above figures combine to give a merger cost of approximately $136.4 million with an extra operating cost of $40 million per annum.
11. In addition to the extra costs, there would be a marked decrease in customer service, particularly in country areas due to increased travelling time.

Two notes are made, as follows:

Note 1. The extra annual charges approximate $60 per household or business per annum.

Note 2. If the revenues of ETSA and E&WS are combined and a 5 per cent Government levy charged, the Government would be placing a hidden tax on all households and businesses in South Australia.

It is quite clear that this document reinforces in no uncertain terms the concerns held by the Opposition. I, too, call for a select committee to be set up to look at all the implications—and you have implication after implication identified in this report, which has been referred to by both the member for Victoria and me. So many arguments have been put forward by other members on this side. I wish to re-emphasise the points just made and also say that as a country member I have great concern at the potential impact it will have on country depots and, most importantly, on the number of personnel employed in the country areas.

We in the rural areas have suffered enormously in the past few years. There have been cutbacks of personnel in ETSA, in the E&WS Department, in Telecom, in schools, in hospitals and in so many other areas, and the effect on some of our rural communities is devastating. But this is a way that the Government has been able to make its contribution to populations in the rural areas. It is absolutely essential to have positive decentralisation programs, yet, at a time when rural communities need all the help they can get from the Government, the reverse is proposed.

I hope that the Government will rethink its position on this. It has certainly been a rushed suggestion, as has been pointed out by other speakers, although I will not go into that further. There are so many other points, such as the 30 different awards, half Federal, half State that must be consolidated. As I believe has already been said, an independent expert has suggested that this could take up to three or four years. We have the salary structures varying between the two organisations and so many other problems that need to be sorted out. I urge the Government to agree to the Opposition's call for a select committee in the Legislative Council.

Mr GUNN (Eyre): In participating in this debate I want to say from the outset that I believe one of the great initiatives of the Playford Government was when the Electricity Trust was established, thereby guaranteeing people in rural areas of South Australia access to the central electricity grid. The extension of those power lines across South Australia has

been a long and extensive exercise. Having lived as a citizen in an area where I had to generate my own electricity, I clearly appreciate how important it is that we have an efficient, effective and well managed energy utility in this State.

My first concern about this proposal is that we are unfortunately, in my judgment, in a world of rationalisation and amalgamation, and where big is beautiful. I took the trouble to read the report commissioned by the previous Western Australian Labor Government of the committee headed by Sir Roderick Carnegie, and the interesting recommendations of that report are quite the opposite to the direction we are taking now. I suppose one could argue that that is only the recommendation of a committee, and the Government of the day has the power to organise its facilities as it sees fit.

That is correct. However, the Parliament has a wider obligation to ensure that, whatever is done, the public of South Australia receives the best possible service, and that industry and commerce have cheap, efficient and reliable electricity.

One of my concerns about this Bill (and I refer to page 17) is the list of Acts of Parliament that are to be repealed, one of them being the Electricity (Country Areas) Subsidy Act 1962. I would like the Minister to give a clear undertaking that the provisions of that Act will remain in force so that constituents who live in isolated parts of South Australia are not suddenly slugged an excessive amount for their electricity. As you would know, Mr Acting Speaker, and as the Minister knows and as those who support him know, there are many electricity undertakings in South Australia that are administered by the Outback Areas Community Development Trust, their operations being topped up by a subsidy, or there are undertakings such as that at Coober Pedy, which is administered by the District Council of Coober Pedy but which receives a Government subsidy.

If it is fair enough to subsidise various aspects of community life and Government activity within the metropolitan area, it is only fair and just that those undertakings remain and people are charged the amounts that apply at present. I seek that undertaking. Having been involved with many of these undertakings since I have been a member of Parliament, I well recall the difficulties we had in getting power extended west from Ceduna and into various other parts of the State as well as the difficulties that those people had in raising the revenue to pay the standing charges.

I am concerned that the Electricity (Country Areas) Subsidy Act and the Electricity Supplies (Country Areas) Act 1950 are to be repealed. I am of the view that we have to be very careful that this rationalisation process does not become a vehicle for bureaucratic card shuffling or shifting of bums on seats in a manner that is not conducive to the best interests of the people of this State.

There are a number of other matters which have to be referred to when the Minister responds to this debate, or at least in Committee. My next point is that the member for Flinders rightly pointed out what has happened on Eyre Peninsula. The Electricity Trust and the Government, when they eventually agreed to do away with the 10 per cent surcharge that applied, decided on a process of amalgamation; they closed depots and put people together. When lightning strikes or power blackouts occur, there are not sufficient maintenance people on the ground in many parts of South Australia to ensure a response in a reasonable amount of time.

I want to know how the Government and this new southern organisation will ensure such a response. Why it is not to be called the South Australian Energy Commission or something else, I do not know. And I do not know whether it is all to do with the hook up of the grids—and in no way would I want to reflect upon your standing, Mr Speaker. Whether it is all to do with the hook up with Victoria, whether this is the vehicle to bring the two closer together, I do not know. I may be cynical but I would like to know. There are not sufficient people reasonably to meet the expectations of the community.

In January last year, in the area from where I come, the power was off for over 29 hours. The member for Flinders rightly brought this matter to our attention. That occurred because the work involved was beyond the capacity of those who have to do the maintenance and repair work; there were just not enough people on the ground to do it, as there was a massive disruption to the supply system. The same thing happened during the bushfire south of Iron Knob: the ETSA gangs could not get through because some fools in the vegetation section of the Environment Department had not allowed clearance. The fire was roaring out of control, but they had not been able to knock a tree down. We had to shut off the electricity off. That is the sort of nonsense we have had to put up with. I hope this new organisation is given sufficient power to disregard that sort of nonsense.

Mr S.J. Baker: No, you have to go to the Minister now.

Mr GUNN: Go to the Minister? Heaven help me!

Mr S.J. Baker: The Bill says you've got to go to the Minister before you cut off one twig.

Mr GUNN: Well, I have never heard anything so stupid in all my life. I have read through these two documents, and really we have to have two debates: I do not know why it cannot all be put into one. It will be interesting when we start talking about the nine wise persons on the next occasion, and I have one or two things to say about that, too, but I understand we will have nine people who will possess all wisdom in relation to the supply of electricity and water. I do not know whether they will run electricity down water mains and *vice versa*; we have yet to be told whether they are to have these magic powers. My concern in relation to this matter is what will happen where there are two depots in places such as Wudinna, Ceduna or the Leigh Creek coal field? What will happen to places such as Hawker, where the council is involved?

We are entitled to those answers, because one of the greatest things you can have is cheap, reliable sources of electricity. As I said earlier, I have been unfortunate enough to have to generate my own power. When people talk to me about wind power, I say to them, 'I wish you had to live by it.' They would know it has a very limited use, unfortunately, in this State. At the end of the day there is only one reliable source of power, in my view, and that is to have a proper, effective, Government-owned and managed electricity undertaking. We have to be very careful that we do not have the sole criterion of management as the containment of costs, because if we do that we will deny people cheap and reasonable electricity. It is so important to the average householder, industry and commerce in this State.

When he responds, I would like the Minister to advise this House what will happen to those areas which are administered by the Outback Areas Community Development Trust, to the councils and to those isolated communities. What will happen in the future when people want the power lines extended? Will this new organisation continue in a similar

fashion? Another interesting thing I note from the Auditor-General's report is that last year the Electricity Trust paid $42 million to the Government—a 5 per cent levy on sales. Under this new arrangement we have with the Engineering and Water Supply Department, its total revenue from rates and charges came to $347 million. That means that, with the 5 per cent levy on that, it will get another $17 million or $18 million. Will the Government charge a 5 per cent levy on sales of water and sewerage services? The taxpayers are entitled to know.

One thing you can give this Government credit for is that it has been fairly devious in collecting revenue, and it never leaves anything to chance. There is another $18 million. We are entitled to know whether we are getting taxed twice for electricity—once at the meter box and once with a 5 per cent levy. Will it happen with water and sewerage rates; will there be another 5 per cent levy on what we are already paying? We are entitled to know; I am sure the member for Mount Gambier wants to know.

The Hon. H. Allison: They impose a service charge in addition, so we are charged three times.

Mr GUNN: Three? It is getting worse; it will upset me even more. I want to know something else in relation to this measure. Throughout South Australia we have many proposals—some 30-odd proposals as I understand it—where people want water mains extended, and they are referred to as the uneconomic list. Occasionally Governments get fits of goodwill and provide some money to look after one or two of them. I want to know, when these enlightened nine wise men or women are established (I think we have to have one of each these days; I always believe people should be appointed entirely on merit, but others have other views), whether this new organisation will be in a position to fund some of these proposals and whether it will be involved in the COWSIP scheme, which is working with local government to provide water schemes.

We all know there is an urgent need to extend the Todd trunk main west from Ceduna out to Penong and those areas; we know there are tremendous problems at Quorn and Hawker and that we need to improve the quantity and quality of the water supply there; and one could go around various areas of the State. I want to know whether this new organisation will have more resources to be able to carry out that necessary work or whether it will have fewer resources because the Government will take another $17 million or $18 million from the supply of water. It is very important that the Minister should indicate clearly whether we will continue the process of rationalisation.

I heard an officer speaking on the radio one or two days ago in response to comments made by the member for Custance that there would be some rationalisation, which would lead to retrenchments and the closure of some depots. I would like to know where those depots are, because the closure of those depots will have a serious flow-on effect in some of these small rural communities. There are far too many people gone already. Those communities are entitled to have people living and employed there, to support their school, their sporting organisations and the total community.

I also want to know whether under this new structure there will be a greater emphasis on buying power from interstate, now that we have the interconnected grid, because there are tremendous concerns at Leigh Creek that the process has been put into place to run down the organisation. So much maintenance is needed on so much of the heavy equipment that a number of people up there believe it is beyond a joke and that new equipment should be purchased. That has not taken place. There should be new dump trucks and new shovels. I was told as recently as this week that the inspector had been up there and was most concerned about the standards of some of that equipment. So, we want to know from the Minister what is the long-term future for those organisations and who will make those decisions; will the Government make them or will this new enlightened nine-person band of whiz-kids have all wisdom and all power?

Until the very recent past, the Government of the day did not really interfere with the day-to-day running of the Electricity Trust, and that proved to be a fairly successful operation. As time goes on and we have more ministerial whiz-kids running around, they want to get their hands involved in the exercise. I want to know from the Minister whether it is envisaged that the Minister will be involved in all major decisions, or will the Minister have virtually a hands-off approach? I would think most of us in this House are not mining engineers, and we do not know how to run powerhouses. Even though I know that from time to time the member for Stuart has wanted to get involved in trying to tell the manager at Port Augusta how to run a powerhouse, most members have enough commonsense to know that it is not wise to get involved, particularly if you have no experience whatsoever in those fields. So, I think we are entitled to know from the Minister exactly what the Government's and the Minister's role will be.

I look forward to the Minister's response. I regard this is as a most important and significant piece of legislation because the provision of adequate power and water in South Australia is absolutely essential. One matter that has grieved me is that in the past few years there has not been enough investment into the E&WS Department. Sir Thomas Playford extended the infrastructure around South Australia and, unfortunately since his demise as Premier, that program has come to an end and there has not been sufficient money made available to maintain those facilities because Governments have been too interested in trying to appeal to other irrational minority groups, most of whom are not productive in the community, or they have been throwing money in other areas.

As a result these important facilities have been allowed to run down and in my view many of them have not been extended to the areas where they should have been extended. People in my electorate have suffered badly. Therefore, there is going to be a need to raise more money to put into some of these projects. I am looking forward to the Committee stage and the Minister's response.

Mr HOLLOWAY (Mitchell): I am pleased to support the Bill and welcome another step that this Government has taken towards greater efficiency within the South Australian economy. It is most regrettable that members opposite are wishing to palm off this Bill to a select committee. The purpose of this Bill is to improve the efficiency of our economy; it is about what used to be called microeconomic reform.

Earlier this morning we had a debate on mutual recognition, which is about the same subject. We had to have that debate because members opposite, particularly their neanderthal relations in the Upper House, had opposed that legislation: not for them Australia becoming an integrated economy; and not for them that we as a State of 1.4 million people in a nation of 17 million should be able to operate as one economy, unlike the Europeans with over a dozen

different languages, different borders and people who fought each other 50 years ago or less.

In Europe the countries have got together and have one integrated economy, but that principle was opposed by members opposite, and it is scarcely surprising therefore that this measure also should run into some opposition from members opposite. However, that is surprising, because over the past decade members opposite both here and in the Federal Parliament have been telling us how we need to become more efficient. They have been telling us how we need microeconomic reform and how this Government and the Federal Government have been too slow because we have not had reforms in the State's infrastructure and that the wharves are terribly inefficient.

The Opposition has claimed that all these things have not been done—and now we are moving too quickly. We have been too slow for all these years and now suddenly, heavens above, we are too fast. Members opposite are saying that the Bill needs to be looked at by a select committee, but it is worth asking what a select committee would do if it was looking at the Bill. What exactly would a select committee achieve in looking at the Bill? Earlier the member for Victoria quoted from a document purported to be from someone with expertise in this matter. The member for Victoria did not tell us who it was, although he intimated that that person would appear before a committee if required.

It did not sound to me like a particularly expert analysis. We had this great detailed, intellectual and lengthy analysis with the conclusion, 'This was not likely to be achievable.' If the business colleagues of members opposite took the attitude adopted by their representatives in Parliament, how would anything ever be achieved?

All they have done is covered all sorts of reasons. They have trotted out every possible difficulty why all these changes cannot be made, and so on. It was interesting that, although the member for Victoria was certainly disputing the quantum of savings in most of the cases he read out of the analysis, he was not disputing the fact that there were indeed savings; he was just trying to devalue them.

I think one of the key points about this is that, of course, any savings that will come—and they will come from a merger of the E&WS and ETSA—will increase over time. I do not think anyone would suggest that any merger would be a minor undertaking; that it would be achieved by a simple matter of passing a piece of paper through this Parliament. Obviously any merger will be a major undertaking, and it will certainly take a lot of work and a lot of effort.

The whole point is that as time goes by the benefits to this State will increase greatly as all the difficulties, and there will be difficulties, are worked through. As I said, if the private sector of this country had the same attitude as members opposite have, they would not have done anything: there would not have been any changes at all. There would not have been any improvements in business; it would all be too hard; there would be too many problems in the way. They would all be sitting down having committees looking at it for months and months.

The real reason why members opposite want a select committee is that they do not want this Government to have the benefit of being credited with any sensible economic reform. The real objective of the select committee is to put this matter off for as long as possible, preferably into the new year and beyond the next election, so that somehow members opposite will be able to fall into office and try to collect some credit for doing this themselves.

Members interjecting:

Mr HOLLOWAY: That is my belief. After all, if it was so bad members opposite would oppose it outright. But, no, the select committee option is the last refuge of the political scoundrel. If you want to have two bob each way, you call for a select committee. What better way of putting it off? We can see that in the Senate in Canberra at this very moment.

The fact is that there will be considerable benefits to this State from the merger of the E&WS and ETSA. Of course, most of those benefits will be concentrated in the areas of administration; the areas particularly of billing and reading meters. I wanted to make some comments about that because I attended a conference some time last year when the question of meter reading was being discussed. It was certainly interesting to see how technology is changing rapidly. One of the speakers at that conference pointed out that as the electrical mains of our country supply electricity to houses so, of course, it can be used as a communications system.

Already digital meters are coming into operation in other parts of the world. These meters can be interrogated through computer systems and, of course, automatic measuring can be done, and at the conference I attended no reason was advanced as to why such readings, at some stage in the future, could not be extended to other services such as water supply. As far as that aspect is concerned there will be some great changes in the future and the merger of the E&WS and ETSA will certainly help promote that.

During the attack made on this Bill by the members for Victoria and Goyder, it was interesting to note that one of their criticisms was about the PR savings: they disputed that there would be any savings on public relations as a result of this merger. What hypocrisy we see coming from those members opposite. They have been telling us for the past few years about how this Government and its agencies are spending far too much money on public relations, yet earlier today the member for Goyder was saying, 'There aren't enough; these PR people are needed so badly. They will be stretched; they will not be able to do the job.' It is amazing when we hear members opposite telling us how this Government and its agencies are spending too much money on public relations.

A lot was said by members opposite about services in the country. I found that amazing, too. On the other hand, the member for Victoria and his colleagues are telling us, 'We can't make any savings from this merger. There are no savings to be had. What will happen is that all these extra costs will come in and they will take away any savings' while, on the other hand, we have all the country members telling us how dreadful it is because of the loss of services and how jobs will go in the country. How can they have it both ways? How can there be no savings if in the country there are going to be all these cost cutting measures they claim there will be? I think that those members opposite ought to get their act together.

Perhaps that also explains one of the reasons why members opposite are taking the easy way out and suggesting a select committee on this matter. Of course, those members, particularly the country members, have got their parochial concerns. On the one hand, while we have the shadow Treasurer and other members opposite telling us that if the Liberals get in they will make the economy efficient and they will make all these savings—

Mr S.J. Baker: Exactly right.

Mr HOLLOWAY: With all these greater efficiencies the member for Mitcham will make these savings. At the same

time, of course, all his country backbenchers are telling us how they will restore services and spend more money in country areas. It certainly would be fascinating to watch but I hope for the sake of the people of South Australia that we never get the opportunity to see what they would actually do.

It was interesting also to hear the member for Eyre criticising this Government for what he called 'a 5 per cent tax on ETSA'. Not all that long ago, in fact before 13 March this year, the member for Eyre and his Federal colleagues were supporting a GST, which would have added 15 per cent to the price of electricity. I would have thought that would be far more damaging to people in country areas than the capital recovery charge involving ETSA for some years. The merger of E&WS and ETSA is not just an isolated experiment. What would happen is—

An honourable member interjecting:

Mr HOLLOWAY: Well, that is the very point I want to make. Indeed, there have been mergers of utilities elsewhere in the world—a number of them—for example, Singapore. I would have thought that, if members of this House wanted to hold up one place in the world as a model of efficiency, achievement and economic growth over the past decade or so, they could not do better than Singapore. Also, of course, the ACT has had a merger of water and electricity authorities, and there are many other instances in the United States.

One of the benefits that I would certainly see coming out of any merger of the E&WS and ETSA is that at the moment the E&WS is a Government department. I believe that with a merger into the new Southern Power and Water Corporation we can develop, through that merged entity, a new corporate attitude and a determination that will greatly improve the efficiency of the respective undertakings. It will be an excellent opportunity for us to have a more businesslike attitude towards the operation of that particular utility.

The great advantages that will come from this proposed merger of the E&WS and ETSA will, of course, come from the cost savings that will be made through the common functions, particularly the common administration functions, the functions involving the computer systems, and so on. Of course, as I said earlier, those benefits will improve dramatically and greatly as time passes.

I believe that the House should support this Bill and reject the suggestion made by the members opposite that somehow or other this matter should be hived off onto a select committee. We—particularly members opposite—must ask ourselves what exactly would we find out from conducting a select committee. Will it really provide the information and the sorts of details referred to by the member for Victoria?

I would have thought that those sorts of questions, questions of minute detail relating to a merger, were things that could be done only during the merger itself. The philosophical questions relating to this merger and the detail and benefits to me are quite apparent. It is not a question of the detail being necessarily done now. Obviously there is a lot of work to do. If there is a merger it will be a major undertaking, requiring a lot of work to be done by those involved. That is when a lot of these problems that will undoubtedly crop up will have to be examined. How long would a select committee need to cross every 't' and dot every 'i' with a merger of such large entities? It could take years.

I suppose, really, that that is what members opposite really want. What they are on about is that they do not want any measure which will benefit the people of South Australia and thereby show that this Government has been taking steps to reduce the debt in this State and improve the practices of our statutory authorities and the public sector. They do not want that. They want to put every spanner they can in the works to stop this Government getting the credit that it deserves for bringing about such worthwhile reforms. I call upon all members of this House to oppose the referral of this Bill to a select committee. It is not necessary. The benefits are clearly apparent, and I believe we should support the Bill.

The Hon. D.C. WOTTON (Heysen): I do not support the merger and I do not support this Bill. The member who has just completed his contribution—

An honourable member interjecting:

The Hon. D.C. WOTTON: I doubt that he will be. He has indicated that he does not see any need for a select committee. He asks what a select committee would be doing crossing every 't' and dotting every 'i'. It could go on for a long time getting it right, and that is the very reason why we need a select committee. The Deputy Leader has expressed many of the concerns of members on this side, and it is certainly not my intention at this hour of the day to go through those same concerns. However, I have received a considerable amount of representation and my contribution this afternoon will relate to the E&WS side of the merger. I have received a considerable amount of representation from people within the organisation who are concerned. It is not a matter of their wanting to watch their own back or look after their own situation or their own future. I can understand that there would be some concern about that matter, but I believe their overall concern is a very genuine one.

A lot of those people have been connected with the E&WS for a very long time and have put a lot of effort into that department. It is an excellent and very efficient department and has been for a very long time. Why would we want to make any changes unless we could be 100 per cent certain that efficiency would be maintained?

My concerns revolve around three issues. The first, which is important, relates to services to the community. The second relates to water quality and conservation issues. That matter was addressed at some length this afternoon by the member for Baudin, and I recognise his genuine interest and concern over these issues. The third area is the haste with which this merger is taking place.

I share the concerns of people who have made representations to me, and particularly those who are worried about the likely impact that the merger will have on services. It is an efficient department now. Already, under this Government, that department has unfortunately seen a reduction in resources. I believe that some of those resources were essential, and in some areas we have reached an almost dangerous stage in our ability to provide some of the services. The PSA has on a couple of occasions referred to the problems that are arising and will continue to arise in regard to the monitoring of water, emergency services and other areas that have for a long time been an important part of the E&WS.

Water quality is an important part of the responsibility of the department. I want to refer briefly—I have already done so once in this House, and I note that it has also been referred to in another place—to the representation that has been made to the Premier by the Hydrological Society of South Australia. I hope that members will have had the opportunity to look carefully at that representation, because it sets out the society's concerns in regard to the inadequate profile of water resources and management in this State.

Society members have recently decided that their concerns should be conveyed to the Premier and this Parliament because of the critical importance of the State's water resources to our ongoing prosperity and the perceived lack of consideration of water resource issues in State planning decisions. The society, comprising 200 members who have an interest in water resource management protection, is held in very high regard throughout this State. Its members have probably had more experience in protection, measurement and water resource management than any others. The members of the society are mainly professional and technical staff from education, research and consulting groups across the State, as well as from a number of Government and local government agencies.

They have indicated in the correspondence that they have forwarded to the Premier that the water resources of this State will be significant and, in many cases, the most critical constraint to economic growth. This is particularly the case with respect to some of the activities in industries that the Premier has identified in his economic statement as being crucial to our economic recovery. One of those referred to in this correspondence is the wine industry, and much has been said about that industry and the impact that the Federal budget regrettably will have upon it. Expansion in that industry will require careful management of the available resources and consideration of the constraints that limited water availability will impose on the planning process.

Similarly, the development of industrial and tourism activities outside the greater metropolitan area are inevitably dependent on the availability of suitable water supplies, and that may have a significant impact on existing users of local resources or on the local environment. The society spells out that, unless adequate consideration is given to the constraints imposed by water quality and quantity and the options available to modify or mitigate those constraints, the future of the development necessary for the economic recovery of this State is very bleak.

The society has also made the Premier aware of its concern about some of the activities that are taking place with regard to the future management of the water resource. It has referred to factors such as the impending merger between the E&WS and ETSA, the formation of the EPA—a matter that has been dealt with in this place over the past couple of days—and major reorganisation in several key Government agencies. Although the main question being asked is where the water resource management function should reside, the society believes that the most important issue is the profile of the function within Government. I agree with that very strongly. It is considered that water resource management lacks an adequate administrative and political profile in this State, despite the significance of water to South Australia's economy.

Unlike other States, South Australia has no Minister of Water Resources, nor is there a Department of Water Resources, despite the significance of water to the continued growth and prosperity of South Australia. There is not even a Director of Water Resources, which means there is no executive level officer within Government with sole responsibility to represent water resource issues. In addition, responsibility for various aspects of water resource management is already disseminated across a variety of agencies, including the E&WS, the Department of Road Transport, the Department of Mines and Energy, local government and, to some extent, the MFP. However, there is no clear understanding of any responsibility for overall coordination, particularly in relation to some of the emerging issues such as stormwater management and conjunctive use of resources.

These essential requirements can only be met by establishing a high profile, reasonably autonomous unit within Government to coordinate and oversee all water resource policy, development and management activities. That will not happen as a result of this merger. If anything, it will be hidden even more than it is at present, and that is of considerable concern to me. The establishing of a high profile needs to be promoted widely. It needs to provide a clear message to the community that the protection and management of water resources is vital to the future prosperity of South Australia. That is one of the major reasons why I am opposed to the direction that is being taken.

I referred to the haste with which the merger is being implemented. There are a number of reasons, which have already been expressed by my colleagues. I guess that those who are responsible are trying to do it, recognising the anxiety that is felt by public servants who are unsure of their future. I have had some experience of merging departments, having been responsible for the merging of the Department of the Environment and the old Department of Urban and Regional Affairs. I can assure the House that I would not want to go through that experience again, certainly not with the time that was taken to bring about that particular merger. Therefore, I have some sympathy with being able to do it as briskly as possible, for a number of reasons.

The speed with which the Government insists on this merger being dealt with is quite ridiculous and unacceptable. I suggest that there is a very real need to look carefully at the way this merger, if it proceeds, should take place and its consequences. I believe that that is not happening. I realise that there is a desperate need in this State at the present time for the Public Service to receive direction from the Government. We all recognise that, to a very large extent, the Public Service in this State is paralysed because of the lack of direction on the part of the present Government. It is imperative that that situation changes, but not at the expense of destroying what I recognise as two very effective instrumentalities and replacing them with an unknown quantity. We have no idea whether the new entity will be acceptable, whether it will offer improved services and whether it will carry out the Government's responsibilities in this area. I am not opposed to an amalgamation of some of the administrative services. The Deputy Leader has already referred to that and to other areas where amalgamation could occur.

In closing, I summarise by saying that there is no guarantee of an improvement in service, and there is no guarantee that the present service being provided to people in this State will be maintained. Until that guarantee can be given, I believe the merger should not proceed. I strongly support the establishment of the select committee, and I might also say that I am concerned about what might happen with this merger proceeding at the speed that it is, given that there could be a change of Government. I feel very strongly about this matter. This Administration insists on getting this well and truly under way prior to the next election, which means that it would be extremely difficult for the new Government to unscramble it. I believe that it is imperative that it should happen, but that is a concern that I have. I oppose the legislation; I oppose the merger; and I support the establishment of a select committee.

The Hon. J.H.C. KLUNDER secured the adjournment of the debate.

ENVIRONMENT PROTECTION (SEA DUMPING) (CONSISTENCY WITH COMMONWEALTH ACT) AMENDMENT BILL

Second reading.

The Hon. M.D. RANN (Minister of Business and Regional Development): I move:

That this Bill be now read a second time.

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

Leave granted.

The Commonwealth Government is a signatory to the 1972 International Convention on the Dumping of Wastes at Sea (commonly referred to as the London Dumping Convention). The convention prohibits the deliberate disposal at sea of wastes or other matter from vessels, aircraft, platforms or other artificial structures and any deliberate disposal at sea of vessels, aircraft, etc except in accordance with the convention provisions.

The Environmental Protection (Sea Dumping) Act 1981 of the Commonwealth gives effect to the convention. That Act came into operation on 6 March 1984. Under the Commonwealth Act the Commonwealth Minister may declare that the Act does not apply in relation to coastal waters of the State if the Minister is satisfied that the laws of the State make provision for giving effect to the convention in relation to its coastal waters.

The Environment Protection (Sea Dumping) Act 1984 was enacted so that equivalent State law would govern the dumping of wastes in coastal waters. The Act was not brought into operation due to protracted negotiations with the Commonwealth concerning the administrative arrangements for its operation, and the application of the Act to the placement of artificial fish reefs. In 1991 the Act was amended to extend its application to waters within the limits of the State (that is Spencer Gulf, St Vincent Gulf and historic bays), to ban any dumping of low level radioactive wastes (to complement a 1986 amendment to the Commonwealth Act) and to increase penalties.

This amending Bill seeks to address various issues raised by the Commonwealth concerning consistency of the South Australian legislation with the Commonwealth legislation. Once consistency is achieved, administrative arrangements between the State and the Commonwealth will be formalised.

The matters addressed in the Bill are as follows: the timing of the imposition or variation of conditions of permits to dump; the publication of information in the *Gazette* relating to permits; the removal of any time limit on prosecutions for offences against the Act; expansion of the evidentiary provision relating to evidence of analysts; and an increase in the fine that can be imposed for an offence against the regulations. I commend the Bill to the House.

Clause 1. Short title

Clause 2. Commencement

Clause 3. Amendment of s. 17—Conditions in respect of permits

Section 17 enables the Minister to impose conditions on a permit for dumping at sea, or loading for dumping at sea, waste or other matter or for incineration at sea of wastes or other matter. The amendment sets out when a condition (or a revocation, suspension, variation or cancellation of suspension of such a condition) takes effect—namely, at the date notice is served on the holder of the permit or at a later date specified in that notice.

Clause 4. Insertion of s. 19A

New section 19A requires the Minister to publish certain information in the *Gazette* relating to applications for permits and the granting or refusal to grant conditional or unconditional permits.

Clause 5. Substitution of s. 32

Section 32 of the Act provides that offences against the Act are minor indictable offences. This provision is repealed leaving the classification of offences to the general law under the Summary Procedure Act 1921.

The new section 32 provides that there is no time limit on prosecution for an offence against the Act.

Clause 6. Amendment of s. 34—Evidence of analyst

Section 34(2) is an evidentiary provision relating to a certificate of analysis of a substance being prima facie evidence of the matters certified. The amendment expands the matters that may be certified by an analyst.

Clause 7. Amendment of s. 37—Regulations

Section 37(2)(b) allows the regulations to impose a penalty not exceeding $500. The amendment increases this to $1 000 in the case of a natural person and $5 000 in the case of a body corporate.

The Hon. D.C. WOTTON secured the adjournment of the debate.

STATUTES AMENDMENT (ABOLITION OF COMPULSORY RETIREMENT) BILL

Received from the Legislative Council and read a first time.

CORRECTIONAL SERVICES (CONTROL OF PRISONERS' SPENDING) AMENDMENT BILL

Returned from the Legislative Council without amendment.

ADJOURNMENT

At 5.57 p.m. the House adjourned until Tuesday 24 August at 2 p.m.