HOUSE OF ASSEMBLY

Wednesday 12 October 1994

The SPEAKER (Hon. G.M. Gunn) took the Chair at 2 p.m. and read prayers.

FILM AND VIDEO CENTRE

A petition signed by 12 residents of South Australia requesting that the House urge the Government to retain the South Australian Film and Video Centre was presented by the Hon. Frank Blevins.

Petition received.

The Hon. S.J. BAKER (Deputy Premier): On a point of order, Mr Speaker, I wish to bring to the attention of the House that, according to my watch which I have made exact in recent times, the bells rang for exactly three minutes and stopped 1½ minutes before the appointed time. As a result, some members were prevented from entering the Chamber.

The SPEAKER: The Chair will investigate the matter that has been drawn to its attention by the Deputy Premier. I advise that I will do everything possible to see that it does not happen again.

QUESTION TIME

EDUCATION STAFF

The Hon. M.D. RANN (Leader of the Opposition): My question is directed to the Premier. Will the Government keep its promise to cut only 422 teachers and not 547 as has now been revealed by an Education Department document which details the allocation of teachers to schools for next year? The Opposition has obtained a copy of the Education Department document which details staffing allocations to schools for 1995. Teacher allocations based on the budget formula for bigger class sizes and next year's enrolment projections show a reduction of 547 teachers in 1995 alone—125 more than the cut of 422 announced by the Treasurer in his budget speech. The Government now seems set to break its own broken promises regarding class sizes and teacher reductions.

The Hon. DEAN BROWN: I think we need to be quite clear that the Government laid down a position in the budget. That position was to achieve—

The Hon. M.D. Rann interjecting:

The SPEAKER: Order! The honourable Premier.

The Hon. DEAN BROWN: The position in the budget set out an outcome of achieving a reduction of about 420 teachers based on an allocation. I commend the Minister for Education on doing what has been some superb modelling so that immediately after the budget individual schools knew exactly what sort of changes in teaching numbers would take place in each school—

An honourable member interjecting:

The Hon. DEAN BROWN:—or may take place depending on enrolments. I was supplied with details from my schools which indicated, first, the impact that would take place as a result of the reduction in expenditure in the budget. When I indicated that to the schools, my electorate was surprised at how few schools were affected because 75 per cent of all primary and junior primary schools in South Australia will have no change in staffing levels whatsoever due to the budget. The big disappointment for the Labor Party and the teachers' union was the fact that for many months they had predicted that about 3 000 teachers would be sacked in South Australia.

So it built up this anticipation and expectation within the community that the budget would absolutely slash the number of teachers. Then along came the budget and the number was 420, and everyone sat back and was amazed. Even the former Government had cut the teacher numbers by 1 200. How can the Leader of the Opposition, a man who sat in Cabinet and allowed teacher numbers to be cut by 1 200, stand up in the hypocritical manner that he has today and try to point the finger at the Government over a reduction of 420 teachers? I point out that the figures that came from the Minister for Education's office showed the impact that would occur as a result of the reduction in expenditure and, therefore, a reduction in teacher numbers through the budget, but then translated on top of that adjustments due to the change in enrolments in schools throughout the State.

I know that in relation to schools in my area a number of the schools actually had an increase in teachers, because there will be more students in those schools because the number of enrolments has gone up quite considerably. There were other schools where there was a marginal reduction due to enrolments falling, and a further reduction due to the budget cut. I do not know what the impact of the change in enrolments is across the board at this stage, and I will certainly take up that matter with the Minister for Education. I can say that the cuts due to the budget still remain at 420.

WOOLWORTHS

Mr BUCKBY (Light): Can the Premier explain to the House the benefits to the community from his announcement today that Woolworths will invest more than $30 million at Gawler? Along with Woolworths' executives, I was present this morning when the Premier announced exciting new plans for investment in Gawler. These plans include the relocation of the TAFE college to bring long overdue modern tertiary education facilities to the area.

The Hon. DEAN BROWN: I commend the fact that the announcement this morning was very significant indeed. Here is an announcement by Woolworths that it will take on a 99-year lease for a major new shopping complex at Gawler. It will be the biggest Woolworths complex in the whole of South Australia. It is apparently based on the very biggest that it now has in the eastern States. It is now the second announcement by Woolworths in just a couple of months. At the end of July, early August, it announced two new stores in South Australia, each worth $10 million. Here, though, is a major new shopping complex at Gawler—an investment of $30 million. The real benefit to the community is that 400 new jobs will be created within this shopping complex. It is because of investment decisions such as this from private companies that we have seen the whole confidence of South Australia lift very significantly, and the employment levels lift very significantly, too.

In talking to retailers, I believe that it is the small retailers in South Australia who are recording the biggest increase in retail sales of all. A number of them have come up to me in the past couple of weeks to say that in the past three or four months there has been a real lift in confidence, particularly amongst consumers buying from smaller retailers. Some of them are saying that they are getting the best retail figures ever recorded within their premises. That is good news for

South Australia across the board. Part of the real benefit to the Gawler community is not only the spending of $30 million on a new building complex and the associated 400 jobs but also the fact that we will end up with a new TAFE facility at Gawler for which the taxpayers are not paying.

It highlights again how this Liberal Government is able to work very closely with industry: something that the former Government could not do and did not understand. I will highlight to the House how the Liberal Government do that compared to the former Government. In July I found that Woolworths was about to embark on a major new investment program throughout Australia. Based on some figures from last year—and we all understand the depressed conditions that applied last year under another Government—I found that Woolworths was about to pull its investment money out of South Australia and invest it on the eastern seaboard where it thought there was more growth and better prospects. I flew across to Sydney and saw the Chairman of Woolworths. I spent the evening with him discussing what we now are doing in South Australia.

As a result of that, shortly afterwards, the board made the crucial decision to invest in South Australia, and as a result of that we see today's announcement of a $30 million investment—plus the two previous announcements of $10 million for the two other stores. It is good news. I assure the honourable member that Gawler will be the big winner out of this, and I am sure the honourable member together with the mayor and residents of Gawler are celebrating as a result of the significant announcement today.

TEACHER NUMBERS

Mr CLARKE (Deputy Leader of the Opposition): Following the Treasurer's statement to the House that his budget requires a cut of 422 teachers, can the Treasurer confirm the cuts to the number of teachers in the following 10 schools (and these cuts will be of great concern to many Liberals in marginal seats): Brighton High, 10 fewer teachers; Charles Campbell High, 11 fewer teachers; Elizabeth City High, 10 fewer teachers; Hamilton High, 13 fewer teachers; Morphett Vale High, 14 fewer teachers; Murray Bridge High, 9 fewer teachers; Northfield High, 11 fewer teachers; Salisbury East High, 9 fewer teachers; Underdale High, 11 fewer teachers; and Windsor Gardens High, 11 fewer teachers? Has the Treasurer seen the Education Department document showing a reduction of 547 teachers—not the 422 teachers mentioned in the budget papers?

The Hon. S.J. BAKER: If the member wants intimate detail on the schools that are affected I suggest he ask the question in another place. The honourable member is quite rude and he will have to learn. We saw the Labor Party, in the guise of the temporary Leader, rush off to embrace Archbishop George on the issue of parliamentary standards. In the first two questions of Question Time the Labor Party has breached the standards it was going to adhere to. I will address the question.

The SPEAKER: I suggest that the Treasurer do that.

The Hon. S.J. BAKER: I received a note with respect to Unley High School that said there were to be significant cuts. I then spoke to Unley High School and was told, 'Look, we are all right because our enrolments will be better than those projected by the Education Department.' The process involves two elements: one concerns the overall number of teachers, which was the 422 standard that was originally talked about. I suggest that the honourable member check the 547 figure to see whether it is net or gross, because he might get a different answer. The second point I make is that in my discussions with Unley High, because I received a note which said that it would lose some of its staff, it came back and said, 'Look, we believe we can accommodate this because we will have the enrolments necessary to sustain the increased teachers that will flow because of the enrolment formula.' It is absolutely appropriate that schools are staffed according to their performance.

Members interjecting:

The SPEAKER: Order!

The Hon. S.J. BAKER: I know that in respect of Mitcham Girl's High School and Unley High School there are people from around South Australia who want to attend those schools. In other areas, for a variety of reasons, school enrolments are dropping. The Opposition is suggesting that the Government wants to keep the same number of teachers when enrolments are dropping: that is exactly what the Labor Party is suggesting. I suggest that it goes back to the schools and looks at the fundamental formulas being applied and then asks the schools why they are not performing.

Members interjecting:

The SPEAKER: Order! There are too many interjections. I draw the Deputy Leader's attention to the comments of his Leader yesterday.

Members interjecting:

The SPEAKER: Order! The member for Unley also has been interjecting considerably.

COLD STORE FACILITY

Mr LEGGETT (Hanson): Will the Treasurer inform the House of the progress by the South Australian Asset Management Corporation in selling the cold store facility at Export Park? Several months ago the Government announced that it had agreed in principle to sell the cold store facility to John Swire and Sons Limited, but that this was subject to the approval of the Federal Airports Corporation and the Trade Practices Commission.

The Hon. S.J. BAKER: I am pleased to announce today that that facility has been sold to SAFRATE at the top tender price. That is a credit to the organisation of the South Australian Asset Management Corporation plus the farmers, the Swire group and everyone involved in this process. I make the point very strongly that, when we went to tender on this cold store facility, the facility had cost us over $5 million (by the previous Government) and was a bad debt for the State Bank, and we have had to work this out. We had to get the best price available on the market and, to a degree, we have exceeded our expectation of what we believed was obtainable. The reason that Swire did not get the nod was that at our instigation the Trade Practices Commission (TPC) reviewed the transaction.

We asked the TPC to have a look at the transaction to ensure that we did not run into the same problems that have occurred interstate, where sales of important assets have been held up and, in fact, stopped because of intervention by the TPC. We were proactive and decided that, while Swire had the best credentials for that sale at the time, it was important to have the TPC look at the sale. The TPC deemed that there would be significant market concentration as a result of the sale to Swire. This has been an ongoing process and has involved much discussion over recent months. Importantly, in the tender process our concerns were twofold: one was to

maximise the return to the taxpayer and the other to ensure that that facility was an export facility so we could speedily move goods in and out of it onto aircraft, so they could hit their markets.

Timing is absolutely vital in the international arena, particularly when getting perishable goods to markets. I recently discussed this issue in Hong Kong, where they emphasised the point that quality and timeliness are really critical. If Australia does it right, Hong Kong can take all the goods we produce in these specific areas. That is one of the conditions that has been met by SAFRATE and its new partners. They will provide a top class facility and, given the Premier's announcement about direct flights into Adelaide, we believe not only that we got a good price for the facility but that the people who will run that facility, the former SAFRATE and its partners, will have a bargain because of the increased activity that will be generated as a result of the instigation of this Government.

It is important to understand that that cold store facility wandered along, run by two operators who could not sustain it in an economic sense. It was impossible to get a return from that facility because of the bad management of the previous Government. So, we are making every effort to ensure that we are able to tell our producers that they will have a freight facility at a particular time so we can get our product into the market in the time frame the market expects. It is good news, first, that the taxpayers have a return and, secondly, that we will have a very good export facility.

TEACHER NUMBERS

Mrs GERAGHTY (Torrens): My question is directed to the Minister for Employment, Training and Further Education, representing the Minister for Education and Children's Services. How many teachers does the Government expect to separate through TSPs and how will this process be managed to ensure the retention of our most experienced teachers and those required by the curriculum? The schedule of teacher allocations for 1995, obtained by the Opposition, shows a projected reduction in the number of teachers next year of 547. A general call for separation packages has the potential to separate both our most experienced teachers and those teachers required to meet the curriculum demands.

The Hon. R.B. SUCH: I thank the honourable member for her question, as it is an important one. As a Government we are very proud of the teachers in our schools.

Mr Quirke: That is not what you used to say.

The Hon. R.B. SUCH: That is what I have always said. Our teachers are dedicated people committed to ensuring that our children have the highest standard of education, and our commitment is to ensure that education at all levels is of the highest possible standard. That was the commitment of our Government and it continues. I remind members opposite that we are committed to expanding our education system in terms of providing new facilities and I detailed the list last time we met here, giving the number of expansions in our schools, new buildings, extensions and modifications—much of which was long overdue and should have been carried out years ago. In terms of the specifics of the TSP separations, I will ask my colleague in another place to provide the details.

NATIONAL YOUTH PARLIAMENT

Mr BROKENSHIRE (Mawson): Is the Minister for Youth Affairs aware of the recent participation by South Australian youth in a National Youth Parliament and will he inform members of recent developments regarding a Youth Parliament in South Australia?

The Hon. R.B. SUCH: I thank the member for Mawson for the question. Recently 11 young South Australians, accompanied by a resource person, attended the first National Youth Parliament in Canberra. I farewelled the group some weeks ago and I welcome them here today. I acknowledge the contribution of those young people to a worthwhile program. It is administered by the YMCA, to its credit, and caters today for young men and women. It is an important training program and not simply a gathering where people talk but a detailed training session involving public speaking, preparation of a Bill and debate relating to a Bill. I commend the YMCA for that national initiative and remind members that next year we will have a Youth Parliament here.

I am delighted to have the support of the Speaker and the President of the Legislative Council. I trust that all members will support it as it will be a bipartisan activity to ensure that young people in South Australia understand the parliamentary system and can participate in it. I am asking members to support a young person from their electorate to sit in this Chamber and participate in the debate on a Bill.

Whilst the young people will debate in teams, they will have a conscience vote—a luxury we do not accord ourselves very often. It will involve a two day camp and at least a one day Parliament and will be productive not only for young people but for sending a signal to the community that knowledge of our parliamentary system is important. It will give the opportunity to young people to debate a Bill of significance to them. Where it has happened in Victoria, the legislation that was debated went on to become law. It is another way in which we can recognise the importance of young people and give them an opportunity to participate. I am asking all members to be supportive and to encourage someone from their area to be part of the very important Youth Parliament that is to be held here next year.

SCHOOL CARD

Ms STEVENS (Elizabeth): Will the Minister for Employment, Training and Further Education, representing the Minister for Education and Children's Services, advise the House of the changes to be made to the eligibility criteria for school card to achieve the stated goal of reducing the number of school card recipients by 20 000? The Minister for Education has stated that the Government is trying to get 20 000 students off school card by changing the rules for eligibility. The Minister told the Estimates Committee that rent and mortgage payments would no longer be a deduction in determining the cut-off point of $22 000 per annum and that a range of changes would be introduced this year. Many parents in the electorate of Taylor would like to know before 5 November whether their children—

The SPEAKER: Order! The honourable member is now commenting. The Minister for Employment, Training and Further Education.

The Hon. R.B. SUCH: Once again, it is an important question. This Government is committed to ensuring that scarce resources are used as efficiently and effectively as possible and to making sure that the people who receive the

school card are genuinely entitled to it. Some people have been getting a school card—and I know this to be a fact—when a hot water service has given trouble or they have had to purchase a refrigerator.

That information was conveyed to me by the Minister of Education in the previous Government. I do not think that that was ever the intention of the school card system. I am not suggesting that the abuse has been great, but we want to make sure that the use of the card is appropriate and that it assists those people who genuinely need it. That is our very strong commitment. In terms of specifics, I will contact my colleague and ask him to provide a detailed reply.

MEDICINE, ANALYTICALLY INFERIOR

Mr WADE (Elder): Can the Minister for Health inform the House whether the Government supports the use of analytically inferior medicine as a cost-cutting measure? I refer the Minister to a recent letter to the Editor of the *Advertiser* from a Kangaroo Island man who, in part, wrote:

> Recently while in Flinders Medical Centre I had an allergic reaction to a particular antibiotic, breaking out in red hives with itching. The resident microbiologist assured me that this phenomenon was called the 'red man effect' and was caused by the use of analytically inferior medicine resulting from cutbacks at the hospital.

An honourable member interjecting:

The Hon. M.H. ARMITAGE: Yes, it is a very rash question. The Government does not support in any way the use of analytically inferior medicines as a cost-cutting exercise. This, quite clearly, was not the case in this instance. I am pleased to reassure both the person who suffered from this reasonably normal allergic reaction—

The Hon. G.A. Ingerson: Tetracycline.

The Hon. M.H. ARMITAGE: —and members of the House that the Flinders Medical Centre budget had absolutely nothing to do with these unfortunate side effects. The Pharmacy Department of the Flinders Medical Centre adheres to the following principles for pharmaceuticals and ancillary products: those purchased for use must be approved for marketing by the Australian Drug Evaluation Committee; must be proven clinically safe and effective; must comply with standards for potency, stability and purity; must comply with compendial standards; and must be manufactured by companies licensed by the Therapeutic Goods Administration.

When products are therapeutically and pharmaceutically equivalent, cost is clearly a determinant. But, when there is a known difference between various brands of the same medication, cost simply does not enter into the equation. As I indicated, this is a not unusual reaction. In fact, it is so common that the former pharmacist sitting next to me, as the symptoms were read out, said that it must have been a tetracycline. My colleague the member for Bragg was once again correct.

An honourable member: You have a pharmacist on the other side, too.

The Hon. M.H. ARMITAGE: The one on the other side did not make any comment. The particular antibiotic involved—Vancomycin—has been used world wide for many years and it has been supplied by the one company since at least 1989. There is no recent change of that product based on financial or any other considerations. The so-called 'red man syndrome', which, I stress, is quite a usual although distressing side effect—and I do not in any way wish to undersell the distress of the fellow from Kangaroo Island to whom this occurred—is also a reasonably well recognised side effect relating to dose and rate of infusion.

It is not related to the quality of the medicine. It is probably the most common adverse reaction, and unfortunately it occurs with all brands of Vancomycin in Australia. However, there is always a balancing act, and sometimes one has to balance the value of the clinical efficacy of the drug against the potential side effects. However, I assure the House, and the particular person from Kangaroo Island, that the use of this had nothing to do with budget cuts or the effects of the budgetary expectation.

PUBLIC SECTOR TENURE

Mr CLARKE (Deputy Leader of the Opposition): Will the Premier explain why he has assured public servants that he plans to end tenure only for executive level or other key appointments, as he stated in this House on 23 August, when the draft of the new Public Sector Management Bill, dated 20 September 1994, contains no such guarantees?

The Hon. DEAN BROWN: I think the honourable member fails to appreciate what the existing Government Management and Employment Act contains. The existing Act does not guarantee permanent tenure, nor does the proposed Act, which is only a draft at this stage, anyway; it has been sent out as a draft to the unions for widespread consultation. There are over 80 000 Government employees, who have all been briefed on it and copies have been made available. We have had a very detailed program.

An honourable member interjecting:

The Hon. DEAN BROWN: I point out that there is no permanent tenure under the existing Act, which was introduced by the former Labor Government. I am not quite sure of the exact point that the Deputy Leader is now trying to make. What occurred is that the guarantee—

An honourable member interjecting:

The Hon. DEAN BROWN: Just listen. Guarantee of tenure was not provided for either in the present or the proposed Act. Guarantee of tenure was a Government policy that stated there would be no retrenchments, and our Government has retained that no-retrenchment policy. I am not quite sure of the point that the honourable member is trying to make, because there has been no change whatsoever in Government policy in terms of tenure.

Under the former Government there was a policy of no retrenchment, and the same applies under this Government. Under the present Act, which was introduced by the Labor Party, no guarantee of tenure, as such, was provided for. In the proposed new Public Sector Management Act there is equally no guarantee of tenure. That guarantee of tenure comes out of Government policy, not out of the Act, as such.

It is unfortunate that the honourable member would try to distort what clearly applies under the present Act and in terms of Government policy. We stand by that policy of no retrenchment.

TEACHER NUMBERS

Mr CAUDELL (Mitchell): Can the Premier inform the House when schools were advised of the 1995 teacher numbers?

The Hon. DEAN BROWN: I thank the honourable member for his question, because following the question from the Leader of the Opposition today, and also the second and third questions, one would have thought that suddenly some

new announcement was being made regarding teacher numbers in schools. I have ascertained from the Minister for Education that a press release was issued on 29 August—

An honourable member interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN:—outlining exactly what was happening in relation to changes—

Members interjecting:

The Hon. DEAN BROWN: It is headed '1995 School figures'. The Minister for Education's press release indicates that in addition to the budget figures changes were necessary due to changing enrolments. Without going into too much detail, I point out that at the end of August all teachers were told about the 1995 staffing decisions. The Government has been entirely up front, and as I said the press release was issued on 29 August. In particular, it states:

> For secondary schools, the average loss has worked out at about two teachers.

This is due to enrolment changes. It continues:

> The smallest loss was .2 teachers and the largest loss will be 5.4 teachers in a school which had 110 teachers.

This is in secondary schools. It states further:

> The 1995 figures show that about 75 per cent of all primary and junior primary schools have not lost a teacher as a result of the budget changes. Of the remaining 25 per cent of primary and junior primary schools, the maximum teacher loss in any school as a result of budget changes is 1.2 teachers. . . At the same time as schools are being advised of the effects of budget changes, they are being advised of the effects of enrolment changes in their schools. For example, one northern suburbs secondary school will have 130 more students next year and as a result will have 8.9 extra teachers.

That northern suburbs school, in an electorate represented by a Labor member, was not cited when members opposite quoted figures. They selected schools that had a decline in enrolment and picked out the changes in teacher numbers within those schools. The press release continues:

> However, one southern suburbs secondary school will have 176 fewer students and 11.7 fewer teachers as a result.

Certainly, there have been some gains and some losses due to changes in enrolment. That policy has applied under successive Governments in South Australia, and there has been no change whatsoever; those adjustments are made year in and year out.

Mr Foley: Shame!

The Hon. DEAN BROWN: Well—

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: For the past 11 years this policy of apparent shame has applied under the Labor Government. The real—

Members interjecting:

The SPEAKER: Order! The honourable member on my right will cease interjecting.

The Hon. DEAN BROWN: The member for Hart made that interjection having been the chief adviser to the then Premier. He knew darned well exactly what the policy was: he was the one who advised the Government to adopt that policy. Just as he sat there and advised it to maintain its debt program, he was the one who failed to pick up the $600 million increase in State debt over a six week period. So we know the embarrassment that he faces. Sitting alongside the member for Hart is the member for Elizabeth. She was out there before the election putting up big signs on schools saying, 'This school will close under a Brown Government.' What has occurred? They are still open.

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: So they sit there with egg all over their face.

PUBLIC SECTOR CONDITIONS

Mr CLARKE (Deputy Leader of the Opposition): My question is directed to the Premier. What assurance against ministerial and political interference in the public sector exists in the draft Public Sector Management Bill of 20 September, when section 15 gives Ministers the power to appoint, assign, transfer, remunerate, discipline and terminate public servants? Clause 15 of the draft Bill, which I understand will be considered by Cabinet next week, provides a Minister with these powers, which are currently exercised only by an independent Commissioner for Public Employment.

The Hon. DEAN BROWN: Once again, the Deputy Leader fails to reveal the truth to the House.

Members interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: The truth is that a specific section of the draft legislation deals specifically with appeal provisions. There is a whole section on appeal provisions which the honourable member has failed to acknowledge. Those appeal provisions in the draft Bill give the very sorts of assurances about which the honourable member is asking. I suggest that the honourable member turn further back in the Bill, look at the appeal provisions and realise that they—

Mr Clarke interjecting:

The Hon. DEAN BROWN: I suggest that the honourable member sit there and listen because—

Members interjecting:

The Hon. DEAN BROWN: He knows what is in the Bill, but he has deliberately tried to misrepresent the facts to this House this afternoon. The honourable member has himself just admitted that he has deliberately failed to acknowledge to the House that there are the same appeal provisions as applied under the previous Act.

Mr Clarke interjecting:

The SPEAKER: Order!

The Hon. DEAN BROWN: But the point is this: the appeal provisions under the existing Act were there only because a Liberal Opposition fought for them in the Upper House and had them inserted. In fact, the former Labor Government tried to remove those appeal provisions, and it was a Liberal Opposition which insisted on having them inserted. Lo and behold, we have mirrored them again in the new provisions in the draft legislation. So, it is the Liberal Party—

Mr Clarke interjecting:

The SPEAKER: Order! The honourable member will not display the document again or he will be named.

The Hon. DEAN BROWN: —which has upheld the independence of the public sector and included the appeal provisions to make sure that they apply.

PRISONS, DRUGS

Mr BASS (Florey): Will the Minister for Correctional Services advise the House of efforts made by the Correctional Services Department to combat drugs in prisons?

The Hon. W.A. MATTHEW: The first task facing this Government in combating the drug problem in our prisons

was to determine the true extent of that problem. On numerous occasions in this House in the past while in Opposition I highlighted the fact that under the 10 years of Labor rule, from 1982-83 to 1992-93, the drug problem increased by 1 889 per cent, as reported by that Government. I always contended in Opposition that, despite that massive rise of 1 889 per cent in reported drug incidence in prisons, the figure was actually much higher.

Regrettably, I now confirm that that is the case—the figure was much higher. We cannot pinpoint exactly how much higher, but I will cite an example of the sort of cover-up that was occurring shortly after the election. I was advised by my staff that just prior to the election period a bucketful of used syringes and needles was found in a drain just outside the fence surrounding the Northfield prison complex. It was determined under the rules of the previous Government that that bucketful of needles and syringes could not be counted in the drug incidence statistics or fines implemented, because it was outside the perimeter fence, even though it was known that they originated from inside the prison.

Confronted with this problem, we embarked upon a two pronged process of tackling the drug problem in our prisons. We tackled the problem head-on, and the steps that have been taken have been essentially through programs of supply and demand reduction. Supply reduction essentially includes measures designed to limit drugs entering the prison system in the first place and detecting any drugs that actually make it into the system. This includes such actions as establishing the *bona fides* of visitors, searching staff bags, restricting the entry of professional visitors' bags, staff surveillance and the searching of prisons through drug searches conducted by the Dog Squad and through prisoner urine sampling.

The Dog Squad's role is being refocussed to provide a greater emphasis on drug detection, and drug searching has become the primary function of that squad. The dogs are trained to detect all forms of Indian hemp and its derivatives, heroin, cocaine, amphetamines and home brew. The number of drug indications—that is, the number of times during a search that the dog indicates to its handler that a drug is or has been present—has actually decreased from 2 236 occasions in 1992-93 to 2 165 occasions in 1993-94.

As a result of this greater emphasis on tackling drugs, we anticipate that the number of searches will need to rise, and then the drug finds will stabilise and eventually decrease. The dog squad conducted a total of 972 drug searches in 1993-94, compared with 854 in 1992-93. During 1993-94, there were 562 incidents of drugs being detected within our prison system, the majority of these involving Indian hemp and its derivatives. Urine sampling is also being used to detect drugs, and the sampling is being conducted either on a suspicion or on a random basis. During 1993-94, the positive confirmations of all known illicit drug groups, from both random and targeted samples, was approximately 45 per cent. There were 1 370 urine samples conducted on suspicion, and of these 668 or approximately 49 per cent were positive. In addition, 387 random samples were conducted, of which 114 or 29 per cent were positive.

In addition to these active detection and prevention schemes, we have also introduced a number of preventive measures. An 'Ending Offending' program, which is a group based social education model, has been introduced and expanded to assist prisoners with an alcohol related offending problem. The prison drug unit provides counselling services for prisoners who wish to address their alcohol and drug problems and seek a better life.

The SPEAKER: Order! The Minister has given an extensive answer, and I ask him to wind it up. If he wishes to continue, he should do so by way of ministerial statement.

The Hon. W.A. MATTHEW: Thank you, Mr Speaker. In conclusion, the prison medical service also provides assistance, particularly through detoxification, for those prisoners suffering from alcohol withdrawal on admission. New work and education and rehabilitation programs are being introduced into our prisons to combat this problem so prisoners are gainfully occupied rather than having to turn to drugs to get over their predicament. Only through these measures can we start to combat these problems.

RACING INDUSTRY VIRUS

Ms HURLEY (Napier): Is the Minister for Health concerned about implications as a result of the outbreak of a mystery virus which has afflicted a number of racehorses in Queensland and which may have caused the death of prominent horse trainer Vic Rail? Is his department monitoring investigations into this virus by Queensland officials, and what plans does his department have in place in conjunction with the Department of Primary Industries should such an outbreak occur in South Australia?

The Hon. M.H. ARMITAGE: First, let me say that the matter is obviously known to me as it is known to everyone in Australia. As a former two-bit punter who won a bit of money on *Vo Rogue* on occasions, I am very much saddened by the death of Vic Rail who we all know, from the various obituaries and eulogies, was a bit of a character. The matter of the disease spreading to South Australia has not been raised with me at all, particularly as it has not spread to the areas around Vic Rail's stables and the immediate neighbouring stable, as I understand it. The matter of all public health concerns is well looked after under the public and environmental health section of the Health Commission. I will undertake to ask whether it has made any contact with the people in Queensland.

One of the dilemmas is that, if the people in Queensland had access to the so-called mystery disease via the pathology, the symptomatology, and so on, and they do not know what it is, it is a little difficult to prepare for any possible spread of the disease. However, if the final pathogen turns out to be some mystery virus, from a public and environmental health point of view it would be susceptible to quite standard measures such as quarantining, and so on. An example of that is the fact that it has not spread further throughout Queensland, and that is a blessing.

INDUSTRIAL RELATIONS

Mr KERIN (Frome): Can the Minister for Industrial Affairs advise the House of any recent initiatives taken by the Government to explain and promote the State's new industrial relations system in South Australian country areas? The Government's new industrial relations system came into operation on 8 August to provide important opportunities for employers and employees to improve their industrial relations and to restore the State's competitiveness. My constituents have constantly emphasised to me the need for industrial and economic development in regional South Australia where unemployment is unfortunately higher than it is in Adelaide.

The Hon. G.A. INGERSON: I thank the member for Frome for his question and his obvious interest in this issue. I heard the quip from the member for Giles about no-one

being interested. I inform the member for Giles that the biggest roll up in the country happened to be at Whyalla. Some 65 members of the public, employers and employees, came along to the meeting in Whyalla, which had the biggest single line up of all country areas. In company with the Commissioner of Enterprise Agreement and the Employee Ombudsman, the department visited 11 different country areas. In total, over 400 employers and employees came along. It has been an excellent program which has been able to transfer information right throughout country areas.

Mr Clarke interjecting:

The Hon. G.A. INGERSON: The Deputy Leader asked, 'What did we get out of it?' It is not what we got out of it, because one of the most important things that came out of it happened to be at Port Pirie, where a union member came up to me and said, 'Mr Ingerson, the best thing you have done so far in Government is open up the employee relations legislation, and I say that for one simple reason: for the first time we as employees are now able to control these union officials.' That is a very interesting comment. He said, 'For the first time—and it has happened this week at Pasminco—we have been able to go along to the union official and say, 'This is what we want to go into the enterprise agreement and, if you are not prepared to do it, we will do it because for the first time the Liberal Government has given us the opportunity to go into the commission and have our own agreement signed without the union.'

Members interjecting:

The SPEAKER: Order!

The Hon. G.A. INGERSON: He then went on to say, 'The union will now do it because the members are driving the way that we want the industrial agreements to come out.' I would have to say that I did not expect that. What is fantastic about it is that the employees of South Australia can now control how those enterprise agreements come out. Later this week, I will bring to the Parliament the number of enterprise agreements that are currently registered in the commission. The reason I am not doing it today is that the Enterprise Agreement Commissioner is away this week. We have had more enterprise agreements in eight weeks than New South Wales and the Federal Government had in 18 months. It will be a very exciting announcement, and the Deputy Leader will be very embarrassed when we announce the unions that are involved.

RACING INDUSTRY VIRUS

Ms HURLEY (Napier): My question is directed to the Minister for Housing, Urban Development and Local Government Relations. In view of the concerns expressed about the mystery pathogen which has killed many horses in Brisbane and speculation that this pathogen may be transmitted to humans, will he place a moratorium on all new stable developments in the City of Marion until investigations into the virus are completed?

Members interjecting:

The SPEAKER: Order!

Ms HURLEY: Will he say why he has taken so long to approve the City of Marion horse industry plan amendment?

Members interjecting:

The SPEAKER: Order!

Ms HURLEY: The Opposition is aware of concern by residents in the City of Marion about the delay which has—

Mr Caudell interjecting:

The SPEAKER: Order!

Ms HURLEY: —occurred in the consideration of amendments to the City of Marion horse industry plan.

Mr Caudell interjecting:

Ms HURLEY: No, concern in the City of Marion—

The SPEAKER: Order! The member for Mitchell is out of order. The member for Napier will not invite interjections or respond to them. I suggest the member explains her question. The Chair has been most tolerant.

Ms HURLEY: The Development Policy Advisory Committee recommended to the Minister on 15 June that the amended plan as submitted by the council was suitable for authorisation. The plan prohibits expansion of horse keeping beyond existing allotments dedicated to that use. The Opposition understands that there are a number of applicants for stables in built-up residential areas of Marion seeking approval before the amended plan is approved.

The Hon. J.K.G. OSWALD: Perhaps I should lend the honourable member someone to help her write out some of her questions. The question as regards whether I will quarantine any stables anywhere in South Australia because of something that has happened in Queensland is quite absurd. I will briefly address the attitude of the racing industry in this State to the disease. The South Australian Jockey Club, as the controlling authority, is concerned that the disease could be transmitted. Through its General Manager (Jim Murphy) it is keeping a very close watch on horses that could come from interstate. The South Australian Jockey Club, like everyone in the industry, does not want to see any possibility of contamination arise.

As my colleague the Minister for Health has pointed out, the disease has been isolated and contained. The South Australian Jockey Club will continue to monitor the situation as will everyone involved in the horse racing industry, because no-one who transports horses interstate wants to be involved or have any of their stock come into contact with the disease. It is being monitored and there is no risk in South Australia. As far as the other matter is concerned, I am in consultation with the Marion council and the local members concerned. The matter is being addressed and a decision will be made shortly.

RURAL ASSISTANCE

Mrs PENFOLD (Flinders): Can the Minister for Primary Industries explain what further assistance is now available to farmers deciding whether to feed or sell excess sheep as a result of the current season?

The Hon. D.S. BAKER: I thank the honourable member for her question and her concern for what is occurring in many of her areas, because the season is probably worse on Eyre Peninsula than any other area of South Australia. Over the past couple of months, in negotiations with the Federal Minister, the Government has been trying to ensure that South Australian farmers have the chance to access benefits following the declaration of drought by area and by region. In the near future the Government hopes to announce that South Australian farmers will have the same assistance as is available to farmers in New South Wales and Queensland.

Apart from that, there are many other things that need to occur if farmers get caught with a bad season or a drought situation. One of the great problems that primary industry generally has around Australia is making sure that the land is cared for so that when the drought breaks much of it has not been degraded to the point where it blows away. A book was produced by two people within the Department of

Primary Industries (Brian Ashton and Tony Morbey) using the difficulties experienced by farmers in the 1982 drought, and in particular the dry season on Eyre Peninsula in 1988. The book draws together all those experiences and shows people how to lot feed their sheep or feed them in a way that cares for the land, and that is very important. A good booklet is now available to South Australian farmers which will allow them to prepare for the summer season and make sure that their land is cared for. I commend that book to all farmers.

ADELAIDE REMAND CENTRE

Mr FOLEY (Hart): Will the Minister for Correctional Services provide the House with the advice he received from his department and Chief Executive Officer prior to his announcement that the Adelaide Remand Centre will be privatised?

The Hon. W.A. MATTHEW: Obviously, the honourable member did not speak to the former Minister for Correctional Services, the member for Giles, because if he had the member for Giles may have told him that some of the measures now being proposed by this Government were to be put forward by him but did not receive Cabinet support. I refer to an article in the *Advertiser* of 24 November 1990 headed 'South Australia's prisons may be run privately'.

Members interjecting:

The SPEAKER: Order!

The Hon. W.A. MATTHEW: The article states:

> Private firms could be running South Australian gaols by the end of next year according to the Correctional Services Minister, Mr Blevins. He said yesterday he believed the private sector could run the gaols for less cost than the public sector.

The article quotes Mr Blevins as follows:

> There is no doubt today that the private sector could run our gaols to the same standard but cheaper.

If that is the case, why is it that the then Minister did not make those changes? A search of the archives provides some interesting information. I also have in my hand a document entitled 'To the Premier for Cabinet: Privatisation of Mobilong Prison and Port Augusta Gaol.' The document is signed by Frank Blevins MP, Minister for Correctional Services. The document's recommendation to the then Labor Cabinet was as follows:

> It is recommended that the expressions of interest be invited from the private sector agencies for the operation of Mobilong Prison and Port Augusta Gaol.

It would seem that that document never made it to Cabinet: it was never lodged. It is only for today's Parliament to postulate as to whether Mr Blevins did a ring around of his Cabinet colleagues and then decided not to proceed. The fact is that the then Minister personally believed that that was the way to reform the prison system. That did not occur. This Government is now endeavouring to reduce the cost of imprisonment in South Australia.

The honourable member's question referred specifically to the Adelaide Remand Centre. The Adelaide Remand Centre stands isolated as the only one of eight institutions in this State today that is refusing in many areas to cooperate with the Government's cost reduction and efficiency increasing program in our prisons. That institution has been endeavouring, through some of its officers and through the auspices of the Public Service Association, to incite other institutions to join it in industrial action. Each of those other institutions has individually reported this activity to me and my Chief Executive Officer. Each of the institutions has refused to be coerced into such action. The fact is that those other seven institutions are endeavouring to reduce costs.

The Adelaide Remand Centre, on the Liberal Government coming into office, had more staff than prisoners: in excess of 160 staff with 158 prisoners. That sort of abuse of taxpayers' funds cannot be condoned any longer. The Adelaide Remand Centre staff have a clear opportunity to reduce costs. If they refuse to participate in the way the other institutions have, they will simply abdicate their right to be employed in that institution and others who are prepared to undertake those activities will have the opportunity to move in and do the job.

NATIONAL MUSEUM

Mr EVANS (Davenport): Can the Minister for Aboriginal Affairs inform the House whether the possible cancellation of the national museum of Australia will have any impact on South Australia? On ABC radio this morning it was stated that the Federal Government, after spending $40 million, will not proceed with the national museum because it cannot find a private source to contribute $26 million of the required $52 million. I understand that substantial quantities of Aboriginal artefacts have been gathered ready to put in the museum, and I believe they would complement the excellence of the Tandanya centre in South Australia.

The Hon. M.H. ARMITAGE: It is disappointing that the Federal Government is actually vacillating about the future of the national museum of Australia, but I believe that this presents South Australia, and, in particular, the people who have joy in the Aboriginal communities' artefacts, stories and legends, with a real window of opportunity. We think that we can provide real opportunities for the storage of the material at present collected if the national museum does not go ahead. Most members of Parliament would probably recognise that the South Australian Museum has the world's largest and unquestionably most significant collection of Aboriginal art, artefacts and cultural items, which is already a national collection in relation to the character and the areas from which the various items have come. I believe it would be a totally appropriate base on which to put the other artefacts that were to go into the national museum to create an even larger opportunity to glorify our Aboriginal communities.

At present the South Australian Museum is able to display only 1 per cent of the material it has and, as I indicated, it is such a significant collection that a new gallery of Aboriginal culture is shortly to be established, which would then give us a real focus for many of the people who come to Australia wishing to see Aboriginal matters. I have seen surveys that indicate that well over 50 per cent of people want to see something to do with the Aboriginal culture—

The Hon. G.A. Ingerson interjecting:

The Hon. M.H. ARMITAGE: As the Minister for Tourism says, it is the best tourism potential in the State: 50 per cent or more of tourists who come to Australia want to see something in relation to Aboriginal heritage, and more than 70 per cent, I think (although I will obtain the figure and give it to the member for Davenport), leave with something of an Aboriginal nature, be it a boomerang or something else. So, the potential is enormous and, if we had the national collection of Aboriginal heritage items here, people who were coming to Australia for that would come first to Adelaide before going to the outback, whether to Alice Springs or anywhere else. It really gives us a window of opportunity. Obviously, there would be all sorts of opportunities for

Aboriginal employment, with guided tours of the various artefacts and so on, and the Minister for the Arts and I are writing this afternoon to Senator Faulkner about this matter. I get on well with Senator Faulkner, unlike many people opposite, and I am optimistic that we will obtain a good result.

THIRD ARTERIAL ROAD

Mr ATKINSON (Spence): Will the Premier advise the House whether work on the second stage of the third southern arterial road will not now start until 1996; will it be the department's preference of two lanes reversible or the Minister's preference of four lanes; and how many minutes will it save on an average journey from the city to Reynella?

The Hon. DEAN BROWN: The commitment that was made prior to the election was that work would start before the end of 1995, and that is still the commitment of the Government. This is the third arterial road: let us face it, this is the road that the Labor Party promised to have completed and operating by 1992. That Government was thrown out of office in 1993 and work had not even started on the third arterial road. Under the present Government work will start on that road by the end of 1995. The design work is still being undertaken, so I am unable to give the honourable member the details of the nature of the road at this stage, because the Department of Transport is still looking at the various options for that design work.

LEGISLATIVE REVIEW COMMITTEE

Mr CUMMINS (Norwood): I bring up the seventh report 1994 second session of the committee and move:

That the report be received and read.

Motion carried.

Mr CUMMINS: I bring up the eighth report 1994 of the committee and move:

That the report be received.

Motion carried.

WHEELCHAIR ACCESSIBLE BUSES

The Hon. G.A. INGERSON (Minister for Tourism): I table the ministerial statement made by the Minister for Transport in another place in relation to wheelchair access to buses.

GRIEVANCE DEBATE

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

The Hon. M.D. RANN (Leader of the Opposition): I rise today to talk about an issue that should be of importance to all members of this House, that is, the future of SteamRanger. As the former Minister for Tourism, I am acutely aware of SteamRanger's important contribution to South Australia's tourism product. SteamRanger offers an outstanding service under very difficult circumstances. Many hundreds of volunteers are committing thousands of hours to a tourism initiative that has won national and international recognition, but that service and SteamRanger's existence is now under threat. It will be a considerable blow to our tourism marketing efforts if SteamRanger is forced to shut down its service.

I am pleased to be able to inform the House that in Hobart at the national conference of the Labor Party the member for Playford and I met with the Federal Minister for Transport and Communications (Hon. Laurie Brereton) to discuss the SteamRanger issue, and I wrote to Mr Brereton last week asking the Federal Government to reconsider its refusal, stated on a series of occasions this year, to provide Federal funding to assist SteamRanger. The South Australian Opposition is very pleased to support a bid for Commonwealth support to make some financial contributions towards saving SteamRanger's service between Mount Barker junction and Victor Harbor. All members would be aware that this issue has been raised on a number of occasions.

The State Minister for Transport (Hon. Diana Laidlaw) has written to Laurie Brereton on this matter but, unfortunately, he has consistently refused to accept any Commonwealth funding responsibility towards SteamRanger, even though the threat to SteamRanger's future is in large part a direct consequence of the Commonwealth Government's 1992 One Nation funding decision to convert the Melbourne to Adelaide rail line to standard gauge. Obviously, when the standardisation is completed in May 1995, SteamRanger will not be able to operate its broad gauge service, because the single section of track between Belair and Mount Barker junction will be standard gauge. I understand that the National Rail Corporation, which has responsibility for the standardisation project, has stated that the retention of the broad gauge track through the provision of the third rail concept is unacceptable because of the financial impost and technical and safety difficulties. I understand that the State Minister for Transport has indicated to Mr Brereton that the State Government is now prepared to make a contribution towards the cost of saving the SteamRanger service between Mount Barker junction and Victor Harbor.

I further understand that the State Government contribution will be met by the Commissioner of Highways purchasing that portion of land at Dry Creek owned by Trans-Adelaide and currently leased to SteamRanger. It is now important and fair for the Federal Government to make a funding contribution towards SteamRanger and I have asked Mr Brereton to reconsider his refusal. I understand that that refusal has been based on his decision not to provide any funds to SteamRanger because he says that it is clearly a State concern. He certainly reiterated that point to me in Hobart and has written in similar terms to Ms Laidlaw.

I am aware of the clear benefits to South Australia of the standardisation of the Adelaide to Melbourne main line into South Australia. The $54 million being spent under One Nation on improving tracks and port facilities will significantly improve employment and economic activity in our State. However, SteamRanger's dilemma is a direct result of the Federal Government's standardisation initiative. thus the Federal Government has a responsibility to reconsider its refusal to commit any Federal Government funds towards SteamRanger.

I would suggest that part of such a Federal contribution could be met by reallocating unspent One Nation funds earmarked for the Le Fevre Point intermodal container transfer facility. I understand that $8 million was allocated for this facility, but the entire amount was not drawn upon. Such

a reallocation would seem fair and reasonable, given that the current threat to SteamRanger is a direct consequence of the 1992 One Nation initiative. As a start, these funds could now be directed to assist with relocating SteamRanger's depot to Mount Barker. I have offered my assistance to the Premier in terms of negotiations in relation to the airport and I am happy to offer my assistance to Ms Laidlaw in terms of getting some Federal funds for SteamRanger.

The SPEAKER: Order! Before calling on the next speaker, I point out that the Deputy Premier was correct in relation to the length of time the bells rang. I have been advised that the master clock was 1½ minutes fast and that is why there was a slight problem. The Deputy Premier's timing was correct. The member for Norwood.

Mr CUMMINS (Norwood): I am sorry to see that the Leader of the Opposition is leaving, as I want to talk about his history in South Australia in this Parliament. We should have realised what his history would be, given what he said in 1983 in New Zealand when he was assisting the campaign of David Lange. He subsequently claimed that he was a personal friend of Lange. We know that Lange was later forced to resign because of the economic and financial failures of his Government. One might have said that that was a prediction of what Rann's activity would be in South Australia. There is an old saying that birds of a feather flock together, and it may well pay us to look at the activities of the Leader of the Opposition in the 1980s and at his judgment of people. Perhaps we could look at what he said about Marcus Clarke. On 13 April 1989 he moved the following motion:

> That this House condemns the Opposition for a sustained and continuing campaign—

Members interjecting:

Mr CUMMINS: Don't worry, Mr Speaker: I can out shout that lot any day. The motion continues:

> . . . to undermine the vitally important role of the State Bank of South Australia in our community.

Members interjecting:

The SPEAKER: Order!

Mr CUMMINS: The Leader of the Opposition then made the following comments:

> The State Bank is one of South Australia's greatest success stories. No-one of significance in the Australian financial community would not acknowledge the success of the new bank is in large part due to the brilliance of its Managing Director, Tim Marcus Clarke. His appointment in February 1984 was a major coup that stunned the Australian banking world. It was a major coup for the State. There is hardly any aspect of South Australia's social, cultural and economic life which is not touched by and not better off because of the activities of the State Bank.

We certainly know that the State Bank touched every activity in this State, but it was not couched in the terms that he mentioned in that instance. Let us refer to his attitude to John Bannon. John Bannon was one of his mentors. He thought that he was a great guy.

Mr Quirke interjecting:

Mr CUMMINS: I was not there when Bannon was there.

Members interjecting:

The SPEAKER: Order!

Mr CUMMINS: He said the following of John Bannon—and God help South Australia for this. In 1989 the now Leader of the Opposition said that he had learned prudence in management from John Bannon. God help South Australia if he learned prudence in management from John Bannon. It does not auger well for South Australia.

Let us deal with some of the portfolios that he held when in government in this State. I have only five minutes: I need a few hours to give the history of the behaviour of the Leader of the Opposition as a Minister in the former Government of this State. However, in a few minutes I can paint a bit of the picture and will come back to this topic at some other time.

Members interjecting:

The SPEAKER: Order!

Mr CUMMINS: Let us look at his history as Minister of Employment in the previous Government between December 1989 and September 1992. What did he do? What happened to the unemployed? The number of unemployed in South Australia increased by 34 600. The number of people employed fell by 7 900. The unemployment rate increased from 6.8 per cent to 11.4 per cent. He was also Minister of Youth Affairs between December 1989 and September 1992. What happened during that period? The level of teenage unemployment in South Australia rose from 17.6 per cent to 40.3 per cent.

Members interjecting:

The SPEAKER: Order! The Deputy Leader of the Opposition.

Mr CUMMINS: He was Minister of Aboriginal Affairs until 1992. I had the pleasure of going to Oak Valley recently. The old Aborigines there have to go 50 kilometres to get their water. He did not even give them water. They have a school there without an air conditioning unit and it is between 48 and 54 degrees outside.

Mr Clarke interjecting:

Mr CUMMINS: I am glad to hear that. He has, has he? We have a new member over here and I am glad to hear that finally somebody on the other side cares about the Aborigines.

Members interjecting:

The SPEAKER: Order! Warnings are issued to members who continue to interject. I do not want to have to call to order any other members who have been interjecting continually. They know who they are. The member for Norwood.

Mr CUMMINS: We know the pictures that they paint in relation to their care about the Aborigines and the unemployed, but if we look at the facts and the details we find that they are a pack of hypocrites. I will deal with these issues later, as time has run out.

The Hon. FRANK BLEVINS (Giles): I pay tribute today to a great South Australian, a fine citizen of Whyalla, Senior Sergeant John Smith. I was very disappointed a few weeks ago to find that Senior Sergeant John Smith had been sacked by the Minister for Health from the board of the Whyalla Hospital. Senior Sergeant John Smith is one of those police officers who command respect throughout the community. It is no exaggeration to say that he has made Whyalla his own. For a local member to have somebody such as Senior Sergeant John Smith in the local police station and in the community is a tremendous asset.

Senior Sergeant John Smith was eminently qualified to be on the board of the Whyalla Hospital, and that is why he was appointed. He is a very prominent and well respected citizen of Whyalla. He has a deep knowledge of health funding in particular. He is a long standing executive member of the South Australian Police Employees Health Fund—a health fund, for those members who know something about it, which is one of the most exceptionally well run health funds in the country and membership of which is compulsory for all

police officers. For the Minister for Health not to consider Senior Sergeant John Smith as eminently qualified to any longer sit on the board of the Whyalla Hospital shows that he has obviously done something wrong. One does not have to go very far to find out what Senior Sergeant Smith did wrong. Senior Sergeant Smith took on the medical profession in this country. He was presented with a Bill that he considered to be unfair and a rip-off by the medical profession, and he refused to pay the bill and was taken to court by the doctor concerned. He agreed to pay the approved Government amount for that particular procedure but would not pay the extra, even though he was quite capable of doing so. When he was taken to court, he won the case. It was a test case throughout Australia. Senior Sergeant Smith conducted his own case, with no financial support from anybody.

The decision was applauded throughout Australia. It was featured on television and the radio, in medical journals, magazines, and so on, right throughout Australia because it was a very significant case. It was applauded by hospitals, consumer groups and some of the health funds themselves. The one group of people that it offended was the medical profession. They did not like it when, as they saw it, some upstart who refused to pay this highly inflated bill took them on and beat them. For that, a very valuable member—if not the most valuable member—of the Whyalla Hospital Board has not been reappointed by this small-minded Government and this small-minded Minister, and I think that is an absolute disgrace.

All I wish to do in this few minutes available to me is point out that I cannot right the wrong. The Minister has the right to appoint and has decided that Senior Sergeant Smith is not a proper person to be on the board. There is nothing I can do about that, except on behalf of all people in South Australia—in particular on behalf of the police officers who over the years have had the benefit of Senior Sergeant Smith's expertise on the health fund and on behalf of the people of Whyalla—apologise to Senior Sergeant Smith for the behaviour of this Government and this Minister.

I put on the record that I, on behalf of everybody in my electorate, particularly the Whyalla part of it, appreciate everything that Senior Sergeant Smith has done for the Whyalla community in his policing and community roles and particularly as a member of the Whyalla Hospital Board.

The DEPUTY SPEAKER: The honourable member's time has expired.

Mrs ROSENBERG (Kaurna): Today I want to raise an issue which is one of the concerns in my electorate and which seems to be a constant and ongoing problem, that is, of smoke from inside fires. This matter is normally treated with a bit of contempt and is considered by most authorities to be a not terribly important issue. In local newspapers we see letters from people who are concerned about it, who have neighbours with fires and who are constantly having to put up with smoke in their houses.

I have been contacted about this problem by a group of people who live in the Perry Park Nursing Home and Hostel at Port Noarlunga. The first contact they made with my office was in late June. It might have seemed like we could take that problem and do something about it, but that is when the saga actually began. Immediately after my first contact I visited those people. I then contacted a local councillor. I also wrote to the local Noarlunga council and asked it to become involved in the issue. I sent a letter to the Environment Protection Authority so that it would have knowledge of the issue and, hopefully, take action if it was required, either by consultation with the council or by independent means.

On 29 July the EPA replied saying that under section 17 of the Public and Environmental Health Act 1986 it was up to the council to take control. That section provides that a council can prevent people from operating within certain hours and under certain weather conditions in such a way that it might cause a problem to health, and apparently a penalty of $5 000 is provided.

The neighbours who were causing this problem have gone out of their way to participate and have done whatever has been asked of them. They have added several extensions to their chimney, to the extent that the chimney is now almost to the stage where it would have to be called an industrial chimney, but this still does not overcome the smoke problem. The overriding dilemma is that the council approved construction of a house which was built way below street level, much lower than the cottages next door to it. No matter what they do with this chimney, unless it is raised to 200 feet in the air, it will never overcome the smoke problem.

When planning applications come before councils they should think carefully about what is placed in front of them instead of just giving everything a tick and assuming that it will be okay. This one small mistake in the planning arena has caused a major problem for these elderly people. Under section 17, the council has the right to take action if this activity is a risk to health. Two of these older people have come to me with signed doctors' certificates which clearly state that they are having asthma and breathing problems and eye irritation and throat problems simply from the smoke that they have to put up with that comes into their homes. One of them has a reverse cycle air-conditioner but is not able use it because it drags the smoke into the house, so they have to suffer with no heating because of the smoke coming from next door.

I then wrote to the council and asked why it did not take some action under section 17, because these elderly people needed action to be taken. That is when we really get to the ridiculous stage. I received a reply saying that in these cases the council normally asks people to keep a diary of every time the smoke causes them a problem. If there is smoke coming in the windows, these senior citizens are expected to enter this in a diary and then the council might take action after that. Councils need to be put on notice that it is about time we got some sensible, commonsense decisions in these matters. We are talking about senior citizens in our community who are under enough stress as it is because they have a health problem due to this smoke, and now they are expected to keep a diary. Even I cannot keep an accurate diary of those sorts of issues, let alone expect older members of our community to do so. Today I want to encourage both the councils and the Environment Protection Authority to start thinking a little more logically and laterally about these problems in South Australia.

The DEPUTY SPEAKER: The honourable member's time has expired.

Mr CLARKE (Deputy Leader of the Opposition): Today I rise to address the answers given by the Premier to questions about the draft Public Sector Management Bill 1994. The Premier made a point in his answer to my last question to him on this matter, and I will paraphrase his remarks. He said that there were no problems concerning the independence of the Public Service with respect to remunera-

tion, assignment or termination of employment of public servants under the draft Bill. He claimed that it was the same as is in the current Act, the Government Management and Employment Act 1985. I would like to read briefly and draw the attention of the House to what the current Act says with respect to this matter. Section 28(1) provides:

> Subject to this section, the Commissioner is subject to direction by the Minister responsible for the administration of this Act.

As usual, the Minister is the Premier of the day. Subsection (2) is quite explicit and provides:

> No ministerial direction shall be given to the Commissioner—
> (a) relating to the appointment, assignment, reassignment, transfer, retirement or dismissal of a particular person;
> (b) relating to the classification of a particular position;
> (c) requiring that material be included in, or excluded from, a report. . .

The important point is that the present Act quite clearly provides that no ministerial direction can be given to the Commissioner for Public Employment on appointment, assignment, reassignment, transfer, retirement, classification, and so on, with respect to public servants. In the draft Bill that the Premier has circulated to a number of interested parties, clause 15 provides:

> (1) Subject to this section, the chief executive of an administrative unit is subject to direction by the Minister responsible for the unit.

The most important point is contained in subclause (2), which provides:

> No ministerial direction may be given to a chief executive relating to the appointment, assignment, transfer, remuneration, discipline or termination of a particular person without prior notice to the Minister responsible for the administration of this Act and the Commissioner.

So, the draft Bill quite clearly puts the power not in the hands of the Minister responsible for the Public Service—that is, the Premier of the day—but in the hands of each of the 13 Ministers, or however many Ministers Parliament decides there shall be. It gives the power directly to those Ministers to assign, appoint, transfer, remunerate and terminate public servants.

The only requirement of the Minister is that he or she notify the Commissioner for Public Employment and the Premier of the day. It does not give the Commissioner or the Premier of the day veto rights with respect to the Minister's decision in these areas: it requires the Minister of the day merely to notify those two persons of that decision. That provision will lead to the politicisation of the Public Service if it is adopted by this Government.

An honourable member interjecting:

Mr CLARKE: No, this applies to every public servant. I ask the Minister, when involved in Cabinet deliberations, to read the whole of the document. It applies not just to CEOs but also to the junior clerk in the Public Service. We will get a Bjelke-Petersen style of administration if we are not careful about this matter. It was a very important point in the Fitzgerald recommendations resulting from the Royal Commission inquiry in Queensland that the integrity of the Public Service be maintained at all costs.

This draft Bill, if enacted into law, will lead ultimately to politicisation, cronyism and political patronage in the Public Service. It is quite opposite to the point that the Premier was trying to make in this Chamber today. Either he was deliberately misleading the House or he does not understand his own Bill.

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

Mr BECKER (Peake): I never cease to be amazed by some of the tactics used by the Opposition. Certainly one would make allowances for the new Opposition and the new members who form the Opposition, because they simply do not believe in any tradition or have any respect at all for principles involving the Government or Parliament. However, in highlighting inadequacies created during the past 11 years of a socialist Government, they will be causing a tremendous amount of harm and damage to the Public Service, to its reputation and to the Administration of South Australia. I hope it is a long time before we see another socialist Government in this State, particularly one led by the previous speaker in this debate.

The problem that annoys me and a large number of my constituents is graffiti. A dear old pensioner who came to my office the other day, using a walking frame as he cannot walk very fast, told me that these days he is scared stiff to stand still out on the street if he sees a couple of young people, because he is frightened that he will be covered in graffiti. Young people today seem to have no respect for our senior citizens nor for the maintenance of law and order within the community.

In Glenelg, as well as in many other seaside suburbs, on a beautiful spring or summer day, we are insulted by the behaviour of some of the hoons who cruise around the streets in souped-up Holdens, Valients and Fords with their stereo system going full blast and all the windows down. There is nothing more annoying than being in a street such as Jetty Road or Hindley Street, when the traffic is moving very slowly and young chaps who sit behind the steering wheel looking out—if they are big enough to see over it—have their stereo system going full blast. All you can hear is the thump of rock music, and there is nothing we can about it.

I have complained about this and I find that under the Road Traffic Act there is no specific offence prescribed for this type of behaviour. However, with a stretch of the imagination, this behaviour could come under 'driving without due care', as a driver would not be able to hear other traffic, especially emergency vehicles. What really annoys me is that these young people cruise around blasting this terrible rock noise out of the windows of their car, looking at and harassing young women who are walking along near our beaches or in the area of major shopping centres. It seems that this objectionable practice, which we appear to have inherited from the Mediterranean countries, is increasing in frequency.

I have asked the Government, the Minister for Transport and the Minister for Emergency Services whether something can be done to stop this practice, because members of the public, quite rightly, are outraged at the increased incidence of graffiti, but now we have the emergence of these hoons who go around in souped-up old cars creating a terrible noise on our busy streets and roadways.

Under the Noise Control Act, for an offence to have been committed, we need to be able to measure the noise. Measurement of the noise has to be undertaken on premises. Unfortunately, a motor vehicle is not a premise. Under section 10 of the Act, the industrial section, the department has to measure the noise for a period and record the noise levels. Because the motor car keeps moving past, of course, the noise level would drop as it would rise; there is no fixed noise area. Section 18 refers to domestic owners and to the

situation where an objective assessment can be made by an officer if a noise is considered to be coming from that group. That is a real problem and one that I believe the Government must examine as soon as possible.

The DEPUTY SPEAKER: The honourable member's time has expired.

FINANCIAL INSTITUTIONS DUTY (EXEMPT ACCOUNTS) AMENDMENT BILL

The Hon. S.J. BAKER (Treasurer) obtained leave and introduced a Bill for an Act to amend the Financial Institutions Duty Act 1983. Read a first time.

The Hon. S.J. BAKER: 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 Government announced in the 1994-95 Financial Statement that it would continue the Local Government Disaster Fund and continue to finance it through a 0.005 percent levy on financial institutions duty. When the levy was introduced in 1990 it had an expected five-year life to October, 1995.

The Fund has achieved its objective of assisting the Local Government community meeting costs arising from natural disasters and following discussions with the Local Government Association it is proposed to continue with the levy on financial institutions duty with the revenue received to be paid into the Local Government Disaster Fund.

The *Financial Institutions Duty Act* currently provides for a concessional rate of duty for short-term money market transactions and the provision of certain classes of exempt accounts into which non-dutiable receipts may be deposited.

The Act also provides that persons who have such exempt accounts must at the end of each financial year provide the Commissioner with a certificate confirming that all amounts deposited into the account were legitimate exempt receipts and in cases where that has not occurred pay the relevant duty to the Commissioner.

Deficiencies have been identified in these provisions in that the relevant section currently takes no account of the $1 200 maximum duty ceiling per receipt which can grossly disadvantage business with a large turnover. Conversely, the section does not currently contain any mechanism which allows the Commissioner to issue an assessment or recover outstanding duty should the taxpayer not meet their obligations.

Amendments to these provisions will provide a more equitable approach to administering the Act and will ensure that the Commissioner has sufficient power to raise an assessment and recover outstanding duty.

The opportunity is also being taken to make a number of statute revision amendments.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Amendment of s. 3—Interpretation

This clause amends the definitions of "the prescribed percentage" and "the relevant amount" so that these amounts will not decrease on 1 October 1995 but will remain at the current levels.

Clause 4: Amendment of s. 31—Special bank accounts of non-bank financial institutions

This clause changes the obsolete reference to the "Stock Exchange of Adelaide Limited" to a reference to the "Australian Stock Exchange Limited".

Clause 5: Substitution of s. 37

This clause substitutes a new section 37 which provides for the lodgement of annual returns by exempt account holders. Under new section 37 duty is payable on amounts paid into an exempt account in contravention of the Act at a rate equivalent to the rate of duty payable under section 29. In these circumstances the person lodging the return will also be liable to pay an additional amount, by way of penalty, which is equal to the amount of duty payable. The Commissioner may, however, remit the whole or any part of the additional amount payable.

Failure to comply with the section is an offence and carries a maximum penalty of $10 000.

Clause 6: Amendment of s. 43—Assessments of duty

This clause substitutes a new subsection (2) which does not differ substantively from the current provision but is expressed in terms which are more consistent with the rest of the section.

Clause 7: Amendment of s. 55—Offences

This clause provides a defence to the offence of paying money, or causing or permitting money to be paid, into an exempt account in contravention of the Act where duty and penalty duty has been paid under section 37.

Clause 8: Statute revision amendments

This clause allows for the schedule which makes various statute revision amendments of a non-substantive nature to the Act.

Mr De LAINE secured the adjournment of the debate.

ELECTRICAL PRODUCTS (ADMINISTRATION) AMENDMENT BILL

The Hon. S.J. Baker, for the Hon. J.W. OLSEN (Minister for Infrastructure), obtained leave and introduced a Bill for an Act to amend the Electrical Products Act 1988. Read a first time.

The Hon. S.J. BAKER: I move:

That this Bill be now read a second time.

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

Leave granted.

This Bill, entitled the *Electrical Products (Administration) Amendment Bill 1994*, amends the *Electrical Products Act 1988*. This Act provides for certain electrical products to be tested and energy labelled before being offered and/or advertised for sale or hire. Additionally, the Act requires that any unsafe or unregistered products are removed from sale, and provides for the prosecution of offenders who fail to comply with the requirements of the Act.

The current Act vests in ETSA the responsibility to administer and regulate activities in relation to certain proclaimed electrical products in South Australia. These products include items such as fridges, freezers, air conditioners, washing machines and clothes dryers. The testing of all proclaimed electrical products manufactured and/or imported into this State are administered by ETSA to ensure they comply with the appropriate standards and are safe for release to the general public. Additionally, ETSA is responsible for the investigation of any reported incidence of an unsafe or unregistered product. Such policing may involve the removal from sale of the offending product and also requires notification to the manufacturer and/or importer of the problem and consultation with them to determine any necessary remedial action. These activities relate to new products only; second-hand products are not subject to this Act. As part of the approval process, products are required to be tested to Australian Standards Association standards ideally in a National Australia Testing Association (NATA) accredited testing facility. There are several of these facilities in the State. Testing fees currently apply and are set out in Regulations under the Act. There is reciprocity between States, such that a product approved in one State does not need to be re-tested before being released for sale in another State.

ETSA has reduced its capacity to undertake product testing. There are private laboratories in this State that are interested in this business. The proposed Bill allows, with Ministerial approval, any authorised body to carry out product testing to Australian Standards Association standards and to issue the appropriate certification. With the removal of ETSA's subsidy, the fees for product testing are likely to increase market rates and will reflect real costs.

Energy labelling is part of a nationally agreed program aimed at increasing energy efficiency with the possibility of minimising energy performance standards. These standards are regulated nationally through agreement at the Australian and New Zealand Minerals and Energy Council (ANZMEC).

ETSA will focus on its primary function to generate, transmit, supply and trade in electricity. ETSA will divest itself of industry regulatory roles in general and specifically the administration of the

Electrical Products Act 1988. ETSA's administration of this role is a cost burden reflected in tariffs that, in a national competitive electricity supply market, would more appropriately be borne by a government department.

In line with national trends to allow supply authorities as public enterprises to maintain competitiveness, it is intended that ETSA divest itself of this industry regulatory role and transfer the administration of the *Electrical Products Act 1988* to the Minister.

I commend this Bill to honourable members.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Amendment of s. 4—Interpretation

This clause provides for the striking out of the definition of "the Trust" and of any reference to "the Trust" in any other defined term.

Clause 4: Amendment of s. 5—Labelling of electrical products

Clause 5: Amendment of s. 6—Prohibition of sale or use of unsafe electrical products

These clauses provide for the striking out of "Trust" or "Trust's" wherever occurring in these sections and substituting, respectively, "Minister" or "Minister's".

Clause 6: Insertion of ss. 6A and 6B

Proposed section 6A provides that, if the Minister is satisfied as to certain matters, the Minister may make an arrangement with a person conferring on the person a specified role in relation to testing, and authorising the labelling of, electrical products for the purposes of section 5(1) or (2). Proposed subsection (2) provides that such an arrangement must be in writing and sets out what may be dealt with in the arrangement which may be terminated by the Minister at any time. The Minister must, within six sitting days after execution of an arrangement, cause a copy of the arrangement to be laid before both Houses of Parliament.

Proposed section 6B provides that in any proceedings, a certificate executed by the Minister certifying as to a matter relating to an certain matters under the Act, constitutes proof, in the absence of proof to the contrary, of the matters so certified.

Clause 7: Amendment of s. 8—Regulations

A substituted proposed subsection (2)*(c)* provides that the regulations may fix, or provide for the Minister to fix, administration or application fees and provide for the waiver or refund of fees.

Clause 8: Transitional provision

It is provided that an authority or notice given of published by the Electricity Trust of South Australia and in force under the principal Act immediately before the commencement of this proposed Act continues in force as an authority or notice given or published by the Minister under the principal Act as amended by this proposed Act.

Mr QUIRKE secured the adjournment of the debate.

SOUTH AUSTRALIAN WATER CORPORATION BILL

The Hon. S.J. Baker, for the Hon. J.W. OLSEN (Minister for Infrastructure), obtained leave and introduced a Bill for an Act to provide for the provision of water and sewerage services; to establish a corporation for that purpose; to amend the Sewerage Act 1929 and the Waterworks Act 1932; and for other purposes. Read a first time.

The Hon. S.J. BAKER: I move:

That this Bill be now read a second time.

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

Leave granted.

This Bill establishes South Australian Water Corporation as a public corporation to undertake the functions currently performed by the Engineering and Water Supply Department (E&WS). It also makes consequential amendments to the *Sewerage Act 1929* and the *Waterworks Act 1932*.

The corporatisation of E&WS accords with the recommendation of the South Australian Commission of Audit. That recommendation has been accepted by the Government. Members will recall that the Treasurer, in his Financial Statement to this House on 31 May 94 said—

'The Government is committed to the principle that Government owned enterprises operate in a commercially oriented environment, with the aim of improving overall efficiency and financial performance. The E&WS is the only major water authority in Australia which is a Government department. This arrangement is not conducive to a commercial approach.'

Micro-economic reform in the Australian utilities industry has been proceeding for some years. In 1989, the Industries Assistance Commission Report 'Government (Non-Tax) Charges' recognised the impact which Commonwealth and State public utility charges had on the cost structures of industry. In 1992, The Industry Commission Report 'Water Resources and Wastewater Disposal' promoted the need for a commercial approach to service provision, improved performance measurement and reporting and the freedom to use outside contractors where this approach offered better value. More recently in 1994 the Council of Australian Governments (COAG) supported a strategic framework for the efficient and sustainable reform of the Australian water industry on the following basis—

- that water services should be delivered as efficiently as possible, that inter-agency performance comparisons be further developed and that service providers seek to achieve international best practice; and
- that service delivery organisations in metropolitan areas in particular should have a commercial focus.

The Independent Committee of Inquiry into National Competition Policy chaired by Professor Hilmer added another dimension to the debate. The Hilmer report (August 1993) promoted the use of competition in both the public and private sectors as a means of forcing down prices and generating national wealth.

Within the water and sewerage industries which are natural monopolies, two broad models of introducing competition are being followed. In Victoria, for example, the Victorian Rural Water Corporation is being divided into a number of different corporations. A similar approach is being adopted for Melbourne Water. Under this model, competition is achieved by comparing the performance of corporations providing similar services.

The model being adopted in South Australia is different. It seeks to achieve competitive cost structures, to deliver quality services to the community and also to facilitate State economic development. This involves opening up the E&WS to the private sector in a very substantial way to create a water industry in South Australia which is exposed to competition and which can broaden its vision beyond the local market; one which can become an aggressive participant in the overseas infrastructure market.

The Government expects the South Australian Water Corporation will support the economic development of the State in two ways—

- by contracting out its major functions, it will ensure extensive, strong and genuine competition for those functions, thereby lowering cost structures and achieving best practice efficiency.
- by involving the private sector in its business, it will facilitate growth of the South Australian economy. A viable, combined public and private sector water industry will have a much stronger capacity to compete and take advantage of the emerging market for infrastructure services in the Asia and Pacific region. It is well recognised that infrastructure services in China, the Philippines, Thailand and Indonesia are stretched to capacity.

After a comprehensive review of E&WS by its consultants, the SA Commission of Audit has made a range of recommendations aimed at improving the performance of the department. In the report of the Audit Commission it is acknowledged that E&WS has made significant improvements in its performance—

'Over the last two and a half years, E&WS has achieved substantial improvements in labour productivity with staff reductions of over 900 employees (equivalent to a 24% reduction). This rationalisation has been achieved concurrently with maintaining or improving service levels.'

Since January 1994, further substantial performance improvements have been achieved: the work force has been reduced by an additional 600 employees (representing a further 23% reduction) and comprehensive restructuring of E&WS operation is under way to meet the Government's financial and economic objectives.

The aim of corporatisation is to put in place an institutional form and operating systems which provide the potential to maximise competitiveness and efficiency and contribute to the growth of the State economy.

Experience demonstrates that business operates best when it has clear and non-conflicting objectives. The corporation's charter and its performance statement, as required by the *Public Corporations Act*, will set out the requirements of the Minister and the Treasurer

in clear terms. In turn the Corporation will be required to develop appropriate strategic and business plans that are consistent with its charter and performance statement. The discipline of these processes combined with the rigorous accountability of Directors under the *Public Corporations Act* will promote the most efficient and effective management of the corporation.

The restructuring program for E&WS includes—

- Corporatisation of the E&WS department.
- Outsourcing the following major functions of E&WS, subject to favourable tender prices being received—
  - operation and maintenance of metropolitan water and sewage treatment plants;
  - operation and maintenance of the Adelaide water and sewer mains network;
  - access to and extensions of the Adelaide water and sewer mains network; and
  - provision of logistic support services based in the metropolitan area.
- Improvement of the retained functions.
- Introduction of BOO (build own operate) or BOOT (build own operate and transfer) schemes for major new capital works.

The combination of these initiatives will transform E&WS into the South Australian Water Corporation—a new, invigorated and commercially focussed government business operating at international best practice levels of efficiency. The Corporation will operate in partnership with the private sector to achieve a water industry which adds to the growth and competitiveness of the South Australian economy.

The legislative framework governing the water industry is in need of review with the provisions of the *Sewerage Act* and the *Waterworks Act* reflecting the requirements of a bygone era. Accordingly the Government has directed that a comprehensive review of the legislation should be undertaken in consultation with interested stakeholders. In the meantime, it is appropriate that many of the powers contained in those Acts, particularly those dealing with operational matters' should be held by the Corporation. In this way, the Corporation will have the necessary operational powers to undertake its functions and can be held properly responsible and accountable for them. Schedule 2 of the Bill sets out those powers which are to be exercised solely by the Corporation and those which will be exercised jointly by the Corporation and the responsible Minister.

Attention is drawn to clause 2(1) of Schedule 1 of the Bill which transfers the property, rights, powers, liabilities and obligations held by the Minister under the *Sewerage Act* and the *Waterworks Act* to the Corporation. The *Irrigation Act* will be dealt with in a different way. Negotiations started some time ago with irrigators along the River Murray for the self-management of some Government Irrigation Districts. These may result in the transfer of the infrastructure assets to Trusts formed under that Act. Accordingly, there is no purpose in transferring those assets to the Corporation at this time. All interested parties may be assured, however, that the Corporation will take over the responsibilities currently undertaken by the E&WS and will continue to provide excellent service. It is intended to delegate to the Corporation similar powers and obligations under the *Irrigation Act* as those currently delegated to officers of the E&WS.

The Government has dealt with the transfer of employees from the E&WS to the Corporation in a sensitive way. It has sought to ensure that no employee will lose any rights as a result of corporatisation. Reference to clause 5 of Schedule 1 of the Bill will indicate that the rights of employees have been preserved and can only be varied by agreement under existing processes, such as variation or amalgamation of awards or enterprise agreement. At the same time, under section 17 of the Bill, the Corporation is empowered to create or restructure particular jobs and to employ other employees on such terms and conditions as it determines. This gives an equitable outcome**:** the Corporation is given flexibility in the area of employment without compromising the rights of existing employees.

Subject to the Parliamentary process, the Government intends that this legislation will be proclaimed to take effect on 1 July 1995. Apart from the benefit of being the commencement of a new financial year, this date will allow sufficient time to undertake the significant preparation for setting up the corporation. Activities include, for example, the selection of the best available directors to make up the Board, the preparation for the change in corporate identity, the development of the Corporation's charter and Performance Statement (as required by the *Public Corporations Act*), activities associated with the financial requirement such as valuation of assets, financing and determination of community service obligations. The Government is confident that all these activities will be finalised within the target date.

Members may be interested in the way in which the name of the corporation was selected. A widely representative team was established within the E&WS to research and identify potential names for the corporation. After applying basic selection criteria, a short list of 9 names was prepared. Market research consultants surveyed residential, industrial and commercial customers of the department as well as its employees. The results were weighed up having regard to the selection criteria and the emerging trends within the water industry. The Government was pleased to accept the recommendation of the E&WS that the name South Australian Water Corporation be selected.

I commend this Bill to the House.

Explanation of Clauses

PART 1

PRELIMINARY

Clause 1: Short title

Clause 2: Commencement

These clauses are formal.

Clause 3: Object

The object of this proposed Act is to establish a statutory corporation as a business enterprise with the principal responsibility of providing water and sewerage services for the benefit of the people and economy of South Australia.

Clause 4: Interpretation

This clause contains definitions of words and phrases used in the proposed Act.

PART 2

CORPORATION

Clause 5: Establishment of South Australian Water Corporation

South Australian Water Corporation is established and has perpetual succession and a common seal, is capable of suing and being sued in its corporate name and has the functions and powers assigned or conferred by or under this proposed Act or any other Act.

Clause 6: Application of Public Corporations Act 1993

The Corporation is a statutory corporation to which the provisions of the *Public Corporations Act 1993* apply.

Clause 7: Functions of Corporation

The Corporation's primary functions are to provide services—

- for the supply of water by means of reticulated systems;
- for the storage, treatment and supply of bulk water;
- for the removal and treatment of wastewater by means of sewerage systems.

The Corporation may also—

- carry out research and works to improve water quality and wastewater disposal and treatment methods;
- provide consultancy and other services within areas of the Corporation's expertise;
- develop commercially and market products, processes and intellectual property produced or created in the course of the Corporation's operations;
- advise users of water in the efficient and effective use of water;
- encourage and facilitate private or public sector investment and participation in the provision of water and wastewater services and facilities;
- carry out any other function conferred on the Corporation.

Clause 8: Powers of Corporation

The Corporation has all the powers of a natural person together with the powers specifically conferred on it by this proposed Act or any other Act.

Clause 9: Corporation to furnish Treasurer with certain information

The Corporation must furnish the Treasurer with such information or records in the possession or control of the Corporation as the Treasurer may require in such manner and form as the Treasurer may require. Subsections (2), (3) and (4) of section 7 of the *Public Corporations Act 1993* apply in relation to such a requirement of the Treasurer in the same way as to a requirement of the Minister under that section.

Clause 10: Common seal and execution of documents

A document is duly executed by the Corporation if the common seal of the Corporation is affixed to the document in accordance with this proposed section or the document is signed on behalf of the Corporation by a person(s) in accordance with an authority conferred under this proposed section.

PART 3

BOARD

Clause 11: Establishment of board

A board of directors consisting of 5 members appointed by the Governor is established as the governing body of the Corporation. The board's membership must include persons who together have, in the Minister's opinion, the technical and commercial abilities and experience required for the effective performance of the Corporation's functions and the proper discharge of its business and management obligations.

Clause 12: Conditions of membership

The Governor may remove an appointed director from office on the recommendation of the Minister (on any ground that the Minister considers sufficient).

Clause 13: Vacancies or defects in appointment of directors

An act of the board is not invalid by reason only of a vacancy in its membership or a defect in the appointment of a director.

Clause 14: Remuneration

A director is entitled to be paid from the funds of the Corporation such remuneration, allowances and expenses as may be determined by the Governor.

Clause 15: Board proceedings

Subject to the proposed Act, the board may determine its own procedures. The proposed section includes provision for a quorum of the board, the chairing of meetings of the board, voting at meetings and the minutes of proceedings to be kept by the board.

PART 4
STAFF

Clause 16: Staff of Corporation

The chief executive officer of the Corporation will be appointed by the board with the approval of the Minister. The Corporation may appoint such other employees as it thinks necessary or desirable on terms and conditions fixed by the Corporation.

PART 5
MISCELLANEOUS

Clause 17: Delegation to Corporation

The Minister may delegate any of the Minister's powers or functions under any Act to the Corporation. A power or function delegated under this proposed section may (if the instrument of delegation so provides) be further delegated by the Corporation. A delegation under this proposed section—

· must be by instrument in writing;
· may be absolute or conditional;
· does not derogate from the power of the delegator to act in any matter;
· is revocable at will by the delegator.

Clause 18: Regulations

The Governor may make such regulations as are necessary or expedient for the purposes of this proposed Act.

SCHEDULE 1
Transitional Provisions

This schedule contains provisions of a transitional nature.

SCHEDULE 2
Consequential Amendments to Other Acts

This schedule contains amendments to the *Sewerage Act 1929* and the *Waterworks Act 1932* consequential on the passage of the Bill. In the main, these amendments strike out references to the Minister and substitute references to the Corporation in the relevant Act.

Mr De LAINE secured the adjournment of the debate.

SMALL BUSINESS CORPORATION OF SOUTH AUSTRALIA ACT REPEAL BILL

The Hon. S.J. Baker, for the Hon. J.W. OLSEN (Minister for Industry, Manufacturing, Small Business and Regional Development), obtained leave and introduced a Bill for an Act to repeal the Small Business Corporation of South Australia Act 1984. Read a first time.

The Hon. S.J. BAKER: I move:

That this Bill be now read a second time.

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

Leave granted.

This Bill seeks to enhance the range of advice and assistance services provided to small business in South Australia and to increase the voice that small business has in the development of government policy. These objectives will be achieved through expanding the role of the Business Centre by increasing the number of information centres providing advice to small business and by providing small business with an effective forum in which to provide input to government policy making.

To put these initiatives into place it will be necessary to repeal the *Small Business Corporation of South Australia Act 1984*, to transfer all property, rights and liabilities of the Corporation to the Minister and to transfer employees of the Corporation to the Economic Development Authority.

The repeal of the *Small Business Corporation of South Australia Act 1984* is consistent with the government's commitment to strengthen South Australia's business climate, to give the highest priority to job creation through the private sector, to review all statutes and regulations affecting small business and to rationalise the agencies within the Industry, Manufacturing, Small Business and Regional Development portfolio.

As part of this rationalisation Industrial Supplies and Innovation Management have been transferred to the SA Centre for Manufacturing (SACFM) and government funding for the Textiles, Clothing and Footwear Centre has been consolidated through the SACFM.

The shares of the SACFM have been transferred to the Minister and the staff of the SACFM have been transferred into the Economic Development Authority (EDA).

The outstanding element in relation to this restructuring is the incorporation of the Business Centre into the EDA and the repeal of the *Small Business Corporation of South Australia Act 1984*. The Act and the Board exist principally to manage the Business Centre.

Small business has been concerned that it has not had adequate access to the government or to the EDA and coincident with the repeal of the Act, the government proposes to establish a Small Business Advisory Council to provide a widely representative small business forum.

The Council will be the peak representative group for small business and will provide wide representation and an effective voice into government.

Membership will be carefully selected to strike a balance between the need for as wide a representation as possible, and the need for a workable Council size. From within existing resources the EDA will establish a small secretariat to provide support to the Council.

In conjunction with the newly formed Council the government will initiate a review of the small business policy to ensure that the policy settings provide the best climate for small business growth. The Council will also act as a sounding board for government proposals to obtain the views of small business.

These initiatives and others will strengthen the role of the Business Centre, and will increase the participation of the private sector in the provision of business assistance advice through adopting the Federal Government's AusIndustry model for industry assistance.

Future roles for the Business Centre are:

· The Hub for AusIndustry or the "expert information centre" which sets the standards, manages the databases and coordinates the network of AusIndustry Agencies.
· Assistance to Business Starters through the provision of information and workshops, self help facilities and referrals.
· Assistance to existing small businesses needing help through interviews, workshops, mentoring and consultancy services.
· Assistance and advice to existing small businesses with potential and commitment to export or undertake import substitution, or to value-add to rural produce, or small businesses who are first line suppliers to exporters.

Under the AusIndustry model it is intended that the Business Centre will provide a range of client management functions including the delivery of best practice improvement programs, provide comprehensive advice on a range of enterprise improvement programs and assist in tailoring programs to specific needs. It is also proposed that the Centre will have a significant role in supporting the proposed AusIndustry Information Centres.

The government intends that the Business Centre's support role will include training and accreditation of AusIndustry Information Centres, dissemination and regular updating of the Bizhelp database (a database on business assistance programs) and other information packages, expert advice and ongoing support to AusIndustry Information Centres and assistance in establishing mentoring programs.

In effect, the government will reorientate its emphasis to provide support for small business through the proposed AusIndustry Information Centre network and directly through an enhanced Business Centre. This initiative will result in a considerably

expanded range of centres which can be accessed more easily by small business and an expanded role for the Business Centre in the provision of business assistance programs.

All these proposals are aimed at providing small business with greater input to government policy development, and enhanced services and assistance. As well, the proposal will provide a clearer separation of the government's role in providing and being accountable for service delivery and the Small Business Advisory Council's role in providing a conduit for small business to express their views to government. Adoption of these initiatives will be a key factor in the growth and development of small business in South Australia.

I commend this Bill to the House.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

Clauses 1 and 2 are formal.

Clause 3: Interpretation

This clause sets out the definitions required for the purposes of the measure.

Clause 4: Repeal

This clause repeals the *Small Business Corporation of South Australia Act 1984*.

Clause 5: Transitional provision

This clause sets out the transitional provisions that are required as a result of the repeal of the *Small Business Corporation of South Australia Act 1984*. It provides—

1. that all property and rights and liabilities of the Corporation are vested in the Minister;
2. that a reference to the Corporation in any instrument or in any judgment, order or process of a court will be taken to be a reference to the Minister;
3. that any legal proceedings commenced by or against the Corporation may be continued by or against the Minister; and
4. that all employees of the Corporation are incorporated into the Authority for the purposes of the *Government Management and Employment Act 1985*.

It also provides that where a person becomes incorporated into the Authority for the purposes of the *Government Management and Employment Act 1985* and was a member of the Corporation's superannuation scheme managed by the State Government Insurance Commission immediately before the commencement of this measure, the employee will be entitled to continue as a member of that superannuation scheme and employer contributions that would have been payable by the Corporation under the scheme in relation to the employee will be payable out of the funds of the Authority.

Employer contributions cease to be payable in relation to the employee if the employee joins a superannuation scheme established under an Act for employees in the Public Service of the State.

Mr De LAINE secured the adjournment of the debate.

VOCATIONAL EDUCATION, EMPLOYMENT AND TRAINING BILL

The Hon. R.B. SUCH (Minister for Employment, Training and Further Education) obtained leave and introduced a Bill for an Act to make provision relating to vocational education, employment and training; to repeal the Industrial and Commercial Training Act 1981 and the Tertiary Education Act 1986; and for other purposes. Read a first time.

The Hon. R.B. SUCH: 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 Government's purpose in introducing this Bill is twofold: to put in legislative form its response to obligations accepted as a participant in the national vocational education and training system; and to establish a mechanism through which public policy in the fields of employment and vocational education and training (VET) can be subject to effective advice and guidance from industry and commerce, including employer and employee organisations.

It does this by establishing a Vocational Education, Employment and Training Board with supporting Councils concerned, in one case, with course accreditation, trainer registration and management of contracts of training, and in the second with the promotion and coordination of the Adult Community Education sector.

The Bill ensures the participation of South Australia in the national system by establishing the Minister for Employment, Training and Further Education as State Training Agency, accountable to the Council of Ministers under the *Australian National Training Authority (ANTA) Act*. It is intended that the usual exercise of the Agency's function in this regard, especially its contribution to the National Strategic Plan for vocational education and training, and the preparation of the annual State Training Profile on which funding from the ANTA pool depends, will be carried out by the VEET Board.

The Board, which will advise the Government generally on employment and training issues, will be constituted so that people with relevant experience and expertise in industry and commerce, including representation from the union movement, will constitute a majority of members. The Board will draw on resources and expertise from the Department for Employment, Training and Further Education but will express its view independently to the Minister and will be required to consult extensively with bodies speaking for industry, such as industry training advisory boards.

The *Tertiary Education* and *Industrial and Commercial Training* Acts will be repealed, and the functions of accreditation and administration of contracts of training currently performed under those Acts will become the responsibility of a new Accreditation and Registration Council (ARC). The Council will replace and build upon the Industrial and Commercial Training Commission and will continue equal representation of employer and employee interests as well as those of training providers and will add expertise in accreditation in higher education.

The Adult Community Education Council will replace a Ministerial Advisory Committee in this area and will strengthen the voice of providers in government decision-making.

The VEET Board will receive advice from the Councils and will have an oversight role in accreditation and registration and adult community education matters. The ARC will, however, determine, (subject to the power of Ministerial direction) matters relating to contracts of training, which frequently involve delegations and authorisations contained in industrial awards.

The introduction of this legislation concludes a period of consultation and review which commenced when the previous Government issued a Green Paper proposing a Vocational Education, Employment and Training Authority for South Australia in December 1992.

This in turn was initiated as a result of two national agreements signed by the Commonwealth, State and Territory Governments earlier in the year—one establishing the ANTA as a joint strategic planning and funding body for training in both the private sector and in TAFE institutions, the second developing a national framework for the recognition of training (NFROT), which would provide access on an equal footing to nationally recognised credentials for training providers whether in TAFE, the private sector, industry or community organisations.

Beyond the need to meet the obligations the State had accepted under these two agreements was an emerging consensus on the need to give industry a more direct and influential voice in training and employment issues.

An extensive process of industry and community consultation provided generally strong support for the proposals. Action to implement the outcome of the consultation process was delayed, however, by the former Government's decision to abolish the Department of Employment and TAFE as part of its departmental amalgamation program. On taking office the present Government re-established a Department for Employment, Training and Further Education and reviewed the Green Paper proposals and the consultation outcomes.

During consultations several industry commentators expressed the view that the VEET Authority should be clearly separated from the TAFE administration.

Because of the Government's commitment to the streamlining of public administration it was not prepared to establish a separate statutory authority for vocational education and training. However, it has taken action to ensure that a significant degree of independence will exist between VET policy and the management of the TAFE sector by nominating the Minister as State Training Agency under the *ANTA Act* and creating an independent VEET Board to function as his adviser and delegate.

The new Act will continue the provisions of the *Tertiary Education Act* which prohibit the award of degrees by non-accredited bodies but which allow organisations to seek accreditation in this area. At this time, only degrees in theology have been accredited outside the university sector and it is the government's intention that accreditation for degrees will not be permitted unless they are demonstrably of a standard equivalent to those of the State universities. Procedures are being established which will invite the universities to play an influential role in these determinations, subject to provisions for equitable treatment of applicants.

Explanation of Clauses

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

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

Clause 3: Interpretation

This clause contains the definitions of words and phrases used in the Bill, including the abbreviated names used to refer to the various bodies established by the Bill. Of these, "VEET Board" is the Vocational Education, Employment and Training Board, "ARC" is the Accreditation and Registration Council, and "ACEC" is the Adult Community Education Council. "ANTA" is the Australian National Training Authority established under the Commonwealth *Australian National Training Authority Act 1992* (or any other body declared by regulation to be its successor). A "contract of training" is defined as a contract of training under Part 4 of the Bill in respect of training in a trade or other declared vocation. A "trade" is an occupation declared (by notice in the *Gazette* under this clause) to be a trade. A "declared vocation" is a trade, or an occupation declared (by notice in the *Gazette* under this clause) to be a declared vocation.

Subclause (2) empowers the Minister, on the recommendation of the Accreditation and Registration Council (ARC), to declare an occupation to be a trade or declared vocation for the purposes of this Bill. The Minister can do so by notice in the *Gazette* and can vary or revoke the declaration by subsequent notice.

Clause 4: Minister to be Agency

This clause provides that the Minister to whom the administration of this Act is committed is the State Training Agency contemplated by the *Australian National Training Authority Act 1992* of the Commonwealth.

Clause 5: Functions of Minister as Agency

This clause provides that, as the State Training Agency, the Minister has a number of functions. In particular, the Minister is to provide the Australian National Training Authority ("ANTA") with advice and information on vocational and adult community education and training needs and the funding implications of those needs. The Minister is to develop, in conjunction with ANTA, a detailed "State Training Profile". This is to be based on a "National Strategic Plan" on training policy determined by a Commonwealth, State and Territory Ministerial Council on advice from ANTA. The Minister has the function of ensuring that the management of the State's system of vocational and adult community education and training is in accordance with the National Strategic Plan and the State Training Profile and is to report annually to ANTA so as to enable an annual integrated report to be compiled for the Ministerial Council. The Minister also has the other functions of a State Training Agency contemplated by a National Statement agreed by the Commonwealth, States and Territories (and set out in a schedule of the Commonwealth Act referred to above), as amended or substituted from time to time, and has any other functions that the Minister considers appropriate.

Under subclause (2) the Minister is required to ensure that the vocational and adult community education and training needs of the State are met in a cost effective and efficient manner.

Clause 6: Delegation by Minister

This clause empowers the Minister to delegate to the VEET Board, ARC, ACEC or any other person or body any of the functions of the Minister as State Training Agency or any other function or matter that the Minister considers appropriate. If the instrument of delegation so provides, a delegated function or matter may be further delegated. A delegation under this clause must be in writing, may be subject to specified conditions, is revocable at will and does not prevent the delegator from acting in a matter.

Clause 7: Establishment of VEET Board

This clause establishes the Vocational Education, Employment and Training Board (VEET Board). The VEET Board is to consist of not less than seven and not more than twelve members. The Chief Executive Officer of the department or administrative unit of the Public Service that is, subject to the Minister, responsible for the administration of this Bill is to be a member of the VEET Board, and the remaining members are to be appointed by the Governor. One member will be appointed as chairperson and one as deputy chairperson. At least one member appointed by the Governor must be a woman and at least one a man. The terms and conditions of office, immunities, etc., of the members of the VEET Board are set out in schedule 1 of the Bill.

Clause 8: Ministerial control

This clause provides that, except in relation to the formulation of advice and reports to the Minister, the VEET Board is subject to control and direction by the Minister.

Clause 9: Functions of VEET Board

This clause sets out the functions of the VEET Board. Subclause (1) provides that the VEET Board's general functions are to assist, and advise and report to, the Minister on matters relating to vocational education, employment and training, including adult community education. Subclause (2) provides that the VEET Board's functions include: developing and recommending to the Minister a draft State Training Profile each year; monitoring vocational and adult community education and training in the State and advising the Minister of any departures from the National Strategic Plan or State Training Profile; collecting information in relation to, and encouraging the development of, vocational and adult community education and training; reporting to the Minister each year on vocational and adult community education and training in this State and on expenditure for the purposes of the State Training Profile; advising the Minister on policies and programs to enhance employment opportunities; and assisting in the co-ordination of matters that are within the ambit of ARC's or ACEC's functions. The VEET Board also has the functions of approving guidelines to govern the performance of ARC's functions under Part 3 of the Bill and approving the establishment and terms of reference of any committees set up by ARC or ACEC. It also has the role of monitoring and making recommendations to the Minister on the administration and operation of the Bill and may perform any other function assigned to it by the Minister or under this Bill or any other Act.

The VEET Board is empowered to establish committees and (with the consent of the responsible Minister) make use of Government employees or facilities. The Board can delegate its functions and any function delegated under this clause can be further delegated if the instrument of delegation so provides. A delegation made under this clause must be in writing, may be subject to specified conditions, is revocable at will and does not prevent the delegator from acting in a matter.

Subclause (6) provides that, in developing a draft State Training Profile, and generally to the extent practicable, the VEET Board must consult with industry and commerce (including industry training advisory bodies), associations and organisations representing employees, and relevant governmental bodies, including ARC and ACEC.

Clause 10: Report

This clause requires the VEET Board to present to the Minister on or before 31 March each year a report on its operations and on the operations of ARC and ACEC for the preceding calendar year. The Minister is required to cause copies of the report to be laid before each House of Parliament within six sitting days after receiving the report.

Clause 11: Establishment of ARC

This clause establishes the Accreditation and Registration Council (ARC). ARC is to consist of eleven persons appointed by the Minister, being a chairperson, the Chief Executive Officer (or his or her nominee) and a number of persons who will, in the opinion of the Minister, represent various interests. There must be three persons to represent employer interests, three to represent employee interests, one to represent the interests of private training providers, one to provide appropriate expertise in training for para-professional occupations and one to provide appropriate expertise in university education. At least one member appointed by the Minister must be a woman and at least one a man. The Minister must also appoint a person employed in the Public Service to be deputy chairperson and that person can attend ARC meetings and, in the absence of the chairperson, must act in the place of the chairperson. The Minister must also appoint persons to act as deputies of other ARC members. The terms and conditions of office, immunities, etc., of the members of ARC are set out in schedule 1 of the Bill.

Clause 12: Ministerial control

This clause provides that, except in relation to the formulation of

advice and reports to the Minister, ARC is subject to control and direction by the Minister.

Clause 13: Functions of ARC

This clause sets out the functions of ARC. Those functions include: the accreditation of courses and registration of education and training providers under Part 3 of the Bill; preparing or approving codes of practice for education and training providers; making recommendations to the Minister on what occupations should constitute trades or other declared vocations and performing the functions assigned to ARC under Part 4 of the Bill in relation to trades or other declared vocations; the granting of certificates to persons completing education and training courses; entering reciprocal arrangements with appropriate bodies with respect to the recognition of education and training; assessing the competency of, and granting certificates to, persons who have acquired qualifications otherwise than through courses accredited by ARC; encouraging the development of courses that will qualify for accreditation; encouraging the accreditation of courses, the registration of educational training providers and participation in accredited courses. ARC also has such other functions as are assigned to it by the Minister or under this Bill or any other Act.

ARC is empowered to establish committees (with the approval of the VEET Board) and make use of Government employees or facilities (with the consent of the responsible Minister). It can delegate its functions with the consent of the Minister. Such a delegation must be in writing, may be subject to specified conditions, is revocable at will and does not prevent ARC from acting in any matter.

In performing its functions, ARC is required, to the extent practicable, to consult with industry and commerce (including industry training advisory bodies), associations and organisations representing employees, and relevant governmental bodies.

Clause 14: Report

This clause requires ARC to present an annual report on its operations to the VEET Board in sufficient time to enable the Board to prepare its annual report for the Minister.

Clause 15: Establishment of ACEC

This clause establishes the Adult Community Education Council (ACEC). ACEC is to consist of not more than nine persons appointed by the Minister. Those persons must be persons who, in the opinion of the Minister, are experienced in the administration or provision of adult community education. At least one must be a woman and at least one a man. The Minister must appoint one member to be chairperson and one to be deputy chairperson. The terms and conditions of office, immunities, etc., of members are set out in schedule 1 of the Bill.

Clause 16: Ministerial control

This clause provides that except in relation to the formulation of advice and reports to the Minister, ACEC is subject to control and direction by the Minister.

Clause 17: Functions of ACEC

This clause sets out the functions of ACEC. ACEC is to: promote and encourage the provision of adult community education; advise the Minister on matters relating to government support for adult community education or other matters relevant to adult community education that are referred to it by the Minister or that it believes should be brought to the Minister's attention; and make recommendations to the Minister on the allocation of grants to providers of adult community education. ACEC can also perform any other functions assigned to it by the Minister or under this Bill or any other Act.

ACEC is empowered to establish committees (with the approval of the VEET Board) and make use of Government employees or facilities (with the consent of the responsible Minister). It can delegate its functions with the consent of the Minister. Such a delegation must be in writing, may be subject to specified conditions, is revocable at will and does not prevent ACEC from acting in a matter.

In performing its functions, ACEC is required, to the extent practicable, to consult with community organisations, local government and other relevant governmental bodies.

Clause 18: Report

This clause requires ACEC to present an annual report on its operations to the VEET Board in sufficient time to enable the Board to prepare its annual report for the Minister.

Clause 19: Accreditation and registration

This clause provides that ARC may, on application or of its own motion, accredit courses (or proposed courses) of vocational education and training or of education and training. It may also register persons as providers of accredited courses (or parts of accredited courses) or as providers of education and training to overseas students.

Clause 20: Conditions

This clause provides that accreditation or registration by ARC is subject to such conditions as are determined from time to time by ARC. These conditions may include: conditions requiring compliance with a code of practice prepared or approved by ARC; conditions as to the contents or on-the-job training component of courses or requiring approval of alterations to courses; conditions as to the suitability of premises at which courses may be provided or as to the qualifications of teachers, trainers and assessors; conditions as to standards and methods of instruction or as to assessment or the granting of certificates; conditions as to the recognition of prior education, training and experience for entry to a course or to satisfy part of the requirements of a course; conditions as to financial safeguards to protect the interests of fee-paying students or as to reporting and the keeping of records.

Clause 21: Determination of applications and conditions

This clause provides that, in determining an application for accreditation or registration and in fixing conditions of accreditation or registration, ARC must apply—

(a) the principles contained in the 1992 agreement between the Commonwealth, States and Territories entitled "Agreement for a National Framework for the Recognition of Training" (as amended or substituted from time to time) if those principles are applicable to the particular accreditation or registration;
and

(b) any guidelines that the VEET Board has approved in relation to such an accreditation or registration.

ARC must consult with the South Australian universities before determining a matter relating to a course in relation to which a degree is to be conferred.

This clause also provides that ARC can, by notice in the *Gazette*, define the classes of courses that may be accredited by ARC under Part 3 of the Bill. ARC can refuse to entertain an application for accreditation of a course that appears from the application not to fall within any of those classes.

Clause 22: Duration and renewal

This clause provides that, subject to the Bill, accreditation or registration is to be for a maximum period of five years and may be renewed by ARC (on application or of its own motion) for further maximum periods of five years.

Clause 23: Applications

This clause provides that an application for accreditation or registration (or for the renewal of either) must be made in a manner and form determined by ARC and must be accompanied by the fee fixed under the regulations. Applicants are required to provide ARC with such information relevant to the application as ARC may reasonably require.

Clause 24: Review

This clause empowers ARC to review an accreditation or registration under Part 3 of the Bill. Such a review may be conducted at any time and the holder of the accreditation or registration must provide ARC with such information for the purposes of the review as ARC may reasonably require.

Clause 25: Revocation or suspension

This clause gives ARC authority to revoke or suspend accreditation or registration on contravention of, or failure to comply with, the Bill, regulations under the Bill or any condition of the accreditation or registration. The revocation or suspension must be imposed by notice in writing to the holder of the accreditation or registration and may have effect at some future time or for a period specified in the notice. ARC is not permitted to revoke or suspend accreditation or registration unless it first gives the holder of the accreditation or registration 28 days written notice of its intention to do so and takes into account any representations made by the holder within that period.

Clause 26: Appeal to Administrative Appeals Court

This clause enables appeals to be made to the Administrative Appeals Court against any decision of ARC—

(a) refusing an application for the grant or renewal of accreditation or registration;

(b) imposing or varying conditions of accreditation or registration;
or

(c) suspending or revoking accreditation or registration.

Subclause (2) permits the Administrative Appeals Court to be constituted of a Magistrate in exercising its jurisdiction under this Bill.

An appeal must normally be instituted within one month of the making of the decision appealed against, but the Court can dispense with that requirement. ARC must, if required by the person affected by a decision, give written reasons for the decision. Where no written reasons are given initially but are requested by the person affected (within one month of the decision being made), the one month time limit for instituting an appeal does not begin to run until the written reasons are received by the person affected. While an appeal is being determined, the decision appealed against stands unless the Court or ARC makes an interim order suspending the operation of the decision. Unless the Court determines otherwise, an appeal under this clause is to be conducted by way of a fresh hearing of the matter and for that purpose the Court can receive evidence given orally or by affidavit. On hearing the appeal, the Court can affirm, vary or quash the decision appealed against or substitute or add any decision that the Court thinks appropriate. The Court can make an order as to any other matter, including an order for costs, as the case requires.

Clause 27: Register

This clause requires ARC to keep a register of courses accredited, and persons registered, under Part 3 of the Bill and must make the register available for public inspection.

Clause 28: Offences relating to degrees and courses

This clause creates a number of offences. Under subclause (1), a person must not offer or provide a course of education and training in relation to which a degree is to be conferred unless the course is accredited under, and is provided by a person registered under, Part 3 of the Bill. Nor must a person offer or confer a degree except in relation to the successful completion of such a course provided by such a person. The maximum penalty for either offence is a $2 000 fine.

These offences do not apply in relation to a person authorised by ARC to provide such a course or confer such a degree.

Under subclause (3) a person must not offer or provide a course of education or training if that course is of a class required by regulation to be accredited under Part 3 of the Bill and the course is not in fact accredited. Nor must a person offer or confer a degree or other award purporting to recognise achievement in a course of education and training of a class required by regulation to be accredited except in relation to the successful completion of such a course. Under subclause (3)(b) a person must not offer or provide an accredited course of education and training of a class prescribed by regulation (or a part of such a course) unless the person is registered under Part 3 of the Bill as a provider of that course (or part of a course). The maximum penalty for an offence against this subclause is a $2 000 fine.

This clause does not apply in relation to a South Australian university or an institution (or institution of a class) prescribed by regulation.

Clause 29: Training under contracts of training

This clause requires an employer who undertakes to train a person in an occupation that has been declared (under clause 3(2)) to be a trade to do so under a contract of training. The maximum penalty for not doing so is a $2 000 fine. This requirement to use a contract of training does not apply in relation to the further training or re-training of a person who has already completed the training required under a contract of training or who has an equivalent trade or vocational qualification.

This clause also permits an employer to use a contract of training where the employer undertakes to train a person in a declared vocation that is not a trade.

A contract of training is required to be in the form required by ARC for the trade or other declared vocation to which it relates and must contain the conditions required by ARC for that trade or other declared vocation. The form and conditions must be specified by ARC by notice in the *Gazette*.

An employer must, within two weeks after employing a person under a contract of training, provide ARC with a copy of the contract and with the particulars required by ARC by notice in the *Gazette*. The maximum penalty for failing to do so is a $2 000 fine.

Two or more employers may (with ARC's approval) enter into a contract of training with the same trainee.

Clause 30: Minister may enter contracts of training

This clause empowers the Minister to enter contracts of training, assuming the rights and obligations of an employer under the contract. The Minister may only do so, however, on a temporary basis or where it is not reasonably practicable for some other employer to enter into the contract of training.

Clause 31: Termination or suspension of contract of training

This clause provides that the termination or suspension of a contract of training requires the approval of ARC. A party can terminate a contract of training by notice in writing to the other party (or parties) within the period after the commencement of the term of the contract that is specified by ARC by notice in the *Gazette* for the trade or other declared vocation to which the contract relates. Where a contract of training is terminated under this clause, the employer must within seven days of that termination give written notice to ARC of the termination. The maximum penalty for not doing so is a fine of $2 000.

Clause 32: Transfer of contract to new employer

This clause provides that a change in the ownership of a business does not result in the termination of a contract of training entered into by the former owner. Instead, the rights, obligations and liabilities of the former owner under the contract are transferred to the new owner. It also provides that wherever a contract of training is transferred or assigned by one employer to another (whether under this clause on a change of ownership of the business, or otherwise) the employer to whom the contract is transferred or assigned must, within seven days of the transfer or assignment, give written notice to ARC of the transfer or assignment. The maximum penalty for not doing so is a $2 000 fine.

Clause 33: Requirements in relation to employment under contract of training

This clause provides that where a trainee is employed under a contract of training, the employer must ensure that the place of employment of the trainee, the equipment and methods to be used in training and the persons who are to supervise the trainee's work are all as approved by ARC. Any approval given by ARC may be given subject to conditions, but must not be at variance with an order of the Disputes Resolution Committee. ARC may, by notice served on the employer, withdraw its approval if in ARC's opinion the place of employment or the training equipment and methods or the persons who are to supervise are no longer suitable, or if there has been a contravention of a condition of ARC's approval. This clause also requires an employer to ensure that the ratio between the number of persons employed under contracts of training and the number of persons who are to supervise that work does not exceed a ratio fixed by ARC. ARC can fix such a ratio in relation to an individual employer by notice served on the employer, or, in relation to a class of employers, by notice in the *Gazette*. An employer who employs a trainee under a contract of training is guilty of an offence if any requirement of this clause is not complied with. The maximum penalty is a fine of $2 000.

Clause 34: Age not to be disqualification

This clause provides that no person is to be disqualified from entering into a contract of training by reason of his or her age.

Clause 35: Term of contract of training

This clause provides that the term of a contract of training is to be determined by ARC by notice in the *Gazette*.

This clause also provides that ARC may, of its own motion or on the application of the parties to a contract (or proposed contract) of training, determine—

(a) that the whole or part of a period of training that occurred before the date of the contract, or under a previous contract of training, be treated as a period of training served under the contract of training; or

(b) that a period for which the trainee was absent from employment under the contract of training be excluded from consideration in computing the length of the trainee's service under the contract of training,

and a contract of training must be construed (and the term of a contract of training must be computed) in accordance with any such determination of ARC unless the determination conflicts with a determination of the Disputes Resolution Committee, in which case the Committee's determination prevails.

ARC is also empowered by this clause to relieve a trainee of his or her obligations under a contract of training where the trainee has completed at least three-quarters of the term of the contract and ARC is satisfied as to the competence of the trainee. Where ARC does so, the trainee is to be taken to have completed the training required under the contract. It also gives ARC power to increase or reduce the term of a contract of training by written notice to the parties to that contract.

This clause also provides, however, that this clause does not prejudice the extension of the term of a contract of training by the Disputes Resolution Committee.

Clause 36: Contract of training to provide for employment

This clause requires a contract of training to provide for the employment of the trainee who is to be trained under the contract. It also gives ARC power, on the application of the parties to a contract of training, to alter the contract to provide for part-time rather than full-time training or *vice versa*.

Clause 37: Requirement to attend courses

This clause requires a trainee under a contract of training to comply with requirements of ARC imposed by notice in the *Gazette* as to attendance at vocational education and training courses and the hours, and total hours, of attendance at those courses. It also requires a trainee to complete those courses to the satisfaction of ARC and to comply with any other requirements of ARC in relation to his or her training. It is an offence for an employer not to permit a trainee to carry out his or her obligations under this clause. The maximum penalty is a $2 000 fine.

This clause also provides that where a trainee attends a course previously undertaken by the trainee, the time spent re-attending that course need not be counted for the purposes of determining the wages payable to the trainee, but for all other purposes the time spent attending or re-attending any course as required under this Part of the Bill is to be treated as part of the employment of the trainee.

Clause 38: Disputes Resolution Committee

This clause establishes the Disputes Resolution Committee as a committee of ARC. It provides that, where a matter is referred to the Committee under the Bill, the Committee is to consist of—

(a) the chairperson or deputy chairperson of ARC; and

(b) two other members of ARC, one being a member appointed to represent the interests of employers and one being a member appointed to represent the interests of employees,

as determined by the chairperson for the purposes of the hearing and determination of the matter.

The Committee is not subject to control or direction by ARC and ARC has no power to overrule or otherwise interfere with a decision or order of the Committee. However, if ARC, acting at the direction of the Minister, requests the Committee to review its decision or order on any matter, the Committee must do so. On review, the Committee can confirm, vary or revoke the decision or order or substitute a different decision or order.

A decision or order in which two of the three members concur is a decision of the Committee but, apart from that, the Committee can determine its own procedures.

Clause 39: Disputes and discipline

Under this clause, where a dispute arises between the parties to a contract of training or one party is aggrieved by the conduct of another, a party to the contract can refer the matter to the Disputes Resolution Committee. In addition, where ARC suspects on reasonable grounds that a party to a contract of training has breached or failed to comply with a provision of a contract or of this Bill or regulation under this Bill, it can refer the matter to the Committee.

The Disputes Resolution Committee is required to inquire into a matter referred to it under this clause and has authority to make various orders. It can reprimand a party in default; suspend a person from his or her employment under a contract of training for a period not exceeding four weeks; extend the term of, or cancel, a contract of training; require a party to take such action as the Committee believes he or she is required to take under a contract of training or excuse a person from performing an obligation under such a contract; exclude specified periods from the computation of the period of training that has been served by a trainee; withdraw ARC's approval of the employment of trainees by an employer (in relation to all trainees or a particular trainee) or order an employer not to employ any additional trainees without the Committee's approval; and make consequential orders. A contract of training has to be construed and applied in accordance with any of these orders and the term of a contract has to be calculated in accordance with them as well. Where money is ordered to be paid by one party to another, the sum concerned can be recovered by that other party as a debt.

This clause also provides that where an employer has reasonable grounds to believe that a trainee is guilty of wilful and serious misconduct, the employer can (without first obtaining the approval of ARC) suspend the trainee from employment under the contract. The employer must immediately refer the matter to the Disputes Resolution Committee and confirm the reference in writing within three days. A maximum penalty of $2 000 applies the if employer fails to do so. The Committee is authorised (under subclause (3)(c)) to confirm or revoke such a suspension. If it revokes the suspension the Committee can order the employer to pay any wages that would have been payable under the contract for the period of the suspension. A suspension must not operate for more than seven working days unless it is confirmed by the Committee.

The Committee can consult with industry training advisory bodies before exercising its powers under this clause and must give notice to ARC if it cancels a contract. The Committee can at any time vary or revoke an order made by it under this clause.

It is an offence to contravene or fail to comply with an order of the Committee under this clause. The maximum penalty is a $2 000 fine.

Clause 40: Relation to other Acts and awards, etc.

This clause provides that this Bill prevails, to the extent of any inconsistency, over the *Industrial and Employee Relations Act 1994* and any regulation, award or other determination, enterprise agreement or industrial agreement made under that Act or an Act repealed by that Act. However, a provision of an award or other determination, enterprise agreement or industrial agreement made under that Act (or an Act repealed by that Act) requiring employers to employ trainees under contracts of training in preference to junior employees remains in full force despite this clause.

Clause 41: Making and retention of records

Under this clause, an employer who employs persons under a contract of training is required to keep such records as are required by ARC by notice in the *Gazette*, and must retain those records for at least two years after the expiry or determination of the contract of training to which the record relates. The maximum penalty for failure to comply with this clause is a $2 000 fine.

Clause 42: Powers of entry and inspection

This clause empowers a member of ARC, or a person authorised by ARC, to exercise certain powers for the purposes of Parts 3 and 4 of this Bill. The person can enter (at any reasonable time) any place or premises in which education and training is provided; inspect the place or premises or anything in it; question any person involved in education and training; require the production of records or documents that have to be kept under this Act and inspect, examine or copy such records or documents. A person exercising a power under this clause is required to carry an identity card and produce it at the request of any person in relation to whom the power is being exercised.

It is an offence to hinder or obstruct a person exercising a power conferred by this clause or to refuse or fail to answer truthfully a question asked under this clause or (without lawful excuse) to fail to comply with a requirement made under this clause. The maximum penalty is a $2 000 fine. However, a person is not obliged to answer a question or produce a record or document if the answer or the contents of the record or document would tend to incriminate the person or make the person liable to a penalty.

A person authorised by ARC to exercise powers conferred by this clause incurs no liability for anything done honestly in the exercise (or purported exercise) of those powers. The liability attaches instead to the Crown.

Clause 43: Offences by persons exercising powers

This clause makes it an offence for a person exercising a power under clause 42 to use offensive language or (without lawful authority) hinder or obstruct or use or threaten to use force in relation to any other person. The maximum penalty is a $2 000 fine.

Clause 44: Gazette notices may be varied or revoked

This clause empowers ARC to vary or revoke any notice that it has published in the *Gazette* under this Bill by publishing a subsequent notice in the *Gazette*.

Clause 45: Service

This clause provides that a notice or other document required or authorised to be given to or served on a person under this Bill may be given or served personally or by post.

Clause 46: Regulations

This clause empowers the Governor to make such regulations as are necessary for the purposes of the Bill. In particular it authorises the making of regulations fixing fees (or providing for the payment, recovery, waiver or refund of fees) or providing for the Minister or a body established by the Bill to do so, and allows the regulations to impose a penalty (not exceeding a $2 000 fine) for breach of a regulation.

SCHEDULE 1

This schedule sets out a number of matters that are relevant to three of the bodies established by this Bill: the VEET Board, ARC and ACEC.

Clause 1 of schedule 1—Interpretation

This clause is an interpretation provision for the purposes of the schedule. "Statutory body" is defined to mean the VEET Board, ARC or ACEC.

Clause 2 of schedule 1—Terms and conditions of office of appointed members

This clause sets out the terms and conditions of office of members of a statutory body (the VEET Board, ARC or ACEC). They hold office for a term not exceeding two years on conditions determined by the Governor (in the case of the VEET Board) or the Minister (in the case of ARC or ACEC) and specified in the instrument of appointment, and are eligible for re-appointment on the expiration of that term of office. The Governor (in the case of the VEET Board) or the Minister (in the case of ARC or ACEC) can remove an appointed member from office for misconduct, failure or incapacity to satisfactorily carry out the duties of office, or breach of (or non-compliance with) a condition of appointment. Members can also be removed if serious irregularities have occurred in the conduct of the relevant body's affairs or if it has failed to carry out its functions satisfactorily, and its membership should, in the opinion of the Governor (in the case of the VEET Board) or Minister (in the case of ARC or ACEC) be reconstituted for that reason. The office of an appointed member becomes vacant if the member dies, completes a term of office and is not re-appointed, resigns by written notice to the Minister, is convicted of an indictable offence, or is removed from office under this clause. Where the office of an appointed member becomes vacant, a person can be appointed in accordance with this Bill to the vacant office.

Clause 3 of schedule 1—Proceedings

This clause sets out the manner in which a statutory body (the VEET Board, ARC or ACEC) is to conduct its proceedings. A meeting must be chaired by the chairperson or (in his or her absence) by the deputy chairperson or (in the absence of both) by a member chosen to preside by a majority of the members present. A quorum consists of one half of the total number of the body's members (ignoring any fraction resulting from the division) plus one. In the case of ARC the quorum must include the chairperson or deputy chairperson, one or more members appointed to represent employer and employee interests respectively and at least one other member.

A decision carried by a majority of the votes cast by members present at a meeting of the body is a decision of the body. Each member present at a meeting has one vote on a matter arising for decision and, if the votes cast are equal, the presiding member can exercise a casting vote. (A telephone or video conference between members will, for these purposes, be taken to be a meeting of the body at which the participating members are present.)

In addition to decisions made at meetings, a valid decision can also be made by giving notice of a proposed resolution to all members of a body and having a majority of members concur in writing (whether by letter, telex, facsimile or otherwise) with that resolution.

Each body is required to keep accurate minutes of its proceedings and, subject to this Bill, may determine its own procedures.

These rules governing proceedings also apply to committees of each body (other than the Disputes Resolution Committee) subject to any direction to the contrary by the relevant body.

Clause 4 of schedule 1—Disclosure of interest

This clause requires a member of the VEET Board, ARC or ACEC who has a direct or indirect pecuniary interest in a matter under consideration by the relevant body to disclose the nature of that interest to the relevant body. The member must not take part in any deliberations or decisions of the body in relation to that matter. The maximum penalty for a breach of either of these requirements is two years imprisonment, a fine of $8 000, or both. The same requirements apply to a member of a committee of the VEET Board, ARC or ACEC (except that a member of a committee must disclose his or her interest to the Board, ARC or ACEC, as the case may be, rather than to the committee). It is a defence to a charge of an offence against this clause to prove that the defendant was not, at the time of the alleged offence, aware of his or her interest in the matter. A disclosure under this clause has to be recorded in the minutes of the relevant body and reported to the Minister.

Clause 5 of schedule 1—Validity of acts

This clause provides that an act or proceeding of the VEET Board, ARC or ACEC, is not invalid by reason only of a vacancy in the body's membership. The same rule applies in the case of a committee of any of those bodies.

Clause 6 of schedule 1—Immunity

This clause provides that a member of VEET, ARC or ACEC or of a committee of any of those bodies, incurs no liability for anything done honestly in the performance or exercise (or purported performance or exercise) of functions or powers under this Bill. Liability attaches instead to the Crown.

SCHEDULE 2

This schedule repeals certain Acts and deals with transitional matters.

Clause 1 of schedule 2—Repeal

This clause repeals the *Industrial and Commercial Training Act 1981* and the *Tertiary Education Act 1986*.

Clause 2 of schedule 2—Transitional provisions

This clause deals with a number of transitional matters. It provides that a contract of training in force under the *Industrial and Commercial Training Act 1981* immediately before the commencement of Part 4 of this Bill continues in force as a contract of training under Part 4 of this Bill. Similarly, an approval, determination or requirement of the Industrial and Commercial Training Commission in force under that Act immediately before the commencement of Part 4 of this Bill continues in force as an approval, determination or requirement of ARC under Part 4. The same applies to a suspension or order of the Disputes and Disciplinary Committee in force under the *Industrial and Commercial Training Act 1981* immediately before the commencement of Part 4 of this Bill: it continues in force as a suspension or order of the Disputes Resolution Committee under Part 4.

This clause also provides that a reference in an Act or an instrument or document to an "apprentice" is to be read as a reference to a trainee under a contract of training for a trade (with "apprenticeship" to be construed accordingly) and a reference to the Industrial and Commercial Training Commission is to be read as a reference to ARC.

In addition, this clause provides that on the repeal of the *Tertiary Education Act 1986* the assets and liabilities of the South Australian Institute of Languages (established under that Act) become assets and liabilities of the Crown.

Mr De LAINE secured the adjournment of the debate.

LAND TAX (SCALE ADJUSTMENT) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 25 August. Page 338.)

Mr QUIRKE (Playford): I do not intend to take up a lot of time this afternoon on this issue. The question again arises as to when is an old tax a new tax. When you shift the barriers and someone who did not pay it beforehand now pays the tax, to that person it is a new tax. The Government has sought to say that it is not increasing or creating a new tax, but a person who pays this tax for the first time would argue that it is a new tax—it is certainly new to them. The Opposition believes that, although this is not an enormous impost—and it will have a bit more to say about payroll tax, which will be dealt with tomorrow—at the end of the day, albeit, as I understand it, the formula indicates that less money will be collected from those persons who are over the barrier, in total the money that will come from the taxpayer as a result of this tax, which will be reduced from $80 000 to $50 000, will be about the same as last year.

There is not a great deal of change. It is a broader tax over a wider range and, in large part, it is a new tax. The Opposition makes that quite clear. It believes there has been a fudging of words by the Government. It is not of enormous momentum compared with some of the other changes to the budget, but in general the Opposition thinks it is an impost on small business in particular that will hurt a large number of people. The 27 000 businesses that already pay land tax look as though they will be in for an increase of about $100. This comes on top of the Brown Government's decision to introduce Sunday trading for big business which, in the Opposition's view, will see many small businesses in dire

economic straits. Some may even go bankrupt as a result. This reverses another so-called categorical promise made to small business during last year's election campaign.

The Liberal Government clearly is moving down the road of whittling away the value of Labor's exemption and increasing taxes across the whole of the small business sector. Previous Labor Governments increased the exemption level to provide tax relief for small business. An exemption of $40 000 was first introduced in 1985-86; this was increased to $60 000 in 1986-87; and the current barrier—or at least it is a barrier until the passage of this Bill—which was introduced in 1988-89 is $80 000. We believe this is probably the beginning of many changes in taxation of this type. The Opposition and all members should take the view that tax changes of this type without seeking the mandate of the public, particularly when members opposite go out to the electorate and say, 'Read my lips; we will not impose any new taxes', is the height of hypocrisy.

I do not intend to take up too much time on this matter this afternoon. It is relatively straightforward. As I said before, we will deal with the principle of payroll tax tomorrow, and at that time we will make some stringent comments about the road down which this Government is going. We do not support this land tax legislation. We take the view that dropping the goal posts from $80 000 to $50 000, albeit in accordance with a reduced formula, will lead to a large number of people paying a tax that they did not pay before. To argue that that is not a new tax is just not on.

The Hon. S.J. BAKER (Treasurer): I acknowledge the comments of the member for Playford. The dilemma with all taxation measures is that no-one likes them, but they are a necessary evil. We can point to each of the taxation measures and say that they are a drag on the economy—that is quite correct—but we must ascertain whether each measure is of such consequence that it will inhibit employment in a dramatic fashion. That is not the case in relation to land tax. It is important to understand that by dropping the rate from $80 000 to $50 000 we will encompass a much larger range of people, but most of those will be second property owners. I do no think that any member of this House would deny that it is appropriate to have some form of taxation applied to those people.

What is not quite understood is that the tax is applied on unimproved value and not on capital value. Therefore, it will not have the impact that the honourable member suggests. In a sense, we will not capture a vast new market; we will simply tap into a market that already exists. Really, those people who were in or out of the taxation net were dependent upon the value of their second or third property, or whatever it may be. So we are not affecting people in a dramatic fashion. Of course, the impost is particularly small. In real terms the taxation collection will be less than it was last year, so we are falling behind on our taxation take at a time when the budget is under enormous pressure. Under the circumstances, if we had looked at this measure, we might have captured the entire shortfall in land tax in order to sustain our budget. We did not do that: we took a decision to decrease the exemption level from $80 000 to $50 000. We pulled into the net some tens of thousands of people, but they are not the sort of people who would say that they were impoverished by that decision. Certainly, the amount of money involved for each individual is again quite minimal.

One issue that everybody would clearly understand is that we have the highest rate of land tax at the upper end of the property scale. When the property market picks up, it is our intention to rationalise that to the extent that the whole marketplace is not affected in the same way as it was during the 1980s. I note that the Bannon Labor Government—and I hope I can remember the figures properly—increased land tax in 1982-83 by $26.5 million, and in the space of about nine years we saw the tax collected escalate to $76 million. Members would understand that that rate of escalation far exceeded the inflation rate that prevailed at the time.

It would be hypocritical if the Opposition was adamantly opposed to this Bill, because we are trying to ensure that our taxation base is not completely eroded due to falls in property values. If we had not taken this action, as pointed out in the second reading explanation, the taxation collections would be $7.5 million short on what they would have been had we maintained the real level of taxation increase. We will still fall short as a result of the measure. The measure itself does not fully pick up this difference, but it makes a significant contribution to the shortfall that prevails. We will collect only an additional $4.8 million through this taxation measure, which is far short of the $7.5 million which was required to maintain the taxation base.

In respect of the cost of the scheme to the people involved, the second reading explanation shows that the costs are fairly minimal for those people who are involved in multiple property ownership. It is not the same as the tax that was imposed in Victoria, where each household had an impost of $100 placed upon it, and that was irrespective of whether it was the primary place of residence. In this case it does not affect the primary place of residence. So, the householder who owns or is buying his or her property will be minimally affected by this legislative change. We do not believe that the tax is in any way onerous. We submit that it is a minimal taxation effort when you understand the extent to which we as a Government have to balance the budget within the time frame that was announced in the May statement and reinforced in the budget this financial year.

We are not talking about a great deal of money for any person involved in paying land tax due to this measure. It is important that this change to the exemption level does not create a great deal of distress for anyone. I have not received one complaint about this land tax, basically because most people believe it is fair. They realise that the Government must maintain its revenue base in the light of the challenges it has on another front, that is, excess expenditure. I had at least two telephone calls—and there may have been others that I missed—which said that this was a very appropriate way to collect revenue.

The Government does not like putting up taxation and increasing or widening taxation bases unless there is a good reason. There are two good reasons for doing so in this area: first, it helps us make up the revenue shortfall; and, secondly, it widens the taxation base so that when property values improve we can give some amelioration to those at the top end of the scale who are paying the highest level of land tax in the country. There are two good reasons for the measure: it makes a lot of sense, and it is essential for the budget.

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

CORRECTIONAL SERVICES (PRIVATE MANAGEMENT AGREEMENTS) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 24 August. Page 309.)

Mr QUIRKE: Mr Deputy Speaker, I draw your attention to the state of the House.

A quorum having been formed:

The House divided on the second reading:

AYES (30)

Andrew, K. A.	Armitage, M. H.
Ashenden, E. S.	Baker, D. S.
Baker, S. J.	Bass, R. P.
Becker, H.	Brindal, M. K.
Brokenshire, R. L.	Buckby, M. R.
Caudell, C. J.	Condous, S. G.
Cummins, J. G.	Evans, I. F.
Greig, J. M.	Hall, J. L.
Ingerson, G. A.	Kerin, R. G.
Kotz, D. C.	Leggett, S. R.
Lewis, I. P.	Matthew, W. A. (teller)
Meier, E. J.	Oswald, J. K. G.
Penfold, E. M.	Rosenberg, L. F.
Rossi, J. P.	Scalzi, G.
Such, R. B.	Wade, D. E.

NOES (9)

Blevins, F. T.	Clarke, R. D.
De Laine, M. R.	Foley, K. O.
Geraghty, R. K.	Hurley, A. K.
Quirke, J. A. (teller)	Rann, M. D.
Stevens, L.	

Majority of 21 for the Ayes.

Second reading thus carried.

In Committee.

Clauses 1 and 2 passed.

Clause 3—'Delegation by Minister and Chief Executive Officer.'

Mr QUIRKE: Why are there such broad ranging powers under this clause? What will happen if those powers are delegated by the Chief Executive Officer to a manager of a prison, be it a private prison that is contemplated under this Bill or one of the existing institutions? There may be the agreement of the Minister. Is there a sunset provision on those powers? This clause seems to be extremely wide-ranging. It may well be, for all sorts of understandable and necessary reasons, that the Minister through his department delegates authority to a person or persons in a management body. Those powers have been granted for a one-off situation, yet it may be necessary for those powers to continue for one reason or another. What are the time frames, when is the sunset for these powers that have been delegated by the Minister and what are the necessary administrative restrictions? It seems that there are some very wide-ranging powers without the necessary constraints and strictures on that delegation.

The Hon. W.A. MATTHEW: The question is important, and in answering it I draw the honourable member's attention to the principal Act, section 7(1) of which provides:

> The Minister may, from time to time, by instrument in writing, delegate to the Chief Executive Officer any powers, duties or functions under this Act or any other Act.

As the honourable member acknowledges, there are times when it may be appropriate for a Chief Executive Officer to further delegate those powers or functions to another officer within the department. The principal Act provides the opportunity for those delegations to be revoked by the Chief Executive Officer or by the Minister, depending on how they have been allocated, and the delegation can occur in the first instance only with the approval of the Minister. So, we have a first checking mechanism when a delegation is first put into place and an ongoing checking mechanism to ensure that those delegations are being used appropriately. The Chief Executive Officer (if the delegation is to a lower level) and/or the Minister are in a position where those delegations can be revoked, if such a situation arises.

Mr QUIRKE: I have no argument with what the Minister is saying—that in the first instance there is a filter, a deemed necessity to delegate authority presumably through his department down to whatever level, to a manager or management board or whoever that person may be, and the Minister is consulted and deems it necessary for a person to have these powers. The question is not the institution of these powers: the question is at which point do they necessarily terminate? I note that this clause also provides that the delegation by the Minister or the Chief Executive Officer may be subject to conditions specified in the delegation—and that is what I want to tease out in a moment—and may be varied or revoked by the Minister. The Minister explained that quite adequately a moment ago when he made clear that there are instances where these powers are deemed no longer to be necessary, so they are revoked. It does not tie his hand nor that of the Chief Executive Officer from continuing to act in the same manner in a whole range of different ways through the delegation.

What I am curious about is new subsection 3(a), under which a delegation may be subject to conditions specified in the delegation. When a delegation of these sorts of authorities is made, first, what time constraints are placed on them or are they open-ended; and, secondly, how often will such delegations be reviewed? We are curious about these points, because we are now going down the road, as I am sure the Minister can appreciate, of something that is different in South Australia; we are going down the road of at least one privately run institution. It may well be the case that these powers of the Minister and the Chief Executive Officer will be vested in a person or a group of persons who may be lawfully running a prison or institution of one kind or another but who will be working for a company that has been employed to perform those tasks.

The Hon. W.A. MATTHEW: We may have a situation where, for example, it is considered desirable by the Chief Executive Officer that, if a prisoner is moved from one regime to another within an institution, or if that prisoner is subject to varying conditions within the prison, the delegation contains a requirement that the Chief Executive Officer shall first be notified. This provision enables a widening of the powers so that the Chief Executive Officer, with the Minister's authority, is in a position to delegate powers to, for example, the manager of a private prison, but 'subject to' clauses are included in that. The example given for the honourable member's benefit is that, if someone is moved to a different regime within a prison, one of the requirements may be that the Chief Executive Officer is notified of that occurrence, thus the Chief Executive Officer is able to maintain ongoing control over the way in which that delegation is being exercised.

Mr QUIRKE: Am I to understand that under this clause there will be delegation to private persons, persons who are working for companies and so on? How far will this delegation of authority go? Are we talking about the manager of an institution, be it an institution run privately or one that is run directly under the Department for Correctional Services? Is it to go further down? For instance, how will this provision

operate in, say, the Adelaide Remand Centre, which was mentioned in the newspaper today and to which the Minister referred in Question Time? How far will the delegation go down? Will it be just to management level in that institution or will it go further down and, if so, how much further down? What will be said to people working for private companies who will have these sorts of powers? This may not be of great moment, but we are seeing here, I think for the first time that I have known it in any area of Government, the delegation of powers to persons who will be working for private companies and who will be in positions of authority within our prisons.

The Hon. W.A. MATTHEW: The change is to the Correctional Services Act in its entirety, and that means that any change made to this Act potentially affects both privately and existing publicly managed institutions. The change provides the opportunity for delegation of authority in the interests of efficient business. At this time neither I nor the department foresee situations where that authority is likely to be delegated below the level of general manager of that institution. I acknowledge that the opportunity would be there for a further delegation. The honourable member would be aware that the prison system in this State is undergoing an evolution whereby officers are becoming more accountable and responsible for their actions, and most institutions as of today have a unit management regime operating.

It may be that some decisions could be delegated to unit managers to assist in the more efficient administration of existing Government institutions. At this time I cannot point to any specific instances of where that is needed. Certainly I have highlighted to the honourable member already where it may be useful, with that authority delegated to the managerial level. The overriding control is the fact that no such delegation can occur without the authority of the Minister. As Minister, I am accountable to the Parliament for any such delegation, so essentially Parliament has an overriding role in ensuring that accountability remains. I am relaxed and comfortable with the clause as it stands and believe it will assist our existing Government institutions in efficiently devolving the decision-making process and ensuring that officers can responsibly and accountably undertake their duties.

Clause passed.

Clauses 4 and 5 passed.

Clause 6—'Insertion of Divisions 1A and 1B of Part 2.'

Mr FOLEY: The Opposition today has a number of amendments to the original Bill and, for the interest of members of the Committee, and again in my attempt to re-educate the Minister, I will go through a number of the issues I raised in my second reading speech that were particularly relevant to these amendments. The Opposition has made very clear that it opposes the private management and operation of our State's prisons, and we do that after much research, much soul searching and much investigation. Whilst some financial savings may indeed be possible through the provision of private management, we do not agree with the Minister's argument regarding the quantity of those savings. We feel that the Government has failed to adequately put on the public record details of the projected cost savings.

When we analysed that we felt that, whilst some savings were to be had, it was clear that the savings were not of the order of the 20 to 30 per cent, as the Minister had stated, but indeed closer to 5 per cent. Both as a member of this Parliament and as a member of the Labor Party, I have argued strongly and earned the wrath of many of the Public Service unions for my personal views on privatisation of the State Bank and SGIC, and I also refer here to my role in assisting our Leader to effectively lease out our State's airport. I certainly have a very significant record of supporting private sector involvement in certain Government activities. However, in this issue and with this situation of private prisons, neither was I convinced by the arguments of the cost savings nor was I, and hence the Opposition, convinced of the whole question and propriety of bringing in private sector management.

As a member of the Opposition I believe that many areas of Government warrant careful consideration when it comes to the involvement of the private sector. However, with the State's prisons, given the nature of the particular issue at hand—the incarceration of human beings—we believe that it should remain the sole property of the State. The issue should remain under the care of the State. I know that you have an interest in this, Mr Chairman, as you have a prison in your district and the issue is being watched closely in the electorate of Gordon and in Mount Gambier. As an Opposition, we believe the concept of private sector management brings in an unacceptable level of risk for a community and takes away the appropriate regulation and control of Government. That risk is not worth taking, given the minimal or marginal cost savings that can be achieved. For those reasons we do not support it.

I share the Minister's desire to see change occur within our prison system. With any form of Government administration, reform and change must be a constantly occurring thing and not something that should occur every five or 10 years or at certain intervals: it must be an ongoing process of good government. I therefore support the Minister's desire to see change come about in our prison system. Many within the prison system itself want to see change. The union is on the public record as saying that it is prepared, accepts and understands the need for reform and has shown some degree of support for some of the measures the Government has put forward. However, the cost savings target the Minister has set can be achieved through creative and clever negotiations with the unions.

It was highlighted, by a document we tabled during the second reading debate, that substantial cost reductions in the management of the Mount Gambier prison, again within your electorate, Sir, can be achieved through reforming its method of operation in terms of public control and supervision under the care of the State. If you can achieve those cost reductions through public sector involvement, why not accept those changes and savings and keep it under public management?

I see it as an issue of good government and an issue of a good Minister to be able to take the public sector involvement in the unions, reform it, improve it and get the efficiencies for which the Minister is looking and not use the easy option of using the big stick and threat of implementation of the program of private management. My amendment is such that clearly—from comments that have been made publicly by the Government, through my own research and the research of the now shadow Opposition Minister for Correctional Services (because I have lost the responsibilities of that portfolio for the Opposition, although I carry it in this place)—it is important to tighten up the Act and insert the appropriate law that will prohibit the Government from introducing private sector management.

This amendment is about plugging a loophole, about stopping the Government going around the Bill that it has brought into this House. It has been made very clear that this Bill as it currently stands will fail. It will pass in this House

through sheer weight of numbers. However, the Democrats are on the record now as saying that they will oppose the Bill. We also oppose it, and that means that this Bill is doomed.

The Government, with that knowledge, has made it clear in a number of areas that it intends to find ways around the Bill so that it can introduce private sector management with or without it. That was further evidenced by the public statements in today's *Advertiser*. The Opposition felt that it had to act swiftly and introduce these amendments; perhaps it should have acted a little more swiftly and we might have had time to read them before we sat down. I apologise to the Minister that I was not able to provide these amendments to him prior to our having to debate the Bill. That is unacceptable management on my behalf. I apologise to the Committee for that. The situation in this Chamber is such that we sometimes simply have to fly by the seat of our pants. I move:

Page 3, lines 16 and 17—Leave out 'management of a prison or for the carrying out of any other of the department's functions' and insert 'carrying out of any of the department's functions other than the management of a prison or the management, control or transport of prisoners'.

This amendment will not allow the Government to introduce private management. The amendment is plugging the gap. However, it does allow some latitude and an opportunity for the Government to achieve some private sector involvement within the public prisons and in the areas of catering, laundry, education, prison industry services and maintenance services.

We accept the argument that there are some peripheral issues or ancillary functions of the operation of a prison that it may be appropriate to open up for private sector involvement. As is my nature—I am somebody who will attempt to reach a compromise—I felt that, whilst I am not allowing the Minister under this amendment to bring in private sector management, I am prepared to assist his agenda to a certain extent by allowing perhaps some functions of the prisons to be effectively operated by private sector management.

The Hon. W.A. MATTHEW: Clearly the Government opposes this amendment—if it can be called that. This is one of the most farcical amendments I have seen in this Parliament during my time in here, and I dare say it is one of the most farcical amendments that many members of this House have seen for some time. The Government is putting forward a Bill that will allow private management agreements to be signed to facilitate the private management of some operations of the prison system in this State. To date, significant cost savings, significant improvements in management and programs within prisons and significant effects on the rehabilitation of prisons have been achieved world wide through the private management of prisons. Other significant achievements have been recorded throughout the world in the private carriage of prisoners—that is, prisoner transport.

This amendment seeks to eliminate those two abilities from the Bill. If that occurred it would then effectively negate the Bill. If this amendment were to pass the whole Bill would be meaningless. It is quite clear from what has gone on in this House today that there are deep divisions within the Labor Party not only over the leadership issue, and whether or not the present Deputy Leader or the member for Playford ought to be the Deputy Leader, but also over this Bill for the private management of prisons. Earlier in this House today I quoted an *Advertiser* article, dated 24 November 1990 and headed 'South Australian prisons may be run privately', stating:

Private firms could be running South Australian gaols by the end of next year, according to the Correctional Services Minister, Mr Blevins. He said yesterday he believed the private sector could run the gaols for less cost than the public sector. If a 12 month campaign to cut the cost of running the gaols failed there would be increasing pressure from the community for gaols to be privatised. In the past financial year, South Australia's eight gaols cost $68 million in operating costs alone, more than $73 000 for each prisoner based on June's prison population. In Yatala prison each prisoner cost $84 000. Whilst Mr Blevins remained philosophically opposed to private prisons, he said the public would not continue to tolerate present high costs.

Never was a truer word spoken by the former Minister, Mr Blevins (today the member for Giles). The public will not tolerate increases in prison costs. At the time we came to government, South Australia had the highest prison costs in Australia. Those costs were more than 25 per cent above the average costs of all other States. A close analysis of some of the most successful States of Australia in containing costs details why that is so. It is regardless of Government: private sector management has brought down the cost of our prison system.

Already in operation in this country are three private prisons—two in the Labor Party heartland, the remaining Labor Party State of Queensland: Borallon prison, Australia's first, and the Arthur Gorrie Remand Centre. The Arthur Gorrie Remand Centre was opened by the Goss Labor Government, which said, as I have said, that it had had a gutful of the antics of remand centre staff. When the new prison opened the Goss Labor Government of Queensland opened a private prison. What is more, that State is very happy with the way its private prisons are operating.

The other prison to open privately is the Junee prison in New South Wales and, again, that prison has assisted that State in further containing its costs. It is important that the Committee consider the cost discrepancies that are occurring across our nation. The most up-to-date and available comparison between States is provided by the Commonwealth Grants Commission, the body that deliberates on the moneys to be allocated to each State through the Commonwealth grants process. It determined that, excluding the cost of capital, South Australia had the highest prison cost of any State of Australia, with an average cost of $56 438 per prisoner. The next highest State was Victoria, where the average cost was $43 389, a sum considerably less than the $54 438 in South Australia.

New South Wales, which has the best record in prison costs, was $23 375. As we speak, the Goss Labor Government in Queensland is going through the motion, following a Cabinet decision in April this year, of approving the construction of a new 400-bed correctional centre be sited at Woodford in Queensland. The commission aims to have the centre operational by January 1997. The Goss Labor Government has formed a project management team to undertake a study of the options for the management of that institution, and the options are that it is to be either private or public sector managed.

So, here we have a Labor Government that has two private prisons in its State and is looking at a third because it recognises the advantages that the private sector has brought to prison management in that State. It is interesting to reflect on the attitude of the Minister in the Goss Labor Government on coming to office after the demise of the National Party Government in that State. That Minister was confronted with the opening of the Borallon prison, Australia's first private

prison, under a contract with the Corrections Corporation of Australia (CCA).

That Minister told the CCA that he could not get out of the contract; that he had looked at it, that he was opposed to the privatisation of prisons and that, when the contract came up for renewal that was it, it was finished. That same Minister would admit today that, after seeing that private company in action, he was wrong. He had the guts to stand up and say that he was wrong. That Labor Government not only renewed the contract with CCA but signed another one with Australasian Correctional Management (ACM) to manage the Arthur Gorrie Remand Centre. After that, they are now looking at a third private prison. If that happens, the Labor Party in this country, in the State of Queensland, will have more private prisons than the rest of Australia put together, even with those being opened in Victoria now.

What hypocrites we have in the Labor Party in this State. They are hypocrites who are tackling this as a political issue. I know what went on in the Caucus room; I know how close the vote was; and I know how difficult it must have been for the former Minister for Correctional Services (Hon. Frank Blevins), and how he must have felt about the whole issue. The member for Giles, the former Minister for Correctional Services, tried to get private prisons up and running in this State.

A document that I revealed in this Parliament today is proof of that. The document was prepared for Cabinet but mysteriously it never made it to Cabinet. However, that document clearly enunciates what the problems are, what the problems were and what had to be done to fix them. However, the Labor Party, because of union pressure when in Government, never had the backbone or the intestinal fortitude to go ahead with those changes. I would like to quote from that document, which is very relevant to this debate. The document is headed 'To the Premier for Cabinet: Privatisation of Mobilong Prison and Port Augusta Goal'. Interestingly, while it is signed by Frank Blevins MP, Minister for Correctional Services, it is undated and was not presented to Cabinet as far as we can ascertain. However, after perusing accompanying documentation, we know that the document was prepared in August 1991. The document states:

> Expressions of interest be called for the private operation of Mobilong Prison and Port Augusta Gaol.

It further states:

> Privatisation appears to be the only strategy which may achieve substantial savings in the short or medium term. The Department for Correctional Services is required to make budgetary savings of $3.15 million per annum within the next three years and $2 million of that is targeted through privatisation initiatives.

Here we have an Opposition member standing up in this Chamber with the gall to move this amendment and also to say that privatisation and private management of any prison service will not return the type of savings that we are talking about. Here we have a former Labor Party Minister, having prepared a submission for the then Labor Government Cabinet, claiming that a saving of $2 million can be achieved almost immediately through privatisation of Port Augusta and Mobilong under a Labor Government. What credibility does the Labor Party have when this sort of document exists? None; absolutely zero. It has no credibility whatsoever. We know that this is a political exercise. We know that the Labor Party privately agrees that private management of prisons, prisoner transport and prisoner services is the only way to go if we are to achieve some of the changes that are necessary for our prison system in this State.

During the second reading debate the Labor Party had the gall to quote extensively the utterances of a Mr Paul Moyle, who has been paraded before the media as the expert in private prison management. What the Labor Party neglected to tell us was how much Mr Moyle was paid as a consultancy fee by, perhaps, the Labor Party and/or the unions for his visit to South Australia and who paid his airfare. We know why the Labor Party asked Mr Moyle to come forward. Mr Moyle wrote to the former Minister for Correctional Services (Hon. Frank Blevins) about his plan to privatise the State's prison system. I refer to a letter sent by Mr Geoff Mills, secretary to the then Minister for Transport and Correctional Services, on 18 February 1991 to Mr P. Moyle, St John's College, 8A Missenden Road, Camperdown. At that time Mr Moyle, who was living in New South Wales, opposed the private management of prisons. Later he lived in Queensland, where he also opposed the private management of prisons. At the moment he lives in Western Australia, where he opposes the private management of prisons.

Opponents of private prisons often say that experts in New South Wales, Queensland and Western Australia oppose the private management of prisons. I have news for those critics: the experts are one and the same person—he just shuffles from State to State. The letter states:

> Dear Mr Moyle, I refer to your letter dated 4 February 1991 requesting information relating to privatisation initiatives for the South Australian prison system. The Government has no plans at this stage—

remembering that the letter pre-dated the Cabinet submission to which I have referred—

> to privatise the prison system or individual prisons. Nevertheless, the Minister for Correctional Services has, on several occasions, publicly stated that significant reductions must be made in the cost of operating the State's correctional services. It would be preferred if such reductions could occur through the identification of more effective and efficient means to utilise the existing correctional system and resources.
>
> Some discussions have taken place in order to try and achieve this outcome. The Minister has indicated that he is not prepared to allow intransigence by any vested interest to hinder the Government's aim to operate an efficient correctional system. All parties involved in those negotiations have had this made clear to them.
>
> If necessary the Government is prepared to consider alternative means of operating the system. In such an event, some degree of privatisation would be one of the alternatives that would be examined. I have enclosed some material which may be of interest to you. I wish you well with your thesis. Yours sincerely, Geoff Mills.

The letter is dated 18 February 1991. That letter came from the office of a Labor Government Correctional Services Minister. A Labor Government Correctional Services Minister told people that he was taking the tough approach and the tough stand, that he would bring down the cost of the prison system.

That same Correctional Services Minister got the flick and was replaced by the Hon. Bob Gregory, and he got the flick, too—he lasted about 11 months. He was replaced by another former member of Parliament—the Hon. Chris Sumner. He was in the job for a couple of months before the election. So we had three Ministers, no changes, and the cost of imprisonment continued to go up under Labor. The fact is that Labor's methods failed in many areas. We know how badly it mismanaged the State. Members opposite now have the gall to stand up in this place, with their depleted numbers following the wrath of the electors, who tossed most of them out of office, and say, 'We know best. Look at what we did.

Keep running it the way we did.' In reality, all they did was lose taxpayers' money.

This sort of amendment is arrant nonsense, and the Government will not entertain it. It must be opposed and for that reason, when members opposite decide to debate this Bill seriously, I ask them to have the honesty and integrity to put forward the views of their Party, to look at this Bill in the interests of the people of this State and not to conduct a political exercise for their union masters. They should recognise what is happening in Queensland under the Goss Labor Government, what is happening in New South Wales under the former Greiner and now the Fahey Liberal Government and what is happening in Victoria under the Kennett Government. These issues have crossed political Party boundaries because they work.

Mr FOLEY: I listened with great interest to the Minister's comments. It is nice that, after quite some time of sparring in various forums over recent months, we now have an opportunity to engage in a forum that is perhaps better suited to both our respective talents than the odd comment in the media or wherever else. As I said before, I, as a new member of Parliament and a new shadow Minister, am looking at issues on their merits. What former Governments thought or what former Ministers may have wanted or not wanted or done is of no concern to me. I am a new shadow Minister in a new Labor team, which will look at issues on their merits as of today.

This Government has adopted a practice—and I have no doubt that it will continue to do so as long as it can get away with it—of continually referring to decisions of the former Labor Government. That may well suit the Government's political intentions. I understand politics—we are, after all, politicians—but eventually the public will tire of that line and start to realise that what we have now is a Government which must make decisions, one which will be held accountable and responsible for its decisions, and it simply cannot blame its failings on what it may perceive to be the failings of the former Government.

As I made clear in my second reading speech and my earlier comments, this is not an Opposition that is simply about playing politics, being mischievous or negative for the sake of it, unlike the former Opposition (now the Government) which made an art form out of criticism of and a negative approach to the Government of this State. What I am about is being a responsible Opposition member, judging each issue responsibly, not about playing politics. What I have said, and I will repeat for the Minister's information, is that we have looked at this issue and made a decision.

The Hon. W.A. Matthew interjecting:

Mr FOLEY: I will not be intimidated. The Opposition will not be intimidated by the Minister or the Government. The Minister is entitled to his views. I respect him for his views and I respect his views, but that does not mean that I must agree with or support them. I will not be intimidated by a speech, comments or actions that are designed to pressure the opposing Party. I will not be pressured or intimidated into adopting a position on this Bill. We will stand firm and oppose the Bill. Indeed, in doing so we have moved our own amendments to ensure that this Minister does not abuse the parliamentary process and the State's statutes and simply go around them to achieve his goals. We will not allow that to happen; indeed, it is the sign of a responsible Opposition that has the courage of its convictions to ensure that it will do all that is within its power to ensure that the appropriate laws are in place in order to protect and defend an issue about which it feels strongly.

The Minister makes much about what the public may think of the Opposition for opposing this Bill, that there will be some surge of anger from the public because we do not support the Government's wishes regarding this Bill. I have yet to receive a call from the public expressing the view that what I am doing in some way, shape or form will damage the finances of this State, the economic credibility of this State or the way in which this State is administered.

The Hon. W.A. Matthew: It's going to cost money.

Mr FOLEY: No, it doesn't have to cost money. What I am saying is that—

The Hon. W.A. Matthew interjecting:

Mr FOLEY: Again, the Minister is attempting to intimidate me. I will not be intimidated into supporting the Minister. The reality is that I do not begrudge his wanting to make savings. I understand the tight economic and financial times which this State is experiencing—we all know that—and I acknowledge that at times Governments must make tough decisions, but that does not mean that we have to agree with or support them. I say to the Minister that he should achieve his savings from within the public administrative framework. The Opposition will simply not allow a private contractor to come in and run our State's prisons, because the security of our prisons, the need for appropriate supervision we believe, rightly or wrongly, must always remain within the public domain.

What would the public say if the Government, having privatised prisons, decided that it would like to privatise other areas of security? What if it wanted to privatise segments of the Police Force? Would the public accept that? At the end of the day there are certain functions of Government that the public expects, and indeed wants, to be administered by the State.

Mr Bass: You are comparing apples with apples.

Mr FOLEY: No, I am not comparing apples with apples: I am simply making the point that people in our community expect certain functions of Government, such as the Police Force, the Fire Brigade and our prisons, to be controlled, run and administered by Government. At the end of the day I would ask the residents of Northfield, Enfield and Ingle Farm whether they would really feel comfortable and secure if suddenly we had a private manager to run Yatala. I can tell members now that I would not want to be a Liberal candidate trying to win a seat in that part of the world if a private manager of that prison was brought in. I do not think the public would share the enthusiasm of the Minister. I suspect that, at that point, I would probably win political votes on that issue. At the end of the day, what happens in this place I understand will have no bearing on whether or not this Bill passes. There is another Chamber, and the democratic process is such that the Government does not have right-of-way when it comes to the Legislative Council. It will be decided finally in another place whether this Bill should pass or whether my amendments are successful.

I now want to say a few words on the substance of this debate and debunk some of the Minister's comments to prove the Minister wrong and to elaborate further on the very real points that we as an Opposition are making on this Bill. Prior to the election much was said by the then Liberal Opposition about what it would or would not do. You may have heard this interview, Mr Chairman, because it occurred in your electorate when the Minister (then shadow Minister) was, I understand, in Mount Gambier. He was interviewed on 5SE's

midday news on 25 August 1993. The broadcast started as follows:

> The Arnold Government and the unions have been accused of starting a dirty tricks campaign in the lead-up to the election by suggesting a Liberal Government has a hidden privatisation agenda. A Queensland university law lecturer has been brought to Adelaide by the Public Service Association to speak out against the privatisation of gaols in that State.

The Hon. W.A. Matthew: What was his name?

Mr FOLEY: Mr Paul Moyle. It continues:

> Our Opposition spokesman on prisons, Wayne Matthew, is fuming over some of the implied claims.

Those implied claims clearly involved privatisation. Two months before the last State election, Mr Matthew said:

> I am absolutely outraged that anybody could suggest that a Liberal Party Government would close our small prisons and we would privatise existing prisons. That is absolutely wrong. The Liberal Party has never said that, it will not do that, and it would appear the Labor Government is becoming very, very desperate at this stage in the lead-up to the State elections, so much so that it and the trade unions have to peddle such outrageous rumours through our community.

So, one month and three weeks before the last State election this Minister (then shadow Minister) made very clear on the midday news in Mount Gambier that the Liberal Party would not privatise existing prisons and that it would not introduce private managers into our State prisons. What is the public to believe when six or seven weeks before an election this Minister says that we will not have private prisons?

The Hon. W.A. Matthew: It doesn't say that. You are misrepresenting the truth.

Mr FOLEY: The Minister feels that I have misrepresented the truth. Therefore, I will repeat what I have just said. I will quote, yet again, as follows:

> I am absolutely outraged that anybody could suggest that a Liberal Party Government would close our small prisons—

I will stop there.

The Hon. W.A. Matthew interjecting:

Mr FOLEY: I was going to say that we already had speculation about some of our small prisons. I will start again:

> I am absolutely outraged that anybody could suggest that a Liberal Party Government would close our small prisons and we would privatise existing prisons. That is absolutely wrong.

That is what the Minister said, and now we are debating a Bill with which he wants to privatise an existing prison. It is in black and white. The Minister said that he would not privatise an existing prison. Going into the last State election, I believe that the public were led to believe that neither the Mount Gambier Prison nor any other prison would be privatised. So that is a broken promise.

We will now look at the whole issue of whether cost savings can be achieved. I have some sympathy for the Minister's position—and I am prepared to put it on the public record—of having to rein in, reduce and work within his portfolio budgetary allocations. What I am asking is, 'Why can't he accept that there are savings to be made from within his system?' I will now refer to a document provided to the Opposition. It is a proposal put forward by the management of the Mount Gambier Prison (and you, Mr Chairman, will be interested in this) as to how the existing management and staff could deliver to the Minister the cost savings that he wanted to achieve. When this paper was prepared, the annual average operating cost per prisoner at the Mount Gambier Prison was $43 000.

The management and the staff of the Mount Gambier Prison reassessed the way they undertook their work practices, went about their business and staffed the prison, and the hours and flexibility under which they worked, and they provided to this Minister—and I am reading from a document that was provided to the Minister—a proposal and a quite detailed plan that broke down all the costs and variables that go into operating a prison and, under their revised working arrangements and plan, they brought down that figure from some $43 000 to $29 729 per year. They demonstrated a saving of some $13 000 per prisoner per year from within the public system.

If the Minister were to adopt that proposal, he would achieve his budget savings—which were in excess of the proposal under his own budget papers if a private manager were to operate it—the system would remain within public control and the good citizens (and your constituents, Mr Chairman) of Mount Gambier could sleep a little easier at night knowing that there was not an untried, untested and unknown private sector company operating the State prison in Mount Gambier. I demonstrated by way of one example how reform, efficiency and savings can be achieved from within the present system. The Minister has consistently shown great delight in the fact that the Queensland Goss Labor Government was the first State Government to introduce a private prison. It has two operating private prisons and, according to the Minister, it is now looking at a third.

The CHAIRMAN: Order! I ask the honourable member to wind up his remarks.

Mr FOLEY: I have given the Minister many points of debate which have obviously put him on the back foot. I will give him the opportunity to respond before I continue.

The Hon. W.A. MATTHEW: The honourable member has made some amazing misquotes in this Chamber. It will take some time to respond to the points the honourable member attempted to put forward and to correct the inaccuracies in the points that he did put forward. It is absolutely disgraceful that any honourable member would try to introduce this type of hysteria into the debate. The honourable member is inferring that private sector prisons are in some way less safe for those outside than publicly run ones. He inferred that in some way there would be escapes from those prisons and that the people around the prisons would in some way be less safe. The same honourable member also claimed that he had researched the facts. Had he done so—and I dispute that claim—he would have found the contrary: private prisons give the public greater safety. Private prisons worldwide have on average fewer incidents and escapes than public sector prisons.

Will the honourable member say that the Queensland Goss Labor Government took a risk in opening up the Arthur Gorrie Remand Centre? Is he saying that the people in Queensland were less safe? What a load of rubbish! That is the level to which this debate has been reduced. The facts are easily put forward, and I encourage the honourable member in future to research the issues before contributing to debates in this House; he should at look at what is being done in New South Wales, Victoria, Queensland, the United States and the United Kingdom where private sector management has been introduced, works, reduces the number of incidents in prisons, reduces the level of escapes and provides a more cost effective service.

The honourable member started to reveal where his union masters come into this. Time and again during this debate we

have had quoted a Mr Paul Moyle, a lecturer and so-called authority from Western Australia. We have now had quoted a so-called authority from Queensland. I asked the honourable member for the name, and the name that was put forward was the name of a person brought over previously by the Public Service Association: Mr Paul Moyle from Queensland—the same Mr Paul Moyle who has gone from New South Wales to Queensland to Western Australia. He is the expert who lives in many States in Australia and who is used by the unions and by the Labor Party. He is one master, one expert.

It is important that we look closely at the so-called evidence that has been put forward by the honourable member in connection with a radio interview that was done by me as then Opposition spokesman prior to the State election. I was quoted in that radio interview as 'fuming over some of the implied claims'. That is quite correct; I was fuming over the implied claims made at that time alleging that, if the Liberal Party came to government, we would close the small prisons and privatise all the rest. That was not the case. I stand by those claims I made before the election. Those claims are correct. Everything the honourable member read out here today, in conjunction with the interview that was done on radio in Mount Gambier, I still stand by; it is still the case. This Government has not closed the smaller prisons, will not privatise the rest and, at this stage, has no intention of privatising the rest. I stand by the claims I made before the election that the then Opposition had no intention of privatising any existing prison. I say that again today: we have no intention of privatising any existing prison unless we are pushed to the limit. The Adelaide Remand Centre is starting to push the Government to the limit. The Adelaide Remand Centre, through its own choice and not the Government's choice, is fast becoming a contender for private management.

In the case of the Mount Gambier Prison, it is very important to put the whole interview in context. I told all Mount Gambier interviewers (and that was not the only interview I did in Mount Gambier: I conducted numerous interviews) that a number of private companies were asked about the Mount Gambier Prison and all indicated that it was too small to run cost-effectively and that they would not be interested. The Mount Gambier Prison that has been put up for private management is very different from the Mount Gambier Prison being talked about before the last election. We are not talking about Labor's 56 bed institution: it is a 110 bed institution. The honourable member quoted some statistics put forward by staff. It is important for the honourable member to understand the difference between the statistics he has been using—

Mr Brindal: You will have to read it very slowly for the honourable member.

The Hon. W.A. MATTHEW: The member for Unley is correct; it will have to be read slowly. I am prepared to go back over these figures a number of times if necessary so that the honourable member grasps them. The honourable member quoted the cost of running the Mount Gambier Prison as $43 000. The words 'including capital' need to be added: it will cost $43 000 including capital. The staff at the Mount Gambier Prison put to me as Minister a cost for running the Mount Gambier Prison of $29 000. The words 'without capital' have to be put on the end of that, not 'including capital'. If 'including capital' had been added, the cost would be significantly higher than $29 000. In order to determine whether $29 000 is a cost effective option, one must compare that $29 000 without capital to the cost of running other medium and low security institutions around Australia without capital. I have news for the honourable member: $29 000 is a high cost.

I will wait for a minute until the honourable member is back in his chair and can hear this, because it is very important: $29 000 without capital is a high cost compared with the situation in the rest of Australia for running a medium and low security prison. The bid of $29 000 from Mount Gambier staff to run the prison against private sector bidders would have no chance at all of being successful. It is far too high: it is far higher than the cost in the rest of Australia.

In fairness to the Mount Gambier Prison staff, those bid figures are preliminary. The honourable member was unfair in putting forward those figures in this House, because they are preliminary costs. It may well be that the figures change. Those figures need to be assessed properly at the time the staff put forward their suggestions for management of the prison. The fact is that those figures are high. The bid would not succeed at that rate. If the honourable member believes that the Mount Gambier Prison costs will win, why will his Party not allow this Bill to go through? The Labor Party should support this Bill and put it to the test. If the Labor Party believes that the Government sector will win at the end of the day, it should put it to the test. But the Labor Party knows that the Government sector cannot win. The Mount Gambier situation is the ultimate act of hypocrisy. It is interesting again to refer back to the archives of the Labor Government, because in those archives—

Mr Foley: I was not there.

The Hon. W.A. MATTHEW: The honourable member says that he was not there.

Mr Brindal: He was not in the archives: he was in the Premier's office.

The Hon. W.A. MATTHEW: As the member for Unley interjects, he was in the Premier's office providing advice to the Premier. The honourable member might well have seen many of the documents I am about to refer to. I have referred to the following document in past sessions but I will refresh the honourable member's memory. It was prepared for the then Minister for Correctional Services (Mr Frank Blevins) in 1993 and it states:

> Based on experiences elsewhere, it appears the privatisation of prisons can achieve savings of around 10 per cent.

The honourable member has been disputing the 10 to 20 per cent savings figures that the Government has been giving in relation to prisons; he has said that they will not stand up. The then Labor Government said that those figures were viable. Here we have the figures on the options. They are Labor Party documents. The document states:

> A new prison at Mount Gambier is due for commissioning late 1993 or early 1994. Privatising this facility would send a powerful message to the existing system which is currently struggling with budgetary restrictions and savings necessary for restructuring.

We have here a document that was prepared for the previous Labor Government when the now leader of the Labor Party was a Cabinet Minister, and that document said that privatising Mount Gambier Prison under a Labor Government would send a powerful message to the existing system. Here is the same Party now turning around and saying, 'No, you cannot do that. That is not the way to go; you cannot do that at all.' That is certainly not what the Labor Party felt when it was in government. The same document also refers to Mobilong prison. That is an interesting one, because the Labor Party of the day said:

This prison located at Murray Bridge is an ideal candidate for privatisation given its medium security classification and concept of its construction. The current resources applied to the prison are $6.6 million and the savings could be $.7 million.

The Labor Party was saying in its term of government that it could save $.7 million from Mobilong alone. It was the Labor Government saying that, not the Liberal Government.

I now refer to the Adelaide Remand Centre. Shock and horror was expressed by the Labor Party today: 'My God, the Liberal Party is looking at privatising the remand centre. How dreadful!' According to the archives, the Labor Party would never do that. I again refer to this document in relation to the Adelaide Remand Centre:

This prison is also a possibility for privatisation because of the nature of its operation, but the same difficulty as for Mobilong will be apparent because of the numbers of staff involved. The current resources applied to the prison are $8 million and savings could be in the order of $.8 million.

The Labor Party was saying that it could save $.8 million by privatising the Remand Centre as well. The Labor Party went further and looked at privatising home detention. This is an interesting one: the Liberal Government has not yet even looked at the possibility of privatising home detention. The Labor Party did; it thought it was a good idea. It said the savings could be at least $40 000 a year in that regard. The Labor Party looked at this issue and it went into other possibilities. The document continues:

There are many other opportunities for privatisation which need more research to gauge the level of resources currently being applied and the savings which could be expected.The following is a list of possibilities:

and this is a Labor Party list—

catering for prisoners, perimeter security, external escorts, Sir Samuel Way court servicing, dog squad, new prison currently being planned for late 1990s, hospital watches, Cadell Training Centre, prison industries, supervision of probationers and parolees, preparation of pre-sentence reports, maintenance of buildings, and other assets.

The Labor Party says that privatisation in corrections is an important topic and action in this area can yield long-term savings of about $2 million per annum covering Mobilong, the Mount Gambier Prison and the Adelaide Remand Centre. The same Labor Party now has the gall to claim that it is the saviour of prison officers from a terrible Liberal Government, when behind the scenes the Labor Party was looking at privatising a whole range of services and prisons. The Labor members are hypocrites. Quite frankly, I find the whole approach to this debate quite repugnant. Members opposite, under the new Opposition Leader, stand up and say, 'Parliament is the place to be open in debate. Let us forget about political games; let us be straight with what should happen.' Yet the same Labor Party is indulging in political game playing in this Chamber today by distorting statements made in the media and going against what members opposite privately believe. I do not think that is what the taxpayers of South Australia want to see in this Parliament. It does not provide the sort of government that is needed.

I refer now to another Labor Party document, marked 'Confidential. Notes of the meeting of the agency review, Correctional Services, Friday 19 March 1993'. Let us not forget that we had an election at the end of 1993 and in March the Labor Party still had its privatisation agenda for prisons on the up. The minutes state:

Possible targets included: catering at suitable locations; perimeter security, Yatala and the remand centre; external escorts, Samuel Way holding cells; Dog Squad; new prison facilities; prison industries; supervision of offenders in the community; preparation of court reports; primary targets would be Mount Gambier and services at Yatala.

Now Yatala gets a guernsey, too. It seems the Labor Party was really keen on privatising prisons when it was in Government. But here is the catch and here is where it becomes interesting:

There is strong support for this from management but strong opposition from the union.

That is what it is all about here tonight: the unions oppose this and the Labor Party is baying to its political masters, the union movement in South Australia. We realise that with so few members left in this Parliament resources are stretched, and all members appreciate that. Members in this House who have served a time in Opposition know that it is very difficult working with little in the way of resources, and we understand that the Labor Party has had to turn to the trade union movement to provide it with more funding and research staff to help it undertake its daily routines in Parliament. But that means that, as never before, Trades Hall is calling the shots. 'Forget about what was done previously', Trades Hall is saying; 'Forget about your beliefs; this is what we say must happen.'

We had members of a Labor Government saying, 'The only way to go is private management of these resources', and now they are saying that they oppose it. They are opposing it because Trades Hall says so, not because the members of the Labor Party personally believe that should happen. We then go to a memo sent to the Minister for Correctional Services regarding the Treasury budget plan 1992-93. This memo, dated 10 April 1992 from M.J. Dawes, Executive Director, Department for Correctional Services, states on the topic of privatisation:

The department agreed to find $2 million for privatisation as part of the 1991-92 financial year negotiations. Subsequently the Government decided not to proceed.

That was 1991-92 but, as I quoted from those earlier minutes of the agency review, in 1993 again they are having another look at it. Clearly, Labor Party members have had some problems with the unions in bringing their beliefs forward, but there is no doubt that the Labor Party believed that, if we could privatise some of the management of correctional service institutions, it would have the opportunity to reduce costs here in South Australia. I appreciate that Labor Party members may not have had the numbers on those occasions to get what they wanted, but the former Minister (Hon. Frank Blevins) put forward a number of documents on several occasions in his bid to outsource the management of institutions. Those documents never actually made it formally before Cabinet, although he certainly signed them, and I have quoted from some of those today.

One other situation was appallingly misquoted by the honourable member and must not go uncorrected, and that is the situation in Western Australia. I want to put on record the entire statement made in Western Australia about the private management of prisons, although I realise that this may take a couple of minutes; but it is important. I will read from the statement made to the Western Australian Parliament by its Attorney-General (Mrs Edwardes), who also had responsibility for the management of Correctional Services. The statement, dated Tuesday 31 May 1994, is as follows:

It gives me great pleasure to inform the House that Cabinet yesterday endorsed a historic prison reform package, an agreement between the Ministry of Justice and the Western Australian Prison Officers Union, which charts a new course for prison management

in this State. It is an agreement upon which each union member was entitled to vote and which was supported by 53.6 per cent of those officers who participated in the ballot. Members should not underestimate the importance of this agreement which, in effect, means that Western Australia has achieved what no other prison operator in Australia, the United States and the United Kingdom has been able to do; that is, provide for cost savings within our prison system to match those offered by the private sector.

That last statement has been quoted often out of context in this debate. The document continues:

Some States in Australia have already introduced private prisons to achieve savings. However, these savings have not flowed on to State-run prisons at the level hoped and are unlikely to be achieved without protracted industrial disputes. By reaching this agreement in Western Australia we have therefore effectively jumped 10 years ahead of those States, which are likely to be grappling with industrial issues and management problems for the next decade as they bring State prisons into line with those in the private sector.

That last statement, again, is often quoted out of context by members of the Labor Party. I continue:

We have avoided this conflict and we will achieve across the board savings in all our prisons in one hit from the date of implementation, 1 July 1994. The process we are now undertaking achieves savings of a considerable magnitude: an estimated $8 million annually, or 10 per cent of the State's prison operation budget. These savings will be achieved through a package which includes a return to a 40 hour week; restructured sick leave entitlements; the introduction of an annualised salary which incorporates components in lieu of penalty rates, shift allowances and overtime; greater flexibility in annual leave; the removal of medical and pharmaceutical benefits; and a reduction through natural attrition of 129 staff positions.

I just reflect on that point for a moment: under this Government we have already reduced our staff by 133 positions, more than under the Western Australian agreement, and I will come back to that later. The Minister continues:

Prison officers have given a commitment to achieve those savings and, as a result, make our prisons competitive with those in the private sector.

This is the point that has never been brought up by the Labor Party and needs strong emphasis in this debate, because the Minister says:

Provided the savings and efficiencies are achieved, the Government has given an undertaking not to privatise any existing Western Australian prison or contract out existing standard duties of prison officers in this State before 31 December 1997.

In other words, the Western Australian Government said, 'We'll give you until 31 December 1997, and if you don't shape up you'll be privatised.' That is what they have been told, so let us not for one minute try to suggest in this House that Western Australia is not looking closely at privatisation of prisons, because it is.

Mr Foley interjecting:

The Hon. W.A. MATTHEW: The honourable member interjects, 'Why don't you do the same?' I would dearly like to be at the starting point here in South Australia that Western Australia has been at. Earlier in this debate I gave to the House the comparative figures in the operations of different States in Australia and said that it cost $56 438, excluding the cost of capital, to run a prison in South Australia as shown by the latest available figures from the Commonwealth Grants Commission. In Western Australia it is $42 919. So, Western Australia is saying that its almost $43 000 is unacceptable, but ours is over $56 000. If we had that starting base, we would be in a much better position.

Mr Foley: That's a cop-out.

The Hon. W.A. MATTHEW: The honourable member interjects that it is a cop-out. Our prison costs here are significantly higher than those in Western Australia. If we achieved the costs they are trying to reduce we would be in a position where we could hail those changes—

Mr Foley: Get them down.

The Hon. W.A. MATTHEW: The honourable member is saying, 'Get them down': his Government did not get them down. His Government was going to introduce private management; his Government was going to support it; and now his Party in Opposition is hypocritical enough to say in this Chamber, 'Do what the Labor Party did, because private management won't work.' What hypocrites. No wonder Labor Party members did not have the guts to finish the second reading debate in this House this afternoon. No wonder Labor Party members, when the bells rang to get them in to give them their chance to speak, did not turn up. The Opposition Leader was not even in the Chamber to keep up the House numbers, so the debate was terminated. They could not get the numbers.

The CHAIRMAN: These points are not really germane to the debate, Minister.

The Hon. W.A. MATTHEW: The point now—

Mr Foley interjecting:

The Hon. W.A. MATTHEW: The honourable member asks why I did not make my concluding speech. There are many important issues to be brought before this Parliament and if the Opposition is not going to be here to contribute to the debate I am happy to keep my part of the debate going through the Committee stage to respond to some of their main points and the ridiculous amendments that have been made by Opposition members. Quite frankly, their hypocrisy disgusts me.

Mr BRINDAL: I seek to contribute to this debate only in response to the request of the Leader of the Opposition yesterday to raise the standards of debate in this Chamber and to make them more statesmanlike. I hope, before I ask the Minister a question on this clause, that the record clearly shows that this House does get curiouser and curiouser. I distinctly heard the Minister say that he was going to read from a number of documents and questioned whether the member opposite might have read them and, before he had even said what those documents were, the member opposite denied that he had ever read them.

I find it absolutely amazing that any member in this House, not knowing the document involved, knows that he has never read it. It is a curious instance. I said in this Chamber once that I believe that Government is all about people and that, when it comes to a choice between people, service and economic rationalism, people and service are the most important. This Bill seeks to adopt a different method in prison management. As a result of this measure will any prisoner be disadvantaged or receive less humane care, less careful supervision or be in any way disadvantaged?

In his answer will the Minister tell the Committee whether there will be any cost benefits to the people of South Australia? Whilst I believe that economic rationalism must have a human face, if this Government pays less money for achieving the same service (which is what I understand the Bill is about and I ask the Minister to clarify that point), I for one (and I hope the Opposition also) will applaud the Minister for having more money to go into hospitals, policing and schools, while not disadvantaging anybody detained at Her Majesty's pleasure in the process.

The Hon. W.A. MATTHEW: That type of question asked by the honourable member indicates why, during his time in this Chamber, he has become so respected for the intelligent and in-depth way of thinking that he applies

particularly to the Committee stages of a Bill. The short answer to the honourable member's question is 'Yes': this Bill allows the introduction of a system that will allow not only cost reduction in the running of prisons but also better delivery of prison services to prisoners.

One of the most impressive institutions that I have seen to date was a place called Kyle New Vision. One would not know from its title, but it is actually a prison operated in Kyle, just outside Austin—Adelaide's sister city in Texas. Kyle New Vision is a prison for over 250 prisoners and is run by the private sector as a drug and alcohol rehabilitation pre-release centre. Essentially that prison is the place to which prisoners who have been in prison for an alcohol or drug related crime are sent for their final 12 months prior to their release.

I had the advantage of visiting that prison before the last election with the Deputy Premier of Victoria, Mr Pat McNamara (who is also the Victorian Correctional Services Minister), and Mr McNamara's Chief Executive Officer of his Department for Corrective Services (Mr John Van Gronigan). We were all equally impressed with the way that institution was run. We were told by the operators that the recidivism rate (the rate at which prisoners returned to prison) in that institution was dropping below 40 per cent. Our rate in South Australia is sitting at about 70 per cent. We were impressed and wondered how it could be so. How could it be that this prison was able to achieve these amazing things? We were impressed by the relationship of trust that had developed between prison officers and the prisoners and very impressed by the therapeutic classes run in that institution.

We had the privilege of sitting in on a group therapy counselling session involving 25 prisoners, all of whom introduced themselves to Mr McNamara, Mr Van Gronigan and myself as they went around the circle and explained why they were in prison. They said, for example, 'My name is Fred Smith. I'm in prison because I have been addicted to heroin, held up gas stations and finished up in gaol.' It is a significant step forward for any addict to admit their affliction. They went further and told us what they were doing to overcome their addiction. One of the most impressive features of this institution was that as part of its management contract it had a 24 hour, around-the-clock, follow-up service for some 12 months after a prisoner was released from gaol.

After those prisoners are released, if they feel at any point that they will turn back to their drug or alcohol habit, they can pick up the telephone, call that hot line and someone will get to them to help them. It was a much better service, unlike any we have here in Australia. It was very impressive, and that is the sort of service, with new ideas and new methods, that we would like to take advantage of here.

In order for the private sector to win contracts to run prisons, it has to introduce new ideas to impress Governments and demonstrate that it can not only reduce the cost of operating a prison but also deliver better programs. The private sector has demonstrated that it is doing that world wide. It does not mean that the private sector has a monopoly on good ideas—it does not. We have some very good ideas within our prison system here in this State. We have some very professional officers operating prisons, running community service activities and operating home detention programs. Equally, they do not have a monopoly on good ideas. With a blended system of public and private sector involvement we can have the best of all worlds through competition with each other, innovation stemming from that competition and good ideas coming forward.

Why should not South Australian taxpayers derive the same benefit that is flowing from the private management of some prisons in Queensland under Goss or in New South Wales prisons, from the future private management of prisons in Victoria, or from the private management of prisons in the United Kingdom or the United States? Why should not South Australians have some of those benefits?

There is nothing insidious in this Bill, which is offering a better service for South Australia, a better service within the prison system and an opportunity for entrepreneurial flair and ability. The most amazing thing about those involved in private prison work is that the majority of senior managers with whom I have dealt in the United States, the United Kingdom or Australia are not former accountants or lawyers but are actually former prison administrators—people who have worked for Governments. Those people have been astute enough to recognise what can be done better and have said that there are too many restrictions on good ideas in Government as a whole. By setting up in competition they believe that they can do it better.

One of the most enlightening conversations that I have had is with Mr Brian Dickson, the former General Manager of Mobilong Prison in South Australia. That gentleman is now a senior executive in CCA (Corrections Corporation of Australia) and is based in Brisbane. Members may not be aware that he was the first private prison manager in Australia. The South Australian Manager of Mobilong Prison was recruited to manage the Borallon private prison in Queensland: the prison that was to be closed by the prisons Minister in the Goss Labor Government—the prison that demonstrated, through a South Australian manager, that it could turn around.

That same gentleman has spoken to me a number of times. Former Labor Ministers would not talk to him, but he has told me on a number of occasions that the same sort of changes can occur here in South Australia. Implicit in what I said earlier, he has been promoted through CCA's ranks, and the biggest challenge he found was that the ideas he, as manager of Mobilong prison, put forward to the Labor Government under then Minister Frank Blevins were knocked on the head day in and day out. He said that he knew how to reduce costs and change things, but he could not get them in place and the unions blocked them the whole way. He went up to Queensland, joined the private sector company, made the changes and they worked.

They impressed the critics and the Queensland Minister, who was going to cancel the contract but who subsequently said, 'Forget what I said; I'm going to renew the contract as Labor Minister.' That same Labor Minister signed the contract for the Arthur Gorrie Remand Centre—the Goss Labor Government's privately managed remand centre in Queensland—and the Goss Labor Cabinet is now looking at whether its third prison will be operated by the private sector. It may decide that there is enough competition there and it will go to the Government sector, but there is no way that I can see that the Goss Labor Government will regret its decisions. I have spoken to Goss Labor Government officials, who have told me that private management of prisons is the best thing that happened to the prison service in Queensland.

I ask the Labor Party to show reason in this debate. It should not be about political point scoring. We have actually pulled out Labor Party documents and shown Opposition members that we are looking at this, too. If the Labor Party is genuine—

Members interjecting:

The Hon. W.A. MATTHEW: The honourable member interjects that it is a bureaucrat document. It was a submission signed by Frank Blevins to be put before the Labor Party Cabinet. I do not know how Ministers of that Government carried on, but I do not sign documents that could be termed 'bureaucrat documents'. If a submission goes before this Cabinet under this Government and it has my signature on it as Minister, it is not a bureaucratic document. If a submission comes from me as Minister for Correctional Services, I sign that document. I own it as well as the department—it is not just me as Minister.

Mr Foley interjecting:

The Hon. W.A. MATTHEW: When he puts his points forward in this debate, the honourable member should ensure that they are well researched. We heard him tonight misrepresenting, distorting, misquoting and backing away from the Labor Party's stance. We heard the new Leader say that Parliament ought to be about sensible debate and not political point scoring. Here is the new Leader's opportunity. He can sit there looking serious and serene, but he should have the courage of his convictions and support this Bill in both Houses.

Through this Bill we are giving the Labor Party the opportunity to work with this Government sensibly to determine the contractual conditions of private management. The Labor Party must be aware that we could bring in private contractors tomorrow without this Bill. It must be aware that that could happen. It is important that this sort of opportunity occurs. If this Bill does not get through, it will be the Labor Party which is stopping expenditure on schools. Here in this Parliament today—

Mr Foley: Intimidation!

The Hon. W.A. MATTHEW: The honourable member interjects and says 'intimidation'. In this Parliament today the Labor Party stood up and said that it wanted more money spent on schools. You cannot spend more money on schools if you are going to throw money down the drain on prisons. For God's sake, wake up to yourselves.

The Hon. M.D. RANN: I rise on this point because it is a very important issue and one that deserves a more serious argument than we have seen from the Minister today. I do not have any particular ideological problem with privatisation in a number of circumstances. Indeed, I supported the privatisation—not just the leasing but the privatisation—of airports. I also supported the privatisation of the State Bank and SGIC. When I was Minister for Tourism I was involved in privatising the Government's travel services. I did not believe it was the prerogative of the Tourism Commission, which I corporatised, to pay people to export people out of this State when it should have been spending money on marketing to attract tourists to South Australia.

I am very concerned about some of the inadequate safeguards and poor controls that are implicit in this Bill. All of us in this Chamber who have done any reading on this matter would be aware of allegations made in the United States in recent years linking private prisons to criminal and illicit practices. All of us interested in the area of privatisation and prisons and linking them together would be aware of claims made in the United States, in Britain and elsewhere in Australia linking private prisons to a lessening of responsibility for prisoner education, health, safety, disease control and, most importantly, issues of public safety.

Unfortunately when you have a formula that has been cobbled together in a hurry and which, by its very nature, links big money and poor regulatory controls, along with criminals who are held inside the prison and an overriding profit motive, you get the prospect of corrupt practices, favours, deals and special privileges. That is why safeguards are important. There are inadequate safeguards in this Bill. We have the Minister making a threat to all members of Parliament that, if we do not agree with this sloppily drafted and inadequate Bill that contains poor safeguards, he will subvert the parliamentary process. He will go around the back of the Parliament, like the Minister for Industrial Affairs in respect of shopping hours. That is the contempt he holds for this Parliament, and that is the contempt he holds for members of Parliament.

The Opposition has a right to question, and we have a right to insist on tighter safeguards. This Bill will create problems for the future in our prisons, and the Minister knows it. It is the Minister—not me—who is driven by ideology. I remain to be convinced that we are not going down a path that can only lead to the implicit and explicit potential for corrupt practices in our prisons.

One area that should be exempt from the whole area of the profit motive is the judiciary. No-one—not even the most ideological—would suggest that we privatise the judges. I hope no-one would suggest that we privatise the Police Force. The same should apply to prisons, because herein lies the problem. A proper division between the allocation and administration of punishment should be maintained. Quite clearly—

The Hon. W.A. MATTHEW: I rise on a point of order, Mr Chairman. I believe that the Leader is quoting word for word from a previous debate this session.

The Hon. M.D. RANN: What I am doing is heading down the path of some serious questions about regulatory control. Does the Minister understand the distinction between the allocation and administration of punishment? Why has the Minister ignored overseas developments regarding the monitor's role? Has the Minister read the tender documents for private prisons at HMS *Blakenhurst* and Manchester and Wolds in England? If he has not, he should. Is the Minister aware that all these prison documents—

The CHAIRMAN: Order! The Leader will realise that a point of order has been raised. The Leader has not contradicted the point of order, and he has not said whether he is reading from a previous debate.

The Hon. M.D. RANN: Mr Chairman, I am asking questions, and following a line of argument, which I intend to get answers for. The simple fact is that we are looking at a recipe for corruption. We are looking at a system where the Minister is seeking to subvert this Parliament, if he does not get his way.

Mr BASS: I rise on a point of order, Mr Chairman. I believe that the Leader of the Opposition has yet to respond to the point of order raised by my colleague.

The CHAIRMAN: The Chair has not ruled. In fact, the Chair is satisfied that the Leader is within the bounds of the current debate.

The Hon. M.D. RANN: The community must be satisfied that proper safeguards are in place, because you are seeking to involve the private sector in an area that involves punishment and safety and a whole range of things with respect to the administration and allocation of punishment. I want to know why the Minister seems to completely ignore this important distinction: that you must have a separation of powers; that private companies cannot be allowed to allocate punishment. That is my point, and it continues to be my point. We have a situation where the private sector is being

encouraged to become involved without adequate safeguards. In my view that needs to be rethought. I raised a number of things when I addressed this issue in my second reading speech, but I did not receive answers. I will pursue those points in terms of a series of questions.

In relation to privatisation, there is absolutely no question that you cannot separate out major parts of our criminal justice system. That has always been the case in Australia and in South Australia. So, we have to ensure that the criminal justice system involves making decisions that affect a person's liberty. Those decisions should not be somehow delegated to a private company. Prisons restrict a person's liberty, and by their very nature they determine how long a person can spend inside. You cannot leave those things to the prerogative of the private sector. There must be a Minister, and there must be public servants held under the Act, strictly enforced by statute. There has to be a line of accountability.

What happens if there is an escape? The Government has not yet explained the responsibilities of contractors who operate within the prison system. What will be their accountability? What will be their responsibility in respect of costs that may arise from escapes from prisons, as well as associated costs and financial imposts the community bears in the use of community resources? What will the Government do if escapes occur through poor management of the system by private operators because of the management problems that may arise in the operation of a private prison? I pursued these questions during the second reading debate and they have been totally ignored by the Minister in his rush to judgment for privatisation.

We are dealing with a most sensitive area. We cannot allow the private sector to be involved in the running of our courts and the administration of justice through the courts and through the judiciary. We cannot allow the Police Force to be privatised, and we must not allow decisions relating to the allocation of punishment to be decided by people whose motive is about profit without clear safeguards and clear lines of responsibility that go through to the Minister via accountable public servants whose positions are guaranteed in statute and by the Public Service Act. That is where this legislation is deficient.

The most serious reason for my coming into this Chamber is that a threat has been made publicly that if this Minister cannot get this Bill through both Houses of Parliament, because of genuine concerns about lack of safeguards and accountability and about the fact that the profit motive will be supreme on these issues, he will say, 'It doesn't matter. I don't care. You can do what you like, Parliament, I will go around the back. I have found a loophole.' The amendment moved by the member for Hart seeks to address that loophole.

Politics is a tough game. However, that is different from personal abuse, about which the Minister knows a lot. I have not abused the Minster today. I am not suggesting that in any way the corruption that is implicit as an opportunity in this Bill is by design. Of course it is not. What I am saying is that there are inadequate safeguards to prevent that from happening down the track. Our job as legislators is to ensure that those safeguards are in place. They will not be in place under the tatty Bill that has been introduced into this place.

The Hon. W.A. MATTHEW: I am sure that other members of this Parliament will share my thoughts: if only Archbishop George could have been present to hear the Leader's contribution in this Parliament today. It was most disappointing.

An honourable member: Tacky!

The Hon. W.A. MATTHEW: Yes, tacky. Clearly, the Leader is not standing by the comments that he made publicly.

The Hon. M.D. Rann interjecting:

The Hon. W.A. MATTHEW: If the Leader sits back and listens for a change, instead of flapping away, I am happy to answer those questions. First, I draw the Leader's attention to the fact that this is an amendment Bill; it amends an exiting Act. Therefore, existing provisions under the Act, which are not changed by the amendment, remain in force. The Opposition has raised concerns a number of times about the administration and allocation of punishment in the private prison system. It trotted out Paul Moyle from New South Wales, Queensland or Western Australia, depending on which State he is resident at the time, to make some comments.

Interpretation of punishment is often confused, and clearly it is by the Opposition. The judiciary allocates punishment to offenders in our society, and the department administers a sentence imposed by the courts. The punishment in a prison system is the deprivation of liberty. Commentators like Paul Moyle essentially have been talking about quasi-judicial hearings that take place as part of in-house discipline resulting from misdemeanours associated with, perhaps, a breach of the manager's rules, prison regulations and criminal activities. Any criminal activity that occurs in any prison, be it private or public, is referred to the police for investigation and action.

New section 9A(2)(a) of the legislation requires that the management agreement makes provision for the management body to comply with the Correctional Services Act that is being amended--the existing provisions in the Act that remain--and other Acts and laws. Therefore, the existing safeguards remain unchanged within the Correctional Services Act to protect prisoners from potential abuses of power, be it by a public or private official. So, there will be no difference at all between the two sectors. To manage a difficult institution, like a prison, you need to have in place a system that allows for it to function in a fair and orderly manner. These things are not new.

[*Sitting suspended from 6 to 7.30 p.m.*]

The Hon. W.A. MATTHEW: Prior to the break, I was addressing a number of questions on important matters raised by the Leader of the Opposition to which a reply must be put on the record during this debate. If you are to manage an institution such as a prison, clearly you would need to have in place a system that allows for it to function in a fair and orderly manner. The hearings that we propose are not new. In fact, they are conducted by both public and private prison managers in New South Wales and Queensland under Liberal and Labor Governments respectively and, furthermore, will occur in Victoria following the opening of its private prison.

Prison managers must have the ability to control basic behaviour in their prisons in order to manage them effectively. However, clearly there need to be safeguards in place so that both the public and private sectors can be subjected to some controls and prisoner rights protected. Section 42A of the Correctional Services Act permits prison managers to impose small summary penalties for minor breaches of regulations. Those minor breaches are set out in regulations 31 to 50.

The procedures are essentially as follows. The prisoner has two options for a minor breach of regulations and rules.

First, he or she can be advised of the breach by notice in writing and given the option to be charged or accept a small penalty as detailed under that section of the Act with forfeiture of privileges for a maximum of seven days or exclusion from work and, therefore, extra income for up to seven days, or both those things.

The prisoner is told in advance of the proposed penalty and may decide whether or not to seek a full hearing. If the prisoner accepts the penalty, no hearing or further action is taken. Secondly, if the prisoner elects to be charged, a formal hearing with the manager will take place under existing section 43 of the Act. If the charge is proved beyond reasonable doubt, the prisoner may be subject to forfeiture to the Crown of a sum of up to $25, forfeiture of privileges for a period not exceeding 28 days or exclusion from work for a period of up to 14 days, or a combination of penalties. A reprimand or caution can also be imposed through that process.

That covers minor breaches of regulations and rules; however, in instances where there is a breach of regulations that is more serious—that is covered under regulations 21 to 30—or if the manager has not opted to use section 42A of the existing Act for a minor breach, the manager may charge the prisoner under existing section 43 of the Act and conduct a formal inquiry. Penalties may again include forfeiture to the Crown of a sum of up to $25, forfeiture of privileges for a period not exceeding 28 days or exclusion from work for a period of up to 14 days, or a combination of those penalties. Penalties associated with urine testing for drugs under regulation 67 can attract a penalty up to three times greater.

If the manager is in doubt as to the penalty to impose or believes that the matter is of a serious and complex nature, including matters which involve possible compensation, the manager may refer the matter to a visiting tribunal under section 44(1) of the Act. If the prisoner causes damage to property, only the visiting tribunal may order the prisoner to pay compensation. That is an important safeguard to which I draw the attention of the Leader of the Opposition. The visiting tribunal provides that safeguard. So, in essence, the provisions for hearings, minor breaches and more serious breaches of the rules and regulations are covered under the existing Act, and those same provisions will follow through to private prisons through the amendments facilitated under this Bill.

In so far as the visiting tribunal is concerned, in the event that a prisoner objects to the penalty imposed by a prison manager, whether it be a private or public prison manager, he or she may appeal under section 46 of the Correctional Services Act to the visiting tribunal for it to be reviewed. It is important that members understand that a visiting tribunal must comprise either a magistrate or one or two justices of the peace. The Deputy Leader of the Opposition was concerned about the safeguards for prisoners. The simple fact is that, if a prisoner is faced with a situation with which they are not happy, whether it be in a private or Government prison, they can appeal for that matter to be heard by a visiting tribunal, and those people come in from outside as a magistrate or one of two justices of the peace. No appeal lies against the order of a visiting tribunal made on appeal under this section.

Matters referred to a visiting tribunal are dealt with under section 44 of the Correctional Services Act, and prisoners may appeal against the decision of a visiting tribunal where the proceedings were not conducted in accordance with the provisions of the Act. Section 47 of the existing Act allows an appeal to a court. Prison inspectors also have a role to play, because a prisoner may approach a prison inspector who is appointed in accordance with section 20 of the Act to voice any concerns. A prison inspector must be either a retired magistrate or judicial officer, legal practitioner or justice of the peace. An inspector has the power to question any person at the institution, inquire into the treatment of prisoners or a particular prisoner, and receive and investigate any complaint by a prisoner and make recommendations to me as Minister. With respect to the investigation of any complaint, the inspector may also seek the assistance of my colleague the Attorney-General.

The Ombudsman also plays a role. A prisoner may voice a complaint or concern to the Ombudsman. Any letter sent to the Ombudsman, a member of Parliament, a visiting tribunal or an inspector must not be opened. The same requirements will exist in any privately managed prison. If a letter is sent to a prisoner by the same bodies, again, it cannot be opened.

The monitor also plays a role. The Deputy Leader referred at some length to the role of the monitor. The Chief Executive Officer may also direct the monitor to sit in as an observer on managers' inquiries from time to time to determine whether they are being handled fairly and penalties are consistent with those imposed in the public sector. That is yet another safeguard that is provided through the auspices of this legislation. The monitor is a checking mechanism to ensure that all aspects of private prison management are in accordance with the Act and the contract agreement, including any hearings that are conducted. The monitor is part of checks that will be completed into the operations of a private prison and will have full access to all documents, including those associated with any hearings. The monitor will report any adverse aspects of any hearings to the Chief Executive Officer of the Department for Correctional Services.

Importantly, should there be any abuse of these powers provided under the Act, particularly by the private sector, my Chief Executive Officer would also have the right under the legislation to revoke the approval of the prison manager or, indeed, any staff member of that prison. So, effectively, ultimate control lies in the ability of the Chief Executive Officer effectively to remove the approval and authority of any staff member in a private prison right up to manager level.

With all those checks and balances in place, if the Opposition looks carefully at the argument it will see that the legislation that has been put together, contrary to the claims by the Leader of the Opposition, has been carefully considered. I want to put on record that I find it particularly objectionable that the Leader of the Opposition claims that this legislation has been cobbled together in a hurry or ill thought out.

Those statements are derogatory and unfair and reflect badly on the staff who have put many hundreds of hours into putting together this legislation. Both my Correctional Services staff and legal staff from Crown Law and Parliamentary Counsel have worked tirelessly to put together this Bill. It is most unsatisfactory to have any member of Parliament, particularly the Leader of the Opposition, claiming that the Bill has been cobbled together.

The Opposition Leader also raised questions about the time that a prisoner spends in prison. Effectively, that is influenced under legislation already passed by this Parliament, the new truth in sentencing legislation, and a prisoner's time spent in a prison is determined by the sentencing court. There is no point in my labouring that fact further in this

debate. As I have already indicated, it must be borne in mind that poor behaviour of a prisoner would not be brought up for the first time before a parole hearing but would be dealt with as and when it occurred in a prison system, subject to the appeal or scrutiny of visiting tribunals, prison inspectors, ombudsmen and the monitor.

One other area of concern that has been raised by the Opposition is the placing of a prisoner in solitary confinement in a private prison. Section 36 of the Act is very specific about the separation of prisoners: there is no such thing as solitary confinement. However, separation is a matter of delegation of the Chief Executive Officer for a number of reasons. Separation of a prisoner—taking that prisoner out of the rest of the system for a temporary period of time—occurs effectively for the following reasons: in the interests of the proper administration of justice when an investigation is being conducted into an offence that has allegedly been committed by the prisoner; in the interests of the safety or welfare of the prisoner if that prisoner has either been threatened or has threatened to injure themselves; in the interests of protecting other prisoners; and in the interests of security or good order within the correctional institution. Again, I remind the Committee that delegations afforded by the Chief Executive Officer or by me as Minister can be revoked at any time by either the Chief Executive Officer or me.

Much has also been made by the Labor Party about profit. The Labor Party's claim in this House is that the prime motive for this Government's considering private management of prisons is profit. As far as my department and this Government is concerned, it is a very clear matter: the legislation provides that the management agreement make provision for compliance with a management body, with the Correctional Services Act and with other Acts or laws of the State, though it is not possible for any company to break the laws of this State without its endangering its contract. The fact remains that, if any private prison company breaches the terms of conditions of its agreement or the law of this State, its contract will be terminated. If it acts in an illegal fashion, it will be brought before the courts, and the appropriate processes of the law will then ensue.

So, for the Leader of the Opposition to stand up in this House and carry on in an emotional way, saying that the private management of prisons leads to potential corruption, is a gross abuse of his parliamentary privilege. It is not the case. What will be put in place is a system of checks and balances, such as the one I have outlined to this House, that will ensure that, if the private sector company steps out of line in any way, shape or form, appropriate action can be taken. The company will be required to submit audited accounts under any agreement that is signed, and services to prisons will be evaluated by the monitor and compared with services and standards achieved by the public sector. Again, poor services or standards would be immediately visible and could result in the termination of the contract for the prison.

The Leader of the Opposition expressed considerable concern about the role of the monitor, and it is important to place on the record exactly what will be required of the monitor. The monitor's roles are: to ensure that the prison is managed in accordance with legislation and is managed in a professional manner; to provide the communication and management link between the Chief Executive Officer of the Department for Correctional Services and the private management operator; to assess and review the provision of services by the operator, ensuring that they comply with the requirements of the Act and its regulations and the performance specifications set down in the contract; to conduct performance audits on a random but regular basis to determine compliance by the operator with specified minimum performance standards; to prepare a report annually in writing to the Chief Executive Officer of the Department for Correctional Services on the operator's performance; to interpret and clarify contractual issues for the operator; to advise the Chief Executive Officer of the Department for Correctional Services on requests for variation of the contract agreement; to monitor and recommend contract payments; to represent the Department for Correctional Services' viewpoints in all discussions, ensuring open communications between the two parties; to monitor changes to departmental policies and procedures which may impact on the contract; to obtain employment approvals for the contractor's staff; to be available to prisoners, staff and visitors to hear matters raised in connection with the operation or management of the prison; to undertake investigations into any complaint made and make recommendations on corrective strategies and practices; and to ensure that the private operator maintains the prison and all its components in good condition and complies with maintenance.

Those safeguards are more extensive than any in existence for any prison in this State, and they have been put together as a result of very close workings between my Department for Correctional Services and Parliamentary Counsel and those in other States. The Leader of the Opposition indicated that I should have a look at the contracts that have been signed by other operators and drew my attention to three prisons in the United Kingdom. I am happy to put on record for the benefit of the Leader of the Opposition that I have not only had the opportunity to have a look at the contracts for those three private prisons in the United Kingdom but also had the benefit of briefings from the Home Office of the Government of the United Kingdom, from the Treasury Office of the Government of the United Kingdom and from the officers of the Correctional Services Contracting Unit from the Home Office of the Government of the United Kingdom. There have been three extensive briefings and opportunities to talk about the problems that the British Government encountered in contracting out its services.

Also I have had the opportunity to talk with each of the three companies involved in prison management in the United Kingdom and with the two companies involved in the management of prisoner transport in the United Kingdom. Further, I have had the opportunity to talk with the two major companies that are responsible for most of the private management of prisons in the United States of America and visit its prisons, as I visited the three prisons in the United Kingdom. In addition, I visited all the private prisons in Australia and spoke with the managers of those institutions and the heads of the companies and staff involved.

This Bill has been put together after exhaustive consultation, analysis and critical review, and was arrived at not on the basis of a philosophical position by the Liberal Party to introduce contract management of prison services but rather after exhaustive analysis for the Liberal Party to find a better way of managing the prison system in South Australia so that we can reduce our costs. Those things have resulted in a lot of the processes for that monitor, and the monitor will also be involved in conducting the audit of the private prison. That audit procedure will occur through a process of interviews, observation, physical inspections, walk through of procedures, and a review of documentation and other evidence.

In conducting the audit, some of the issues the monitor will cover include ensuring that the general manager's rules have been developed as prescribed in the performance specifications, that they embody requirements of the Act, regulations, the department's rules, instructions and policies, and that they are readily accessible to appropriate staff and prisoners; ensuring that the prison is staffed in sufficient numbers with well qualified and motivated staff who have received appropriate training, induction and accreditation and that non-discriminatory employment practices are adopted; checking that the operator in compliance with the applicable industrial award and agreements and that appropriate staff facilities are provided; ascertaining that the prison's use of funds is in accordance with the prison's approved budget and the prison is operating within its budget; ensuring that the prisoners' trust fund is being administered in accordance with the Act and regulations; ascertaining that all supply and payment procedures are appropriate; ensuring that emergency procedures have been developed and implemented and staff are appropriately trained to deal with fire, riot, escape, natural disaster, hostage, medical emergency, bomb threat or other industrial action; ascertaining that requirements of the Occupational Health, Safety and Welfare Act and regulations are being met for staff and prisoners engaged in work activities; checking logs and manuals to ensure that services, equipment and assets are tested and maintained in good working order, including the carrying out of physical security and surveillance checks, in accordance with the performance specification of the contract or the manufacturer's specifications; ascertaining that prisoners have access to agreed programs, recreation, education, religious service, health care and medical facilities at the agreed level; ascertaining that prisoners have access to grievance procedures, legal council and relevant information on general manager's rules, Acts and regulations; ensuring that information compiled by the prison, including prisoner case record, is accurate, in compliance with the legal requirements, and protected from unauthorised disclosure; checking that prisoners receive an appropriate level of induction and have access to assessment and classification as prescribed in the Act and regulations; and checking that prisoners have access to visits as prescribed in the Act and regulations. That is a very long list but it is by no means exhaustive.

It is an indication of the enormous amount of work that has gone into this Bill to ensure that we have in place in a private sector run prison the strongest set of checks and balances that have ever operated for any prison in South Australia. I suggest that many of the State's existing prisons would find it tough to come under that sort of scrutiny. If a private sector prison has to succumb to that sort of scrutiny, members opposite could well ask, 'Why not the Government prisons?' That is something else the Government will look at.

The other matter that needs to be covered, to answer all the numerous questions put forward by the Leader of the Opposition, is that of ensuring that fit and proper persons are connected with the private management body. The Leader made a number of statements concerning fit and proper persons, and the ability to ensure that crime and corruption do not creep into private sector management. Effectively, during the request for tender phase the department will closely liaise with the South Australian Police Department to check all persons involved in the management companies. Investigations will be carried out on persons but will not necessarily be limited just to directors or members of the governing body of the body corporate, for example, the board members. Investigations will cover any persons likely to exert control or influence over the company, managers, officers and employees, major shareholders who hold in excess of 20 per cent of the issued capital of the company, or, if the company is wholly or partially owned by another company, similar checks may be undertaken of such companies or other companies.

It is envisaged that management companies will be asked to list relevant persons associated with the company which may again be subjected to further independent checking by the South Australian Police Department. Interstate and international links with the South Australian Police Department will be used to investigate persons associated with the management companies. Some links may include the Australian Federal Police, Interpol and other similar organisations. A meeting in this regard has already taken place with the police gaming unit in South Australia which conducts, as members would be aware, similar checks for poker machine operators. I am sure members would be comforted by the fact that companies wishing to be involved in the delivery of privately managed services within prisons ought to face the same scrutiny as poker machine operators.

An honourable member interjecting:

The Hon. W.A. MATTHEW: We are certainly not advocating poker machines in the prisons. In the event that any doubt exists about a person's identity, photographs and fingerprints may be taken for verification, as is the case for ascertaining the *bona fides* of people applying for licences under the poker machine legislation. Comprehensive checks also will be made on staff employed by the management contractor.

I have made statements recently indicating that regrettably some correctional officers in the past slipped through the checking net that was in place. These checks will be the most carefully scrutinised checks that any employees associated with the Department for Correctional Services have been subjected to in South Australia. I challenge any member of Parliament to claim with validity that there is a greater chance of corruption creeping into a private sector involved prison. In fact, it is quite the contrary. The chances of corruption coming in were far greater under the previous Government with its previous checking procedures and we are now seeking to put an end to that. Those same sorts of checks also will be expected of any Government employed staff in the Department for Correctional Services.

Mr FOLEY: I thank the Minister for addressing the issues that the Leader put forward in his contribution. Shortly after I became the Shadow Minister for Correctional Services, a position which I presently do not hold, I did a number of things, actually on the advice of the Minister.

The Hon. S.J. Baker interjecting:

Mr FOLEY: I actually visited a few prisons. I went and had a good look at Yatala. I do not know the word to describe the experience of visiting a medium and high security prison such as Yatala. I also took the Minister's advice that he was keen for me to take: I went up and visited Australia's first private prison at Borallon in Queensland. I was keen to see the private prisons in Queensland because before I entered into this debate and considered legislation, I thought it important that I assess for myself exactly what was happening on the ground in the private prisons. I spent the best part of a full day at Borallon, and there is no doubt that Borallon as a correctional institution is very impressive. On first reading

one could be inclined to think that this should be the way we go.

I looked at the prison and spent quite a bit of time with management of the prison. At the end of my extensive tour of the facility I sat down with management and had a good talk about the sorts of cost savings achieved at Borallon. The administrator of that prison said to me, and it was confirmed by officers of the Department of Corrections in Queensland, that the savings to recurrent expenditure were somewhere in the order of 5 to 6 per cent. I went to Brisbane with the expectation that the savings could perhaps be in the order of 20 to 30 per cent, because the Minister for Correctional Services had made that public and had made known in this House that savings to the recurrent expenditure of the department could be somewhere in the order of 20 to 30 per cent. I was given a figure of 5 to 6 per cent. All of a sudden the quantum of savings were not what I was led to believe. They were much less than that. When looking at a new institution like Borallon, I was advised later that, like many things, such as a new home, a new facility always looks more impressive than an old facility. It is natural and understandable.

The other important thing to note is the type of prisoners that private prisons tend to hold. I delved into significant amounts of research and spoke to a number of people. I also spoke at length with my counterparts in New South Wales. We discussed at length Junee prison. Whilst I did not visit Junee, I spent a large amount of time with officers from the Opposition in New South Wales together with former senior bureaucrats from the New South Wales Department of Corrections. The reality is that quite often private prisons have their prisoners selected. They are not the normal prisoners who will be thrown into a medium to high security prison. They tend to be prisoners who are, for want of a better expression, easier to manage. I quote from the Australian Institute of Criminology, which is obviously a well respected institution, and its views I am sure members throughout this Chamber would appreciate. The Institute states:

> With few exceptions, private enterprise wants to run the easiest prisons: low security, low public profile and with little trouble. The 'difficult' prisons and prisoners are left to the State, a situation mirrored in other areas of welfare and service provision where private enterprise coexists with the State.

The Institute of Criminology was saying that we can all make significant cost savings when we are administrating an area of public policy that is at the easy end of the spectrum. If you have a prisoner who is low to medium security, a prisoner who does not have the same behavioural problems that a more troubled prisoner has, obviously it is easier and more cost efficient to manage that prisoner: that is reality. The operating budgets of the prison can be made to look very good if those prisoners whom you are managing are well behaved, are short to medium term prisoners and those in relation to which managing and administrating are not a significant burden.

I think that is a very important point. We should look at the profile of prisoners within the prison to ascertain whether the cost savings being achieved are reflective or indicative of the entire prison population. The reality is that if the Government, due to fiscal and budgetary pressures, chooses to make savings, and the excuse that it puts forward is that the private sector can do it more cheaply, the reality is that there are many functions of Government that the private sector could do more cheaply. As a Parliament we have the responsibility to ensure that those functions that are not acceptable for the private sector to run are not run by the private sector.

I do not wish to labour the point, and I know that it is not quite comparing apples with apples, but the reality is, as I said before, that nobody would consider for one moment a private police force, yet in America they have private police. You would not consider a private fire service, but there are parts of the world that do have a private fire service. There are some essential State services that are not appropriate to be under the control of the private sector. The Minister has made much of his experiences in visiting private prisons in the United States. The reality is that, once the prisons in Victoria and the new prison in Queensland come on line, this country will have—although I do not have the figures in front of me—almost double the number of private prisons per head of population that they have in America.

Whilst in the United States private prisons in some parts have been accepted and become an accepted part of public policy, we are moving streaks ahead of the United States. I say that for no other reason than to illustrate that, whilst it is a form of public administration that has been given to the private sector in America, it has not necessarily been embraced with the same passion as it has by Governments in this country. Whether or not it is a Labor Government in Queensland or a Liberal Government in New South Wales is irrelevant: the reality is that it should be assessed on whether or not it is good public policy. I have heard some horrific stories from America. I have heard of instances where private prisons have been built in America by private companies without even the consent of the local county, city or State. They have almost been built on spec—'Build me the prison and the prisoners will come.' That sort of policy can get very much out of control.

The Minister read from a speech by the Western Australian Attorney-General (Hon. Cheryl Edwardes) and accused me of selective quoting. Whether or not I selectively quoted is not the point; it is irrelevant. The point is what Cheryl Edwardes and Western Australia have done, or what their view is on this issue of private prisons. The Minister has made much of what the Goss Labor Government has done in Queensland but has been very silent on what his colleagues in Western Australia are doing. In Western Australia they have entered into major agreements with the unions and with the public sector to deliver significant cost savings in the operating expenses of their State's prisons. They have entered into an agreement that includes things such as staff reductions of the order of what the Minister has achieved here in South Australia.

I will not go through the list: the Minister has already put them on the public record; but they are all about work practices. The Western Australian Government has achieved savings, I understand, of the order of $10 million per year on recurrent expenditure, without having a private prison. It has put the big stick to the public sector unions and said, 'If you don't deliver on that bottom line by the year 1997 we may well introduce private prisons.' I may or may not agree with that, but the reality is that the Government has sat down with the public sector in Western Australia and said, 'We actually believe that the State should be running private prisons but we have to do something about the costs of incarceration. We have to bring down those costs, and we want to bring them down under the umbrella of the public sector.'

I do not know the Hon. Cheryl Edwardes, but she is clearly a Minister who is able to deliver when it comes to her portfolio responsibilities. She was able to negotiate a package

that saw a $10 million saving to the recurrent budget for the operation of prisons in Western Australia, without privatisation. Certainly, she has put the stick there to the public sector unions and said, 'Deliver on that; live under that regime; give me reform; give me cost savings or I will bring in private operators at the end of 1997.' The challenge is there to the public sector unions in Western Australia to live up to what they said they would do: that is up to them. However, the budget savings have been made and the Treasurer of Western Australia is no doubt happy.

I have had a bit of experience with Treasurers and, at the end of the day, provided you come in on the bottom line they are normally pretty happy. Treasurers do not tend to be too concerned about the philosophy of an issue provided that you deliver the savings they need to balance their budget. So, I put the challenge to this Government: at the end of the day take the experience of your colleague from Western Australia; take her advice and learn from that, and deliver the savings that she has delivered within the public system. I would be prepared in this Chamber to say to the public sector unions of this State: 'If this Government can cut a deal with you and give you two to three years to deliver, then the pressure is on you to do it.' I do not come into this Chamber saying that whatever the PSA or the unions want on this issue they should be given; not at all. They have a role to play in this matter, and they acknowledge and accept that. But give them the chance.

I think the Government has taken the easy option by simply saying, 'We're going to privatise our prisons', because that then puts pressure on the other prisons. You bring your private management into Mount Gambier or the ARC and that automatically puts pressure on the other prisons. It is an easy option. To this Minister I am saying: do not take the easy option.

The Hon. W.A. Matthew: Make it hard for the taxpayer.

Mr FOLEY: Not at all. What I am saying is: deliver the same savings within the public sector framework. The Bill is an extremely sloppy measure involving a very important area of public policy. The Minister talks about a monitor, and by his own public admission in this House that monitor will not necessarily be on the premises of a prison full time. After some period that monitor may well be in a position to be a floating monitor, to do the odd spot checks.

Let us look at the Tory Government in Britain. The Minister is prepared to quote the experiences of his fellow Tories in Britain. Mr Kenneth Clarke, who you could hardly say is anything less than an extremely conservative Tory Minister, on 3 February 1993, as Secretary of State for Home Affairs, told the Parliament:

> Even in private prisons, the use of force and coercive powers can be applied only with the authority of the controller who is based there as a Crown servant to ensure that matters, particularly the use of force, are closely supervised.

So, Kenneth Clarke was saying that it is no good having somebody come to a prison once every six months or being there for the first six months and popping back in three years time to make sure the private company is administering justice and punishment accordingly. He said that you should have a permanent supervisor within that prison with the power to monitor, to allocate and to administer punishment. That is just one example of the inadequacies of this Bill. I never thought that I would need to quote a Tory Minister here as an aid to my debate, but there is another very prominent politician in Britain whose words I have previously quoted in *Hansard*, and I seek the indulgence of the Committee to quote again briefly from my earlier contribution.

The current Leader of the Opposition in the United Kingdom—without a doubt to be the next Labour Prime Minister of Britain—Mr Tony Blair, said this:

> We also say that it is fundamentally wrong in principle that persons sentenced by the State to be imprisoned should be deprived of their liberty and kept under lock and key by those who are not accountable primarily and solely to the State. Those persons employed by security firms are primarily and solely accountable not to the State but to their shareholders.

This Party opposite, this Government, makes much about its business acumen and business experience. It knows full well what happens when you have a private sector company run by a board of directors with their fiduciary duties. They are responsible to shareholders. How do you reconcile the director of a company's statutory requirement to look after the benefits of the shareholder against the benefits of the State? I am not prepared to put at risk what is primarily the responsibility of the State. I am not prepared to put it into the hands of a person whose sole purpose in the company is to protect the interests of a group of shareholders whose primary requirement is profit. It comes back to the whole question of who is the most suited individual or organisation to supervise our prison system in this State. On any assessment or judgment, the argument always comes down in favour of the system being controlled by the State.

I have said a number of times before that I have come into confrontation on many occasions with the PSA; and I have made it very clear to the PSA on numerous occasions that I support private sector involvement in some areas of Government activity. I have come into conflict with members of my own Party and Caucus in respect of that belief. I come to this debate looking at the issue and cannot and will not favour privatisation because on any objective assessment the savings are not there, the role of the State is put into question and I as a politician and law maker of this State am not prepared to put at risk a fundamental role of Government.

I will not be intimidated, pressured or put in a position where the Minister and the Government feel that I should buckle, that the Opposition should give into their intimidation and their view that private prisons are such an important part of the fiscal recovery of this State, because that is not reality. The budget of the Department for Correctional Services, whilst significant, is not one that will require the massive assault that this Government is putting forward on it. Therefore, I am not prepared to support it.

In conclusion, the Opposition's amendment is all about plugging the hole, stopping this Government's arrogance that it displays every day in this Chamber and every day that it is in Government. The Minister has made clear that, if we do not past this Bill or allow it to go through, the Government will simply bring in private management anyway. What arrogance for the Government to treat this Legislature with contempt. I am not prepared to allow this Party, with its large majority in this place, to treat this place with contempt. The Labor Opposition will not allow this Government's arrogance to continue any longer in this important area of Government policy.

The Hon. W.A. MATTHEW: In many respects I would like to see the question put now, but I assume that that long diatribe was a series of questions to me as Minister, which I must answer. In his first question the Opposition spokesman claimed that, after a visit to Borallon Prison and after speaking with the manager, he was told that the savings were

around 5 per cent and therefore the savings simply were not there. This Government relies on more than hearsay or an occasional chat to determine cost effectiveness. I indicated previously that we work closely with Governments in other States, and I can provide the facts. As at 30 June 1994, the Queensland Goss Labor Government put on record that the savings at Borallon are 9.49 per cent—private sector against public sector. Further, it has put on record that savings at the Arthur Gorrie Remand Centre are 22.9 per cent—private sector versus public sector. I would be happy to achieve savings of 9.5 per cent in one of my institutions and particularly happy to achieve savings of 22 per cent. That is what they have achieved in Queensland under Labor.

In New South Wales the Liberal Government has put on record that its savings in the medium security section of Junee prison as at 30 June 1994 are 19.35 per cent—private sector versus Government sector. Again, I would be pleased if, through our institutions, we were able to achieve savings of the order of 19 per cent. These Governments have indicated to us, through being prepared to provide these figures, that these savings are possible because they have been achieved. The honourable member may care to read carefully afterwards those figures as provided by those two State Governments.

The honourable member also referred to the fact that Borallon is a relatively new institution, and therefore it is cheaper to run. Let us reflect on that for a minute and go back to the South Australian Labor Government's expenditure on correctional services buildings for 10 years. I am pleased the member for Giles is here tonight because as Minister he presided during most of the orgy of spending on correctional services. For 10 years under the then Labor Government $160 million was spent on capital works in South Australian prisons to achieve a system which accommodated some 1 300 prisoners, when by the year 2000 it needs to accommodate 1 800. The former Government created a prison system where many of the prisons need to be upgraded because the accommodation has not been touched for years.

How is it that $160 million could have been spent by Labor? Even more strange is that in New South Wales it cost $53 million to build a 600 bed prison, so how could this Labor Government have spent $160 million? The member for Hart is good at adding up and multiplying and, if he multiplies the cost of $53 million for the 600 bed prison at Junee by three, he will find that for that $159 million we could have built three 600 bed institutions in South Australia to accommodate our entire prison system to the year 2000. Labor has already spent $160 million over 10 years and we are a good 500 beds short. Effectively Labor threw away about $60 million, and I will demonstrate where that money was blown.

I refer to the Adelaide Remand Centre in the city. It has accommodation for prisoners, but the interesting part is the sporting area. As you go into the gymnasium area, you are told that there are only three surfaces like this in Australia, and top sporting organisations would like to have this sort of surface on their sporting floors. You are then told to look at the swimming pool, which is heated during the winter so that it is nice and warm. Behind the glass walls up on the mezzanine floor there is a gymnasium, and the internal glass wall overlooks the squash courts. So, the Remand Centre has squash courts, a gymnasium, a heated indoor swimming pool and a top class sporting surface for the indoor basketball cum volleyball stadium. The swimming pool is something that particularly grates because, under the previous Labor Government, the Julia Farr Centre could not get a swimming pool for hydrotherapy purposes for its patients. However, that Government found the money to put a heated indoor swimming pool in the Adelaide Remand Centre.

I turn now to the new Mount Gambier Prison that Labor built. There we see gross examples of obscene waste. We find that it had intended to have industry for prisoners, something the member for Hart would be interested to find out about because the Labor Party was looking at using prison labour to process flowers at Mount Gambier for export. A large bank of refrigerators was purpose built to process the flowers. You would be interested to know, Mr Chairman (and you have heard the story before), that when I visited your electorate and spoke with the Mount Gambier council concern was expressed about the prison competing with the flower growers. I said, 'What do you mean; surely the previous Government spoke to you?' They said, 'No, we have not be consulted and neither have the local growers.' The Labor Government did not ask the growers whether they would be using the facility.

So, an expensive industrial complex has been built—a bank of refrigerators—and, to this day, we are trying to find a use for them. Once again, that was courtesy of Labor. Of course, it also built the conjugal visiting rooms in the Mount Gambier Prison—four units, self-contained, double bed, en suite bathroom and kitchenette for the prisoners and their spouses. The strange thing is that that was to be the Labor Government's sex offender's institution—usually for paedophiles. Rather a strange way, I would have thought, of accommodating them with their spouse! But, that was the way of the Labor Government.

We can go from there to the Mobilong prison, where the squash courts are very popular. Again you have the glassed viewing area, two squash courts and a nice weight-lifting area. Unfortunately the swimming pool is not heated for the prisoners: it is an outdoor swimming pool—but nevertheless there is one.

Port Augusta is an interesting place to visit. I have heard the comments of Joy Baluch about that institution. Her words, outlining her anger over the facilities which were built in that institution for prisoners and which were not available to the community, could not be printed in *Hansard*. There is a fantastic indoor sporting stadium, the best in Port Augusta—but it is available only for prisoners. There is also an outdoor swimming pool and magnificent colour-top tennis courts of a standard far higher than the Education Department has put in any school in this State. How can you justify that sort of expenditure within a prison? The list goes on.

As Minister, I have always argued that you need proper education and rehabilitation programs and sporting and recreational opportunities for prisoners—but not the gross expenditure which has not been made available to outside communities. That is where a lot of the $160 million of Labor's wastage went during its decade in office. This Bill goes partly towards stopping all that, of putting all that to an end, to ensure that we have prisons appropriately managed in this State and that, when they are built, they are built to a standard, a specification, without that gross, obscene public waste and abuse of taxpayer's funds.

The spokesman for the Opposition also said that, in his view, private prisons take on the easiest prisoners. I draw the honourable member's attention to the fact that the Arthur Gorrie centre in Queensland is a remand centre. It is often argued that remand prisoners are some of the most difficult to manage. However, that remand centre is privately managed. It is not unique: many remand centres throughout the

world are privately managed. Indeed, the three private prisons in the United Kingdom all have a remand component. The Junee prison in New South Wales is not a low security prison but a medium and low security prison. Those prisons are not taking the easiest prisoners. There are many prisons throughout the world that are maximum security. To make the claim that private prisons take the easiest prisoners is arrant nonsense.

The honourable member claimed that I conveniently ignored the Western Australian situation. That is far from the truth. I put on record the entire text of the speech made by the Minister in that State. She made it very clear that, if the Government sector that is running the prisons in Western Australia did not shape up by December 1997, it would have to ship out. It is that simple. The member for Hart made much of the fact that Western Australia is targeting a $10 million saving. I remind the honourable member that we are dealing with a Correctional Services budget close to $90 million a year. If we made a 10 per cent saving on that budget, we would still be nowhere near Western Australia's costs.

I have related to this Chamber before that Western Australia, in the latest available data provided by the Commonwealth Grants Commission, has a cost, excluding capital, of $42 919 per prisoner. Our cost is $56 438. If this Government can reduce our cost per prisoner to Western Australia's cost, as it is today—a cost that it claims is too high—we will have achieved an enormous turnaround. Western Australia already has a better starting base and a better industrial base. If we were in Western Australia's comparatively fortunate position, we might be in a position to take a harder approach, as the honourable member would imply.

The honourable member asked us not to take the 'easy way out' by privatising prisons in this State. I contend that the prison industry in this State has had more than an adequate opportunity to turn around its costs. The honourable member has been conversing with the member for Giles, a former Correctional Services Minister. I have previously commented that I think the member for Giles was most tolerant as Correctional Services Minister in the latitude he gave the prisons system. The member for Giles made a number of statements during his time as Minister, indicating that he would privatise the prisons system unless it shaped up. Now that I am occupying the position of the member for Giles I can understand and identify with the frustrations he felt at that time, dealing on a day-to-day basis with the intransigence and unacceptable work practices in those institutions.

I have already shared with the Committee the *Advertiser* article of 24 November 1990 entitled 'South Australian Prisons may be run Privately', which quoted the then Correctional Services Minister, Mr Blevins, as wanting to privatise the State's prisons. That was in 1990, four years ago. Our prisons system has had four years to shape up—more than the three years it has been given in Western Australia. It has had those four years. It has had the time—

An honourable member interjecting:

The Hon. W.A. MATTHEW: The honourable member interjects that he had the motive, too, because he was also the Treasurer. I always appreciate the honourable member's frankness.

The Hon. Frank Blevins interjecting:

The Hon. W.A. MATTHEW: The honourable member interjects that he was demoted to Treasurer because he made those statements. Perhaps it was because he showed flair for prudent financial management in Correctional Services in wanting to change those things that they made him Treasurer. That is for his Leader of the day to know and for us to wonder. The previous Labor Government identified the fact that the private management of a prison would be a significant impetus towards reducing prison costs. This Government agrees with that assessment. We are giving the Labor Party the opportunity now to put in place what it talked about for four years. As recently as March 1993 the former Labor Government again looked at how it could implement private management within our prisons system.

The last point made by the member for Hart concerned the use of force in prisons, and that of the monitor. The honourable member was concerned about the potential for the monitor to become part time. He said that the legislation was sloppy because it did not provide for a full-time monitor. I do not agree with the member for Hart, but if he wants to make a point of it, if he believes that that is so and if he is a true legislator, why does he not put up an amendment? We would be happy to discuss an amendment to provide for a full-time monitor. If that is what it takes to satisfy the member for Hart—that the prison is monitored appropriately—let him put that forward. The member for Hart says it is sloppy legislation, but I do not see a great list of amendments put up by the member for Hart.

What this side of the Chamber has seen is a list of amendments hastily cobbled together by the Labor Party with no prior consultation about what they contain. It was an inappropriate opportunity to determine in advance whether or not we might be able to support some of the amendments because they may or may not be valid. That is not an appropriate way to put forward amendments or to cover what is described by the Labor Party as hastily drafted legislation. I find that offensive on behalf of my departmental staff, Crown Law and Parliamentary Counsel. They spent many hours drafting this legislation and collectively put hundreds of hours into drafting a Bill that will reform the prisons system in this State, give us better rehabilitation and education programs, assist the potential to further reduce recidivism and provide a more economical prison system for the taxpayer.

In so far as the use of force is concerned, I draw the honourable member's attention to section 86 of the Correctional Services Act. The same conditions that apply under that section will also apply to employees of a private prison. These will be reiterated in the new management agreement that is to be signed between the Government and the private manager. The management agreement will require a private prison to abide by departmental instructions which set out the reporting procedures necessary for incidents, including those where force is used. The management body will be required to submit for approval the manager's rules and emergency procedures with respect to the use of force. All cases regarding the use of force must be reported to the manager, and subsequently to the director of the department.

The use of gas requires the prior approval of the director of the Department for Correctional Services. Training in the use of force must be provided by the management company to a standard required by the Department for Correctional Services. Such training is to ensure that only a minimum amount of force is used. Unreasonable use of force may make the management company subject to claims under common law. All officers are to be trained in the use of handcuffs and restraining belts which are to be used as specified in existing

departmental instructions. These will also apply to any private management company.

Gas can be used only with the approval of the director of the department, and again the same would apply to the private sector. Only those officers who are trained and licensed can use batons, and the issuing of batons is not to be normal practice other than at times of prison unrest when they are issued to an emergency response group operating within a prison. The department will approve the proposals to the private sector regarding the use of force.

I consider that appropriate mechanisms have been put in place to ensure that, should the need ever arise for force to be used within a private prison, the use is appropriate and responsible and that any officers who have to use such force are appropriately trained and would act in a responsible manner. If they do not, again, the mechanisms are in place to take action following that event.

The Committee divided on the amendment:

AYES (5)

Blevins, F. T.	Clarke, R. D.
De Laine, M. R.	Foley, K. O. (teller)
Quirke, J. A.	

NOES (25)

Andrew, K. A.	Armitage, M. H.
Ashenden, E. S.	Baker, S. J.
Bass, R. P.	Brokenshire, R. L.
Buckby, M. R.	Caudell, C. J.
Condous, S. G.	Cummins, J. G.
Evans, I. F.	Greig, J. M.
Gunn, G. M.	Hall, J. L.
Kerin, R. G.	Kotz, D. C.
Leggett, S. R.	Lewis, I. P.
Matthew, W. A. (teller)	Oswald, J. K. G.
Rosenberg, L. F.	Rossi, J. P.
Such, R. B.	Venning, I. H.
Wade, D. E.	

PAIRS

Atkinson, M. J.	Meier, E. J.
Rann, M. D.	Olsen, J. W.

Majority of 20 for the Noes.

Amendment thus negatived.

The Hon. W.A. MATTHEW: I move:

Page 5, after line 8—Insert new section as follows:

Revocation of approval

9BA. (1) The Chief Executive Officer has an unfettered discretion to revoke any approval given in respect of a person under this Division or a management agreement.

(2) Without limiting the generality of subsection (1), there are grounds for revocation if—

(a) the approval was improperly obtained; or

(b) the person commits an offence against this Act; or

(c) the person is convicted of an offence punishable by imprisonment.

Amendment carried; clause as amended passed.

Remaining clauses (7 to 10), schedule and title passed.

Bill read a third time and passed.

PAY-ROLL TAX (SUPERANNUATION BENEFITS AND RATES) AMENDMENT BILL

Adjourned debate on second reading.

(Continued from 25 August. Page 338.)

Mr QUIRKE (Playford): The *Financial Review* today contained an interesting article under the hand of Tony Featherstone, who made some very good points as to what this Bill is all about. He states:

A threatened move to impose payroll tax on superannuation contributions could result in employers being hit with up to $1 billion annually in extra tax by the year 2002. Leading accountancy firms warned yesterday that the radical change under which South Australia will levy payroll tax on all superannuation contributions threatened to spread quickly to other States.

For business, it means a higher effective payroll tax and compliance burden as well as continuing uncertainty and confusion over Australian tax law. 'If all States applied payroll tax on super payments, the additional tax take would quickly approach an extra billion dollars Australia-wide as the superannuation guarantee charge increases', said a tax manager at Arthur Andersen, Mr Geoff Mann.

Price Waterhouse estimates that the extra tax would be about $800 million a year by 2002. Until recently, super contributions made by employers for workers have been exempt from payroll tax in all States.

The article goes on:

For instance, New South Wales and Victoria have legislation specifically exempting employer super contributions from the tax. But this may soon change. Amending legislation is before the South Australian Parliament that will allow the State to levy payroll tax from 1 December 1994 on all forms of employer superannuation contributions, including payments made under the superannuation guarantee scheme.

Adding further weight to likely Australia-wide changes was a recent decision by the ACT Administrative Appeals Tribunal, which held that the ACT Revenue Office was entitled to levy payroll tax on employer super contributions under salary sacrificing arrangements. A senior consultant at Price Waterhouse, Mr Michael Stevens said: 'In view of these developments, there is a strong possibility that New South Wales and Victoria will amend their payroll tax Acts at least in circumstances where those contributions are made under salary sacrifice arrangements.

The article goes on to quote a number of figures for other States which are not necessarily relevant to the debate tonight, but it then homes in on the South Australian situation as follows:

Although South Australian payroll tax will edge down from 6.1 per cent to 6 per cent in December, Arthur Andersen's Mr Mann said the effective rate would rise to 6.3 per cent in 1994-95 for employers with a payroll of more than $1 million once the superannuation guarantee was accounted for. He said that if payroll tax remained at 6 per cent by 2002, when super contributions are required to be 9 per cent of salary and wages, the effective rate would jump to 6.54 per cent. 'We need some consistency in the treatment for payroll tax purposes to reduce confusion and compliance costs on the part of taxpayers', Mr Mann said.

Although payroll tax varies among States, it relates to cash salary plus the fringe benefit tax value of most benefits, ignoring the gross-up required to calculate FBT. Price Waterhouse's Mr Stevens said the South Australian Government was 'short changing its employers' and that the new rate needed to fall from 6.1 per cent to 5.8 per cent to fully compensate them. He said that calculating the extra payroll tax would not only be an administrative burden but would push many small businesses over the payroll tax threshold.

That is what the *Financial Review* had to say about this measure. I well remember when the budget came down in this House and we had the shortest budget speech I had ever heard. In that budget speech we had a lack of detail and the fine print which we in this House had become used to over many budgets. Although on the surface we saw that payroll tax would be reduced from 6.1 per cent to 6 per cent, which is the direction in which payroll tax has moved in this State over a number of years, when we looked closely at the budget papers we found that it would include superannuation as well.

In general, the Opposition agrees with the figures but, in effect, there is between a .2 per cent and a .3 per cent increase in the rate of payroll tax in this State. Payroll tax in this State has always been a controversial issue. No Government, I am sure including this Government, is happy with the idea of

levying payroll tax. I am certain that most Governments would prefer not to have a tax on employment, because at the end of the day that is what payroll tax is—a tax on employment. We know all about the attempt in Fightback to transfer that tax to a broad based consumption tax. Indeed, the Federal Labor Party promised measures to curtail payroll tax in, I believe, the 1977 election.

At the end of the day the electorate has spoken: it made clear that those two proposals (one Labor and one Liberal) were not acceptable to the electorate at large. In 1977 and 1993 the Federal elections quite clearly saw the defeat of proposals to abolish payroll tax. In many respects, the problem we have tonight with this Bill is that payroll tax is moving in the wrong direction. I am sure that many members opposite would prefer to see a reduction in tax on employment. I am sure that most would like to see it abolished, but obviously the Federal scheme of compensation would be necessary. The tax base in the States, particularly in South Australia, is far too low to compensate for the total abolition of payroll tax.

The first point I want to make tonight, and it follows from this article in the newspaper, is that payroll tax is a tax on employment, and this measure is moving in the wrong direction. Arguments have already been advanced during the budget process to the effect that there are a number of places which have a payroll tax; indeed some organisations include a large superannuation component in some salary packages. I have some views about that. I have made it clear over my years in here that I think that the sorts of salary packages including superannuation that have emerged in organisations such as the State Bank are indefensible. This Government is riding on the back of the argument that a couple of hundred people have been given a large superannuation package by their employer. They are using that as an argument to show that superannuation can be dragged into the net of payroll tax.

This measure will affect all superannuation payments. I am not sure of the exact figure, but I think that as a result of successful Federal legislation we now find more than 70 per cent compliance with the superannuation guarantee charge. Never mind those few hundred who have been lucky to have good superannuation schemes; 70 per cent of the working community is now getting at least something out of super. Let us also take into account the fact that employers will now be stung. At the very least, if they are large employers, they will be stung for the SGC.

They will also be stung for any other private arrangements that they have made to be a good employer. Many times I have stood up in this House, as I will do later this evening, and said that good employers like to look after their workers. I am pleased to say that later I will be contributing to the debate on superannuation for police officers and Government workers, referring to the Government's change of heart on this matter and the fact that it will be paying them a lot more money. Suffice to say at this stage that this Government is finally being changed into a good employer that will make extra provision through superannuation for its hard pressed workers.

What about all those other factories out there—some of them not all that large—which are caught in the payroll tax net and which have made provision for their ordinary workers? I am talking not about the board of directors, the chief executive officer, and so on, but about the ordinary workers in those enterprises. Some of those companies that have seen the benefit of providing employer sponsored superannuation for many years will unfortunately be stung by this measure. Their employment practices should be supported. Indeed, until the SGC came in at the Federal level, a large number of employers made no provision at all for superannuation. However, those employers who have that provision for superannuation and who have had it throughout their organisation over many years will now be penalised by this Government through the payroll tax system.

The message out there is that superannuation is not something that this Government places very highly on its agenda. I must say that I have been involved in a number of debates in this House in which I have made that point. I will make a happier speech shortly if members of the other House ever stop talking. But, at the end of the day, I welcome any conversion on the road to Damascus by this Government and, as everyone around here knows, I love a win. Indeed, in superannuation—

An honourable member: We haven't had one for a long time.

Mr QUIRKE: I personally haven't, either.

Mr Cummins: It's just a bad time of year, that's all.

Mr QUIRKE: That's all right; you'll keep. At the end of the day, the superannuation provisions that are in place for decent responsible employers will now be a vehicle to rip out extra taxation, and that sends a dreadful message to employers. Employers who have not needed the SGC to drag them into making decent provisions for the working men and women within their organisations are the sorts of employers who ought to be supported.

Let us look at the cost of this measure. The article from which I quoted stated that, if the rate had been reduced not to 6 per cent but to at least 5.8 per cent, then in general it would have been revenue neutral. I guess that is a reasonable point to make. The only problem with it is that I still come back to the argument that it will fall on those employers who have seen the wisdom of providing adequate superannuation. I do not mind if a board of directors wants to split an income and put $100 000 or more into superannuation and somehow or other get past the RBL legislation at the Federal level, or if they are the sorts of arrangements that certain organisations have put in place. It does not bother me at all if that tax net falls on such arrangements. But, by and large, 98¢ in every superannuation dollar will be for small schemes, for not very generous schemes and largely for SGC schemes. I would suggest that in that regard this Government is penalising these sorts of employers and doing the very opposite to that which it should be doing.

The reality is that Governments would prefer to dispense with the reliance on payroll tax because it is a tax on employment, and members can ask anyone who was involved in previous Governments about that. The national account figures show that Australia has about a 4.5 to 5 per cent growth across the whole national economy this year but that South Australia's contribution to that is between 3.3 and 3.5 per cent; in other words we are running at about 65 to 70 per cent of the national average. This year the Australian economy has a number of powerhouses; it has a number of regional economies that are booming. Unfortunately, none of them is in South Australia. Traditionally, over the past 50 to 60 years South Australia has always had the problem of lagging behind the national average. In only a few years have the indices shown that South Australia is ahead of the national average.

Quite clearly in these budget figures there is the expectation that South Australia will not be able to achieve that magical 4 per cent growth which will consistently bring down

a reduction in unemployment. In South Australia, if the estimate we are looking at of between 3.3 and 3.5 per cent this year is correct, next year we may be looking at a figure closer to 3.3 per cent. For the foreseeable future, to see again a figure of around 3.3 per cent, we will effectively need a rate of 2.65 per cent just to keep abreast of what is necessary as regards job growth. A tax such as this, which falls fairly and squarely on employment and which involves some $16 million in a full year, will hurt employment and cause a direct reduction in job numbers. While it will not be the principal cause for South Australia's lagging behind, it is a further example of the inappropriately targeted policies being used to do something about the fact that South Australia is obviously coming out of the recession more slowly than the other States.

Indeed, with the vast reductions in public sector employment occurring in this State, we really need to stimulate employment. We need to adopt measures that do not penalise business for employing more people. The Opposition opposes this measure, and I have indicated that we are moving in the wrong direction. We are not unrealistic. The Opposition knows the payroll tax regime, because we do not have the compensation at the Federal level to take account of payroll tax, and that payroll tax is a necessary evil at this stage.

The Opposition fully understands the current reality involving the States and the necessity for payroll tax but believes that this is moving in the wrong direction. Increasing payroll tax, particularly in South Australia's case, is definitely the wrong way to go. It is a tax largely unfairly levied against some of the better employers out there and at the end of the day is a tax on employment. Even if the organisation that will be levied this tax has done nothing about superannuation, it is now caught under the SGC legislation and as a consequence will have its payroll tax increased.

This article talks about the national consequences of payroll tax moves such as this. I would like to look at that a bit differently tonight. There is no doubt that should the scheme be adopted in every other State a large amount of taxation revenue will flow into State coffers. Some States may say, 'We don't want to do this. We want to see genuine reductions in payroll tax.' One of the booming economies in Australia is the Queensland economy, which is almost debt free. I understand the Queensland Treasurer has said that by next year Queensland will be net debt free. Queensland, which this year has a growth rate in excess of 5 per cent, is a power house in the Australian economy.

I suggest that, bearing in mind what may happen in other States, if we expand the payroll tax equation so as to include superannuation our growth *vis-a-vis* Queensland will be slowed even more dramatically. There is no doubt that one of the principal reasons South Australia managed to achieve growth in past years was its lower taxation and cost regime. At the end of the day we have a payroll tax regime in South Australia that will see eroded that competitive edge we have tried to build up in terms of cost structure over the years. If we are not careful we may be the only State, if not one of the few, that will go down this road, and that will see a heavier impost on employing people in South Australia than would apply in some other States. The Opposition believes that this is the wrong way to go and absolutely the wrong time to be doing this.

Mr FOLEY (Hart): I intend to make a very significant contribution on this debate: as significant as it has to be. I will make some very important points, and I speak in defence of the business community of this State. Unlike most members of this Chamber I have nearly 13 years experience in the private sector. Time and again I have to rise in defence of the business community because there are so few members of the House, particularly those opposite, who have an understanding of and empathy with business. I need to impart some of my experiences so that the voice of business is heard in this Chamber. Whilst this Government professes to be one of support for the business community, private enterprise, free spirit and the Liberal philosophy, the reality is that few members opposite have the business acumen necessary to run Government.

There are one or two exceptions to that. My parliamentary colleague the member for Davenport is a successful small business person and I do not include him in my comment that very few members on the Government benches have business acumen. I acknowledge that the member for Colton is a small business person, as is the member for Frome, but they are very small in number. Indeed, the Premier is keen to impart to us his experience in private enterprise but that totals only some seven years. At this stage, as I have 13 years up, I suppose in that sense I am somewhat more experienced.

The issue we are talking about here is payroll tax. What the Government has done with payroll tax is put a massive tax slug into the heart of business, when this same Government was so strong and determined in telling the community that it was about reducing costs for business. As my senior shadow ministerial colleague the member for Playford said in his contribution, the Price Waterhouse study makes clear that, for the inclusion of superannuation in the payroll tax calculation to be cost neutral, the payroll tax would need to have dropped not to 6.1 per cent (as the Government so cynically did) but to 5.8 per cent—and it did not. So, $16 million more is being sucked out of the business community. At a time when this State is coming out of recession and as we are starting to see employment growth, what does this Treasurer do? He demonstrates qualities and traits that give me much angst, because clearly this Treasurer is susceptible to the Treasury bureaucrats.

When faced with the need to raise money, State Treasury comes up with some really novel ideas. This Treasurer has grabbed hold of one of them as quickly as he possibly could, and that was to include superannuation in the payroll tax net—we are the first State to do it—to the tune of $16 million. As the economy is coming out of recession and as we are seeing employment growth, this Treasurer grabs hold of one of these numerous options that Treasury always puts forward to Governments about how they can raise money in these weird and wonderful ways. I find that extraordinary coming from a Government that is supposed to be pro-business and pro-employment. As Price Waterhouse said, this is the first Government to do it.

One of the great realities of a federation of States is that they all like a bit of uniformity. As soon as one finds a novel way to get extra tax income they all follow. Once a precedent is set they all want to be part of it because every State wants to get hold of this taxation revenue and say, 'I'm simply doing what the other States are doing.' This Treasurer has not just sucked $16 million out of the business community of this little old State coming out of recession, but he has triggered off what could be one of the greatest tax imposts in modern history in this country, when only yesterday he was berating us about some implications of Federal Government policy.

Price Waterhouse tells us that this Treasurer and his colleagues think, 'We have got ourselves $16 million'. When

all the other States follow, we will have $1 billion sucked out of the business community of this nation. This Treasurer, inexperienced as he is in his job—and I can almost excuse him for this mistake—in one stroke of the pen has effectively taken $1 billion extra tax out of the wealth generators of this nation. This is a man who stood in this Chamber yesterday giving Ralph Willis a lecture and telling us how Ralph needed to run an economy. The genius over there has just given every Treasurer in the nation the perfect excuse to take another $1 billion out of the economy. Thank you very much, Mr Treasurer. And he calls himself a Liberal! It is a great irony when a member of the Labor Party has to come into this Chamber time and again to defend the small employers of this State.

Members interjecting:

Mr FOLEY: You are looking at him. I must admit that I have some acquaintances in the employers' chamber. They have been very silent about this and I have been very disappointed, because the Chamber of Commerce and Industry is an organisation that has been all about a reduction in the taxation burden. But I must say that I think there is a smidgin of partisanship between the Government and the employers' chamber. I suspect the Government has said to the chamber, 'Look guys, we are doing it; we are picking up many of your other agenda. Do not give us a hard time over this decision.' Quite frankly, I think the chamber has not lived up to its responsibility to defend its members. If I must have the added burden of the chamber's advocacy in this House, I will do it. I am capable of doing it, and I will do it.

An honourable member interjecting:

Mr FOLEY: Exactly, and I am able to do it. That is the face of the modern Labor Party. We understand labour; we understand capital; and we understand how to put them together and create wealth, something of which members opposite know little. Then again, I understand that the Treasurer, as a former public servant, has not been exposed, as I have, to the ill winds of the private sector. Perhaps it is understandable that he does not have the same empathy that I have towards the wealth generating sector of our economy.

I want to look now at how well our economy is performing. The reality is that this State was last into the recession and, as is the cycle from time immemorial, it will be the last out of it. We are starting to see a bit of activity; the economy is starting to splutter into action. My friends, colleagues and acquaintances in the various chambers send me their various reports, and the Engineering Employers Association sends me—

An honourable member interjecting:

Mr FOLEY: It is a great organisation. Alan Swinstead and Steve Myatt do a great job at the Engineering Employers Association. Its latest summary on how well the economy is going, dated August 1994, states that 63 per cent of all respondents have increased their work force. We look at the recent publication from the Australian Bureau of Statistics, the economic indicators for the States, and we see employment growth starting to lift. As the macro policies and micro policies of our Federal Labor Government are bringing this economy along with the rest of the country, we are starting to see employment growth kick off, albeit from a low base. And, at a time when we are starting to see jobs created, we see an increased taxation burden on the very sector of our economy that has the greatest capacity to give us that employment growth. I find that very difficult to understand.

Of course, coupled with the land tax increase, it is a taxation increase. It is a broken promise. But it is a fundamental shift in this Government: it is not the pro business, pro private sector Party that it tries to tell us it is; it is a Government that simply latches on to the best piece of advice that it can find from its Treasury officers to find a way of raising $16 million or $17 million to help plug a hole. That is not the way to frame budgets. That is not the way to generate wealth and not the way to get this economy going. I appeal to the Premier and Deputy Premier that, when they look at their next budget, perhaps they will sit down with some people—and I am more than happy to volunteer my services—to give them a feeling of how business operates. I will explain what a balance sheet is and what the cash flow of a business means when, mid-stream in your business, you find all of a sudden that you need to find another $60 000 for the payroll.

You need to understand how you smooth that out or how you factor it into your business planning. You do a 12 month business plan. There would not be an employer in this State who would have factored into his business plan, his cash flow for the next 12 months, the massive increase in payroll tax that this Government has just delivered. They would have said, 'The Libs are in power. The true Party of the employers, of the bosses, is in; we are right. We will not get slugged with a tax increase.' Not one of them would have budgeted for this. Indeed, they did not, and there are employers in my electorate who are coming to me, almost knocking my door down, to complain about the massive increase. And members laugh. I almost feel compelled to send a copy of this *Hansard* contribution to every employer in this State to show them the contempt in which the Deputy Premier holds the business community when he laughs and sniggers at my defence of that community.

I find it amazing that the Deputy Premier would be so contemptuous of the wealth generating sector of our economy. Can the Deputy Premier tell me why he felt compelled to increase payroll tax to the tune of $16 billion and, in doing so, giving every Treasurer in every State Government in this nation the opportunity to take up to $1 billion of payroll tax from the employers in their States? The Treasurer has become an economic vandal of this country: a reckless, careless Treasurer who is jeopardising the economic recovery not just of South Australia but quite possibly of the entire nation. That is a very serious charge, and it gives me no pleasure to make it, but clearly somebody has to, and I am prepared to do it, particularly when you look at a State like Western Australia that has pledged to abolish payroll tax.

Of course, this pledge was made when Richard Court thought that John Hewson would win the election and it would have happened anyway. But he has made some sort of airy-fairy pledge that, within eight or 10 years, he will abolish payroll tax. So, in Western Australia we have a Premier committed to abolishing payroll tax, and we have this mob opposite increasing it. Governments in recent times have worked damn hard at reducing the burden; at reducing the rate of payroll; at increasing the threshold so that we are able to reduce the number of employers who are having to contribute to payroll tax. I know where the Treasurer got this notion from, because I have seen a few of these Treasury options. If this State Treasury had its way, every single employer in the State would be paying payroll tax.

The favoured option amongst Treasury bureaucrats is to reduce the overall percentage of payroll but to spread it across all employers so that every employer pays payroll tax. The employers at the big end get a reduction in their bill because the rate comes down, but you more evenly spread it across all employers. That is what some of the Treasury bureaucrats

would prefer. I know that the Premier knows that. In fact, he has considered it and, thankfully, has not accepted it. However, he has picked up another quirky Treasury option, namely, to include superannuation in the umbrella. The Government has tried to justify it by saying that superannuation is an ever increasing component of payroll and it is only appropriate. I do not accept that, the *Financial Review* and Price Waterhouse do not accept it, and every employer who now has to cop that tax does not accept it.

In the last couple of minutes remaining I will continue as we debate this very important Bill, and no doubt my colleague the Deputy Leader of the Opposition will make a significant contribution. One thing I learnt in business was that margins are very tight. I do not expect members opposite to know what is meant by a profit margin, but most businesses in this economy are pretty tight. We have probably the slimmest profit margins on average of any State in the nation. So, the capacity of our employers in this State to absorb the extra burden is greatly reduced.

If our economy historically had good profit margins built into businesses, perhaps they could absorb it, but in South Australia we have an economy with tight margins and no capacity. Midway through the cycle this guy whacks another $16 million on them. I am absolutely appalled.

Members interjecting:

Mr FOLEY: I have spoken all day. I have spoken on private prisons. I am trying to ensure that this House functions properly and we adequately debate important legislation. On a matter such as this, it is important that I speak for my full 20 minutes to ensure that I put up a strong defence for the wealth generating sector of our economy. I will not shirk from my responsibility to ensure that the employers of this State receive a fair deal from this Government. I will not accept a situation where this Government, with its sheer arrogance, demonstrated right across its policies, thinks that it can bludgeon the employers of this State into accepting such a nasty, devious, unfair and unjust increase in their taxation burden.

Mr BASS (Florey): I was not going to speak tonight, but I feel that something must be said in reply to the comments made by the member for Hart. Earlier today the member for Hart stated that he was not interested in the previous Government's record or what it did, but he stands up here tonight to outline the bad things this Government is doing to small business. Whether or not the member for Hart likes it, he was part of the previous Government, albeit not a member of this House but an adviser to a very important member of the then Government—the Leader. So, let us look at what the previous Labor Government, which gave us a decade of disasters, did for small business. It left the State with a $1 million a day bill to pay off the interest. If we are paying that sort of money—

The Hon. S.J. Baker: It's $2 million.

Mr BASS: The Treasurer says that it is $2 million. If this money is going out of the State, who suffers? Small business suffers! Before the election in 1993 the then Minister for Industrial Relations, the member for Florey I believe (I cannot recall his name, but I think I deposed him at the last election), opened up shopping hours. How did that affect small business? The then Government deregulated shopping hours at the stroke of a pen so that shops were opening seven days a week from the wee hours of the morning to the wee hours of the night. How did that help small business? The member for Hart says that the Labor Party looks after small business, but it must have changed its spots since the time that it was in Government. What has this Government done for small business over the past 10 months?

Mr Caudell: Heaps!

Mr BASS: The member for Mitchell is well aware of what this Government has done. Let us look at what it has done. The first thing this Government did was create jobs. How does that affect small business? It takes people who are unemployed and have no money and gives them an occupation, gives them an income and they can go out and spend in the small businesses. So, we have helped small business. We looked at the industrial relations legislation and we opened up enterprise bargaining. Small businesses can negotiate with their employees. They can get better working conditions and alter their wage structure so that they do not lose, and that makes it easier to run a small business. We have looked at tourism—an area sadly neglected by the previous Government. We are making sure that we attract tourists to this State from Asia and places to the north.

Mr Caudell: Europe and New Zealand.

Mr BASS: The member for Mitchell is wise. He knows from where they come. These tourists come to this State and spend their Yen, their Deutschmark and so on. Where do they spend it? With the small businesses! What else have we done? We have helped in the wine industry; we are importing wines. There is a big lift in this and, as a result, South Australia is on the map. We get back to the tourists—in they come. What do they do? They spend money with the small businesses.

So, the member for Hart was talking out of the back of his head; or maybe he was trying to fill in time—I do not know. But he definitely did not speak about what this Government has done for small business. The State is on the up. Industries are coming here which the people of South Australia would never have dreamt about, especially during the decade of disasters that this Government in just 10 months has turned around. We now have companies such as EDS—not just a little company from Europe with a couple of offices and a couple of employees, but EDS, a giant company from America. Not only will it be coming here to set up but it will be setting up its Asian office in Adelaide and will train people from the countries north of Australia. What will this do? It will help the economy and it will increase spending. Who will benefit from this? Small business will benefit.

During the past decade figures show that small business had the highest bankruptcy ever—and this was under the previous Labor Government. When it was in office, Labor was not interested in small business: it was interested only in doing what its union masters told it do to. It was told, 'Get the best wage you can for the employee and screw the employer; do not worry about the employer, get as much as you can for the members of our union.' What did this do to small business? It resulted in bankruptcies, because people could not go on paying these high wages under the existing conditions. Their business was dropping off because of the high unemployment and high WorkCover charges. The Labor Government did nothing for small business.

The member for Hart might not have been a member of the previous Government but he knows, as well as I know and as well as members opposite know, that the Labor Government did very little for small business. This Liberal Government is doing everything for small business. Under the Liberal Government—

Mr Clarke interjecting:

Mr BASS: Do I hear a voice interjecting?

Mr Clarke: What about Sunday trading?

Mr BASS: We had deregulated shopping hours under the previous Government. How did it do that? By the stroke of a pen. We looked at tourism and we opened up the business CBD. There is an extra night in the suburbs. But that is a 100 per cent improvement on what the Labor Government wanted to do—and that was to throw it open. Now Opposition members want to make heroes of themselves. They will come up with anything to try to score a few political points. Members opposite are not interested in small business: they are just trying to build up their numbers. If I sat on that side of the House, with 11 people to talk to—10 at present, because they keep resigning and running like rats, leaving a sinking ship—

Mr Clarke interjecting:

Mr BASS: I welcome anything that the Labor Party can throw at me, whether it be from the left, the right or the centre left. I am quite happy. As I said, this Government is all about small business. We are generating employment, we are generating major changes in industry, we are helping the economy to lift and, in the long run, we will assist small business—something that members opposite did not do.

Mr CLARKE (Deputy Leader of the Opposition): A number of interesting features of this Bill have been clearly elucidated by our lead speaker, the member for Playford. I have pointed out in this House on a number of occasions in times past that the Labor Party is the only Party which is all-encompassing and which seeks to support all sectors of our society. We have had to do it for the farmers with respect to daylight saving and other matters. The member for Giles has quite rightly pointed out previously that the rural rump within the Liberal Party has been incapable of representing the interests of farmers because they are too frightened to bring that matter to a vote, when they would have to expose themselves with respect to their desertion of their country cousins—their supporters. They would score 80 per cent on a two-party preferred vote in many of these seats but, nonetheless, they abandon their supporters at the drop of a hat. What is even more galling is that the Liberal Movement rump—not so much the rump now; they are the majority in the Liberal Party parliamentary wing who now govern this Party—has heaped so much scorn on their country supporters. They have become an urban yuppified political Party with no deep roots into the very genesis of their Party.

Returning to the payroll tax issue, it is a matter of some concern, because it is well recognised not only by our side of the House but by all political Parties in all States that payroll tax is a tax on employment. It is an unfortunate feature that it is one of the few growth areas of revenue for States. All State Government's have it. There is no other source of income that is readily available for State Governments, and therefore it cannot be dispensed with without some compensating payments or other revenue raising initiatives allowed to the State Governments by a Federal Government, and that is unlikely, at least in the short to medium term.

So we are stuck with a payroll tax. Nonetheless, we recognise that it is a tax on employment, as was witnessed when the budget was delivered by the Treasurer. By sleight of hand he sought to deceive the public of South Australia by saying that there was a reduction in the payroll tax rate. It was conveniently overlooked in all his press releases and statements that, whilst reducing the rate by an infinitesimal amount, he was including, in the component for the calculation of payroll tax, superannuation payments.

The basis of the Treasurer's attack in this matter was related to repairing the taxation base of the State with respect to payroll tax. It was alleged that a number of employees were going through a salary sacrifice exercise where a smaller and smaller proportion of their total income was being paid to them by way of salary and more by way of other lurks and perks, including enhanced superannuation payments.

I do not dispute that that may occur. However, what intrigues me—after having read the Treasurer's very brief budget statement on the day when he has basically listing all the atrocities and breaches of promise in which the Government was engaged—is that it is a significant tax increase for major employers in this State. The member for Hart cited the example of Penrice Soda.

It was mentioned on the day that the budget was delivered or in the budget debates a week or so later that Penrice had indicated that that would cost South Australians 12 jobs. It meant that 12 people in employment contributing through State taxes and charges to the wealth of this State, and not in receipt of benefits, for the sake of an extra few dollars from Penrice Soda in terms of the overall scheme of the South Australian Government budget, would lose their permanent, full-time job. That is just one significant employer and there is a number of others that we could list. We in this State cannot afford to do that.

This Government while in Opposition touted itself and tarted itself around town as being everything to everyone, promising everyone everything. Consequently, it received a huge majority in this House. However, it then had to grapple with the reality of office. The fact of the matter is that the Liberal Party went out to the business community, and we are not talking about small business, because the typical small business probably does not pay payroll tax. The member for Mitchell pointed out to me that one would probably have to employ about 20 people—at least in his business at the low wages he no doubt pays his employees—before attracting payroll tax. However, any reasonable employer who paid moderate or responsible wages to at least keep employees from starvation would probably incur payroll tax with as few as 12 or 13 employees.

The fact is that many small businesses do not pay payroll tax anyway—that is, the classically defined small business of fewer than five employees. However, there are large numbers of employers who will be very hard hit. One could argue—and no doubt the Treasurer will argue—that those large employers of labour can well afford any increase in payroll tax, particularly by including superannuation payments.

However, when one thinks of the number of head offices and large companies that have left this State over the years for a variety of reasons—structural change, improved technology, head offices that were previously in South Australia, takeovers and the like where jobs have unfortunately been removed to eastern State headquarters in the main—we in this State cannot afford to enact anything further as a disincentive to those few remaining head offices and large employers. We cannot say to them, 'Because you are a large employer and because you have stayed loyal to South Australia and remained within in this State, we are going to tax to you hell and back with respect to payroll tax.' That is a nonsense.

The other point I would like to make in respect of the Treasurer's budget speech is that, whilst he said that we needed to repair the tax base, not once did he actually give

Treasury estimates as to the number of individual employees who are on this salary sacrifice principle and how much money is being lost to State revenue as a result of these devious methods.

I might point out that these devious methods of salary sacrifice with respect to superannuation are overwhelmingly perpetuated by senior management—all friends of the Liberal Party and no doubt many being card-carrying members of the Party. Perhaps they should bring in a code of ethics amongst their own members with respect to having them pay their fair share of personal taxation by refusing to be induced into accepting salary sacrifice packages.

Nonetheless, actual figures were not produced by the Treasurer. This reminds me of the comments made during the Estimates Committees in relation to education, when the Education Minister was seeking to explain why he would cut the number of kids receiving school card from about 100 000 to 80 000. He simply said, without any basis in fact whatsoever, that the school card was being rorted; the parents of thousands of these children were rorting the system and those children should not be eligible for the school card. He referred to the fact that Aboriginal millionaires could attract a school card for their children merely because they were of Aboriginal descent. He then referred to the millionaire Asian businessmen who, if they were coming over here to sponsor business, could also attract a school card for their children.

As I pointed out to the Minister in the Estimates Committee, after he had deducted perhaps five people in that category, what about the other 99 995? Was the Education Minister saying that all of the parents of those 99 995 children were rorting the system? Again, the Education Minister made a broadside—a spray—to try to get a headline to take the focus off the atrocities that he was committing in the education system. Of course, the *Advertiser* and journals such as that commented on it. But it has been seen through progressively every week and every day since the budget announcement, and the atrocities that this Government has committed have been evident.

I would very much like to see—and we have not seen it in this debate so far from the Government—hard figures and hard estimates as to the money that allegedly this State is losing. Of course, a more appropriate method would be for the State Government, in conjunction with other State Governments, to approach the Federal Government to say, 'We have to do something. You as a national Government have to do something about ensuring that these salary sacrifices, where people get so much in superannuation and take so little in actual cash so that they can avoid paying their fair share of income tax, has to be stopped.'

Of course, the Federal Labor Government has had a very good history of closing loopholes in the Federal taxation system. We have brought in capital gains tax and the fringe benefits tax, and we have got rid of the bottom of the harbour schemes that were allowed and flourished under the former Fraser Liberal Government, when John Howard was the Treasurer. It required strong measures from a Federal Labor Government to plug up these leaks and to ensure that there was no further erosion of our income tax base.

However, of course, as long as there are tax laws, there will be equally smart and agile minds amongst the legal profession and within the taxation agency arena who will be looking for loopholes within legislation and trying to drive a truck through them. We understand that and that is why Governments obviously have to be vigilant in maintaining our tax base.

That would have been a more appropriate measure, because it would have brought to bear pressure on the people to accept their responsibilities as citizens of this State. They would pay income tax, it would legitimately be part of the salary structure of the company of the employee concerned and the payroll tax applicable would be paid to the Government. That is a far preferable method of doing things rather than simply doing what the Government has done, that is, lumping in all the superannuation payments.

I might also say that it is an attack on decent employers, as I think the member for Playford pointed out in his contribution, who are quite happy and believe it is a responsibility on their part for a reasonable share of superannuation payments. Is the member for Unley getting stroppy at this late hour? Mr Speaker, I draw your attention to the member for Unley who in a threatening manner stood in his seat, removed his coat and began flexing his muscles. It was difficult for me to see his muscles.

The SPEAKER: Order! The Chair is of the view that the member for Unley is not particularly muscle bound.

Mr CLARKE: He was seeking to intimidate me by using his far greater physical strength and stature to try to stand over me.

The SPEAKER: The honourable member should relate his remarks to the Bill before the House.

Mr CLARKE: Yes. I will not be intimidated, Sir, no matter how intimidating is the figure of the member for Unley, who has temporarily thrown me off my track. The point I was getting at is that a number of employers recognise that, if their employees are to have a reasonable level of comfort from superannuation in their retirement in later life, they will need a minimum of 12 per cent of contributions as has been calculated by actuaries for major life insurance companies. That 12 per cent will give you basically the present pension and not much more, so it would need to be topped up significantly.

A number of employers with whom I dealt as a union official paid contributions on behalf of their employees ranging, in the main, between 10 and 13 per cent of salaries in the private sector, some as high as 15 per cent. I cite General Motors, Ansett Airlines, Elders GM—

Mr Caudell interjecting:

Mr CLARKE: I am talking about these businesses and a number of small employers. I was not an employer, but as Secretary of the union I managed a business which comprised 10 employees for a period of 10 years. We paid the equivalent of 13 per cent in superannuation payments. The member for Mitchell often mocks me and says, 'What would you know about running a business?' I had to manage a union business, one of the toughest jobs on earth. I had 10 employees who had to deal with rogue employers and the like, and I had to ensure that they were paid and provided for with superannuation. We paid about 13 per cent in contributions while the employees contributed 5 per cent so that they could retire in dignity with a reasonable level of comfort. A number of private sector employers did that.

However, those employers who provided for their employees will be hit with an additional payroll tax, whereas this legislation is an encouragement to employers who want to pay only the absolute Federal Government bare minimum as far as the superannuation guarantee charge is concerned. Indeed, if it was not again for a Federal Labor Government initiative together with the ACTU to bring in the superannuation guarantee levy, millions of Australians—predominantly women, migrants and itinerant workers, casuals and part-

timers—would still have no access whatsoever to superannuation. With respect to this payroll tax measure, the Treasurer is saying to those employers who are doing the right thing, 'We will penalise you for doing the right thing, for providing adequately for your employees for their retirement, and we will reward all those employers who want to pay only the absolute minimum superannuation payments in accordance with the superannuation guarantee levy so that they can attract a lower payroll tax.' This is particularly the case in a State with an ageing population.

The member for Unley is displaying offensive gestures to me from across the way. This is again an attempt to intimidate me from standing up for my constituents, namely, those decent employers who, as the member for Hart has pointed out, I joined with hand-in-hand to try to lead them to prosperity against all the efforts by the Government to penalise those very same employers and actively encourage them to shed staff, not to employ and to move out of South Australia to another State.

This is supposed to be a pro-business Government. If this is a pro-business Government, no wonder the Nabobs and the hot shots in the Employers' Federation are beating a path to my door. Every day I receive telephone calls and requests to meet with the captains of industry in this State, because they have had a gutful of this Government. It is anti-business, anti-private enterprise, anti-old people, anti-young people, anti-trade unions, and it is even anti-MPs. The Government has had some dangerous thoughts, and we are here to protect the rights of everyone.

The Hon. S.J. BAKER (Deputy Premier): I move:

That the time for moving the adjournment of the House be extended beyond 10 p.m.

Motion carried.

Mr BRINDAL (Unley): It is always a distinct pleasure to follow the member for Ross Smith. He contributes so little to a debate that anyone who follows him who says one word of sense sounds good in comparison. In his contribution to this debate he is unmasked. I caught him reading *Henry V* during the dinner break. He was stimulated by the words:

Once more unto the breach, dear friends, once more;
Or close the wall up with our English dead!
In peace there's nothing so becomes a man
As modest stillness and humility:
But when the blast of war blows in our ears,
Then imitate the action of the tiger;
Stiffen the sinews, summon up the blood,
Disguise fair [temper] with hard-favour'd rage.

That is all we saw tonight: fair temper disguised with hard-favoured rage. He went a little further, because he read that famous quote:

Let our souls, our lives, our debts, our careful wives, our children and our conscience lay on the King. He must bear all.

He thinks of the Treasurer in those terms: the Treasurer and the Government are responsible for all ills, all things regarding this Bill; they must be all people at all times. I have never heard such a far-ranging debate about absolutely nothing. I want to put on public record that when the member for Ross Smith releases the CD of his speech I will be first in the queue to buy it, because it is the best example I have heard of spending 20 minutes saying absolutely nothing which it has been my privilege to witness in this Parliament. I feel, as every member in this House must feel, for the member for Ross Smith. He comes in here as a new member bearing a very heavy burden, because he is a direct successor to a Government which literally put this State into financial ruin. He is now the Deputy Leader. No-one has risen more quickly or more steeply.

The Hon. H. Allison interjecting:

Mr BRINDAL: Yes, 'Give me my robe, put on my crown, I have immortal longings in me.' That is very much the member for Ross Smith. However, as the member for Gordon says, he has inherited not the crown but the millstone. Everyone on this side of the House, especially I would suggest, if I might put words into their mouths, the new members, come here as inheritors of a reasonably proud tradition. People who retired from this Party in the last election who had kept the fine tradition of our Party going, who had integrity, who spoke on—

Mr Clarke: Name them.

Mr BRINDAL: I will name them. There were the member for Davenport, the member for Kavel, the member for Alexandra, the member for Coles and many more. They had a tradition, and they upheld that tradition. The member for Ross Smith comes here as an inheritor of a tradition—a tradition which destroyed the State Bank and which cost this State $3.1 billion. When the Government comes in here with a budget measure designed to try to redress some of the wrongs perpetrated by his predecessors, all the honourable member can do is get up and bleat.

The bleating is all the more hollow because he is also a member of that Party, that avaricious octopus, which is currently governing in Canberra with little thought for the well-being of the people of this country, as represented by the legitimate Governments of the States. It is more content to spend $1 billion building itself a mausoleum that it hopes will hold some of the more famous remains of some of its more famous sons. All that money was dished out willy-nilly and has been spent; it was spent as though it was going out of fashion while increasingly the State is being starved of a fair share of the taxation dollar.

Mr Clarke interjecting:

Mr BRINDAL: I remind the member for Ross Smith that the power to collect tax was ceded to the Commonwealth by the States. It was a legitimate State power ceded to the Commonwealth which a succession of centralist Labor Governments principally have used to erode the power of the States, to bog down the States with tied grants, to bypass the States by trying to subsidise regions, and to pursue their centralist and selfish policies in every way they can.

Mr Clarke interjecting:

The SPEAKER: Order! The Deputy Leader, who has made his contribution, will comply with the Standing Orders, and the member for Unley will address the Bill before the Chair.

Mr BRINDAL: In his contribution, the member for Ross Smith described his Party as all encompassing. You, Mr Speaker, were absent when he made his normal remark that he and his Party truly represented the rural people of South Australia. I would not like to say that to a person who for over two decades has represented the most isolated parts of this State, who has spent countless hours in aeroplanes travelling thousands of miles and who has worn out vehicles about once every 12 months. It is somewhat insulting to members on this side of the House to hear members opposite who have been there two minutes suggesting that they know more about rural areas than other members—for example, you, Mr Speaker—who might know more than he about rural areas, and he said that in the context of this Bill. He somehow

claimed—quite wrongly—that the Bill was an attempt to inflict pain upon rural people. If afterwards the member for Ross Smith could explain to me how this Bill inflicts pain on people who are self-employed, rural people or primary producers, I would be most interested.

Mr Clarke interjecting:

Mr BRINDAL: Now we are retreating from champion of the bush to champion of the rural cities. Well, we will deal with rural cities and with this Bill. The honourable member opposite admitted that one of the few growth areas of State taxation is payroll tax. I have heard our Treasurer, Premier and other senior members of our Party say that in an ideal world they would like not to have a payroll tax. In many ways they see it as a disincentive. The member for Ross Smith hit the nail on the head when he said, 'The Government has very few alternatives.' One alternative the Government does not have is to behave in the profligate manner in which the previous Government behaved. This is a responsible Government that believes it must balance the budget, restrain spending and bring South Australia not only onto an even keel but onto a straight line course ahead—a course to prosperity. As the member for Ross Smith admitted, there are limited means by which to achieve it.

I am quite sure that in an ideal world the Premier and the Treasurer would have preferred not to have to choose this measure. However, they had to raise certain revenue. They were committed to certain courses of action because of promises made before the election. Despite the diatribe that comes from members opposite which seems to suggest that this Party thinks of nothing better than breaking election promises, every member on this side of the House knows that any promise that cannot be kept has been at a cost to this Party. Nobody in this Party would like to renege on so much as half a promise, because everybody in this Party—

Mr Clarke: You must be in a lot of pain.

Mr BRINDAL: We are.

Mr Clarke interjecting:

Mr BRINDAL: I know that I should not respond to interjections, but the member for Ross Smith asked how I slept at night. The answer is quite clear and honest: I have a *Hansard* by my bed, and I read the honourable member's speeches. They are very soporific. I can fall asleep two minutes after starting on one of the member for Ross Smith's speeches, I can assure members. Every member in this House knows that we do not like to break any promises, and every promise that in any way has had to be modified has been seriously considered by the Premier, Cabinet and by all members of the Party, and we have not enjoyed any of them. But the options that this Government has had have been severely truncated by two factors: the profligate behaviour of the previous Government and the avaricious nature of his colleagues in Canberra, the greedy and self-opinionated—

Mr Clarke: You shouldn't be so hard on yourself.

Mr BRINDAL: I am talking about your Prime Minister, the Hon. Paul Keating.

Mr Clarke interjecting:

Mr BRINDAL: No.

The Hon. H. Allison interjecting:

Mr BRINDAL: Yes, I agree with the member for Gordon. I am talking about the Hon. Paul Keating, who believes that all wisdom, knowledge and power should at all times be deposited with him. I am surprised that he only wants a republic. I am absolutely surprised that he does not want a complete autocracy with himself as lifetime Tsar of Australia. That would be far more conducive to the style on which he seems to operate and the opinion he seems to have of the rest of Australia's politicians. The member for Ross Smith admits that payroll tax is one of the few measures available to the States. It is a decision that was taken by the Treasurer responsibly, because he realises it is a measure that has some degree of equity. The member for Ross Smith talked about the all encompassing nature of members of his Party, how they are all people to all things at all times, and how we are a yuppy Party with no deep roots and genesis in our Party. I do not know what he means by that, but it was such an outstanding quote that I wrote it down.

Members interjecting:

The SPEAKER: Order! The Chair has been listening to the member for Unley with a great deal—

Members interjecting:

The SPEAKER: Order! The Chair does not need the assistance of the Deputy Leader of the Opposition. I suggest to the member for Unley that he address the Bill. The Chair has been most tolerant but he ought to confine his remarks to the Bill.

Mr BRINDAL: The point I was making is this: the roots of our Party are in Menzies' speeches about the forgotten people. The speeches about the forgotten people are relevant—

Mr Clarke interjecting:

The SPEAKER: Order! I warn the Deputy Leader.

Mr BRINDAL: The speeches about the forgotten people are relevant to the Bill, because they hinged on the premise that people legitimately in need of social welfare would be looked after by the Government. People with vast means will always find the wherewithal to minimise their taxation, and generally the forgotten people in our society both then and now have been the people in the middle: the people in this country who have always borne a disproportionate share of the taxation burden.

The Treasurer makes the point in his second reading explanation that it is often people on higher incomes who are capable of maximising their contributions to superannuation at a certain time, minimising their income, and adjusting their income so as to pay a lower rate of taxation and a higher rate of superannuation for a return at a later date. That may be fine, but it erodes the taxation base. It legitimately impinges on one of the few taxation bases that this State has. The Treasurer made the point to me privately, and by way of speech to the House, that some of the wage rises of recent years were forgone for superannuation increases, which meant there was no real increase in salary but an increase in superannuation. In effect, it was an increase in the take home benefits of employees. The State was denied the right to tax what essentially was an extra contribution to the salary of employees.

The Treasurer claimed correctly that the State has a legitimate right to a share of people's salaries. Superannuation forms part of that salary, and the State is now claiming its share. Of course, there is a cost. I agree with the member for Hart and the member for Ross Smith when they say that they would prefer it to be otherwise. In this case, it cannot be otherwise. The Government needs to raise revenue and needs to do it in an equitable and fair way. This Treasurer, unlike members opposite, is pursuing a few basic—

Mr Foley interjecting:

The SPEAKER: Order!

Mr BRINDAL: This Treasurer is doing it in a way that pursues the simple principles of social justice. It is a social justice principle embodied in this Bill.

Mr Clarke interjecting:

Mr BRINDAL: There is one chest in this Chamber that is full. It is not a campaign chest but the member for Ross Smith's chest. It is full of hot air and has never been otherwise. I am told quite reliably that this morning the member for Ross Smith received a telephone call from the CSIRO. The member for Ross Smith was very honoured that the CSIRO asked him to volunteer for experimental purposes. When the member for Ross Smith got over the honour, because it is the only time anybody has asked him to do anything, he asked, 'Why does the CSIRO want me to volunteer for experimental purposes?' The CSIRO said that it had stopped using rats. The member for Ross Smith then asked, 'Why have you stopped using rats?' The CSIRO said it had found that certain politicians will do some things that rats will never do.

The SPEAKER: I do not think the member needs to pursue that line.

Mr BRINDAL: I do not think I will, Sir. This is a legitimate measure pursued by the Government because it had no choice. It was forced upon this Government by a Party which left this State destitute in terms of the coffers of this State and depleted in terms of the assets of this State. The Labor Party diminished the resources of this State by not husbanding them properly, and it neglected the schools and the fabric of its assets. It has left us with a huge debt in terms of our finances and in respect of the catch-up approach that South Australia will have to take. We have a legitimate attempt by the Treasurer, the Premier and the Cabinet to raise revenue needed for the better government of the people of South Australia. If the member for Ross Smith and the member for Hart would take the gratuitous advice of their Leader and behave a little more like statesmen, they would support this Bill.

Members interjecting:

The SPEAKER: Order! For the second time I warn the member for Ross Smith.

Mr CUMMINS secured the adjournment of the debate.

[Sitting suspended from 10.17 to 11.37 p.m.]

SOUTHERN STATE SUPERANNUATION BILL

Returned from the Legislative Council with the following amendments:

No. 1. Page 2, lines 5 and 6 (clause 3)—Leave out 'charge percentage applicable under the Commonwealth Act' and insert 'value prescribed by paragraph (b) or (c)'.

No. 2. Page 2, lines 7 and 8 (clause 3)—Leave out paragraph (b) and insert new paragraphs as follow:—

'(b) in the case of a member who is not a member referred to in paragraph (a) but who is making contributions under Part 3 Division 3 at a rate of at least 4.5 per cent—the percentage set out in Schedule 2 or the charge percentage applicable under the Commonwealth Act to the employer of the member, whichever is the greater;

(c) in any other case—the percentage set out in Schedule 1 or the charge percentage applicable under the Commonwealth Act to the employer of the member in relation to whom the term is used, whichever is the greater;'.

No. 3. Page 4, lines 1 to 3 (clause 3)—Leave out 'that provides that the value of the charge percentage will be greater than the value applicable under the Commonwealth Act' and insert 'as to the value of the charge percentage'.

No. 4. Page 10 (clause 22)—After line 34 insert new subclause as follows:-

'(2a) All members of the police force and all police cadets who are members of the scheme are supplementary future service benefit members and are entitled to the highest level of supplementary future service benefits prescribed by the regulations and are obliged to make contributions in respect of those benefits at the corresponding level prescribed by the regulations.'

No. 5. Page 11, lines 1 to 3 (clause 22)—Leave out subclause (4).

No. 6. Page 11, line 19 (clause 23)—After 'member' insert '(other than a member of the police force or a police cadet)'.

No. 7. Page 11, line 27 (clause 24)—After 'member' insert '(other than a member of the police force or a police cadet)'.

No. 8. Page 12 (clause 25)—After line 8 insert '4.5 per cent'.

No. 9. Page 12, line 17 (clause 25)—Leave out '5 per cent' and insert '4.5 per cent,

No. 10. Page 13 (clause 25)—After line 22 insert new subclause as follows:-

'(11) A member whose membership of the scheme commences on the commencement of the member's employment will commence making contributions on a date fixed by the Board.'

No. 11. Page 16, lines 8 and 9 (clause 27)—Leave out 'determined by the Board under Part 2 Division 3' and insert 'estimated by the Board'.

No. 12. Page 18, lines 5 to 22 (clause 30)—Leave out definitions of 'the employee component' and 'the employer component' and insert new definitions as follow:-

'the employee component' in relation to a member means an amount that is equivalent to the greater of the amount standing to the credit of the member's contribution account and the amount that would have stood to the credit of that account if instead of the Board adjusting the balance to reflect a rate of return determined by the Board the balance had been adjusted to reflect a rate of return equal to movements in the Consumer Price Index plus 4 per cent;

'the employer component' in relation to a member means an amount that is equivalent to the greater of the amount standing to the credit of the member's employer contribution account and the amount that would have stood to the credit of that account if the amounts credited to the account had not included an interest component but the balance of the account had been adjusted to reflect a rate of return equal to movements in the Consumer Price Index plus 4 per cent.

No. 13. Page 28, lines 15 and 16 (clause 38)—Leave out ', industrial agreement or contract of employment' and insert 'or industrial agreement'.

No. 14. Page 31—After line 36 insert new Schedules as follow:-

SCHEDULE 1

Percentage for definition of charge percentage	Period during which percentage applies
6	1 July 1995 to 30 June 1998
7	1 July 1998 to 30 June 2000
8	1 July 2000 to 30 June 2002
9	1 July 2002 onwards

SCHEDULE 2

Percentage for definition of charge percentage	Period during which percentage applies
9	1 July 1995 to 30 June 2002
10	1 July 2002 onwards

Consideration in Committee.

The Hon. S.J. BAKER: I move:

That the Legislative Council's amendments be agreed to.

I will speak to the amendments *en bloc*. They are important amendments to the Southern State Superannuation Scheme. I find myself in difficult circumstances because this matter has been protracted over a number of months. Importantly, the Government sets itself budget targets and, as the Audit Commission reported, we had to reduce the long-term

superannuation liability. As all members would clearly understand, it was unconscionable for this Government to continue to accrue liabilities if they could not be paid for. To pay for them directly would have meant another massive cut in the expenditure of the State Government. With this in mind, we closed the scheme but gave an undertaking that a new scheme would be put in its place. The new scheme as it left this House provided for people to contribute for themselves, with some guarantees about returns at the end of the day. The scheme was designed to enable those people who wished to set aside money for their retirement to do so with strong guarantees and some important safeguards.

An honourable member interjecting:

The Hon. S.J. BAKER: It was indeed. However, events in another place overtook the Government. I remind members that the Government is here to govern. It is all very well for members to combine in another place, but they should think about the ramifications. In this case, it is fortunate that the ramifications are not serious in terms of budget deterioration, but they still have to be paid for. Importantly, this gives a greater benefit to public servants, but at a cost that we can afford. However, it will have to be paid for in the savings targets. I make it quite clear that it will cost jobs at the end of the day.

Anybody who thinks they can increase the cost to Government and not affect the budget line should do some economics and check their mathematics. Importantly, we have a set of amendments which the Government has agreed to. I place on record my complete not necessarily contempt but lack of respect for one particular person in another place who informed me yesterday afternoon of exactly what he intended. He said, 'There are no ifs, buts or maybes. This is what you accept or else.' Mr Elliott was dishonest in the way he conducted himself, and in the way in which he refused to talk to the Government during this process. At the last minute Mr Elliott said, 'It is a take it or leave it package. If the Government does not pass the two Bills, the old schemes open up and you take the $200 million immediate liability that accrues over the next 10 years.'

That is the way Mr Elliott conducts himself. It is not the way the Government or the Opposition conduct themselves. Despite my differences with members opposite over the past 12 years, at least I have been able to discuss matters of concern with them. Occasionally, we have been able to reach agreement and make amendments, and I have at least had the ability to discuss matters. This is not the case with Mr Elliott who closed the door and refused to open it. It is important to understand that, unless the Government dealt with this right now, we were in a position where the old schemes would open up, leaving us with this liability.

That is why we are dealing with it now, and that is why it is being dealt with in this fashion tonight. I also point out that the unions came through my door once and did not complain: they walked away. They obviously had another agenda and were going to see Mr Elliott. In terms of the dialogue that can take place, and given the numbers in another place, I would have expected them to come back and talk to us. Again, they did not. However, that is water under the bridge.

The scheme provides a reasonable benefit for public servants who provide for themselves. Importantly, under Mr Elliott's proposition, it meant that anybody could benefit from the scheme for an absolute minimal contribution. That was totally opposed to the reason why the Government introduced the new Bill. Mr Elliott did not get it right. He presented a package to me and said, 'Take it or leave it.' He suggested in another place that I agreed to it. I agreed to nothing. He was dishonest, and he misrepresented the situation. I did not agree to anything. I simply heard him out. I said, 'It is unconscionable to deal with things in this fashion' whereupon he walked out of my office. That is the way the Hon. Mr Elliott conducts himself. I do not believe he is worthy of the trust that was placed in him when he resumed his seat in another place.

An honourable member interjecting:

The Hon. S.J. BAKER: Yes, I know there are Standing Orders. I would like to note briefly that this is a scheme that does a number of important things for employees. First, the 4 per cent guarantee return on funds is maintained, and that means that there is a strong guarantee that, unlike some of the other schemes that are now in difficulty, the Government will ensure that there is an appropriate rate of return. The death and disability aspect, a feature of the previous schemes, has been maintained in this scheme. If members wish to ratch it up and buy a greater benefit, they can do so. The service benefit is maintained for people visited by unfortunate circumstances, if they cannot complete their period of service to the normal retiring age.

Importantly, under the police provisions, there is greater flexibility for widows of policemen should officers die prior to their retirement, and that does, unfortunately, happen on odd occasions. So, there are some strengths in this Bill that must be recognised. Importantly, to be able to obtain 9 per cent immediately, which is the main feature of the scheme, a member must contribute at least 4.5 per cent, not the 1 per cent that Mr Elliott would have had us put into the legislation. Also, in recognition of that, there has been a small addition to the benefit at the end of the scheme, which means that the proposition for those people contributing is better than the Elliott proposal. It is stronger in that it encourages savings in a constructive fashion and does not give a reward at the lower end of the scale if someone is putting in a minimal amount of money.

In terms of the Government cost, we believe it will cost us about $2 million in the first year, and then it will increase over the ensuing five years before it decreases as the superannuation guarantee draws up to that 9 per cent. At the end of the time, as I said, the benefit will be 10 per cent, which is 1 per cent above the superannuation guarantee proposed to the year 2002.

These are all features of the scheme. They were negotiated at the appropriate time when the Bill was due to be debated. As I said, I can only regret the circumstances in which we have found ourselves. It is not the way that this Government operates. It is certainly the way that another Party in another place operates, and I believe it is about time those members got their house in order and acted responsibly, rather than the way in which they have conducted themselves over the past 24 hours.

Mr QUIRKE (Playford): I have been waiting all day for this opportunity to make a few remarks on superannuation. I have made many speeches on superannuation this year and the schemes that have been brought in have now been modified to a level that is basically reasonable. I would not want to get too carried away on the whole thing. Obviously, the previous scheme was a better scheme, but the Government has listened to reason. I can only suggest that those events of last night, when a person from the other place visited the Deputy Premier, indeed led to a series of events that has been constructive for members on both sides of the

Chamber—indeed in both Chambers. Mr Elliott could probably be likened to a cricket match where the ball was pitched down, the batsman stepped back and Mr Elliott caught the ball in his mouth.

The Hon. S.J. BAKER (Deputy Premier): I move:

That Standing Orders be so far suspended as to enable the House to sit beyond midnight.

Motion carried.

Mr QUIRKE: I want to make a couple of remarks about Mr Elliott, as I understand he made a few about me tonight. At the end of the day I just want to tell him a simple law of mathematics. His staffers are going around trying to convince every media outlet in Adelaide that nine is a greater number than 10. No wonder we have the current member for Davenport if that is the exercise. In my days as a mathematician (not a very humble one), 10 was always a greater number than nine. Before we get down to the serious aspects of this Bill, I refer to a couple of interesting things that have happened here today.

Mr Foley interjecting:

Mr QUIRKE: The member for Hart interjects that 67 beats two any day of the week. That is also a lesson of mathematics. I cannot understand how 19 good true people over there listened to the debate all afternoon and did not do something about it when they overwhelmingly had the numbers. That is beyond me. At the end of the day, Mr Elliott's proposal was for a scheme that was much less generous than the one that finally passed through the parliamentary process. A number of civil servants and police officers out there can say that they have a scheme that has survived this process and is much more reasonable. The Opposition is somewhat dismayed about the fact that we had to change the original schemes but, given that that has happened, the exercise was always to get the best possible deal for good, loyal, hard working Government workers out there, in particular for police officers. Let us look at what the scheme has done for these people.

The original draft of this proposal was to give no more than the SGC and indeed to work up to the year 2002 when there would be a 9 per cent benefit under this scheme. We have managed through the process (and I say 'we', as the Opposition has been the key player in this debate and has taken the firm line all along that the proposed scheme was not what should have be the case for workers in this State) to ensure a 9 per cent benefit on the start-up date. The Opposition believes that the payment of 4.5 per cent for general Government workers, a voluntary payment, will mean that there will be superannuation at the far end—a pot of gold—which should be adequate to pay for a modest retirement for most workers who opt into this scheme.

I am pleased to see a couple of other measures in this Bill which have gone in during the day, namely, the return of the 4 per cent Government guarantee, the death and disability clauses which are the same as those for the old scheme and the service benefit. That service benefit is very important for persons who for all sorts of reasons may suffer death and disability; it means that spouses and children will receive a reasonable benefit at that point of loss. Where the police are concerned we have always had the problem of a two-tiered superannuation scheme. It is a problem that many members in this Chamber have spoken about. We have solved that problem. Every serving police officer—every recruit who is in there now, including the 26 who have joined since the scheme was temporarily closed—is in the old scheme and has the same benefit as every other police officer out there.

Let us talk about the new scheme. Currently police officers pay about 5.5 per cent. There is no such thing as its being voluntary for them; it is compulsory. The benefit that they currently get is about 11.8 per cent. Under this scheme now they will pay 4.5 per cent and they will get 9 per cent. As I have suggested to the representatives of their union this afternoon, if they want to get new police officers to pay an extra 1 per cent—in other words, the same as what they were paying before—they will have a 10 per cent benefit going in and, in the year 2002 when the SGC reaches nine per cent, it will go up one more per cent, in line with all Government workers. What that means is an 11 per cent benefit for police officers. That is only .8 per cent behind what the old scheme was for police officers. I think we can say that we have looked after police officers as far as possible through this parliamentary process here, and I believe that we have covered most of the issues they have raised.

I think that at the end of the day Parliament is an institution that needs to guarantee and protect the rights of ordinary citizens out there, many of whom for some reason have not previously opted for superannuation. The draconian drop down to a 6 per cent benefit from now until whenever SGC propped that up would not leave adequate superannuation for most Government workers. What we now see before us is a scheme which is not as generous as the one that we will probably close off in about five or 10 minutes when this debate is finished but which on the evidence of actuaries will provide a reasonable level of superannuation for Government workers.

There have been a lot of comments about deals done around here, and I refer again to the other place and to some individuals there. There has been a long tradition in this place of who wags the tail of the dog. There are people in the other place who take the view that they will be the king makers in every exercise. They have played one side off against the other, and they seem to believe that they have a role around here as the natural protectors of everybody's rights.

What has happened in this debate is that the Opposition and the Government have got together out of a necessity, which was to protect the rights of a large number of Government workers. I am sorry that our arguments were not listened to earlier in the case, but in the past 24 hours we have reached a situation where I think we can honestly say two things. We have put in place a better scheme than that which was offered by the Australian Democrats. I believe we can say it is a scheme which we can feel prouder to have in place. I would have preferred the old scheme but, given that it has gone, this is a better, more generous and more productive scheme for Government workers and police officers.

Their union representatives accepted that when I had discussions with them today, from the Police Association through to the Public Service Association. I understand that comments have been made. I know that the Deputy Premier is a man of his word; he has told us that last night he was given a series of proposals. Those proposals were the finished item. It is funny, but I understand that in the debate in another place comments were made that we had buckled and that a better deal could have been achieved if we had sat back and let the usual cast foist their arrangement over everyone on both sides of politics in this Chamber and in the other Chamber.

Well, I think there is some credibility problem with the proposals put up today. Indeed, the scheme that has been

negotiated here, the scheme that the Labor Party put last night to the Deputy Premier, is a much more generous scheme, a better scheme and a scheme with which I think we can all live. It is not ideal. The old scheme was not ideal: it was better. I do not think there is any argument that about. However, the members of the Labor Party, both in this Chamber and in the other Chamber, are satisfied with the arrangements that have been made to date. I make the comment that I think in this whole debate a number of lessons can be learnt. One of those lessons is that a certain cast around here take the view that they will make every arrangement around here and run off to the media. Well, they did not make this arrangement and they did not get to the media before others.

[Midnight]

Mr LEWIS (Ridley): My contribution will not detain the Parliament more than a minute. I think the sooner we, as members, provide those pious loons in our midst, who crake in the mist of their own delusions, with the opportunity to renounce what we otherwise regard as being a reasonable remuneration for ourselves and benefits in our retirement the better off this place will be.

Motion carried.

STATUTES AMENDMENT (CLOSURE OF SUPERANNUATION SCHEMES) AMENDMENT BILL

Returned from the Legislative Council with the following amendments:

No. 1. Page 1 (clause 1)—After line 12 insert new subclause as follows:

'(2) The Statutes Amendment (Closure of Superannuation Schemes) Act 1994 is referred to in this Act as "the principle Act".'

No. 2 Page 1, line 14 (clause 2)—Leave out '30 September' and insert '20 October'.

No. 3. Page 2, line 33 (clause 3)—Leave out '5 per cent' and insert '4.5 per cent'.

Consideration in Committee.

The Hon. S.J. BAKER: I move:

That the Legislative Council's amendments be agreed to.

The closure of the superannuation scheme is a *fait accompli* with the passage of the legislation that we have dealt with. The amendments are of a technical nature reflecting the 4.5 per cent, which is the minimum contribution, and that replaces the 5 per cent. The further amendment made to the closure scheme is that the date has been changed commensurate with the other changes that have already taken place. It is a technical amendment. It effectively closes the old scheme, because it has now been replaced by the new scheme.

Mr QUIRKE: The Opposition reluctantly supports these amendments but we note the successful passage earlier tonight of a reasonable level of superannuation for Government workers in South Australia and for police officers.

Motion carried.

ADJOURNMENT

At 12.6 a.m. the House adjourned until Thursday 13 October at 10.30 a.m.