HOUSE OF ASSEMBLY

Wednesday 12 November 2003

The SPEAKER (Hon. I.P. Lewis) took the chair at 2 p.m. and read prayers.

POLICE NUMBERS

A petition signed by 32 members of the South Australian community, requesting the house to urge the government to continue to recruit extra police officers, over and above recruitment at attrition, in order to increase police officer numbers, was presented by Mr Brokenshire.

Petition received.

PAPERS TABLED

The following papers were laid on the table:

By the Minister for Energy (Hon. P.F. Conlon)—

Code Registrar—National Third Party Access Code for Natural Gas Pipeline Systems—Report 2002-03
Electricity—Technical Regulator—Report 2002-03
Independent Pricing and Access Regulator, South Australian—Report 2002-03.

By the Minister for Tourism (Hon. J.D. Lomax-Smith)—

Primary Industries and Resources SA, Department of—Report 2002-03.

QUESTION TIME

ELECTRICITY PRICES

The Hon. R.G. KERIN (Leader of the Opposition): My question is to the Minister for Energy. Given that the minister is responsible for setting the regulator's terms of reference for fixing power prices and because he has the power to instruct the regulator to re-examine his findings, does the minister understand that he is ultimately responsible for the price setting process?

The Hon. P.F. CONLON (Minister for Energy): I suggest I understand the price setting process very well.

The Hon. W.A. MATTHEW (Bright): My question is also to the Minister for Energy. When the minister set the terms of reference for the 2003 electricity prices, why did he specify that prudent costs should be assessed but not the actual AGL contract costs for 2003, and is this why the price determination has been proven to be flawed?

The Hon. P.F. CONLON: I am happy to answer the question, but the blatant statement at the end of the question from the shadow spokesperson for energy must provoke a response. The statement at the end of his question was absolute and arrant nonsense. I will answer the specifics of the member's first question (but I will have to address his fatuous comment at the end), although I have explained this before. In fact, I explained to the house long before it was set that we expected the regulator not to go out and pay the monopoly retailer (that is, because the Liberals privatised to a single retailer), whatever it chose to pay in contracts, but to go out and pay what a prudent retailer in the marketplace would have paid. I will come to this thing about its being flawed in a moment. The only people saying that, of course, are the shadow spokesperson and the Leader of the Opposition, and I will explain that, too.

We have seen the opposition in the past week verballing the chair of the Energy Consumers Council. They said that he said the 2003 price setting was wrong and that it should go back. He never ever said it; he never said it to me. He said in his report that, looking into the future, we should review it again. Members of the opposition were happy to go out there and dishonestly verbal the chair of the Energy Consumers Council.

Let me say what occurred in 2002 in the price setting process, because they are plainly confused about it—that is the most innocent explanation for them.

The Hon. Dean Brown: You were confused on radio.

The SPEAKER: Order! Anyone who thinks I am confused will have another think!

The Hon. P.F. CONLON: That amounts to a witticism from the Deputy Leader of the Opposition. Let me explain what occurred—and they really do need to listen. The regulator went out and looked at the contracts that a prudent retailer would write in the circumstances. That was made more difficult because the previous Liberal government chose to sell to a monopoly retailer. But that is what he did. He also examined some contracts in the marketplace over the past. He then arrived at a component of the price for wholesale, which is a median price of about $70 a megawatt hour for the first year of FRC in South Australia. Dick Blandy has never said that that was wrong and to go back and change that.

The Hon. W.A. MATTHEW: Sir, I rise on a point of order. The minister was asked a very specific question. He was asked why he did not, in the written instruction he gave to the Essential Services Commissioner, specify that, when setting electricity prices, the commissioner assess the wholesale contract prices that were paid by AGL. That is what the question is about, and that is certainly not what the answer is about.

The SPEAKER: I remind the member for Bright that the explanation added an additional dimension to the inquiry.

The Hon. P.F. CONLON: Thank you, sir. I am pointing out why the explanation given by the member for Bright was entirely flawed. That examination by the regulator led to a retail price, in the first year of FRC in South Australia, of about $70 a megawatt hour. The big difference—the big increase—was not in that figure; it was in the network charges set at privatisation. Dick Blandy said it, the regulator said it, everyone said it: it is uncontestable. They set those prices at privatisation, and they have to be applied. They say that the outcome and that price were flawed. In Victoria, the wholesale price should be cheaper. The price of brown coal at Yallourn, for example—the fuel price—is $5 a megawatt hour. The gas price at Pelican Point is $27 or $28 a megawatt hour. It should be cheaper in Victoria. But after setting that price, the regulator compared it to the first year of FRC in Victoria, which was 12 months before.

The Hon. W.A. Matthew: That was 12 months before.

The Hon. P.F. CONLON: The member understands one thing: he knows the difference between 2002 and 2003. He compared it to the first year in Victoria. Members should recall that, by fuel prices, it should be cheaper. He found that the component in Victoria for the first year of FRC was about $70. Now what they have to accept is that, despite fuel costs being higher here, in the first year of FRC they are paying a similar retail component to Victoria. What is the difference? We do pay much more than Victoria, so what is the difference? Simple—transmission and distribution charges set at privatisation. If they cannot understand it, I cannot explain it. They privatised at a price; they set the price. They put it

up by 25 per cent by doing that. We paid the same retail component as Victoria did in its first year of FRC. Our first year of FRC did the same, but there is one difference; that is, privatisation; network charges. That is why it is higher; I do not know why you do not understand.

Members interjecting:

The SPEAKER: Order!

HEALTH SERVICES, AMALGAMATION

Mr O'BRIEN (Napier): My question is to the Minister for Health. Which health units were amalgamated between the years 1996 and 2002?

The Hon. L. STEVENS (Minister for Health): I thank the honourable member for this question, because a number of health units were amalgamated during the period to create multi-campus services and also to improve services. I would like to detail the health services that were amalgamated. First of all, the Angaston and Tanunda hospitals amalgamated in January 1996 to form the Barossa Area Health Service. The Balaklava and Riverton hospitals amalgamated in March 1996 to form the Balaklava and Riverton District Health Service. The Barmera District Health Service and Riverland Health Service amalgamated in 1996 to form the Riverland Regional Health Service. The Burra, Clare and Snowtown hospitals amalgamated in 1996 to form the Burra Clare Snowtown Health Service. The Gumeracha and Mount Pleasant hospitals amalgamated in 1996 to create the Northern Hills Area Health Service.

The Eudunda and Kapunda hospitals amalgamated in July 1997 to create Eudunda Kapunda Health Service. Central Eyre Peninsula, Elliston and Streaky Bay hospitals amalgamated in July 1998 to become Midwest Health. Cummins and Tumby Bay hospitals amalgamated in September 1998 to become Lower Eyre Health Services. Cleve District Health, Cowell Community Health and Kimba Hospital amalgamated in July 2000 to become Eastern Eyre Health. Ceduna Hospital, Far West Senior Citizens Village and Ceduna District Health amalgamated in November 2000 to become the Ceduna District Health Service. Gladstone Health Service and Laura Hospital amalgamated in April 2002 to become Rocky River Health Service—

Mr BRINDAL: Mr Speaker, I rise on a point of order. Question time is a time for members of this house to seek information. While I am not disputing that the minister may be providing information, is this not a long answer, given that all this information is on the public record? I do not see why the house needs to be told a second time.

The SPEAKER: Order! There is no point of order.

The Hon. L. STEVENS: I go on: Karoonda Hospital, Lameroo Health Service, Pinnaroo Hospital, Karoonda Homes and Lameroo Homes for the Aged amalgamated in July 2002 to become the Mallee Health Service. Quorn Hospital and Flinders House for the Aged amalgamated in July 2002 to become the Quorn Health Service. It is difficult to reconcile amalgamations that occurred under the previous government with a statement issued on 23 October 2003 by the member for Finniss which said that the opposition would oppose the amalgamation of any hospital boards. Members opposite just might be surprised to hear the following statement: 'The Liberal Party has outlined its policy of retaining existing public hospital boards both in Adelaide and in country areas.' I want to reiterate the government's decision that there will be no forced removal of local country boards and that we will work cooperatively to achieve health reform for better services and for better health outcomes.

Members interjecting:

The SPEAKER: Order! For the benefit of honourable members, I point out that, whilst the chair allowed that question, it will not do so again. It might have been possible to make the question orderly by asking for a comparison between the instances and number of occasions since, say, March 2002 on which amalgamations have occurred as compared with the preceding five years. However, the chair draws honourable members' attention to page 303 in Erskine May, in which it is clearly expressed that questions seeking information on matters of past history for the purposes of argument are out of order. The manner in which—

Members interjecting:

The SPEAKER: Order! The manner in which the answer was provided clearly indicates that that was the intention that the minister had in mind on rising to address the inquiry put by the member for Napier. I call the honourable member for Bright.

ELECTRICITY PRICES

The Hon. W.A. MATTHEW (Bright): My question is again to the Minister for Energy. Given the minister's admission that he knew that wholesale electricity prices were falling at the time he received the regulator's 2003 price determination, why did he not send the determination back for re-examination as occurred in Victoria?

The Hon. P.F. CONLON (Minister for Energy): I have no idea what the honourable member is talking about in terms of an admission, and that puts me in a group of two: I have no idea what he is talking and he has no idea what he is talking about. There is one inescapable fact that they have to deal with on the other side. The reason electricity prices are higher in South Australia is the network charges that were locked in at privatisation. Dick Blandy, whom they quoted yesterday, says it; the regulator says it; and all the commentators say it. Do they say we can lower the network charges? Do they say we should repudiate their privatisation deal? Is that what they say? There is stony silence. Do they say we should repudiate their privatisation deal? Do they say we should go back on the deal they signed with the transmission and distribution companies, because that is the only way to lower prices? No, of course they don't! Stony silence; the silence of shame.

The Hon. W.A. MATTHEW: I rise on a point of order. I asked a specific question: why did the minister not refer his price determination back to the regulator? That is the question and that is not what the answer is about.

The SPEAKER: I seem to have heard the question previously and, perhaps, should it be repeated, I will rule it out of order. The honourable member for Colton.

MURRAY-DARLING BASIN MINISTERIAL COUNCIL

Mr CAICA (Colton): My question is directed to the Minister for the River Murray. What outcomes is the minister expecting from Friday's meeting of the Murray-Darling Basin Ministerial Council, and is it still the government's position that an extra 1 500 gigalitres is needed for a healthy River Murray?

The SPEAKER: Order! The honourable member might like to come and have a chat with the chair about that question. The honourable member for Bright.

ELECTRICITY PRICES

The Hon. W.A. MATTHEW (Bright): My question is again to the Minister for Energy. Given that the minister has now admitted the inaccuracy of electricity wholesale prices used in a full-page, government-funded newspaper advertisement comparing power prices in South Australia with those in Victoria, will he commit to a full independent review of the 2003 price calculation before finalising the 2004 electricity prices?

An honourable member interjecting:

The Hon. P.F. CONLON (Minister for Energy): I will deal with what has been described as a good question by once again explaining what is a complete error of fact in the way in which the question has been phrased. The shadow minister refers to a government funded advertisement. That is completely and utterly wrong. He misapprehends entirely the funding base of the Essential Services Commission. I know that he used to be the minister and that they used to have a regulator, but he completely misapprehends the funding base of the regulator and he also misapprehends the decision-making basis of the regulator. He is absolutely wrong! When it comes to one small—

The Hon. R.G. Kerin interjecting:

The Hon. P.F. CONLON: Oh, we should pay for it?

The Hon. R.G. Kerin interjecting:

The Hon. P.F. CONLON: Oh, I see, we should pay—

The Hon. K.O. Foley interjecting:

The Hon. P.F. CONLON: No, you missed this, Treasurer. They want us to pay for the regulator now. They do not want industry to pay for the regulator; they want the taxpayer to pay for it. What addled thinking! First of all, the shadow spokesperson does not know who pays for the regulator—

The Hon. DEAN BROWN: I rise on a point of order, Mr Speaker. It has long been a tradition of this house—as it is in other parliaments—that the speaker must address the chair and not turn his back on the chair as the minister has been doing during his replies to the last couple of questions.

The SPEAKER: Order! The minister is a bit of a wanderer when he is on his feet. Although he does not have a knapsack on his back and he is not whistling, he certainly seems to know where he is going in the substance of his reply. However, there may be a solution to the problem in the near future. I am unable to say more than that.

The Hon. P.F. CONLON: Thank you, Mr Speaker; I apologise. Members opposite do agitate me so; it is hard to stand still when faced with this sort of nonsense and injustice. I just make the point that the shadow spokesperson does not know who funds the regulator. He has been shown to be wrong, and it is my duty to provide the house with the correct information when the shadow spokesperson is demonstrably wrong. Having shown him to be wrong, the Leader of the Opposition joins in and wants to make it correct by putting the cost of the regulator onto taxpayers. And this mob wants to come back to government!

I will address what little substance there was in the question, although there was not a lot to it. There is a great deal of confusion in the opposition. They referred to the price for the first year (2003) and I was asked why did I not send it back. I have already said that, despite the high cost of fuel, the retail component in South Australia was the same as the retail component in the first year of FRC in Victoria. I would have thought—

An honourable member interjecting:

The Hon. P.F. CONLON: Yes, it is a different year; they have picked up one point. I would have thought that, if the retail price in South Australia was in the same ballpark area as the retail price in Victoria, the regulator had not got it wrong. That is not the test, but it illustrates that fact. I tried to demonstrate to the house that the real problem is the fact that the network charges are locked into privatisation. Subsequent to that, I said that we have anecdotal evidence of contracts going down. We asked the regulator about that, and he came back with a small reduction in the contract price.

In Victoria, in the second year of FRC, as I understand it, the components of the price were changed. However, I am assured that the net result remains in that the retail component for users in Victoria is very similar to that which exists in South Australia. Again, this illustrates the fact that the regulator has set a retail price which, despite much higher fuel costs in South Australia, is in the same ballpark. What remains higher are the network prices. I have to make it plain to the parliament that there is only one way that we can reduce the network charges and that is to repudiate the lease agreements signed by the previous government, but no-one would do business with us if we did that.

We did not want it to occur. We opposed it every step of the way but, having done it, we cannot repudiate the lease agreements of the previous government. There remains one substantial difference between the price of electricity in South Australia and that in Victoria, other than fuel, and it is the network charges locked in at privatisation. If members opposite keep asking me the question, I will keep telling them because it is the truth.

MURRAY-DARLING BASIN MINISTERIAL COUNCIL

Mr CAICA (Colton): My question is again to the Minister for the River Murray. Minister, what outcomes will you be advocating for adoption at Friday's meeting of the Murray-Darling Basin Ministerial Council, and is it still the government's position that an extra 1 500 gigalitres is needed for a healthy River Murray?

The Hon. J.D. HILL (Minister for the River Murray): I thank the member for this important question. As members would know, a ministerial council meeting in relation to the Murray-Darling Basin will be held on Friday in Melbourne, and I will be very pleased to represent our state at that meeting, along with some of my colleagues.

We will be advocating very strongly for a first stage response to the problems faced with the River Murray. In fact, we will be arguing that the $500 million which has been agreed to by the commonwealth and the other states through the COAG process should be spent on new water. We have coined the phrase 'new money for new water', because we want to make it clear that this money cannot substitute other expenditure in which other states might be involved, nor can they add in water that they have saved through other processes into this quantum of water that we need as part of the first stage. We are looking for 500 gigalitres of additional water as a first down payment on the 1 500 gigalitres that not only the government but also I think the opposition and all members of this house believe is necessary to get a good outcome for the river.

The first stage package (the 500 gigalitres) will be managed in a way in order to get maximum environmental outcomes in five priority areas in the river—the overall stem of the river itself, plus four priority or iconic sites which have been referred to in the past and two of which are in South Australian, namely, the Murray Mouth Coorong area and, of course, the Chowilla flood plains area. As we know, both of those areas are suffering enormously from the drought conditions and the deprivation of the normal flooding regime over the course of human intervention in the river system.

What we have in South Australia at the moment, of course, is a managed river; it is managed for agricultural and urban outcomes. What we have to do as well is start managing it for environmental outcomes, and this 500 gigalitres of water, which will be the down payment on what we really need, will be able to be managed in that way. The water will be stored in the dams associated with the river and then managed in a particular way. It does not mean that 500 gigalitres will have to be used each year: it can be stored and 1 000 gigalitres could be used one year and none the next.

Mr Brindal: Won't you have to build some new storages?

The Hon. J.D. HILL: No, I do not believe so. There is no advice that new storages would be required. The government remains committed to the 1 500 gigalitres, and those two statements—the first stage 500 gigalitres and the longer term of 1 500 gigalitres—is consistent with the decisions and recommendations made by the River Murray forum which was held in this chamber in February this year, when all but one member who was participating at that meeting agreed to those outcomes.

It is in the light of that that I was surprised to hear from the media today that the Hon. Sandra Kanck from the other place was critical of the proposal that will be before the ministers on Friday. She said, I think, that this was a second-rate decision and that we were just getting a dribble from the table, or words to that effect. I say to the Hon. Sandra Kanck that she is wrong and does not know what she is talking about in relation to this. This is a very good outcome for South Australia, if we can achieve it. It will mean that, for the first time in 100 years of European intervention in the river system, more water will be flowing down the system for environmental purposes. That is a very good outcome, and all members of this place should be pleased with that outcome if we can, in fact, achieve it on Friday.

VICTIMS OF CRIME

Mr SNELLING (Playford): My question is to the Attorney-General. What steps has the government taken to fulfil its commitment to strengthen victims' rights in our state?

The Hon. M.J. ATKINSON (Attorney-General): It is correct that in September last year both the Premier and I gave a commitment on behalf of the government to strengthen victims' rights. We have taken a number of steps to advance the rights of victims, including increasing the grant to the Victim Support Service by $60 000 this year. This money will be used to improve services for co-victims of homicide, such as families of the murdered, and to increase the number of social workers in the Child Victim Witness Service in the Office of the Director of Public Prosecutions. Members may recall that while I was the shadow attorney-general I introduced a private members bill on victim impact statements that was instrumental in getting the then attorney-general, the Hon. K.T. Griffin, to relent and allow victims of serious offences the right to read their victim impact statements in court before the sentences are passed. I note that, despite his initial apprehension, to say the least, Trevor Griffin conceded that victims had not—as he had feared—used that opportunity to direct inadmissible comments at the offender.

Mr Brindal: A great man—always capable of learning.

The Hon. M.J. ATKINSON: As the member for Unley says, the Hon. K.T. Griffin was capable of progress and growth and from time to time he adopted my ideas, namely, a dedicated home invasion offence, as I recall.

The Hon. D.C. Kotz: You will never be even half the man Trevor Griffin was; don't kid yourself!

The Hon. M.J. ATKINSON: I thank the member for Newland for that comment, and I will convey it to Bob Francis and his listeners.

Members interjecting:

The SPEAKER: Order! The member for Unley takes umbrage at things that he disapproves of, but has no compunction whatever about offending standing orders, even though he has been reminded that he was doing so only 60 seconds beforehand. The chair is unlikely to be so compliant with his desire to participate in everyone's debate in the future.

The Hon. M.J. ATKINSON: I am more than happy to be compared with the Hon. K.T. Griffin by the member for Newland, particularly on questions such as DNA testing, sentencing, directing the DPP, self-defence, serious repeat offenders and a number of other matters. I am told that the system that was put in place has been working well; however, there is always room for improvement. Last year a working group comprising representatives of the police, the Office of the Director of Public Prosecutions, Yarrow Place and others, and chaired by the Victims of Crime coordinator, developed a new victim impact statement pamphlet and forms for adults and for children. I am pleased to tell members that the final versions of that pamphlet and forms are now available in hard copy and on the internet at www.voc.sa.gov.au.

The Hon. D.C. Kotz: Does that reflect your crime prevention programs? It sounds interesting.

The Hon. M.J. ATKINSON: The member for Newland might be surprised at what is happening in local government crime prevention. I suggest she see how many local government crime prevention officers there are these days compared with what there were under her government.

The Hon. R.G. KERIN: I rise on a point of order, sir, and bring to your attention that five times now the Attorney-General has debated interjections and has not got on to answering the question of the honourable member, who is awaiting his answer.

Members interjecting:

The SPEAKER: Order! The honourable Attorney-General is always willing to help—even the chair—but in this instance let me reassure him that the chair is looking not for his help but, rather, his compliance with the standing orders.

The Hon. M.J. ATKINSON: My compliance would be secured immediately upon the opposition's compliance being secured. Interjections are always out of order. The pamphlet provides information to help victims who choose to make a victim impact statement. The form for adults is a questionnaire to guide victims, although the pamphlet makes it clear that victims are not compelled to use the form. The form for children is designed so that child victims can write a story, write a poem or draw a picture so that they can express the

harm that they have suffered in a way that is meaningful to them.

Victims and their advocates, such as the Victim Support Service and the Homicide Victim's Support Group, expect more than lip service when it comes to victims' rights and the provision of services to victims. The new victim impact statement pamphlet and forms are practical examples of the steps that this government has taken and will continue to take to meet those expectations.

MINISTERIAL CODE OF CONDUCT

The Hon. R.G. KERIN (Leader of the Opposition): My question is to the Treasurer. Does the Treasurer agree that the ministerial code of conduct requires him to act diligently, with propriety in the performance of his public duties and that he should follow up on actions he has committed to the house to undertake?

The Hon. K.O. FOLEY (Treasurer): I await with anticipation the next question from the opposition leader.

The SPEAKER: Order! I point out to the Treasurer that under standing order 98 the Treasurer, or any minister, should address the substance of the question, not speculate about what might be forthcoming from the leader or any other member of the house in the course of future questions. That only invites contempt and disarray.

The Hon. K.O. FOLEY: Mr Speaker, if I may say so, of course the ministerial code of conduct applies to all ministers and I am no exception.

HEART OF THE ARTS CAMPAIGN

Ms BEDFORD (Florey): Will the Minister for Tourism advise the house what are the key objectives of the Heart of the Arts campaign which she and the Premier launched recently?

The Hon. J.D. LOMAX-SMITH (Minister for Tourism): I would like to thank the member for Florey for her question. She is a keen follower of the arts activities in this state and will realise that in positioning this state in a marketing sense it is important to market our strengths. We have particularly been keen to market a suite of arts activities throughout the year, so that people in South Australia and across Australia know that whenever they might have a chance of coming to South Australia there is a fair opportunity of picking up a few cultural experiences at that time. In order to promote this positioning, we have invested $500 000 in marketing across the country and brought together our six premier arts events of the year in one marketing brochure which has been directly mailed out to those people on our mailing list, putting it in all the major newspapers across the country, in particular in Victoria and New South Wales.

Our goal is to produce measurable outcomes, not just to sell every ticket to every event, but to increase by 12 per cent the number of bed nights in our state, implying that those people coming to arts events will increasingly be from interstate and overseas. The increase of 12 per cent in room and hotel bookings will equate to 20 000 room nights. For instance, the Festival of Arts in 1996 had 50 companies and 1 160 performers, and represented 33 countries. In particular, those interstate visitors who came stayed, on average, 7.3 nights and international visitors even longer, staying 17.7 nights each. That festival produced a gross state product of $13 million and 207 full-time jobs.

The Fringe had 858 000 audience members, and 34 per cent of the visitors coming to the Fringe stayed on average 11.6 nights and injected between them $12.4 million, with 97 per cent of visitors saying that they would come again. Similarly, Wagner's Ring Cycle is expected to bring 3 600 first-time visitors to South Australia, with most of those visitors staying again more than a week in order to see the complete cycle and inject $10 million collectively into the coffers of our state. Next year's production of the *Ring Cycle* is expected to bring more than the 3 600 people in 1998, and we hope to get more than 4 000 non-South Australian visitors. The Heart of the Arts campaign promotes the Festival, the Fringe, Womadelaide, the cabaret festival, Feast and Wagner's *Ring Cycle* and, by having the tourism commission work closely with the arts community, we expect to leverage our key arts events and get more bed nights, more profits, more jobs and more opportunities for South Australians.

LAND TAX

The Hon. R.G. KERIN (Leader of the Opposition): My question, surprisingly, is to the Treasurer. When will he—

Members interjecting:

The SPEAKER: Order! The Leader of the Opposition has the call.

The Hon. R.G. KERIN: Thank you, Mr Speaker. When will the Treasurer take the action he promised the house on 18 February this year he would take in relation to incorrect land tax assessments? On 18 February this year I asked the Treasurer a question about land tax, pointing out that many errors had occurred. One of the many cases I highlighted included a former valuer general of this state being billed for a property that he has never owned. The Treasurer told the house he would fix it, yet the former valuer general has, again, embarrassingly received a land tax bill this month for the same property, a property which he still has never owned.

The Hon. K.O. FOLEY (Treasurer): Of course, I will get that answer, but I will say this: I am sure that my office would have quickly referred that to the state tax commissioner. But let us look at the history of the mob opposite. In July this year—

The SPEAKER: The member for Hartley.

Members interjecting:

The Hon. K.O. FOLEY: Don't you want to hear your history?

The SPEAKER: My history is irrelevant in the context. I have invited the member for Hartley to make whatever point of order, I presume, he wishes to take.

Mr SCALZI: Mr Speaker, I have a point of order. The Treasurer has referred to members opposite as 'the mob'. I find that unparliamentary.

The SPEAKER: I know the member for Hartley resents being referred to as part of a herd of animals, and I would feel somewhat offended myself, other than that perhaps I might think that it takes one to know one and, in that context, leave people to make up their own minds. I tell the member for Hartley that it is not unparliamentary. The deputy leader.

The Hon. DEAN BROWN: Mr Speaker, I rise on a point of order in relation to standing order 98. The Leader of the Opposition asked a very specific question concerning land tax on a particular property and, quite clearly, the Treasurer has already started to debate entirely unrelated issues.

The SPEAKER: I uphold the point of order. The Treasurer.

The Hon. K.O. FOLEY: Thank you, sir. As I said, all questions asked in this place are dealt with by my office, and I am sure that in this instance we would have referred that to the tax commissioner. But, in the First Session of the Forty-Ninth Parliament when members opposite were in government, 57 questions remained unanswered.

Members interjecting:

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

The Hon. R.G. KERIN: I have a point of order. The Treasurer is very deliberately going straight against your ruling, sir. It is disgraceful.

The SPEAKER: I uphold the point of order.

GRAFFITI

Ms THOMPSON (Reynell): My question is directed to the Minister for Education and Children's Services. How is the government working to engage our school students in the arts?

Members interjecting:

The Hon. K.O. Foley: Come again! There's plenty of that stuff. You were a mob of liars and cheats in government.

Members interjecting:

The SPEAKER: Order! The Treasurer will withdraw that remark and apologise to the house.

The Hon. K.O. FOLEY: I am happy to withdraw it and apologise to the house.

The SPEAKER: The member for Reynell will repeat the question.

Ms THOMPSON: Thank you, sir. My question is to the Minister for Education and Children's Services. How is the government working to engage our school students in the arts? Graffiti vandalism is a problem in many areas, including the south, and it has been suggested to me that improved art education in schools is one of the factors that will lead to a reduction in this community problem.

The Hon. P.L. WHITE (Minister for Education and Children's Services): I thank the honourable member for her question.

An honourable member interjecting:

The Hon. P.L. WHITE: Well, members opposite—

The SPEAKER: Order! The minister knows that interjections are out of order. She should not attempt to encourage the chooks.

The Hon. P.L. WHITE: Okay, sir. As my colleague the Minister for Tourism mentioned earlier, the arts are a vital part of our culture and our society and, of course, our schools and our preschools provide the critical foundations for arts learning. Earlier today, the Premier and I launched a new arts strategy in South Australian schools and preschools.

An honourable member: But you wouldn't sing!

The Hon. P.L. WHITE: No, I did not sing—and neither did the Premier! It is a $720 000 strategy over three years, and it is called ARTSsmart. The initiative will enable over 200 000 South Australian schoolchildren to participate in Australia's first initiative dedicated to arts education in schools. The funding will be used to support artists working in schools, public art projects, and visits to arts and cultural organisations events and artists' studios, and my department will work with Arts SA to establish clusters of schools and preschools, which will form a key component of the implementation of that strategy.

The ARTSsmart initiative aims to keep our young people engaged in arts education and to build partnerships between arts teachers and practitioners that will enhance their capacity as teachers and make the arts a lifelong learning goal.

It is about bringing arts education to life in our South Australian schools. Research undertaken in many American schools, for example, shows that children who have the benefit of a strong arts education do better in all fields of learning, and it also shows that the incidence of boredom and dropping out of school by year 10 is lowest amongst students who have high participation in the arts. While our schools already are doing some very good things in this area, this strategy will take that one step further and make a significant difference. As I said, the money that we have allocated will support artists working in schools, public art projects, visits to arts and cultural organisations events and artists' studios. It is something that every student can take on, and it adds to the development of their confidence, their skill, their sense of pride and achievement and their self worth.

SPEED LIMITS

Mr GOLDSWORTHY (Kavel): Can the Minister for Transport explain the practice of setting different speed limits for the same road, depending on the direction in which a vehicle is travelling? When motorists enter the township of Mount Torrens in the Adelaide Hills from the north, they are limited to a speed of 60 km/h. When they enter the township on that same road from the south, motorists are required to observe a speed limit of 50 km/h, a 10 km/h difference.

The Hon. M.J. WRIGHT (Minister for Transport): I can explain that to the member, particularly if members of the opposition are prepared to listen. With respect to the work that has been done in reviewing the speed limits from 60 km/h to 50 km/h, negotiations have taken place between TSA and local councils, which were represented by the Local Government Association. A set of criteria has been used for what will be measured with respect to allocating the speed. In the majority of cases—

Mr Venning: Not all.

The Hon. M.J. WRIGHT: No, not all: the member for Schubert makes a fair point. In the majority of cases, there has been agreement between TSA and local councils with regard to the speed. Very occasionally there is disagreement. One instance that comes to mind is Montefiore Road, where there was disagreement between TSA and, obviously, the Adelaide City Council. Obviously, as we move around South Australia there are other examples—and the member for Schubert has referred to some—where agreement has not been reached. What I have said to TSA—and I am happy to take this on board in regard to this particular example—

An honourable member interjecting:

The Hon. M.J. WRIGHT: That does occur.

An honourable member interjecting:

The Hon. M.J. WRIGHT: I have just explained why. I have asked TSA to continually monitor areas where there could be a problem as a result of these speed limits being introduced. Although there may have been agreement when they were first introduced, as a result of these restrictions now being put in place, from a practical sense it may well be that it is not working out. TSA is happy to monitor that and we—

Members interjecting:

The Hon. M.J. WRIGHT: There is no need to laugh at it. We are certainly happy to look at the example to which the honourable member refers—

The Hon. DEAN BROWN: Mr Speaker, I rise on a point of order. The question is quite specific in asking the minister

to explain that. I have listened, and I do not know whether the minister has convinced himself, but I do not think he has convinced anyone else. I would ask you to uphold standing order 98 to ensure that the minister gives a clear explanation to this house that members can understand.

The SPEAKER: It is a question of coming or going, and I think the minister may have missed the point that he is coming faster than he is going. The minister may not have understood.

The Hon. M.J. WRIGHT: There are isolated examples, because of what I highlighted in regard to the agreed criteria where this may occur. Now, if—

An honourable member interjecting:

The Hon. M.J. WRIGHT: Because of the criteria; you have to look at the criteria. What I have said is that this particular example raised by the member is always being monitored. We can look at that as we look at other examples where it may well be—

An honourable member interjecting:

The Hon. M.J. WRIGHT: That can be a factor. These things can be reassessed if there is now disagreement about the speed to which TSA and local councils originally agreed.

The Hon. R.G. KERIN (Leader of the Opposition): I have a supplementary question. To help clarify this question, if you are travelling on the 60 kilometre side of the road and you pass on the 50 kilometre side, what is the speed limit?

The Hon. M.J. WRIGHT: The reason why this may vary could well be because of what is on the side of the road. It may relate to that. It may relate to other factors in the criteria which have been agreed to. Even though this may sound strange, it may be related to what is on the side of the road, that is, whether it is residential on one side and non-residential on the other. What I can say to the member is that, if it is the case that this has not been correctly set, we can look at it and change it.

BUSHFIRES, TERINGIE

Mrs HALL (Morialta): Will the Minister for Emergency Services advise the house what measures the government will have in place by the beginning of the 2003-04 bushfire season to ensure that the area of Teringie has access to appropriate water supply and support mechanisms to fight and survive the ominous threat of bushfire? On days of extreme fire danger, water supplied to the Teringie area cannot be guaranteed, because of a requirement for ETSA to cut off electricity supply with the combination of extreme high temperatures and wind velocity at specific levels.

That decision and action then prevents the pumping of water from the three supply tanks. At a meeting of the Teringie Residents' Association last Wednesday, which was attended by more than 120 people, residents commended the CFS for the work of the community fire safe program but also expressed serious concern regarding their access to, or lack of, water and their ability to protect their lives and their property in such emergency conditions.

The Hon. P.F. CONLON (Minister for Emergency Services): I thank the member for Morialta for her question. It is a shame that that question did not get the echoes from the other side of 'Good question' that accompanied the blather that we heard earlier, because it is very good to get a question that is about a matter—

Mr Brokenshire interjecting:

The Hon. P.F. CONLON: I'm glad the member for Mawson did: I apologise. It is good to get a question about a matter of serious moment for the constituents in that electorate and for the people of South Australia. The issue raised is one of very great significance, not just in Teringie but throughout the state of South Australia. One of the things that was introduced last year and will be repeated this year with extra funding from the state government was the education program called Bushfire Blitz.

Ms Chapman interjecting:

The Hon. P.F. CONLON: The member for Bragg should bear with me—not that there is anything to brag about over there, if I might use that line. Part of the reason for the Bushfire Blitz is to make people aware of the dangers of the bushfire season. I will come to the specifics of the member for Morialta's question in a moment. One of the important messages in the Bushfire Blitz is that residents must make an early decision about whether they evacuate or stay. If they choose to stay, they need to take some precautions as a householder. One of them is, very importantly, to be able to get access to a supply of water when electricity is cut off, because it is very common for electricity to be cut off when there is a high fire risk or during a bushfire.

In a state the size of South Australia, as I am sure members on the other side who have rural backgrounds know, a great deal of self-help is required in terms of preparation for bushfire risk. A public meeting of 120 is very encouraging, and I appreciate the concern that those people have expressed and their awareness of bushfire risk. I am happy to take the details of the honourable member's concerns and those of the public meeting and discuss them with the head of the CFS to see if any arrangements should be made in particular. I will say, however, that the ordinary practice is to require people in bushfire areas who are going to stay and defend their home to make their own arrangements about access to water. I do not know the particular circumstances to which the honourable member refers. It is a very serious issue and I am happy to bring back a proper and considered answer.

ADOPTION

Mr SCALZI (Hartley): Will the Attorney-General advise whether the government will be proceeding with reforms to adoption laws in South Australia that will allow same sex couples to legally adopt children as one of the 54 pieces of legislation identified in the discussion paper removing legislative discrimination against same sex couples?

The Hon. M.J. ATKINSON (Attorney-General): We will be making an announcement about that matter soon.

Mr SCALZI: I have a supplementary question. Will the government allow a conscience vote?

The Hon. M.J. ATKINSON: Whether a matter is a social question will be decided by the leader of the parliamentary Labor Party.

TRANSPORT, PUBLIC

Dr McFETRIDGE (Morphett): My question is to the Minister for Transport. Given that Sunday trading has already begun, when will public transport timetables be amended to reflect Sunday trading hours? I have been contacted by a constituent who lives in the Glengowrie area who raised the problem of young people working in shopping centres who rely on public transport to get to work on Sunday.

The Hon. M.J. WRIGHT (Minister for Transport): Obviously, the government will want to see how well Sunday trading works before changing the timetables. Having said that, we are very confident, and the early indications are that the demand is there. So, this matter will be kept under active consideration.

TELEVISION NEWS

Mr O'BRIEN (Napier): Has the Premier received a response from Channel 7 to his criticism of their local job cuts? In parliament yesterday, the member for Unley claimed that the government had been inordinately silent on the issue of staff reductions by Channel 7.

The Hon. M.D. RANN (Premier): I noted the member for Unley's question and his bizarre claim that I had been inordinately silent. I am not often accused of being inordinately silent. Staff reductions at Channel 7 were announced in early September, and I spoke to the local media about my views of the Seven Network's decision to axe, as I am told, 34 operational and technical staff from its Adelaide work force. I indicated at that time that I was extremely disappointed with Channel 7's decision. My comments were reported on ABC radio, 5AA, 5DN and MIX FM on the morning of 4 September. I said that, at the same time as we as a state government were putting a lot more money into film production in this state, we were seeing a network like Channel 7 showing what appeared to be a Melbourne-centric view of Australia. I was quite blunt in my criticism of them, as I have been critical of the ABC for its decision on *Behind the News*. I said on 5AA:

> The problem is that these networks like Channel 7 and the ABC, their vision of Australia seems to extend only between the Sydney Harbour Bridge and the Melbourne Cricket Ground. . . it doesn't seem to extend to the rest of Australia.

Of course, on other occasions I have criticised the ABC for not having a vision beyond Oxford Street in Sydney. I went on to say:

> I bet you that Channel 7 will be approaching the government at the end of the year asking us to put funds into their *Discover* program. Well my message to Channel 7 is that we won't be putting state government funds into jobs in Melbourne.

That is what I said. I was not being inordinately quiet; I was being what on other occasions I am sure the member for Unley might say was provocative. On the next day I was further asked about this matter on the Jeremy Cordeaux program on 5DN. Again, I was very critical of Channel 7 for the action they took, saying that seven claimed that nobody knew Adelaide better than they did—what's their slogan: 'Nobody knows Adelaide better than we do'—but that 25 per cent of their work force was going and their control room would be in Melbourne. I said that I had expected better of Channel 7.

So, I want to make it clear for the benefit of the member for Unley and others that there was a very clear, public response by me to the actions of Channel 7 in reducing its local work force. I want to correct the record on one point. Yesterday I indicated in my answer that I had written to the national Channel 7 management about the matter. On checking, I found that this was not the case, because I did not need to. My message via the media was heard very clearly by local management, who sent me a letter that very day expressing their disappointment with my comments on radio.

I will certainly continue to advocate for the local film and television industry. I hope every member of parliament will take the opportunity to see the film *The Honourable Wally Norman*, which is about politics in the Adelaide Hills. Parts of this film were filmed in Lobethal, Mount Barker and Nairne, and it has an outstanding cast. Some of my jealous co-stars were at the premiere last night, including the odious Brian Dawe. I do not know whether any of us will get the chance to be nominated for an AFI award, but this film is about politics in the Adelaide Hills. I urge members to go and see it, because I think it is regrettable that, while we as a government are putting more and more money into the film industry—and I will be making a series of announcements—

Mr BROKENSHIRE: I rise on a point of order, Mr Speaker. My point of order is in relation to standing order 98, with respect to specifics. Adelaide Hills' politics has nothing to do with the question.

The SPEAKER: Order! I was waiting for the Premier to make the connection between Channel 7 and whatever the man's name is, if there is one, and there may be one. I do not know anything about either of them, other than that I am as disappointed as every other member in this place with the decision of Channel 7. Does the Premier have any further information for the chamber?

The Hon. M.D. RANN: No, sir, except that *The Honourable Wally Norman* will one day compare, in comedy terms, to *The Castle*, *The Castle Comes to Politics* and perhaps, in political terms, *Reds* or *The President's Men*, or maybe even Oliver Stone's *JFK*.

GRIEVANCE DEBATE

ELECTRICITY PRICES

The Hon. W.A. MATTHEW (Bright): What we have seen unfold in this state over the last two weeks, and further unfold today, are appalling revelations which demonstrate very firmly that this government has bungled appallingly in its mismanagement of electricity price setting in South Australia. For too long, the government has hidden behind the blame that it has cast on others. The government has blamed the Liberal Party; it has blamed privatisation; and it has blamed Lew Owens, as the Independent Regulator. However, the government has not been prepared to take responsibility for its own actions.

Nothing indicates more firmly, when a government is endeavouring to hide its head in shame over that which it has or has not done, when government members simply will not answer questions put to them in this house. Today, I asked the Minister for Energy what I would have thought were three very simple, straightforward questions. I asked him why, when he as minister set the terms for the Independent Regulator, Lew Owens, to set electricity prices, he did not ask the Independent Regulator to look at the wholesale contracts that were entered into by AGL. I would have thought that was a reasonable question to ask: if someone is going to be setting a retail price for any item or commodity, it is a only reasonable that the wholesale price they paid for that good or commodity be assessed. Well, it did not happen, and the minister will not answer the question. He will not tell the people of South Australia and he will not tell the house why he did not require that.

I also asked the minister, as he knew the wholesale electricity prices were on the decrease around Australia, why he accepted the increase that was put to him: why he accepted, without questions being asked and without a referral back to the commissioner, a 25 per cent price increase in electricity for all South Australians, varying to as high as a 32 per cent increase in summer months. Again, the minister did not answer the question.

I then asked the minister whether he would commit to a full and independent review of those 2003 price calculations, particularly in view of the fact that the minister himself admitted as recently as yesterday that a comparison of Victorian and South Australian prices that was placed in Adelaide's daily newspapers by the Essential Services Commissioner was wrong. The reason that the comparison was wrong is that the price used by the Independent Industry Regulator (now the Essential Services Commissioner), Lew Owens, was 20 per cent out for Victoria. He had compared the 2002 electricity wholesale price in Victoria with the 2003 price in South Australia.

South Australians deserve to have confidence in the process that is being used to set their electricity prices. They can have no confidence in this process when the mistakes have started to be revealed and when this minister will not answer simple questions. For members of parliament and others who are not aware of how the process works, essentially, when a price determination is made, the minister has the opportunity to provide directions. In September 2002 the energy minister provided directions to Lew Owens as Essential Services Commissioner, and he signed off on his letterhead, over the signature Hon. Patrick Conlon MP, Minister for Energy, his directions on how the electricity price determination was to be made on what was to be taken into account. Nowhere in that instruction from the minister is there a requirement that AGL's wholesale price that it was contracted to pay generators be taken into account.

I put on record that I believe this to be a fundamental failing in the way this process has been undertaken by this government. Any person in business knows that you cannot go ahead and charge a retail price without knowing what you paid for the goods and services in the first place. And here we have a government, supposedly presiding over electricity prices, that does not even know what wholesale price was paid in the first place. That is incompetent and it is an abrogation of responsibility on the part of a government that should be open and accountable to all South Australians. When these prices were first announced the opposition argued that they should be referred back, and they should be referred back until the right result came out. In Victoria AGL asked for a 15 per cent increase in its electricity prices; on referral back it dropped to 4.7 per cent.

SUPPORTED RESIDENTIAL FACILITIES

The Hon. S.W. KEY (Minister for Social Justice): I rise today to participate in grievances with regard to supported residential facilities. The previous government totally neglected this area. During the deputy leader's term in office and in his electorate alone, the Loredna supported residential facility closed, Seymour closed and Clifton closed. The previous government did nothing to support the supported residential facilities or their clients. I have heard the deputy leader refer to $3.5 million that he intended to allocate from housing money to the SRF sector, but the Department of Human Services has been unable to locate any record of this arrangement. If the deputy leader was referring to $3.5 million available from the rent subsidies scheme that he closed, then the money has never been available for SRFs, because it would have breached the Commonwealth State and Territories Housing Agreement. In any event, the supposed savings did not exist.

Let us look at what our government is doing. A full year of commitment of over $5 million recurrent indexed funding and a $26.5 million package for the next five years to sustain the private SRF sector. Add to that a $6 million contingency fund to look after the accommodation and support needs of residents who may be displaced by closures. Let us compare that to the Liberal record: absolutely nothing. There is a big difference between $26.5 million and zero. The deputy leader claims that the amount that the government has put in is only half the amount that its own report states is needed to make this sector viable. How much does the viability report state is needed to make the private SRFs viable? The Financial Analysis of Supported Residential Facilities Report 2003 identifies that SRFs have low operating viability. The typical SRF makes an average loss of $25 000 after imputing costs for unpaid labour and commercial rents. Put another way, the average rent revenue per resident is $10 450, while the average cost per resident is $11 250—a loss of $800 per resident. This government's package provides a board and care subsidy of $2 062 per resident across the board and in addition makes over $3 million available annually to support high need clients and thus improve the viability of the sector.

The Financial Analysis of Supported Residential Facilities Report 2003 does refer to a hypothetical model based on certain assumptions; for example, a 40-bed facility operating at 90 per cent average occupancy (economies of scale). The report notes that an annual subsidy of $7 476 per resident would ensure the hypothetical SRF was financially viable. The proposed model had appropriate staffing levels, paid award rates and had an adequate insurance scheme, and complied with other legal requirements. What the model did not do was to ensure that the subsidy contributed to the quality of care for residents.

In effect, the model was proposing the subsidy to guarantee the profitability of proprietors. This government has provided a suitable response, but it is not in the business of guaranteeing profits regardless of care standards or business efficiency or making sure that the residents are looked after. The government's response includes $2 062 board and care subsidy, as well as additional targets that support residents with the most complex needs. Now that cabinet has considered and approved this new package, I am quite happy to release the financial viability report, and it will appear on the Department of Human Services web site.

Let me just remind this house that the budget allocations over the next five years for supported residential facilities are: $10.193 million in 2003-04, $11.446 million in 2004-05, $11.732 million in 2005-06, $12.026 million in 2006-07 and $12.326 million in 2007-08. While the sustainment funds are recurrent at $26.5 million over five years, the closure strategy funds will be dependent upon the closure rate. However, $30.2 million has been held aside for this particular reason.

The government has offered the same subsidy for every resident and additional support for those with higher needs, this is important to make sure that people will not become homeless, and I can give an absolute guarantee that, despite what the opposition says, we will make sure that no-one is homeless as the result of the closure of an SRF.

Time expired.

BUSHFIRES, TERINGIE

Mrs HALL (Morialta): Following the question that I asked about bushfires earlier today, and the response and commitment given by the Minister for Emergency Services, I thought I would like to pursue the issue, because the bushfire problem is not only important to the residents of Teringie and other parts of my electorate, but also, of course, to the rest of the state. As we know, the summer weather has finally arrived, the days are becoming longer and I think we are all becoming more acutely aware that the bushfire season is fast coming.

For most of us, summer is usually something we look forward to. We go to the beach and we look forward to the festive and holiday season. However, in many cases, summer is also characterised by the threat of bushfire, and it is a time of concern for the safety of our lives and our property. It is particularly so for the residents not only of the Adelaide Hills but specifically the Teringie area, which is in the electorate of Morialta. It is nestled between Norton Summit and Old Norton Summit Roads, adjacent in the north to the Morialta Conservation Park and the Horsnell Gully Conservation Park to the south. It is an area that covers about 300 households.

Since July this year, I have had the pleasure of coordinating a working group that has focused on bushfire issues facing this area. This a group was formed at the initiative of the Teringie Residents Association, and its President, Dean Rossiter, who came to see me because they were starting to understand that the area could not be guaranteed a water supply in extreme conditions of high fire danger. The working group was a very cooperative group and it consisted of representatives from not only the Teringie Residents Association but also ETSA Utilities, SA Water, National Parks and Wildlife, and the Country Fire Service.

Our specific objective was to work out how residents of Teringie could best protect themselves and their property in the event of a deadly bushfire. The results of these discussions were presented to a special meeting convened by the Teringie Residents Association on 5 November. I mentioned that there were 120 people there because I think that is a pretty impressive percentage of a group of approximately 300 households in a very specific area.

It was clear from early in the meeting that everyone believed that it was only through the provision of accurate and specific information that they could best prepare themselves for the coming fire season. Real concern was expressed that not enough people understood that ETSA had to cut off electricity in certain extreme conditions, in our case thereby preventing the flow and water supply from the three tanks in Teringie. This was, of course, a huge issue.

In the Mount Lofty Ranges where Teringie is classified, the fire season commences on 1 December, so it was resolved, after a very detailed and productive meeting, to pass a few resolutions that residents believed deserve government support and action and, in some specific instances, urgent action. They referred to the importance of all residents ensuring that their own properties are prepared for the coming season and that the Teringie community continued to embrace the Community Fire Safe program. They deemed it necessary for the Teringie community always to have available water for use, and they asked the government what action it was prepared to take to ensure that the necessary equipment and support is in place by the beginning of the coming fire season and for a bushfire warning siren to be erected in the Teringie area as a matter of great urgency.

In addition to these motions, the other vital issues which residents of the area felt needed to be addressed covered the three water supply tanks servicing the area and the desirability of having a second back-up generator that could be used when power was not available. The pipes from the supply tanks, which are currently 80 millimetres, could be replaced with 100 millimetre pipe to improve the flow by nearly 50 per cent. If it is possible, financial assistance would help people purchase fire response equipment, and there is a need for the provision of clear information regarding the right equipment and how to use it. It is also important that private landholders maintain appropriately reduced fuel levels on their own properties. Great concern was expressed about restricted hours for burning off, and that is an issue that I will take up with the EPA. One of the other points that was raised, and it was of huge concern, was a result of a direct question about the effect of radiant heat and fire embers travelling, which I understand ranges from six to 22 kilometres. All these issues were raised, and I look forward to working with the government to find some positive results.

Time expired.

REMEMBRANCE DAY

Mr KOUTSANTONIS (West Torrens): Yesterday, of course, was Remembrance Day, when we remember those who fell in the Great War and other wars fighting for Australia.

The Hon. M.J. Atkinson: Greece entered so late in the Great War.

Mr KOUTSANTONIS: Greece was not in the Great War.

The Hon. M.J. Atkinson: That is the point I am making. Why was that?

Mr KOUTSANTONIS: I don't know. Why wasn't Ireland in the Second World War?

The Hon. M.J. Atkinson interjecting:

Mr KOUTSANTONIS: Anyway, given that the Irish refused to—

Mr Snelling interjecting:

Mr KOUTSANTONIS: That is right, yes. Given that Ireland refused to fight for the freedom of Europe, even though they had the highest—

The Hon. M.J. Atkinson: The highest volunteer rate in both world wars was from the counties that formed the Irish Free State. My father was a volunteer.

Mr KOUTSANTONIS: Anyway, Greece is not ruled by a foreign country.

Mr Snelling: It was.

Mr KOUTSANTONIS: It was, but not any more. *The Advertiser* ran a story in its state edition called 'Poppies and pride for those who sacrificed', and it is a very good story about how our schoolchildren are being taught to remember those who fell and those who survived. I was pleased to see that article by Andrew Hough. But I was disturbed by protesters who attended and disrupted Remembrance Day ceremonies in Melbourne yesterday because of the conflict in Iraq and asylum seekers being detained at Woomera and Baxter Detention Centre. I have no problem with people protesting. I think it is their—

The Hon. M.J. Atkinson: You protested against the former Yugoslav—

Mr KOUTSANTONIS: Do you want to make a speech?

The Hon. M.J. Atkinson: No, I will listen to yours. I would like to make my contribution during yours.

Mr KOUTSANTONIS: Okay, yes. The Attorney makes a very good point. I have protested against government decisions, and I will be organising future protests against government decisions if the Attorney keeps going. But the veterans were assembled in Victoria yesterday for Remembrance Day ceremonies and, unfortunately, they were disrupted by some protesters who wanted to disturb the services and, in fact, the services were delayed by three minutes because of the protesters. I think it is disgraceful that people disrupted those ceremonies. There are ample opportunities to protest throughout the year. Indeed, those people could have protested yesterday after the ceremony; there was no need to interrupt the ceremony itself. The protesters were trying to gain maximum media attention and they thought that, by disrupting the ceremony, they would somehow gain a bit of attention.

Mr Goldsworthy interjecting:

Mr KOUTSANTONIS: As the member for Kavel says, one of the protesters knocked a veteran to the ground while trying to make her point. I am not sure what happened at that site, but I find that disgraceful.

As I said, it is people's right to protest and to make their opinions heard and, indeed, that is why a lot of these returned servicemen served—to give people these rights, which we take for granted. But I think, in return, people should show some respect for the returned servicemen and their former comrades by not disrupting services in their memory. This is not a celebration of war: it is a remembrance of the sacrifice given by our servicemen and women, and I think that those protesters were wrong in doing what they did—although, of course, we defend their right to protest as much as we can.

Another topic I want to mention is that today the Premier attended Adelaide Airport, which is entirely within my electorate, to announce the building of the new terminal. I congratulate the Premier, Adelaide Airport Limited, Virgin and Qantas on the good work they are doing. I hope that in the construction of the new terminal they will not keep too many of my residents up late at night while transporting their earthmoving equipment and construction gear.

The problem is that no planning rules apply to the airport so, technically, they can have 24-hour construction, and I assume that is what they will do. That means 24 hours of trucks going in and out of the airport via the access roads such as Richmond Road. The local Mayor, John Trainer, raised the very good point that the airport is not covered by planning laws and, in fact, can have developments that do not correspond with the rest of the community and its surrounds. The airport thus far is trying to be a good corporate citizen and is dealing with local residents, but there is more work to do. I wish the airport well with its new terminal and hope that it takes into account the concerns of local residents surrounding the airport while they are constructing their new terminal.

SPRING FAIRS

Mr GOLDSWORTHY (Kavel): The season of spring is well and truly upon us, and I guess the many hay fever sufferers in the state will certainly confirm that. The spring flush, as it is referred to, is certainly evident, and no more abundantly evident than in our magnificent Adelaide Hills region. The pastures are thick and lush and many farmers are busy cutting for hay production, among other activities. But another aspect of our wonderful season in our Hills region is the quite significant number of spring fairs being held, and I refer to quite a number of spring fairs that local primary schools have been conducting. The recent fairs have been held by the Hills Christian School at Verdun, the Gumeracha Primary School, the Nairne Primary School, Lobethal Primary School and also the Littlehampton Primary School. The Lobethal and Littlehampton spring fairs will be held this weekend.

I want to talk about the funds raised from those particular activities. Children at the Gumeracha Primary School planted and grew 150 trees, which were put on sale at their spring fair. The proceeds from the sale of those 150 trees will go towards purchasing additional IT equipment for the school. At the Nairne Primary School the funds raised from its spring fair will be channelled into the final stages of their recently built gymnasium. At the Lobethal Primary School the funds that they will raise will go towards purchasing playground equipment. The Littlehampton Primary School will be using its funds to assist with the construction of a new gymnasium. It has been an absolute honour to be asked by those school communities to open their spring fairs.

What is common throughout each one of these schools and the towns in general is the tremendous community spirit that is abundantly evident. The sense of community is certainly alive and well in our Hills districts. Hundreds of people attend these events and show their very strong support for the schools, which are clearly a focal point for the community. It is a sign of the strength of the public within those townships who come along to support the local primary school.

I congratulate and commend all those dedicated people—the principals and staff and, in particular, the governing council members, parents and others who so freely volunteer their time and effort to make these important community events an outstanding success. Also, as I said earlier, the general public—the townsfolk—who come along and support these events are also certainly to be commended. I congratulate them and I look forward to a continuing close working relationship with all schools in the Kavel electorate.

WORKPLACE CHANGE

Ms THOMPSON (Reynell): Sir, you probably recall that on Monday the annual report of the Office of the Employee Ombudsman was tabled. I took the opportunity to have a quick look at it to see what issues the Ombudsman found to be affecting workers in our state, and I saw a section headed 'Workplace change and its effects on the family unit'. This has been a matter of interest to me for some time, and is certainly something that occurs in my electorate quite often, when sporting clubs, school governing councils and all sorts of community organisations find it difficult to obtain the community contribution they used to have because of the long hours worked by so many of those who are in employment. Often it seems to me that these bodies are formed by a disproportionate number of people who are not in employment.

The report addresses this matter by referring to a survey conducted by Healthworks which found that 78 per cent of employees surveyed felt too tired to perform basic duties at work at least once—and, presumably, this was because of the long hours they were working. The Healthworks survey of employees from 425 companies revealed that 24 per cent thought workplace anxiety and stress was causing fatigue; 19 per cent blamed long work hours; and a further 19 per cent said that shift work was the problem for their fatigue. The comment was:

This is a macro social and economic issue which adversely affects community and public health and societal structure overall, and it needs addressing objectively.

This gave rise to two thoughts on my part. One was that there was an ACTU claim on reasonable hours, which did not make the progress that I thought it deserved to make. The other concerned an article that I saw on the same day from *The Guardian* headed 'Working weak' by Madeleine Bunting. The article referred to the fact that Britain has an opt-out clause from a European Union provision limiting working hours to 48 hours per week. It noted that the clause was due for reconsideration shortly and inquired as to what might be the factors affecting the government's consideration of whether or not to renew its opt out of the European Union provision. The article stated that Britain has the highest working hours in the EU but that, increasingly, there is a community movement finding that this is not acceptable. It referred to a meeting a week ago in a hotel on the outskirts of Nottingham, where there was standing room only, with most of the attendees being men working in manufacturing, from car plants to textile companies. The article went on to say that people were finding that they really were suffering stress from many years of working long hours. Many of the participants spoke about colleagues in their 40s who had suffered heart attacks after continuously working long hours. The article continued:

. . . and in the last decade the pace of work has intensified because of new technology. It's the perfect recipe for stress.

I sought to find out what had happened with the ACTU reasonable hours claim and refresh my memory. The ACTU asked for a cap on working hours and paid time off for employees who work excessive hours. All the states intervened, by way of a joint submission, to support the broad principles of the ACTU claim, but did not make any submission about the nature of any provision that should result. Unfortunately, the commonwealth government's view was that the proposed reasonable hours clause was unwarranted. It contended that average working hours were declining; that the claim was unnecessary because it could be addressed through awards, agreements and OHS legislation; that it would be unworkable at workplace level; and that it was inappropriate to be instituted as a test case standard.

The claim did not progress far, but the bench accepted the ACTU's arguments that Australians work more hours than nearly every other OECD country. The bench accepted that, broadly speaking, there is a link between extended working hours, sleep loss, fatigue and accidents. It accepted that significant fatigue can be compared to alcohol intoxication. Much more is contained in the information that I acquired, but, in the brief time I have available to me, I want to alert the house to the problem of extended working hours and the need to better support families and workers.

Time expired.

MEMBER'S REMARKS

The Hon. M.J. ATKINSON (Attorney-General): I seek leave to make a personal explanation.

Leave granted.

The Hon. M.J. ATKINSON: Yesterday, as I sought leave to make a ministerial statement, the Leader of the Opposition interjected, 'What are you apologising for this time?' I replied, 'No apology', and then said, I had hoped, sotto voce, 'Being in government means never having to say you're sorry.' This was meant ironically, to wit, meaning the opposite of what was expressed. It was a reference to the famous line in the 1971 epic movie *Love Story*. Alas, with the help of the member for Unley, the remark made it into *Hansard*. The leader's interjection was on the mark, because I apologise and correct myself more than any other MP, and I started doing so before I was a minister, to the point where those who think my apologies and corrections are meticulous describe me as 'confessional'.

The SPEAKER: Does the minister believe that he has misrepresented himself?

The Hon. M.J. ATKINSON: Yes, sir. It would, therefore, be unfair to take my remark out of this context. I expect to make more apologies and corrections before my time is up in this vale of tears. If I had said, 'Being in opposition means never having to say you're sorry,' the remark would not have been ironical.

PUBLIC WORKS COMMITTEE: UPPER SOUTH-EAST DRYLAND SALINITY AND FLOOD MANAGEMENT PROGRAM

Mr CAICA (Colton): I move:

That the 192nd report of the committee, entitled Upper South-East Dryland Salinity and Flood Management program, be noted.

The Public Works Committee has examined the proposal to apply $20.9 million of taxpayers' funds to the Upper South-East Dryland Salinity and Flood Management program. The Public Works Committee approved earlier stages of the Upper South-East Dryland Salinity and Flood Management plan in its 43rd report in December 1996 and in its 140th report in December 1999. In 1999, it was foreshadowed that further works would be required. The extent of these works was further elaborated in May 2000 and additional action identified. The present proposal refers to $20.9 million of capital works being expended to complete the drainage scheme in line with investigations by the Department of Water, Land and Biodiversity Conservation over the last four years. A further $26.2 million will be expended on environmental management, protection and monitoring. The proposed works will combine with existing drains and other initiatives to manage surface water flows and control ground water levels and associated salinisation. The improved hydrological regime will allow greater agricultural productivity in the region, as well as improved protection of native vegetation and reinstatement and rehabilitation of wetland areas.

The project will involve the construction of approximately 410 kilometres of open earthen drains, which will nominally be 2 metres deep and with a bed width varying from 2 metres to 7.5 metres. In addition to the excavation of drains, the works include small bridge crossings at roads and strategic locations for access by land-holders, stock and native fauna. Water control structures will also be inserted at specific locations. The committee is told that extensive public consultations have occurred, especially with regard to the proposal for property owners in the region to contribute to the scheme through a cash levy or in-kind biodiversity conservation efforts. The committee conducted a site inspection of the

region and spoke with both agency and community representatives about this issue.

The committee is told that the primary objectives of the scheme are to reverse land degradation and economic decline as a result of the salinity and flooding, as well as manage and rehabilitate native vegetation and habitat environments. Capital costs for the project total $20.9 million, which accounts for drain design and construction, project management, monitoring and $1.5 million in compensation liability. This compensation liability is a contingency established under the Upper South-East Dryland Salinity and Flood Management Act relating to loss of land value that may occur under certain circumstances as a result of the acquisition of land corridors for drainage works. The committee is told that the recurrent costs of the project will be the responsibility of the South-East Water Conservation and Drainage Board.

Economic evaluations of the proposal have provided benefit cost ratios of between 0.87 and 1.10, depending on the discount rate applied, but have also acknowledged that much of the environmental benefit to be derived from the scheme is difficult to quantify in economic terms. The proposal will have no impact on the consolidated accounts. The committee is told that the remaining drains are scheduled for construction over a three-year period ending in June 2006. The committee notes and supports the project and its innovative approach to the issue of local stakeholder contribution through the in-kind biodiversity offsets proposed as alternatives to a cash levy. The committee acknowledges the difficulty in establishing and comparing economic and environmental management values but is of the opinion that the scheme proposed in this instance demonstrates a willingness to pursue effective, high value solutions.

The committee is encouraged by evidence from the proposing agency indicating that the community is willing to accept and contribute to the offset scheme. The adoption of an approach which seeks to trade initial construction costs for longer term environmental sustainability is something the committee supports in general with respect to all public capital works projects. The committee notes the agency's acknowledgment that, with present technologies, the project's effect on the total hydrological profile of the region is not fully quantifiable. The manipulation of the region's hydrology over the past century has produced myriad environmental outcomes, not all of which have necessarily been corrosive, and the present scheme will continue to produce profound impacts for decades, if not centuries, to come.

The committee accepts and expects that the proposal is being undertaken with the best available technology and knowledge, and is designed significantly to improve both the agricultural and environmental value of the region. The committee recognises that the project may, in the longer term, provide substantial ecological and economic benefits for the region through the future adoption of 'environmental credits' schemes. Should such a scheme come into effect with regard to the Upper South-East region, the committee is of the opinion that the contribution of all parties, governmental and individual, be recognised and any benefits deriving from the scheme be disbursed in accordance with the contributions provided. Therefore, the committee formally recommends to the minister that the contribution of individual land-holders to the establishment of this scheme be acknowledged so that any future economic benefits arising from its operation may be fairly divided. Pursuant to section 12C of the Parliamentary Committees Act 1991, the Public Works Committee recommends the proposed public work.

Mr MEIER secured the adjournment of the debate.

CONSTITUTION (OATH OF ALLEGIANCE) AMENDMENT BILL

Mr HANNA (Mitchell) obtained leave and introduced a bill for an act to amend the Constitution Act 1934. Read a first time.

Mr HANNA: I move:

That this bill be now read a second time.

I refer members of the house to section 42 of the South Australian constitution. The section requires all parliamentarians upon taking office to swear allegiance to the Queen. Of course, section 13 of the Oaths Act 1936 permits affirmation in lieu of an oath, and specifically makes that allowance in respect of that oath required by the Constitution Act. I am proposing that we have a new, modern and relevant oath of allegiance. It is still an oath of allegiance and it is something which each member and the general public could more readily comprehend and relate to than the existing oath. Just to make this quite clear, I will read out the current oath required. It is in this form:

I [name] do swear that I will be faithful and bear true allegiance to Queen Elizabeth II, her heirs and successors according to law, so help me God.

The name of the member of parliament and the name of the sovereign will vary as the case requires. I mean no disrespect to Her Majesty Queen Elizabeth II. I am sure that she would not be troubled by the proposal that I sincerely bring to this place today, and I am quite sure that she has enough troubles in London not to be worried by a province of her Australian dominions having a more relevant oath upon taking office in parliament. The oath that I suggest would be more appropriate is in this form:

I [name] swear that I will faithfully serve the people of South Australia and advance their welfare and the peace, order and good government of the State.

I think every South Australian would agree that, essentially, this is the role of each member of parliament. We are here to faithfully serve the people of South Australia. We are here to advance the welfare of the people of South Australia. We are here for the peace, order and good government of the state.

The reference to the peace, order and good government of the state is drawn from the guiding principles of Westminster constitutions throughout the Commonwealth of Nations, and our own constitution is no exception. The powers of the parliament of the Commonwealth of Australia are set out in the national Constitution. We fall back upon these general principles, and that is what gives this parliament such broad coverage of matters that concern South Australians.

The proposition I put to the parliament today is really very simple and is without any disrespect to Her Majesty Queen Elizabeth II, or her heirs and successors, for that matter. It would be more meaningful, more relevant, to the members of parliament generally and to the general public if the oath that I suggest were to be adopted. I reiterate that, for those members who perhaps take the New Testament literally and forgo the swearing of the oath, the option of taking an affirmation remains in place because section 13 of the Oaths Act is still available, whatever the form of that oath of allegiance.

I know that some members will say we should wait until Australia is a republic. There has been a referendum on that issue, and I would say that the referendum was drafted in

such a way that made the transition to a republic at this stage of our history virtually impossible. The members of parliament in this place who wanted an affirmative result in respect of a republic referendum know that to be true. In my submission, this is a separate matter. We do not need to tamper with the other legislative provisions that tie us to Her Majesty The Queen through the Governor and through our connection with the national parliament through the arrangements of our federation.

This is a very simple matter and, in a sense, it is a personal matter to members of parliament. My goal is simply to have a more relevant and meaningful oath of allegiance for us to take when we come into this place to do our duty. In my opinion, it will assist the respect that members of the public should have for those of us who sincerely and faithfully perform our functions as their servants in this place. I commend the bill to the house.

Mr SNELLING secured the adjournment of the debate.

INDUSTRIAL AND EMPLOYEE RELATIONS (EXEMPTIONS OF SMALL BUSINESS) AMENDMENT BILL

Adjourned debate on second reading.
(Continued from 15 October. Page 439.)

Mr SNELLING (Playford): I move:

That the debate be further adjourned.

Motion carried.

The SPEAKER: I point out to the house that it would be of considerable disappointment to the chair if the debate is not taken up—either for or against is beside the point—on the next occasion that it comes before the house.

PREVENTION OF CRUELTY TO ANIMALS (PROHIBITED SURGICAL AND MEDICAL PROCEDURES) AMENDMENT BILL

Second reading.

Dr McFETRIDGE (Morphett): I move:

That this bill be now read a second time.

I introduced legislation along similar lines to this in the last session of parliament. I spoke to the minister in good faith and compromised my own position and my own commitment to this legislation by allowing him to negotiate with other members of the Labor Party in this state and also with other Labor ministers around the country on the issue of prohibiting the tail docking of dogs. I bent over backwards and allowed the minister to consult with his caucus and other colleagues, and then in naivety I hoped he would support this legislation. Every member of this place (including the minister) was looking for a national plan. That is not only my wish but also that of all my colleagues in the Australian Veterinary Association and all my friends and associates in the Royal Society for the Prevention of Cruelty to Animals and the Animal Welfare League. Around the world there are many veterinary associations and humane societies which support the total prohibition of the docking of dogs' tails.

During the long waiting period for the minister to come back and say to me, 'Well, we now have this national consensus and we can go ahead and introduce legislation,' I am sure that my colleagues on both sides of the house have received a lot of communication from dog breeders and owners and people concerned about animal welfare. One member on this side has stated that I owe him a ream of paper to replace the paper that has been used by his fax machine. There have been hundreds of letters both for and against this legislation. However, the vast majority—and that is not 51 per cent; I am talking about the high 90s—are in favour of banning tail docking.

The very few people who make a lot of noise about continuing this barbaric practice are mainly animal breeders. I saw a sticker on the back of a car the other day that said, 'I'm pro tail docking.' I do not think the owner of the car was speaking for the dog in the back. It is barbaric to chop off a dog's tail; this procedure has no place in the year 2003. It has been the tradition in the past to dock dogs' tails for a number of reasons, all of which can be discounted. There is no health reason; there is no safety reason; there is no valid reason whatsoever for chopping off a dog's tail. I was approached by someone who said that they had a big dog and that it would damage its tail; that, in fact, it had a 10 per cent chance of its damaging its tail, so, if it lived for 10 years it would damage its tail. What a lot of rot! Apart from the ridiculous mathematics of that, if that is the case why do they not dock the tails of bull mastiffs and great danes? There is no consistency in the argument of the pro-tail docking lobby.

The Australian Veterinary Association put out a comprehensive scientific review in the *Australian Veterinary Journal* last year. This is a very broad literary and consultative review of the reasons for and against tail docking. There is no valid argument for continuing tail docking. If I had my way I would vote on this bill now, today, but I will not; I will continue to live in the faint hope that the minister will come to me and say that this is the piece of legislation we need, that this is the piece of legislation to which he and his colleagues and other ministerial colleagues in other states have agreed.

This is a very faint hope, because I have spoken to the minister and he is already contemplating setting up a committee of review. Any review committee in its right mind would never allow a dog to have its tail docked unless it was for therapeutic reasons. So why can we not get on with this piece of legislation? This is a government that wants to show leadership and to be bipartisan. It wants to be a sensitive new-age government, a SNAG. I do not see this. I still see the old argy-bargy, the partisan approach, which says that, if the opposition put it up, it is obviously something that we should try to avoid promoting, because it may make someone look like they have the public's interests at heart or, in this particular case, the interests of animal welfare.

I plead with the government to be sensible about this and to enact this legislation. Let us not have to go back through the whole process of voting down this legislation or waiting for it to drop off the *Notice Paper* at the end of another session while we wait for the government to have parliamentary counsel draw up some legislation that would just mirror what I have introduced with the added complication of setting up a committee to review any decisions. If you want to delay something, then you put it to a committee. That is not what I want to see here. I want to see this legislation introduced for the welfare of the dogs of South Australia now, today. I know it will not happen, but it needs to happen.

People have compared the docking of dogs' tails with the docking of lambs' tails. There is no comparison whatsoever. The docking of horses' tails and those of cattle has been banned for a long time, because it is not a necessary health procedure. The docking of lambs' tails is a health procedure. Years ago when our sheep were far more wrinkly than they

are now, not only were their tails docked but their hindquarters were mulesed and in some cases their cheeks were jowled. Large areas of skin were removed from their cheeks and rumps and their tails were docked. Fortunately, with selective breeding the need for mulesing and jowling is almost gone. I do not think that sheep have been jowled for a long time.

However, tail docking of lambs at marking time is absolutely necessary. Anybody who has seen a sheep with bad fly-strike would have to totally agree with what I am saying. I was invited to speak on 5AA about this legislation, and there were some comparisons made between the tail docking of dogs and the tail docking of sheep. A very wise fellow phoned in. He had been shearing sheep for many years, and he gave a very graphic description of some of the encounters that he has had with maggoty sheep. The only thing that you do not get on the phone is: you do not see the pain and suffering and you do not smell a fly-struck sheep.

Comparing the docking of puppies' tails with the docking of lambs' tails is absolutely ridiculous. For the health of sheep I certainly promote the docking of lambs' tails. However, there is no valid reason to dock a dog's tail. Legislation will come into force, whether it is mine or the government's, but I hope it is my legislation. This is the first piece of legislation that I have introduced into this place, and I live in hope that the government will be as open, honest and bipartisan as it claims to be. This bill provides for the complete prohibition of the docking of dogs' tails except where it is necessary for therapeutic reasons. For many years now I have wanted to see the introduction of legislation to outlaw the practice of the tail docking of dogs except in circumstances where it is for the good health and wellbeing of the dog, and then only if it is assessed by a qualified veterinarian. This is the only time when amputation of a dog's tail can be justified. We have banned debarking and ear cropping of dogs and the docking of the tails of horses, cattle and buffalo.

I would like to see a total Australia-wide ban on the docking of dogs' tails starting here in South Australia. Unfortunately, it will not start in South Australia, because we are the tail-end Charlie of this. Other states (New South Wales, Western Australia and Queensland) have introduced bans on tail docking and I think Victoria is introducing legislation as we speak. This legislation could have been in place nearly 18 months ago. How many thousands of puppies have had their tails docked during those 18 months? All this unnecessary pain and suffering could have been prevented by the minister if he had said that this is good legislation, it is going to happen, we should get on with the job.

Currently, vets dock dogs' tails only because they know they can do it quickly and aseptically in a surgical fashion with minimal trauma. In my former practice in Happy Valley, we docked dogs' tails for many years. This is a procedure which both the nurses who worked for me and I found repulsive. The number of vets in South Australia who dock dogs' tails has reduced dramatically. The Australian Veterinary Association considers the amputation of dogs' tails to be an unnecessary surgical procedure and contrary to the welfare of dogs, and it has held this position for a number of years. The AVA recommends that the docking of dogs' tails should be made illegal in Australia except for professionally diagnosed therapeutic reasons and only then by registered veterinary surgeons under conditions of anaesthesia that minimise pain and stress.

The RSPCA's position is that cosmetic tail docking is a painful and totally unnecessary tradition that should not be permitted to continue. The RSPCA is urging people when they go to pet shops to ask for pups with long tails. It is asking people when they purchase a pup to request breeders not to dock the puppy's tail. Most breeders pre-sell pups and have a waiting list, so this should be easy to achieve. There is obviously the belief that some dogs are born without tails, but every dog is born with a tail. I have made that statement in this place time and again, and I reiterate it here today.

There are genetic deformities and usually there is a really good reason for a dog having a very shortened tail or, in some cases, appearing to have no tail. The Australian Shepherd and the Pembroke Corgi are two breeds that appear to have no tail, but they have very deformed and very short tails. If you X-rayed them, you would see deformed coccygeal vertebrae, the remnant of where the tail should be; most of it has gone because of the selective breeding.

I advise that I will not be taking the modification of breeds any further than wanting the banning of tail docking. In Europe, there is a strong move amongst the EEC to have many breeds of dogs banned because selective breeding has led to numbers of genetically inherited problems. The achondroplastic dwarfs that we see as Bassetts is one particular case. I refer to the back, eye, ear and heart problems you see with Cavalier King Charles Spaniels; this is another breed that would be banned under EEC legislation.

Ms Bedford: Pekingese?

Dr McFETRIDGE: Their eyes will bug out, and they will be banned under EEC legislation. It is absolutely ridiculous. With current standards of veterinary care, those dogs can be looked after. This is not something that should be ignored. The dogs should be selectively bred to try to reduce the number of defects and problems they develop, particularly when they age.

The issue of tail docking will not go away unless this government allows it to. My legislation is a good piece of legislation, and I hope the government supports it. I seek leave to insert the remainder of the second reading explanation without my reading it.

Leave granted.

Tail docking is painful and unnecessary, and in some cases it can lead to the death of the pups. I have seen puppies that have been cruelly mutilated by inexperienced people docking their tails. I have seen puppies that have had to have separate procedures performed because of severe neuroma formation at the base of the tail where the amputation was performed. Dogs with neuromas can suffer constant, chronic pain throughout their life. I find it amazing that people look at dogs with docked tails and think that is normal. It is not normal. All dogs are born with tails. Tail docking usually takes place when puppies are about three days old. The breeder will take them into a veterinary clinic, where the vet will amputate the tail at the length prescribed by the breed society. Sometimes breeders will do the job themselves. They will resort to a pair of side cutters, elastic bands or pliers and, depending on the breed, they will chop off the tail with the side cutters or apply a very tight rubber band at the appropriate length. This causes intense pain.

Some people believe that the nervous system of puppies is not fully developed at the age of three to five days. However, from experience I can tell members that these puppies experience intense pain. As a veterinary surgeon, I have docked dogs' tails as a result of requests from breeders. In this way at least I was able to minimise the duration of the

pain and carry out the procedure in a sterile manner. Seeing the pups squirm and hearing them scream when you amputate their tails is not something about which I am proud, and I think it is time that South Australia moved to stop this barbaric procedure.

The practice of docking dogs' tails has been around for hundreds of years, and many theories have been expressed as to why it began, including the prevention of rabies and back injury, increasing the speed of the dog, and the prevention of tail damage due to fighting. The vast majority of dogs today are just backyard dogs. There is no evidence anywhere to show that dogs which have long tails and which are used in hunting and sport have more injuries than dogs which are kept in backyards and which never get out to be used for sport or hunting.

Dogs need their tails. Tails have many functions. They are very important for the balance of the dog and they add significantly to the agility of the dog. In addition, the other important use of a dog's tail is to enable the dog to express its own body language. That is particularly important. We have seen a number of dog attacks in recent times, and the tail can signify the potential behaviour of that dog. It is important that we do not just go chopping off dogs' tails because of the whim of some breeder on how a breed should look, because of some outdated theories, such as the prevention of rabies or the remote possibility that the dog's tail might be injured in some way.

Several countries, including Norway, Sweden, Switzerland, Cyprus, Greece, Luxembourg, Finland and Germany, have already banned the cosmetic tail docking of dogs. In these countries no increase in tail injuries or serious health problems has been detected as a result of the ban on tail docking. In the United Kingdom, tail docking can be performed, but only by registered veterinary surgeons. The Royal College of Veterinary Surgeons has declared the docking of tails, other than for therapeutic reasons, as unethical. The royal college stated in 1996 that such docking is capable of amounting to conduct disgraceful in a professional respect. It describes such docking as an unacceptable mutilation. That is what it comes back to—mutilating your pet—and no-one would agree with that concept.

In Australia, the ACT has already introduced a ban on the docking of dogs' tails. People will get used to seeing dogs with tails. It will be something with which breeders will have to cope. They will say that it does not look right and that it looks strange and unusual; that the breed standards will be betrayed; and that the tail has to be a certain length. We have to move away from that attitude and those ideas. It is vital that we do not give into the breeders who are clinging to these cruel, outdated traditions.

It is important to remember that in docking a puppy's tail one is cutting through bone, cartilage, blood vessels, muscles, ligaments and nerves. It is not just a quick snip of a little bit of skin that holds a piece of bone. It may seem a very superficial procedure, and it does not take very long to perform. It is certainly a very painful procedure.

I feel strongly about this issue, and I have received a number of expressions of support from the community in relation to it. I expect to receive complaints from some people who say, 'You can't do this. Dogs of certain breeds need to have their tails docked.' However, no dog needs to have its tail docked unless there is some genuine therapeutic reason. I hope that governments in other states follow the lead of the ACT and other countries where the practice has been banned.

I want to emphasise the importance of prohibiting certain surgical and medical procedures on animals by having the parliament include those prohibitions in the principal act and not allow those matters to be prescribed by regulation. Of course, procedures in the future may need to be prohibited, so my bill allows for that to be done by regulation. This bill repeals section 15 of the act and inserts a new section which provides:

Prohibited surgical and medical procedures

15. (1) A person must not—
(a) dock the tail of a dog; or
(b) dock the tail of an animal of the genus Bos or Bubalus; or
(c) dock or nick a horse's tail; or
(d) crop an animal's ear; or
(e) surgically reduce the ability of an animal to produce a vocal sound, or
(f) carry out any other surgical or medical procedure on an animal in contravention of the regulations.

Maximum penalty: $10 000 or imprisonment for 1 year.

The other clauses I have inserted in this act are on the advice of parliamentary counsel. They are already in the regulations and change nothing that is not in force already. On the advice of parliamentary counsel, the most logical way of amending the act is to include the docking of dogs' tails with these other prohibitions, which have been in force for a number of years. The clause goes on to state:

(2) However, a veterinary surgeon may carry out the following surgical procedures in the following circumstances:

(a) a veterinary surgeon may dock a dog's tail if satisfied the procedure is required for therapeutic purposes;

(b) a veterinary surgeon may dock the tail of an animal of the genus *Bos* or *Bubalus*, or dock or nick a horse's tail, if the surgeon certifies in writing that the procedure is necessary for the control of disease.

(c) a veterinary surgeon may crop an animal's ear if satisfied the procedure is required for therapeutic purposes.

(d) a veterinary surgeon may surgically reduce the ability of an animal to produce a vocal sound if satisfied that—

(1) the procedure is required for therapeutic purposes; or

(2) there is no other reasonably practical means of preventing the animal from causing a nuisance by creating noise.

Those other sections are already in the regulations, but on the advice of parliamentary counsel I have put them in as logical an order as possible and hope they will be accepted by all members. The genus *Bubalus* is a water buffalo and *Bos* obviously is cattle. The nicking of a horse's tail is the cutting of the ligaments under a horse's tail so it is carried higher when the horse is in harness. People used to think it was an acceptable thing to do to improve the appearance of the horse, just as people think docking a dog's tail improves its appearance. It is a terrible thing done in the past and we recognise the barbarity of some of these other acts here, and it is time we recognised the barbarity of docking dogs' tails. I hope that members on both sides of the house are true to their word and give me the support they have promised.

Mr SNELLING secured the adjournment of the debate.

PROFESSIONAL STANDARDS BILL

The Hon. K.O. FOLEY (Deputy Premier) obtained leave and introduced a bill for an act to provide for the limitation of liability of members of occupational associations in certain circumstances; to facilitate improvement in the standards of services provided by those members; and for other purposes. Read a first time.

The Hon. K.O. FOLEY: 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 is part of the third stage of the Government's legislative response to the insurance crisis. Over the last 12 months and longer, the Government has been approached by professional and occupational groups worried about steep increases in the cost of professional indemnity insurance. The Government has been told that as a result of these cost increases, risky but important professional services may either become prohibitively expensive to insure or be withdrawn from sale. The Government was concerned at this because of the consequences for the public if professional services become uninsurable or unavailable. It therefore invited comment on the possibility of professional standards legislation, such as that in force in New South Wales, first in a discussion paper published in February and later in a consultation letter sent out in October, 2003. Both consultations resulted in support.

The Government has meanwhile also taken part in national discussions that have resulted in agreement by all jurisdictions to enact consistent professional standards legislation modelled on the New South Wales *Professional Standards Act*. Accordingly, this Bill comes before the House. It is based on the New South Wales Act, though some modifications have been made.

In summary, the Bill would enable an occupational or trade group (not limited to a profession in the strict sense) to apply to register a professional standards scheme. A registered scheme would apply to all the members of the professional association, or to particular classes of members specified in the scheme. It would have a life of up to five years, subject to extension. In essence, a scheme would require those to whom it applies to adopt specified risk management practices and adhere to a complaints and disciplinary regime, so as to improve professional standards and reduce the likelihood of claims. In return, the scheme would cap the professional liability of the practitioners covered at a figure not less than the minimum cap fixed by law, in this case $500 000. The scheme would then require practitioners who wanted the benefit of the cap to maintain insurance cover or business assets, or a combination of these, sufficient to meet claims up to the cap.

The Bill contemplates the establishing of a Professional Standards Council. The Council is to consider proposed schemes and decide whether they should receive approval. The Bill sets out, by clause 11, the matters to be considered by the Council. They include the claims history of the members of the association, the cost and availability of insurance to those people, the effect of the scheme on people who may be affected by it, for example, consumers, and the comments and submissions made by the public after consultation on the scheme. Having regard to these and other matters, the Council would decide whether to approve the scheme.

Schemes can be approved for any profession, occupation or trade for liability for breach of a duty of care resulting in economic loss. The Bill would not, however, allow the limitation of liability for injury (even if the injury caused economic loss). This means that health professionals, carers or other practitioners whose chief liability risk is injury would not be able to limit that liability. The same approach has been taken in other jurisdictions.

If the Council approves a scheme, it must then be considered by the Minister, who may authorise the scheme by publication in the Gazette. Once this occurs, the scheme will take effect on a date set in the Gazette notice or, if no date is set, two months from the date of publication of the notice.

The scheme can, however, be disallowed by Parliament in the same way as subordinate legislation. It can also be the subject of a legal challenge, before it starts, by an affected person, on the ground that there has been a failure to comply with the Act.

A person covered by an approved scheme would have to disclose this in all advertising materials distributed and all business letters sent to clients, as well as on any website maintained by the business. Failure to do so will be a criminal offence. This is intended to ensure that consumers can make an informed choice about whether they wish to deal with a professional whose liability is capped.

The Bill does not, however, permit a professional and client to contract out of a scheme. If a professional is covered by a scheme, that scheme will apply to all the work done by the professional and falling within the scope of the scheme. I point out, however, that unlike the approach taken in interstate models, this will not affect a cause of action arising out of a contract made before the commencement of the Act, unless the parties otherwise agree.

The Bill is intended to strike a balance between maintaining adequate consumer protection against harm and keeping risky but vital professional services available to consumers. Note that, if a client sues a professional in negligence, in the absence of professional standards legislation, a consumer may not have any recourse because the professional may not have adequate insurance or assets to meet such a claim. The proposed legislation therefore increases protection to such consumers, by ensuring that a claim can be met, at least in part. It should also help to raise the standards of practitioners so that they are more alert to risks and better able to avoid them. It is about prevention at least as much as cure.

The Government has consulted widely on the measure, which appears to have support from stakeholders. Several commentators have argued that it should be accompanied by a complementary measure, proportionate liability. The Government has indicated its intention to introduce legislation for proportionate liability in economic loss and property damage claims, which I expect will be the subject of a future Bill.

The present Bill is consistent, though not identical, with measures taken in New South Wales and Western Australia, and with a Bill now before the Victorian Parliament. Similar measures can be expected to be introduced into other Australian Parliaments after the discussions of Insurance Ministers nationally. Complementary amendments to the Commonwealth *Trade Practices Act*, the *Corporations Act* and the *ASIC Act* are also expected in view of commitment given by the Federal Government to support State and Territory professional standards legislation. This will remove the principal impediments to the effectiveness of professional standards legislation.

I point out that it is the intention of Ministers that the legislation in progress around Australia should be complementary and should result in a national scheme relying on a single Professional Standards Council giving advice to all Ministers. Discussions are continuing and it is possible that some amendments to the measure could be required at a later stage to achieve these ends.

As a result of the measures being taken by States and Territories and by the Commonwealth, it is hoped that professionals across Australia will be encouraged to adopt schemes that will improve the quality and safety of their service to clients, while protecting the professional from exposure to catastrophic liability risks in the course of professional practice. The measure should, therefore, offer benefits both to professionals and to their clients.

I commend the Bill to Members.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

This clause is formal.

2—Commencement

This clause provides for the commencement of the Act by proclamation.

3—Objects of Act

This clause specifies that the objects of the Act are to—

- enable the creation of schemes to limit the civil liability of professionals and members of occupational associations and groups; and
- facilitate the improvement of occupational standards of such persons; and
- protect the consumers that receive their services; and
- establish the Professional Standards Council (the Council) to supervise the preparation and approval of schemes and to assist in the improvement of occupational standards and protection of consumers.

4—Interpretation

This clause contains definitions for the purpose of the Act. Some key definitions are as follows—

occupational association is defined as a body corporate that represents the interests of persons who are members of the same occupational group and membership of which is limited principally to members of that occupational group;

occupational group includes a professional group and a trade group;

occupational liability is defined as civil liability that arises directly or vicariously, in tort, contract or otherwise, from any act or omission by a member of an occupational association performing his or her occupation;

scheme is defined as a scheme for limiting the occupational liability of members of an occupational association.

5—Application of Act

This clause provides that the Act will apply to actions under the law of torts, for breach of a contractual duty of care, or under statute. The Act will not apply for damages arising from—

(a) the death of, or personal injury to, a person; or
(b) the acts or omissions of a legal practitioner in acting for a client in a personal injury claim; or
(c) an intentional tort; or
(d) a breach of trust; or
(e) fraud or dishonesty.

The Act does not apply to liability that may be the subject of proceedings under part 18 of the *Real Property Act 1886*.

The Act will not affect contractual arrangements entered into before the commencement of this Act (unless the parties make provision for the application of the Act after its commencement).

6—Relationship of this Act to other laws

This clause provides that to the extent of any inconsistency, Parts 3, 4 and 5 are to take effect subject to the provisions of other Acts. Otherwise, the Act is to have effect despite any other law to the contrary.

7—Act binds Crown

This clause provides that the Act binds the Crown. The Crown is not liable to be prosecuted for an offence under this Act.

Part 2—Limitation of liability

Division 1—Making, amendment and revocation of schemes

8—Preparation and approval of schemes

This clause provides that the Council may approve a scheme, upon application by an occupational association, to limit the occupational liability of its members. An application may be prepared by the Council (upon the request of the association) or by the occupational association itself.

9—Public notification of schemes

This clause requires the Council, before approving a scheme, to publish a notice in a daily newspaper circulating throughout the State. This notice must explain the nature and significance of the scheme, advise where a copy of the scheme may be obtained or inspected and invite comments and submissions not less than 28 days after publication of the notice.

10—Making of comments and submissions concerning schemes

This clause allows any person to make a comment or submission concerning a scheme following publication of the notice. Any comment or submission must be made within the period specified for that purpose in the notice or such further time allowed by the Council.

11—Consideration of comments, submissions and other matters

This clause lists matters the Council must consider before approving a scheme. These matters include all comments and submissions made under clause 10, the position of persons who may be affected by a scheme, the nature and level of claims made against members of the occupational association relating to occupational liability, risk management strategies of the occupational association concerned, the means by which those strategies are intended to be implemented, the cost and availability of insurance against occupational liability, the requisite insurance standards referred to in clause 29 and provisions relating to complaints and disciplinary measures. The Council may consider other relevant matters.

12—Public hearings

This clause enables the Council to conduct public hearings concerning a scheme. The public hearing may be conducted if the Council considers it appropriate and in a manner determined by the Council.

13—Submission of schemes to Minister

This clause provides for the Council to submit schemes it has approved to the responsible Minister.

14—Gazettal, tabling and disallowance of schemes

This clause enables the Minister, after carrying out the consultation required by clause 13, to authorise the publication of a scheme submitted by the Council in the Gazette. A scheme will then be tabled in Parliament and may be disallowed as if the scheme were a regulation.

15—Commencement of schemes

This clause provides that a scheme will commence on a date specified by the Minister or, if no date is specified, after the expiration of 2 months after Gazettal, unless the scheme is subject to any order of the Supreme Court (the court) under clause 16.

16—Challenges to schemes

This clause enables a person who is, or is reasonably likely to be, affected by a scheme to challenge its validity in the court on the ground that it does not comply with the Act. An application for an order is to be made before the scheme commences. The court may stay the commencement of the scheme until it makes a further order. The court can make an order to void a scheme, decline to make an order, give directions to ensure the scheme may commence or make any other order that it sees fit.

17—Review of schemes

This clause provides that the Council, on direction of the Minister or on its own initiative, may at any time review the operation of a scheme. The Council must comply with a direction given by the Minister. A review may be conducted to determine whether a scheme should be amended or revoked or whether a new scheme should be made. The Council may also review the operation of a scheme if an occupational association proposes altering the standards applying to an insurance policy that would, in the Council's opinion, be less stringent than standards previously approved by the Council.

18—Amendment and revocation of schemes

This clause allows an occupational association, the Council (on application of an occupation association), or the Minister upon a direction to the Council, to prepare an amendment or revocation of a scheme that relates to its members. The Council is required to approve such an amendment or revocation of a scheme. Further, clause 18 makes the provisions of clauses 8 to 16 apply to the amendment and revocation of schemes.

Division 2—Contents of schemes

19—Persons to whom scheme applies

This clause provides that a scheme can apply to all persons within an occupational association or to a specified class or classes of persons within that association. An occupational association may exempt a person from the scheme on application by that person.

20—Officers or partners of persons to whom a scheme applies

This clause specifies that where a scheme applies to a person or a body corporate, the scheme will apply to each partner of the person or each officer of the body corporate. However, the scheme will not apply to a partner of that person or officer of the body corporate, if the partner or officer is entitled to be a member of the same occupational association as the person, but is not a member of that occupational association.

21—Employees of persons to whom a scheme applies

This clause specifies that a scheme will apply to each employee of a person to whom the scheme applies, unless the employee is entitled to be a member of the same occupational association as the person, and the employee is not a member.

22—Other persons to whom a scheme applies

This clause extends the application of a scheme to persons who are prescribed by regulations, for the purposes of clause 31, to be associated with persons to whom a scheme applies.

23—Limitation of liability by insurance arrangements

This clause provides that a person to whom the scheme applies will not be liable for damages above the amount of the monetary ceiling specified in the scheme as part of a proceeding relating to occupational liability. However, the person must be able to satisfy the court that the person has the benefit of an insurance policy—

(a) that insures the person against that occupational liability; and
(b) under which the amount payable in respect of occupational liability (including any amount payable by way of excess) is not less than the amount of the monetary ceiling specified in the scheme, relating to the class of person and kind of work, at the time the act or omission giving rise to the cause of action occurred.

24—Limitation of liability by reference to amount of business assets

This clause provides that a person to whom the scheme applies will not be liable for damages above the amount of the monetary ceiling specified in the scheme as part of a proceeding relating to occupational liability. However, the person must be able to satisfy the court that—

(a) the person—
(i) has business assets; and the net current value of these business assets is not less than the amount of the monetary ceiling specified in the scheme at the

time the act or omission giving rise to the cause of the action occurred; or

(ii) has business assets and the benefit of an insurance policy that insures the person against that occupational liability (including any amount payable by way of the excess); and

(b) if combined, the value of these business assets and the amount payable under the insurance policy, is not less than the amount of the monetary ceiling specified in the scheme, relating to the class of person and kind of work, at the time the act or omission giving rise to the cause of action occurred.

25—Limitation of liability by multiple of charges

This clause provides that a person to whom the scheme applies will not be liable in damages above the "limitation amount" specified in the scheme as part of a proceeding relating to occupational liability. A scheme may also specify a minimum cap that may be higher than the "limitation amount"; in such instances, damages will be limited to the amount specified by the scheme as the minimum cap. However, the person must be able to satisfy the court that—

(a) the person—

(i) has the benefit of an insurance policy—

· that insures the person against that occupational liability; and

· under which the amount payable in respect of occupational liability (including the amount payable by way of excess), relating to the cause of action, is not less than the "limitation amount" at the time the act or omission giving rise to the cause of the action occurred; or

(ii) has business assets and the net current value of these business assets is not less than the "limitation amount"; or

(iii) has business assets and the benefit of an insurance policy that insures the person against that occupational liability; and

(b) if combined, the value of these business assets and the amount payable under the insurance policy in respect of occupational liability (including the amount payable by way of excess), is not less than the "limitation amount".

The "limitation amount" means the reasonable charge for the services that the person provided or failed to provide, to which the action relates, multiplied by the multiple specified in the scheme that relates to the class of person and kind of work.

In determining the amount of a reasonable charge, a court must have regard to—

(a) the ordinary scale of charges accepted by the occupational association; or

(b) if there is no such scale, the amount that a competent person of the same qualifications and experience would be likely to charge in the same circumstances.

This clause does not operate to limit the liability of a person, for an amount of damages less than the amount specified for that purpose in the scheme.

26—Specification of different limits of liability

This clause enables a maximum liability to apply to all cases to which the scheme applies or different amounts for different cases, classes or purposes. An occupational authority is also granted a discretionary authority to specify a higher maximum liability than would otherwise apply.

27—Combination of provisions under sections 23, 24 and 25

This clause provides that where clause 25 and clause 23 and/or clause 24 apply, at the same time, to a person in relation to the same occupation, the scheme must specify that damages will be determined under clause 25. However, any damages awarded must not exceed the monetary ceiling specified in the scheme in accordance with clause 23 or 24.

28—Amount below which liability cannot be limited

A limitation on liability for damages, arising from a single claim, must not be less than $500 000.

In determining the liability amount, the Council must have regard to the number and amount of claims made against persons within the occupational association and the need to provide adequate consumer protection.

29—Insurance to be of requisite standard

This clause requires an insurance policy to be of a kind which complies with standards determined by the occupational association concerned. An occupational association may submit to the Council for approval revised standards applicable to an insurance policy while a scheme remains in force. The Council retains discretion to approve or refuse a proposal submitted to it by an occupational association. Where the Council refuses to approve a proposal, the standards remain as previously determined by the occupational association.

Division 3—Effect of schemes

30—Limit of occupational liability by schemes

This clause provides that a scheme limits the occupational liability of a person to whom a scheme applies from the date of its commencement, for an act or omission, for the period in which the scheme remains in force.

A person to whom a scheme applies cannot choose not to be subject to the scheme, except in accordance with clause 19.

31—Limitation of amount of damages

This clause provides that the limitation of liability is a limitation of the amount of damages which may be awarded for a single claim. It is not a limitation of the amount of damages which may be awarded for all claims arising out of a single event. However, claims by persons who have a joint interest and claims by the same person arising out of a single event against associated persons (such as body corporate officers, partners, co-employees and persons in an employer/employee relationship) are to be treated as a single claim.

32—Effect of scheme on other parties to proceedings

This clause provides that the scheme does not apply to limit the liability of a party to proceedings if the scheme does not apply to that person.

33—Proceedings to which a scheme applies

This clause provides that a scheme in force under the Act will apply only to liability that arises after the scheme's commencement.

34—Duration of scheme

This provides that an application of a scheme is to cease after a period determined by the Council of not more than 5 years, in most cases, so that schemes are regularly reviewed by the Council. The Council may revoke or extend a scheme, by notice, for a period not greater than 12 months.

35—Notification of limitation of liability

This clause requires a person whose civil liability is limited under Part 2 to disclose that fact on all documents given by the person to a client or prospective client that promote or advertise the person or the person's occupation, including official correspondence ordinarily used by the person in the performance of the person's occupation, and similar documents. The disclosure will also be required on any website established by the person to promote his or her business. Further, a member of a scheme is required to provide a copy of the scheme to a client or prospective client where a request is made. Such documents do not include a business card.

Part 3—Compulsory insurance

36—Occupational association may compel its members to insure

This clause enables an occupational association to compel its members to hold insurance against occupational liability and may specify different insurance arrangements for different categories of members.

37—Monitoring claims

This clause enables an occupational association to establish committees to monitor and analyse claims against its members. Occupational associations may establish a common committee. Committee members need not be members of the occupational association concerned.

An occupational association (or such committee) can provide to its members, practical advice to minimise claims for occupational liability.

Part 4—Risk management

38—Risk management strategies

This clause requires an occupational association that seeks Council approval to a scheme to provide, as part its application, information on proposed risk management strategies and detail the means by which those strategies intend to be implemented in respect of its members.

39—Reporting

This clause requires an occupational association to report annually (and more frequently if requested by the Council) as to the implementation, monitoring and changes to its risk management strategies. The occupational association's annual report

must report findings or conclusions of a committee established by it.

40—Compliance audits

This clause provides that the Council may conduct, or require the occupational association to conduct, a compliance audit of its members in respect of the association's risk management strategies at any time. The association, and its members, is required to give the Council information and/or documents that the Council reasonably requires to conduct the compliance audit. The Council is required to provide a copy of the audit report to the association. Where the association is responsible for conducting a compliance audit, it is required to provide a copy of the audit report to the Council.

Part 5—Complaints and disciplinary matters

41—Complaints and discipline code

This clause enables the occupational association to incorporate, as part of a scheme, the code set out in Schedule 1. The occupational association may amend the code before its approval by the Council. The code contains provisions concerning the making and determination of complaints against members of occupational associations and the taking of disciplinary measures against members.

Part 6—The Professional Standards Council

Division 1—Establishment of Council

42—Establishment of Council

This clause establishes a body corporate to be known as the Professional Standards Council with the full legal capacity of a body corporate.

Division 2—Membership and procedure of Council

43—Membership of Council

This clause enables the Minister to appoint persons to the Council. Membership of the Council is to comprise of up to 11 persons having appropriate experience, skills and qualifications.

44—Provisions relating to members of Council

This clause is a formal provision that gives effect to Schedule 2. That Schedule contains detailed provisions relating to the appointment, term and tenure of office and remuneration of members.

45—Provisions relating to procedure of Council

This clause is a formal provision that gives effect to Schedule 3. That Schedule contains detailed provisions relating to the procedures and determinations of the Council.

Division 3—Functions of Council

46—Functions of Council

This clause specifies the functions of the Council. The Council is to—

- advise the Minister concerning the publication in the Gazette of a scheme, or of any amendments or a notice of revocation, submitted by the Council to the Minister;
- advise the Minister on matters relating to the operation of the Act;
- advise, encourage and assist occupational associations regarding insurance policies, the improvement of occupational standards and the development of self-regulation of such occupational associations;
- monitor the occupational standards of members of occupational groups and compliance, by an occupational association, with its risk management strategies;
- collect and analyse information concerning the occupational standards of persons to whom the Act applies.

Division 4—Miscellaneous

47—Requirement to provide information

This clause enables the Council to require an occupational association to supply it with information needed in order to exercise its functions.

48—Referral of complaints

This clause enables an occupational association to refer to the Council any complaint or other evidence of a member or former member of the association who has committed an offence under clause 35. It is also the intention of this clause to confer upon an occupational association, any person acting under its direction and the association's executive body, a partial immunity against an action, liability, claim or demand where the act is done in good faith pursuant to this clause (for example, in an action for defamation).

49—Committees of Council

This clause enables the Council to establish Committees to assist it in the exercise of its functions. The Council is responsible for determining the procedures and arrangements for committee meetings and the conduct of business.

50—Engagement of consultants

This clause enables the Council or a committee to engage the services of suitably qualified and experienced consultants.

51—Accountability of Council

This clause requires the Council to exercise its functions in accordance with the general direction and control of the Minister and any written directions given by the Minister. The Minister may also direct the Council to provide, or provide access to, any information in its possession relating to a matter specified in the direction.

52—Professional Standards Council Fund

This clause establishes the *Professional Standards Council Fund*. Any money appropriated by the Parliament for the purposes of the Fund, any fees paid to the Council and any other money to which the Council is lawfully entitled must be paid into the Fund. The Council may expend this Fund to carry out its functions under the Act.

Part 7—Miscellaneous

53—Characterisation of Act

This clause provides that this Act is to be regarded as part of the substantive law of the State, so that when the law of the State is applied in another jurisdiction, the limitation on liability provided for in the Act will also be applied.

54—No contracting out of Act

This clause prevents persons to whom a scheme applies from contracting out of the provisions of the Act after the scheme applies to them.

55—No limitation on other insurance

This clause provides that the Act does not limit the insurance arrangements a person may make, apart from those arrangements that are made for the purposes of the Act.

56—Minister's power of delegation

This clause provides a Ministerial power of delegation.

57—Regulations

This clause relates to the making of regulations for the purposes of the measure.

58—Review of Act

This clause requires the Act to be reviewed within 5 years so as to ensure that the policy objectives of the Act retain their validity.

Schedule 1—Model code

This schedule contains the *Occupational Associations (Complaints and Discipline) Code*.

Schedule 2—Provisions relating to members of Council

This schedule contains provisions relating to the members of the Council.

Schedule 3—Provisions relating to the procedure of the Council

This schedule contains provisions relating to the procedure of the Council.

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

VICTIMS OF CRIME (CRIMINAL INJURIES COMPENSATION REGULATIONS) AMENDMENT BILL

The Hon. K.O. FOLEY (Deputy Premier), on behalf of the Attorney-General, obtained leave and introduced a bill for an act to amend the Victims of Crime Act 2001. Read a first time.

The Hon. K.O. FOLEY: 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 *Victims of Crime Act 2001* provides for statutory compensation to victims who are physically or mentally injured as a result of a crime. It repeals and replaces the former *Criminal Injuries Compensation Act 1978*.

Under both these Acts, the fees that lawyers can charge victims of crime for their help with the claim are limited, and provision is made to pay those fees from the statutory fund. The limitation

protects the victim and the Fund. It protects the victim because, if the victim wins the case, the lawyer's fee is paid from the Fund and the victim is not out of pocket. It also protects the Fund because it caps the amount that can be paid to a lawyer in any case.

The amount of the lawyers fee has always been fixed by regulation. Under the *Criminal Injuries Compensation Act*, the maximum fee was, for many years, $675 (plus, in latter years, the GST). By the mid 1990s, it was becoming apparent that this fee was no longer adequate, and the Law Society justifiably asked the Government for an increase. This occurred only in 2002 when the present Government, in its first year of office, raised the fee to $1 000, a figure that the Government believes was satisfactory to the profession and a fair recognition of the lawyer's work in these cases. Unlike the previous scale, which paid more if the case went to court than if it was resolved out of court, the new scale set a fixed fee for all cases. It was hoped that this would encourage early settlement and discourage application to the court where there was no real dispute.

By the making of two sets of regulations, the new scale of fees was applied first to cases under the *Criminal Injuries Compensation Act*, which applies to offences committed before 1 January 2003 and, also, after that Act was repealed, to cases under the *Victims of Crime Act*, which covers offences from that date onward.

The fee increase was to be funded by an increase in the levy paid by those who expiate or are found guilty of offences. The levy is fixed by regulations under the *Victims of Crime Act*. As contemplated in that Act, the regulations provided for a higher levy to be paid for indictable than for summary offences, and for a still higher payment in the case of offences of violence or other offences likely to give rise to injury claims, such as armed robbery or home invasion.

The new scale contained, however, one feature that proved controversial. Both the Acts contain a requirement that, before a victim can apply to the Court for compensation, he or she must first give the Crown Solicitor full particulars of the claim, including medical reports, and three months must elapse, a period that the parties can use for settlement negotiations. The new cost scale proposed that, for the purpose of these negotiations before application to the Court, the Fund should not ordinarily pay for a report from a medical specialist, but only a report from the victim's usual or treating general practitioner.

I emphasise that this rule applied only to the period before application to the Court. The former Regulations did not restrict the recovery of the reasonable cost of specialist reports once application was made to the Court for compensation.

This was thought to be a good idea for several reasons. First, most claims in this jurisdiction are small claims, with many under $6 000 and most under $10 000. Compensation is limited by a points scale and a formula, the application of which is well understood by practitioners. The assessment of compensation is not usually a difficult exercise and the vast majority of cases settle by negotiation without the need for a trial. This is a good thing because it spares the victim the distress of an unnecessary court hearing. Reports from medical specialists rarely cost less than $400 and may often cost $700-$800 or more, whereas a general practitioner's report may cost around $100 to $150. As assessment of compensation is not usually difficult, it is better economy to use specialist reports only where there is some good reason why a general practitioner's report will not do.

Also, if a victim has a treating general practitioner, it is desirable that that person provide the report where possible, rather than sending the victim to a stranger to go over the whole history again. Many victims report distress at recalling or reliving the criminal assault upon them. Some find it tiresome to have to repeat their experiences first to police, then lawyers, then doctors, then courts. Sometimes this is necessary, of course, but it should be kept to a minimum.

Further, a treating general practitioner is often in a particularly good position to report on the victim's condition. If there has been an injury, whether physical or mental, that is genuinely impeding the person's way of life, the general practitioner is likely to be the first port of call and thus to see the victim soon after the offence. He or she may see the victim several times over the crucial early months. If the doctor has known the victim before the crime, he or she may be well placed to compare the pre and post injury condition. The general practitioner may also have a rapport with the victim that makes it easy for the victim to speak frankly with the doctor about the offence and how it has affected the victim. After all, the general practitioner has been chosen by the victim to treat the injury, whereas the examining specialist is chosen by the lawyer for forensic advantage.

Also, a medico-legal referral to a specialist often entails a wait of two or three months for an appointment, and perhaps some weeks or months thereafter for a report. A treating general practitioner can rely on his or her existing knowledge and records of the patient and can prepare a report without undue delay. Victims may be distressed by long delays in bringing a claim to conclusion because they feel that they cannot put the offence behind them and get on with their lives while legal proceedings are still on foot.

This provision applied only to the period for negotiation; that is, the initial three months, or longer as agreed by the parties, during which the parties should attempt to resolve the matter out of court. It did not stop the victim claiming from the Fund for the cost of specialist reports obtained thereafter; that is, when an application was made to the Court for compensation.

The rule, of course, was not absolute. There may be some cases in which a general practitioner's report may not be adequate, and no doubt some cases where the injured victim has not seen a general practitioner for treatment and does not have a usual general practitioner. For this reason, provision was made for a specialist report to be obtained at Fund expense with the agreement of the Crown even at this early stage of the case. Indeed, during the short life of the Regulations, the Crown so agreed with practitioners on many occasions.

Some members of the legal profession, however, took exception to this provision. Their objection seems to have been that general practitioners are not qualified to write a report for this purpose. Some, indeed, appeared to argue that general medical practitioners are not qualified to diagnose mental injuries. The Government does not agree with that point of view. After all, general practitioners are legally entitled to treat such injuries, including prescribing medication for sufferers, admitting them to hospital and, in grievous cases, detaining them there under the *Mental Health Act*. In reality, it is general practitioners who treat most of the mental illnesses and injuries that occur in our society, and rightly so. I refer to a recent address by Dr Jonathan Phillips, the Director of Mental Health Services for South Australia, to the Royal Australian and New Zealand College of Psychiatrists (of which he was then President) in which he said:

> *Currently, mental health services are delivered predominantly by general practitioners in both our countries. This is as it should be. There is no person better placed than the family doctor to know the needs of an individual and to provide care in a timely and efficient manner close to home…*(See Australian and New Zealand Journal of Psychiatry 2003:37:1-4)

This is not to say that specialists do not play an important role—of course they do. But the contention that a general practitioner, though qualified to treat the injured person, is quite unqualified to write a satisfactory report about him, is, in the Government's view, mistaken.

The contention must, however, have seemed persuasive to the Legislative Review Committee of the Parliament, because it moved the disallowance of these Regulations, apparently, mainly for that reason. Motions to disallow both the *Victims of Crime Regulations* and the *Criminal Injuries Compensation Regulations* were carried in another place. As a result of that disallowance, the new Regulations had no further operation and the former Regulations, including the lower fee for the lawyer's work, revived.

In the case of the *Victims of Crime Regulations*, because the parent Act is extant, new Regulations could be made restoring the fee scale, as well as other important features of the Regulations, such as the levy on offenders. The remade Regulations were, however, again disallowed. Since then, therefore, regulations fixing the levy have been separately remade, because, as far as the Government is aware, the Committee had no objection to the collection of a levy on offences at the prescribed rates. The fees regulations have not been remade, pending Parliament's deliberations on this Bill.

The case of the *Criminal Injuries Compensation Regulations* is different. The parent Act has been repealed, so there is no longer a regulation making power. If there is to be any change to the revived Regulations of August 2002, this must be done by Act of Parliament. That is the purpose of this Bill.

The present Bill would restore the former scale of fees, both the increase in the amount paid to lawyers and the rule about medical reports. The Government still believes, as it has all along, that lawyers are overdue for a fee increase and that the victim's general practitioner can, in most cases, write an adequate report for negotiation purposes.

Although there may be two or three practitioners who disagree, the Government does not believe that the majority of practitioners

in the field have difficulty with the proposed rule about medical reports. The Law Society has been consulted and has indicated support for this Bill.

It may be helpful in passing to dispel a myth that circulates persistently, in this place among others, that there are only one or two lawyers in Adelaide who will accept criminal injuries cases. Despite the current low fee, the Crown's records show that there are some 10 firms who regularly do such work, and up to 50 or so altogether who do this work at least occasionally. Thus, the Parliament should take care to hear the views of the profession as a whole, not just of one or two practitioners, when making laws in this field.

Some modifications of the former rules are proposed, however, in the hope of reducing some concerns. One is that the report of any general practitioner, not only the victim's usual or treating general practitioner, will be paid for by the Fund. Another is that the report of a treating hospital will be paid for either in addition, or instead, as the victim wishes. Also, the Bill stipulates the matters that the Crown must take into account in deciding whether to approve a request for payment of a specialist's report before application is made to the Court. These include the nature of the injury and whether a general practitioner could provide a satisfactory report in the particular case.

There are other new features. Some lawyers expressed concern to the Government that they might be in breach of their duty of care toward their client if a settlement was negotiated in reliance on the report of a general practitioner. Frankly, it would be doubtful that a practitioner would be found negligent for doing just what the law contemplates that he or she should do, but the Government wishes to give comfort to the profession on this point. Accordingly, the Bill provides that a legal practitioner is not negligent in giving advice to the client in reliance on the report of a general medical practitioner. This should deal with those concerns.

The Bill also introduces a new rule that the Fund will not normally pay for the cost of reports from allied-health practitioners; that is, people who do not have medical or dental qualifications. After all, these cases are claims for injury. A medical diagnosis is the basis of a claim. It has always been the law that the Crown and the offender, if they want an expert report, must get it from a medically qualified person. Victims would probably rightly complain if they were subjected by the Crown to examination by persons who were not so qualified. Likewise, why should the Fund have to pay for reports from people who cannot claim to be qualified to diagnose or prognosticate about injury (other than in the exceptional case where the injury is not within medical expertise). The Bill therefore provides that allied-health reports will generally not be paid for by the Fund. The exceptions are where the Crown agrees, or the Court is persuaded that the report of a medical practitioner or dentist could not provide the necessary evidence of injury.

In addition, the Bill makes some amendments to the particulars that the victim must give to the Crown about the claim. It stipulates that the victim must provide either or both a report from a treating hospital or a general practitioner or dentist. It indicates what the report should cover; for example, the history taken, the diagnosis, details of treatment and the prognosis. Some lawyers appear to have been under the mistake that the general practitioner must be asked to perform certain medical tests. The provision makes it clear that this is not necessary. It is up to the doctor to decide whether to order or perform any and what tests.

The Bill also stipulates that as well as giving details of the offender's conviction, the victim must disclose whether there has been an appeal. This is helpful in reminding the victim that until any appeal has been disposed of, it may be wise to defer incurring expenses in pursuance of the claim. If an appeal succeeds and a conviction is overturned, the victim may face greater difficulty in bringing a successful claim on the Fund. It is therefore helpful if a check is made at an early stage to see whether an appeal has been lodged within time and, if so, what is its fate.

Further, the Bill proposes that a victim must verify the particulars by statutory declaration. This is to make sure that the particulars are checked by the victim and are accurate. The Crown places some reliance on these particulars in deciding whether to make a payment from the Fund. A statutory declaration is not an onerous requirement and it helps to ensure that the Fund is being properly expended.

I should explain how the Bill, if passed, will affect pending cases. The new scale applies to claims that were first notified to the Crown on or after 19 December 2002. This date has been chosen because it was the date of the regulations that made the original fee increase. The Government had intended that fees should increase prospectively from that date. That is, the new fee scale was meant to apply to new claims first made after 19 December 2002, but it was not meant to provide a windfall or a top-up payment in cases where the lawyer had already accepted the work while the old scale prevailed.

In relation to the fee payable to the lawyer, if the case was first notified before 19 December 2002, the practitioner will, therefore, still be paid on the old scale, because that was the scale at the time he or she accepted the work. If the case was first notified to the Crown after 19 December 2002, and is yet to be settled or determined, the lawyer's fee will be on the new scale proposed by this Bill. The Bill will not affect cases, whenever notified, that have already settled or been determined before the Bill becomes law.

As for disbursements already incurred in pending cases affected by the Bill, if a disbursement was reasonably incurred in reliance on a scale prevailing at the time, it will be allowed in accordance with that scale.

Of course, this Bill only affects claims arising under the repealed *Criminal Injuries Compensation Act*; that is, claims for offences committed before 1 January 2003. For claims arising from offences committed on or after that date, the *Victims of Crime Act* applies. The relevant scale of fees will be that prescribed under that Act. The Government plans to make regulations fixing those fees in light of the Parliament's deliberations on the present Bill.

The Government is keen to see lawyers receive their long awaited and well deserved fee increase in criminal injuries matters.

I commend the Bill to the House.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

2—Amendment provisions

These clauses are formal.

Part 2—Amendment of *Victims of Crime Act 2001*

3—Amendment of Schedule 1—Repeal and transitional provisions

Clause 1 of Schedule 1 of the *Victims of Crime Act 2001* (the ***principal Act***) repeals the *Criminal Injuries Compensation Act 1978* (the ***CIC Act***). Clause 2 of that Schedule provides that the CIC Act nevertheless applies in relation to an application for compensation in respect of an injury that arose before the repeal of the CIC Act. Thus, although the CIC Act has been repealed (and the regulations under the CIC Act thereby impliedly revoked) the *Criminal Injuries Compensation Regulations 2002* continue to apply in relation to any applications for compensation under the repealed CIC Act.

Before the CIC Act was repealed, the regulations under that Act were varied (see Gazette 19.12.2002 p 4797) by substituting the scale of prescribed fees for legal practitioners so that the scale matched the scale set under the *Victims of Crime Act 2001*. Those variation regulations were disallowed on 16 July 2003.

As a result of the disallowance, the original scale of fees for legal practitioners in relation to applications under the repealed CIC Act was restored.

As the CIC Act has been repealed, there exists no head of power to vary the regulations under the CIC Act. Such variation can only be achieved by an Act of Parliament. This measure proposes to achieve that by varying the regulations under the CIC Act as set out in proposed new clause 3 to be inserted in Schedule 1 of the principal Act.

The regulations (if varied as proposed) will prescribe a new scale of costs for legal practitioners. The scale of costs under the regulations in existence before 19 December 2002 would apply in relation to a claim of which the Crown was notified before that date but, if neither the Crown is notified nor an application for compensation is lodged until after that date, then the scale as proposed to be substituted by this measure would apply. The new scale is substantially the same as the scale that will apply under the principal Act.

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

STATUTES AMENDMENT (EXPIATION OF OFFENCES) BILL

Received from the Legislative Council and read a first time.

The Hon. K.O. FOLEY (Deputy Premier): On behalf of the Attorney-General, I move:

That this bill be now read a second time.

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

Leave granted.

Background

This Bill addresses three major problems that have been identified in the interpretation and administration of the *Expiation of Offences Act*.

Firstly, on 17 October, 2001, Magistrate Vass, in *Police v Hunter*, ruled that when an expiation notice had been issued, and then withdrawn because of an error, there was no power in the *Expiation of Offences Act* to issue a fresh expiation notice for the same offence.

After this decision, and acting in reliance on Crown Law advice, the Commissioner of Police ceased the previously common practice of correcting a defective expiation notice by withdrawal and reissue of the notice.

The Police Commissioner then refunded approximately $290 000 in expiation fees from about 3 300 defective notices that had been issued up until September 2002. Demerit points applied to drivers licences have had to be reversed, and, in some cases, licence disqualifications also have had to be reversed.

Being unable to re-issue defective infringement notices is still causing revenue losses. SAPOL has advised that in the ten months ending 31 July, 2003, expiation notices to a total of $320 000 were withdrawn and could not be re-issued. Occasionally persons promptly pay an expiation fee, before a defective notice is identified and withdrawn. In these circumstances refunds are made. SAPOL has advised that in the four months ended 31 July, 2003, refunds totalling $21 882 were made to persons who had paid fees on the basis of defective notices that were later withdrawn.

Second, there is an even more common problem involving offences detected by speed cameras or red light cameras. When these offences are detected, an expiation notice is sent to the owner of the vehicle. The owner may respond by sending to the Commissioner of Police a statutory declaration under section 79B(2)(b) of the *Road Traffic Act*. The statutory declaration will be a complete defence if the owner either provides the name and address of some other person who was driving the vehicle at the time, or if, despite the exercise of "reasonable diligence", the owner cannot identify the driver.

Assuming that an identifiable person is named as the driver, the Commissioner of Police routinely issues a fresh expiation notice to the nominated driver. If the nominated driver convinces the Commissioner that he or she was not driving, then, unless a third person is identified as the driver, the Commissioner's policy is to issue a fresh expiation notice, usually sent for a second time to the registered owner. Alternatively, rather than target the owner, if there is a real prospect of identifying the offending driver, then the Commissioner will follow a chain of several persons, if necessary, each with successive expiation notices, in an attempt to identify the driver responsible for a camera-detected offence.

This is a labour intensive practice, and it is expected that the practice is about to become much more common. The *Statutes Amendment (Road Safety Reforms) Act 2003* allocates drivers licence demerit points to persons who expiate camera-detected offences. When that Act comes into operation, the Commissioner of Police estimates the number of statutory declarations received will grow from two or three thousand per month, to more than ten thousand.

There is clearly a need to ensure that the responsibility for offences detected by cameras can be sheeted home to either the responsible driver, or to the registered owner, as efficiently and as justly as possible.

Third, section 6(1)(e) of the *Expiation of Offences Act* prevents an expiation notice from being issued more than six months after the date on which the offence or offences are alleged to have been committed. The Commissioner of Police believes that the present practice of withdrawing and then re-issuing notices enables owners and nominated drivers to collude, to delay procedures, so that the ultimate notice cannot be issued because it is more than six months after the commission of the offence.

Substantive amendments

The Bill addresses all three of these problems. Firstly, it provides explicitly that an expiation notice may be withdrawn and re-issued, both to correct defects in the notice, and in circumstances where a statutory declaration has been received.

Second, it provides that when a statutory declaration is received from a registered owner, and that statutory declaration is not accepted as constituting a defence, then the issuing authority is not required to issue a reminder notice, inviting the vehicle owner to make another statutory declaration. Rather, the owner is to be sent an "expiation enforcement warning notice", offering the choice of either paying the expiation notice within 14 days, or contesting the matter in court.

Third, when a registered owner provides a statutory declaration, an issuing authority will be provided with 12 months, rather than 6 months, in which to issue expiation notices in relation to that offence. The additional time period is intended to thwart the prospect of owners and successive nominated drivers colluding to delay matters beyond the present 6-month time limit.

Parking offences

Because the Bill amends the *Expiation of Offences Act*, rather than the *Road Traffic Act*, the changes are relevant to many other expiable vehicle offences. These are mostly parking offences, and are found in:

- *Road Traffic Act* section 174A
- *Local Government Act 1934*, (and Council by-laws made under those statutory powers)
- *National Parks and Wildlife Act*
- *National Parks (Parking) Regulations 1997*
- *Highways Act 1926*
- *West Beach Recreation Reserve Act 1974*
- *Technical & Further Education (Vehicles) Regulations 1998*
- *Botanic Gardens & State Herbarium (Vehicles) Regulations 1993*

For these offences, however, the provision of any exculpatory statutory declaration by an owner is sufficient to an escape liability, provided only that the statutory declaration is not "false in a material particular.

Consequential amendments

The Bill provides that if enforcement proceedings have been commenced before an expiation notice is withdrawn, the Court must be notified, and any orders taken to be revoked.

An amendment to section 52 of the *Summary Procedure Act* would prevent issuing authorities gaining extra time to prosecute by withdrawing and reissuing defective notices. The prosecution period (6 months plus the expiation period of 28 days) is to be fixed by reference to the original, defective notice, not any subsequently reissued notice.

An amendment is also proposed to the *Road Traffic Act*, so that a nominated driver must be informed that he or she has been nominated in a statutory declaration by a registered owner.

Drug equipment to be forfeited

One unrelated amendment is proposed to section 13 of the *Expiation of Offences Act*, to facilitate the forfeiture of drugs, drug-growing equipment, and drug-using implements, when a cannabis expiation notice is enforced. Under existing provisions, when simple cannabis offences are expiated, any substances or items lawfully seized by police are automatically forfeited. The amendment proposes that the same items will be forfeited when an expiation notice is not voluntarily paid but is enforced by the court under section 13.

I commend the Bill to the House.

Explanation of Clauses

Part 1—Preliminary

Clause 1: Short title

Clause 2: Commencement

Clause 3: Amendment provisions

This Part is formal.

Part 2—Amendment of Expiation of Offences Act 1996

Clause 4: Amendment of section 6—Expiation notices

These amendments adjust the structure of the provision and do not make a substantive change. They are of a statute law revision nature.

Clause 5: Amendment of section 11—Expiation reminder notices

These amendments provide that an expiation reminder notice is not to be given where a statutory declaration sent by the alleged offender has been received by the issuing authority. Instead, the new procedure set out in section 11A is to be followed.

The amendments also require a reminder notice to set out details about the payment of the expiation fee and to be accompanied by a notice by which the alleged offender may elect to be prosecuted and, in relation to relevant motor vehicle offences, a form suitable for use as a statutory declaration. This material is elevated from the regulations to the Act to ensure consistency of approach between expiation notices and expiation reminder notices.

Clause 6: Insertion of section 11A

A new section is inserted to establish a separate process where an issuing authority does not accept a statutory declaration sent by the alleged offender as a defence to the alleged offence.

The issuing authority is required to send the alleged offender an expiation enforcement warning notice informing the alleged offender that the statutory declaration is not accepted, setting out details about how the expiation fee can be paid and accompanied by a notice by which the alleged offender may elect to be prosecuted.

The expiation enforcement warning notice need not be accompanied by a further invitation to send in a statutory declaration.

Clause 7: Amendment of section 13—Enforcement procedures

Currently, if an expiation fee is paid in a case where property has been seized in connection with the alleged offence, the property is forfeited to the Crown if it would have been liable to forfeiture in the event of a conviction.

The amendment provides that this is also the case if an enforcement order is issued in respect of an offence that has not been expiated. The provision contemplates that a court conducting a review of the enforcement order or hearing an appeal against the conviction may make an order to the contrary.

Clause 8: Amendment of section 14—Review of enforcement orders and effect on right of appeal against conviction

This amendment clarifies the expiation period and the prosecution period in a case where, on the review of an enforcement order, a fresh expiation notice is taken to be issued (because of some procedural default in the initial process). In effect, the process starts afresh as if the initial process had not taken place.

Clause 9: Amendment of section 16—Withdrawal of expiation notices

The grounds on which an expiation notice can be withdrawn are reworked. An expiation notice will be able to be withdrawn if:

- the authority is of the opinion that the alleged offender did not commit the offence, or offences, or that the notice should not have been given with respect to the offence or offences; or
- the authority receives a statutory declaration or other document sent to the authority by the alleged offender in accordance with a notice required by law to accompany the expiation notice or expiation reminder notice; or
- the notice is defective; or
- the authority decides that the alleged offender should be prosecuted for the offence, or offences.

The amendment requires the notice of withdrawal to specify the reason for withdrawal.

It also sets out the consequences that follow if a notice is withdrawn other than for the purposes of prosecuting the alleged offender. Any enforcement action is to be undone and the authority cannot prosecute the alleged offender for the offence without giving the alleged offender a further opportunity to expiate the offence.

The period within which a fresh notice may be given is extended to 1 year if:

- the notice is withdrawn because it becomes apparent that the alleged offender did not receive the notice until after the expiation period, or has never received it, as a result of error on the part of the authority or failure of the postal system; or
- the notice is withdrawn because of receipt of a statutory declaration. (In that case a fresh notice can be given to the owner of the vehicle or to a person alleged to be a driver within the extended 1 year period.)

Part 3—Amendment of Road Traffic Act 1961

Clause 10: Amendment of section 79B—Provisions applying where certain offences are detected by photographic detection devices

This amendment requires an expiation notice or summons given to an alleged driver identified through a statutory declaration of the owner of a vehicle to be accompanied by a notice setting out particulars of the statutory declaration. It also ensures that the address of a person who provides a statutory declaration is not handed on to a person named as an alleged driver in the statutory declaration.

Clause 11: Amendment of section 174A—Liability of vehicle owners and expiation of certain offences

This amendment amends section 174A to ensure that the address of a person who provides a statutory declaration is not handed on to a person named as an alleged driver in the statutory declaration.

Part 4—Amendment of Summary Procedure Act 1921

Clause 12: Amendment of section 52—Limitation on time in which proceedings may be commenced

The amendment sets out how withdrawal of an expiation notice affects the prosecution period for an alleged offence. The withdrawn notice is to be ignored only if it was withdrawn because the issuing authority received a statutory declaration or because it has become apparent that the alleged offender did not receive the notice until after the expiation period, or has never received it, as a result of error on the part of the authority or failure of the postal system.

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

SOUTHERN STATE SUPERANNUATION (VISITING MEDICAL OFFICERS) AMENDMENT BILL

Second reading.

The Hon. K.O. FOLEY (Deputy Premier) 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 repeal the *Superannuation (Visiting Medical Officers) Act 1993* and amend the *Southern State Superannuation Act 1994*, to deal with the closure of the SA Health Commission Visiting Medical Officers Superannuation Fund, and the transfer of those Visiting Medical Officers who are members of the VMO Fund, to the State Government's Triple S Scheme.

A Visiting Medical Officer is a person appointed as a senior visiting medical specialist, or a visiting medical specialist, by the Department of Human Services, a teaching hospital, the Institute of Medical and Veterinary Science, or by any other hospital or health centre incorporated under the *South Australian Health Commission Act 1976.*

The VMO Fund is a small superannuation fund with an accumulation style benefit structure, about 700 members and assets of about $50m. The scheme was established in 1983 to enable those VMOs who were not members of the main State Scheme, to have a fund into which the 10 per cent of their income identified as a superannuation benefit must be directed.

The VMO Fund is established under a Trust Deed, and the Trustee is the SA Health Commission Visiting Medical Officers Fund Pty Ltd. The Trustee's decision to close the fund has been endorsed by the government, which has consequently decided that as from 1 July 2003, no further employer contributions will be paid into the fund. The 10 per cent of income employer financed superannuation benefit for those VMOs who were members of the fund has been paid into the government's Triple S Scheme as from 1 July 2003.

Whilst the *Superannuation (Visiting Medical Officers) Act 1993* does not establish the VMO Fund, this Act complements the Trust Deed by regulating the relationship between the VMO Fund and the government's other schemes—the State Pension Scheme, the 1988 Lump Sum Scheme, and the Triple S Scheme.

The Trustee has decided to wind up the fund principally because the small size of the fund makes it difficult to compete against larger funds on a cost per member basis. As a result of the economies of scale associated with larger funds, members of those funds have the opportunity to share in the benefits of lower administrative and investment management fees. The larger funds are also better placed in today's complex world of superannuation to deliver the electronically based new services becoming available.

As part of the Trustee's decision to wind up the VMO Fund, the Trustee also decided that the VMOs would have the option to rollover their accumulated balances to a fund of their choice, with the Triple S Scheme being available to accept a member's accumulated balance. A large number of the VMOs are expected to roll over their accumulated balances to the Triple S Scheme.

The Bill therefore proposes the repeal of the *Superannuation (Visiting Medical Officers) Act 1993* and the amendment of the *Southern State Superannuation Act 1994* to deal with the fact that as from 1 July 2003, those VMOs who are not members of either the State Pension Scheme or the Lump Sum Scheme, have become members of the Triple S Scheme for their 10 per cent employer contribution. Many of the VMOs have salary sacrifice arrangements in place with in many cases the salary sacrificed contributions being also paid into the VMO Fund. Under the arrangements that have applied from 1 July 2003, VMOs have been able to continue with

their salary sacrifice arrangements and have the sacrificed salary directed into the Triple S Scheme.

The Bill also deals with some transitional matters to ensure that the VMOs being transferred to the Triple S Scheme will not be disadvantaged in terms of their death and disability insurance cover. The Bill provides that a transferred VMO will be entitled to maintain the death and invalidity cover that the person enjoyed in the VMO Fund and which would have continued without change by the member. This level of cover will be provided without the need for fresh medical evidence, but any existing medical conditions which have resulted in a restriction of cover may be maintained by the Superannuation Board. Where a transferring VMO applies to cancel or vary the existing insurance cover, the VMO will come under the insurance arrangements applicable to all other Triple S Scheme members.

Both the Trustee of the VMO Fund and SuperSA which administers the Triple S Scheme have arranged an extensive communication program to ensure that the VMOs affected by the windup of the VMO Fund and their transfer to the Triple S Scheme have been provided with all the necessary information to explain the changes. The Trustee gave advance notice to the VMOs earlier this year, soon after the decision to windup the fund had been made, and confirmed by the Department of Human Services as the principal employer. The SA Salaried Medical Officers Association (SASMOA) has been fully consulted in regards to the implications flowing from the wind up of the VMO Fund, and has indicated its support for the changes that are being proposed in this Bill. SASMOA has also indicated that it fully appreciates the reasons behind the Trustee's decision to windup the VMO Fund.

I commend this Bill to the House

Explanation of Clauses

Part 1—Preliminary

Clause 1: Short title

This clause is formal.

Clause 2: Commencement

This clause provides that the measure will be taken to have come into operation on 1 July 2003.

Clause 3: Amendment provisions

This clause is formal.

Part 2—Amendment of Southern State Superannuation Act 1994

Clause 4: Amendment of section 3—Interpretation

Clause 4 amends the interpretation section of the *Southern State Superannuation Act 1994*. The definition of "charge percentage" is amended by the addition of a new paragraph that defines the meaning of "charge percentage" in the case of visiting medical officers. The charge percentage is relevant particularly in relation to section 26, under which the amount an employer is required to contribute to the Treasurer in respect of an employee is determined.

This clause also inserts definitions of "teaching hospital" and "visiting medical officer", necessary for the purposes of the measure.

Clause 5: Repeal of section 15A

This clause repeals section 15A of the Act. Section 15A, which provides that a visiting medical officer may elect to become a member of the Southern State Superannuation Scheme, is redundant as a consequence of the repeal of the *Superannuation (Visiting Medical officers) Act 1993*.

Clause 6: Amendment of section 21—Basic Invalidity/Death Insurance

Clause 7: Amendment of section 22—Application for additional invalidity/death insurance

Clauses 6 and 7 contain consequential amendments to sections 21 and 22 of the Act.

Clause 8: Amendment of Schedule 3—Repeal and Transitional Provisions

This clause amends the transitional provisions in Schedule 3 of the Act by inserting a new clause dealing with transitional matters associated with the transfer of visiting medical officers to the Southern State Superannuation Scheme. The transitional provisions have the effect of ensuring that, despite prescribed limits in respect of age and maximum level of insurance cover, a transferred visiting medical officer is entitled to maintain the insurance cover he or she enjoyed as a member of the VMO fund. A transferred visiting medical officer is not required to undergo a medical examination as a prerequisite to receiving this level of cover. The premiums payable in relation to this cover will be determined by the Board but may not exceed the premiums the member was paying under the VMO Fund.

If a transferred visiting medical officer suffers from a medical condition or restriction noted for the purposes of the VMO Fund, the Board may impose certain conditions in respect of the insurance cover to which the officer is entitled under subclause (1).

A transferred visiting medical officer may apply to the Board to cancel or vary the insurance cover provided under clause 12(1) but will then be subject to the operation of Part 3 Division 2 of the Act.

In the event that a transferred visiting medical officer becomes entitled to a benefit under the VMO Fund on or after 1 July 2003 but before the occurrence of the retrospective commencement of the Act, the officer is not entitled to receive a corresponding benefit under clause 12(1).

Schedule 1—Repeal of Superannuation (Visiting Medical Officers) Act 1993

Clause 1: Repeal of Act

This clause repeals the *Superannuation (Visiting Medical Officers) Act 1993*.

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

Mr MEIER: Mr Acting Speaker, I draw your attention to the state of the house.

A quorum having been formed:

AUDITOR-GENERAL'S REPORT

Consideration in committee of the Auditor-General's Report.

(Continued from 11 November. Page 730.)

The Hon. P.F. CONLON: I move:

That the order listed in the orders of the day be so amended that the examination of the Premier occurs after the examination of the Minister for Urban Development and Planning.

The Hon. DEAN BROWN: I ask for clarification, because I think members need to appreciate that at the end of private members' time we have brought forward the program. Could the minister make the house aware of what is now the detailed rescheduling of times? Until now, members have had a specific time allocation for different areas.

The Hon. P.F. CONLON: At present, the only change in the order, except for bringing it ahead, is that the Premier will come third on the list after the Minister for Urban Development and Planning. I am somewhat in the hands of the whips in making this explanation, and it appears it could be a fluid situation as I speak. The motion is to alter the timetable as follows: first is me, the Minister for Infrastructure; second is the Minister for Urban Planning and Development; then the Minister for Tourism. Then, immediately after dinner is the Premier; at 8 p.m. the Minister for Education and Children's Services; at 8.30 p.m. the Minister for Transport; and at 9 p.m. the Minister for Industry, Trade and Regional Development.

Motion carried.

The ACTING CHAIRMAN (Ms Thompson): I declare open the examination of the Minister for Infrastructure.

The Hon. D.C. KOTZ: Minister, in relation to the Auditor-General's Annual Report in Part B: Agency Audit Reports Volume 4 page 1260, I have two questions relating to the Land Management Corporation. Under 'Policies and Procedures' the audit revealed that there were areas where the corporation could enhance the control environment through the development, approval and promulgation of policies and procedures relating to key areas such as contract management, project management and the engagement of probity auditors. Further, in the review there were instances that

revealed where the policies and procedures did not reflect the current organisational structures and business practices.

The Land Management Corporation has a huge responsibility on behalf of government to appropriately and properly manage land release and land sales, joint venture projects and redevelopment projects such as the Port Adelaide waterfront redevelopment and Mawson Lakes, both with $1 million price tags over ten years, and that is only to mention a couple of LMC's major responsibilities. The Auditor-General's revelations do not inspire confidence in the current management of LMC contracts and project management which are the key core business structures of LMC, and probity is the essential component for honesty and accountability in the corporation's operations. My question is: has the minister taken any action to instruct LMC to immediately attend to the matters raised by the Auditor-General on policies and procedures?

The Hon. P.F. CONLON: I think the member needs to put in context the comments of the Auditor-General. The reason we have an Auditor-General is to ensure that the actions of governments and the activities of government agencies are conducted to the highest standards. I point out to the member that the comments need to be read in the context of the overall audit and, in particular, the finding on page 1259 in regard to the assessment of controls under 'Audit Opinions'. The words used are:

> The audit revealed that there were areas where the corporation could enhance the control—

Certainly, that is why we have an Auditor-General—to point out areas where control could be enhanced. My understanding is that the LMC is acting upon those comments. They are certainly a long way from the harshest comments I have ever seen by an Auditor-General about an agency. In fact, I would reject entirely that they go to any concerns about probity by the Land Management Corporation. Saying that you could enhance some processes around the engagement of probity auditors does not say anything about the probity of the actual projects, and there is no question mark in my mind about the probity of any of the LMC's dealings while we have been in government. I do not have that concern and I reject the suggestion that we should raise a question mark about the probity of any of the dealings of the LMC.

The short answer is that my understanding is that the LMC has already put in place a response to the comments of the Auditor-General. Unfortunately, with the small rejigging of times there is no-one here from the LMC to confirm that. It is my understanding and, if there is someone here before the end of this half hour, I will certainly confirm that.

The Hon. D.C. Kotz interjecting:

The Hon. P.F. CONLON: Yes, that is the response, as I understand it—policy and procedures have been undertaken by the LMC. But, when you go into some of the comments—and I will not go into the politics of some of the things that have been said by Auditor-Generals in the past about previous governments—this is hardly a damning criticism.

The ACTING CHAIRMAN: I remind the member for Newland that the Hansard staff are most unlikely to have heard the interjections she made across the chamber to which the minister responded.

The Hon. D.C. KOTZ: They were part of the first question, so that is fine. I have a supplementary question. I think it is relevant to the Auditor-General's comments that policies and procedures did not reflect the current organisational structures and business practices. That wording is definite: 'did not reflect'. My question to the minister is: will he immediately attend to the matters raised and instruct LMC to attend immediately to those matters? I have also read in the Auditor-General's report that, as the minister correctly said, LMC has responded but the response was that they would get to it, rather than there being at least an instruction from the minister that this should be attended to fairly quickly because of the nature of the contracts under LMC's control. I believe that the control, the management and the probity issues are all part and parcel of it.

The Hon. P.F. CONLON: I will check the progress of the work done by the LMC in response to that. If I am not entirely satisfied (and I suspect that I will be), I will issue the instruction that the member requests. No-one has a greater concern for the probity of the LMC than the minister responsible, given that, while we do not exercise direct influence or control, we do have to cop the outcomes of things going wrong. I assure the honourable member that I will seek an update on the progress of the response, and I assure the house that, if I am not entirely satisfied, I will give them the sort of urgent direction that the member is asking for.

The Hon. D.C. KOTZ: I thank the minister for that. I would suggest that, if the minister were to look at the corporation charter, he would see that the minister does have the express authority. LMC cannot alter its policy without the express authority of the minister and, in fact, pursuant to that charter, it is under the minister's instruction. But I will leave that with the minister, because that is set in regulation.

The Hon. P.F. CONLON: But that is not what I am saying to the member—and I think the member understands that it is not what I am saying to her. I cannot be in the building with them every day.

The Hon. D.C. KOTZ: My second question relates to page 1260. Under the heading 'Contract authorisation', the report states:

> The regulations require that a person who has been delegated the authority by the board may execute documents on behalf of the corporation and that the document is duly executed by the corporation if the document is signed by a person with the appropriate authority.

The Auditor-General stated that a review of a sample of contracts executed on behalf of the corporation during the year revealed that, in some instances, they had not been executed in accordance with the regulations. What is the legal standing of contracts not complying with this legal requirement under duly constituted regulations, and has crown law advice been sought to determine whether these contracts are legally valid?

The Hon. P.F. CONLON: Crown law advice has not been sought by me, because a question has never been raised about the validity of the contract. My understanding would be that the ordinary laws of agency, and ostensible agency in particular, would make valid the contracts. It is more a matter of whether the government's arrangements are as they should be. The Auditor-General does a good job. He has identified that, in those circumstances, the government's arrangements are not all that they should be. The board has responded with a proper direction to make sure that it does not occur again. It is not my intention to spend resources on seeking a legal opinion unless some serious question is raised about the validity of those contracts. None has been raised with me at any point, except today.

The Hon. D.C. KOTZ: In that case, I am very glad that I brought the matter to the minister's attention through the

Auditor-General's Report. I would suggest that there could well be a legal question because, again, contract authorisation is directed under regulation, and regulations have as legal a standing as any statute that they are enabled by. I refer the minister to the Auditor-General's memorandum to parliament on page 8, under the heading, 'Statutory requirements, operational policies and administrative practices. The parliament and statutes', which states as follows:

> Whatever parliament mandates by statute is the policy of the state, and any administrative practice and/or policy that is not in accordance with the statutory requirements is unlawful. This is recognised as one of the fundamental principles of the common law.

Having imparted that further information to the minister, my question is: as the Auditor-General assessed only a sample of contracts, has the LMC taken action to assess all contracts in question?

The Hon. P.F. CONLON: It is sad that the opposition is so desperate to find a failing in the processes of this government. Firstly, it raised questions about the probity of dealings by the LMC because of a minor comment by the Auditor-General. Before the member instructs me on the law, I might give her a run-down of the doctrine of ostensible agency—the notion that some failures to follow administrative law do not invalidate contracts, and the fact that they are, in all likelihood, very binding contracts between the parties on the basis of all those doctrines would not help. But can I say one small thing. The Auditor-General (and I hope he will forgive me if I am wrong) is a lawyer. One would think that, in the discharge of his duties, if there is a question about the legal enforceability of these contracts as a result of his audit, he might raise it.

So often in the past, when members opposite were in government, they certainly believed that their opinion was superior to that of the Auditor-General. We saw a long history of that with respect to the Hindmarsh Stadium. They certainly believed that their opinion was superior to the Auditor-General's. I think some of them threatened to take legal action against the Auditor-General to prevent him from doing some of the things that they do—

The Hon. W.A. Matthew interjecting:

The Hon. P.F. CONLON: Do they go to the rugby? It is an inane question—probably one of his best for the day, though.

The Hon. W.A. Matthew: The soccer—been to the soccer lately?

The Hon. P.F. CONLON: Been to the soccer or the rugby? I am struggling to make a connection. I think the proposition put in the interjection is that, since there were so many problems that the Auditor-General had with Hindmarsh Stadium, no member of the government should go to the stadium. We would like to see the stadium making some money. I do go to the stadium: I am a great South Australian—

The Hon. D.C. KOTZ: Madam Acting Chair, I rise on a point of order. We have only a short period of time for asking questions. I believe that the questions that I put to the minister are serious and significant, and I would appreciate it if he would deal with them in that manner.

The ACTING CHAIRMAN (Ms Thompson): That is not a point of order.

The Hon. D.C. KOTZ: Substance will be the point of order, then, if it has not already been picked up.

The Hon. P.F. CONLON: I have no reason to doubt the validity of these contracts. It has not been raised by the Auditor-General—unless the member wants to refer me to that. The regulations state—

The Hon. D.C. Kotz interjecting:

The Hon. P.F. CONLON: No. Rumpole on the other side has said that because the regulations state that there is, therefore, a question mark over the validity of the contracts. The Auditor-General has not raised that issue. In order to reassure the member, I will bring back a considered response from the agency. The member is the only person to have raised the validity of those contracts.

Mr BROKENSHIRE: The Auditor-General's Report talks about the review of the ambulance service, which is something in which I have quite an interest—as do, no doubt, quite a lot of other people, not the least of whom are those who work in the ambulance service. The report states that the government devised an alternative approach to funding the ambulance service. Can the minister explain to the house what is meant by that (I refer to page 844, the third dot point)?

The Hon. P.F. CONLON: I am struggling to understand the member's question.

Mr BROKENSHIRE: My question is quite straightforward. I will repeat it. On page 844, the Auditor-General reported on the review of the ambulance service and stated that recommendations include, among other things, that 'the government devise an alternative approach to funding the ambulance service'. My question is straightforward: what sort of alternative approach is the government looking at?

The Hon. P.F. CONLON: If the member reads the sentence at the bottom of the page, he will see that it states:

> At the time of preparing this report the government had not formally considered and responded to the recommendations.

We still have not responded to the recommendations. One of the reasons for that is because of the success of the process that we undertook for the reform of emergency services. We wanted to make sure that the people out there in the ambulance service—in particular, the volunteers, upon whom we rely so heavily in regional areas—had an opportunity to make an informed submission about their views on the service.

There is no response; there is no device. As yet, there is no formalised response from the government. I can guarantee that we will take into account the submissions of the people who perform the service, but I will say that, while there is a divergence of opinion about what a new structure should be, there is absolutely no divergence of opinion about the need for reform. When we have considered the views of all the stakeholders fully and given them all proper weight, we will make a response, but I hasten to point out that the report is not a report or recommendations of government: it was an independent review. The former minister would know that the ambulance service is not the same as any government agency. It is not a government agency as such. It struggles under what I think is very much a transitional arrangement from one place to another. As I say, I think every stakeholder agrees that new arrangements need to take place, and the shape of those will be a matter of response for the government. We have not made it yet.

Mr BROKENSHIRE: As a supplementary question: when the minister gets down the track a little bit, would he be prepared to discuss his direction with the opposition?

The Hon. P.F. CONLON: Absolutely. One of the things which we did with the review of emergency services was attempt to include everyone, including the opposition, as to where we should go. I think one of the successes so far of the

transition process chaired by Vince Monterolla has been that there is a degree of enthusiasm across the services for a new structure and for a change, and they are building that themselves. That is the same sort of thing we would really like to achieve. I do not think there is any doubt that our consultation with the opposition was very open and very early about our approach, and I have to say that the opposition spokesperson did reciprocate. He was positive about moving to a new structure. We would like to do the same thing with the ambulance service because, at the end of the day, these are extremely important services and the people who know them best are the people who perform the services, and we will certainly be listening to them.

Mr BROKENSHIRE: The report clearly shows the continued financial pressure that the South Australian Ambulance Service is under, and I acknowledge that it was also under that pressure when we were in government and when I was minister because of the continued growth and demand of the service. Clearly, there appear to be problems in respect of that when it comes to the welfare of the staff and the ambulance officers in particular, who are of great concern to me, because they do a wonderful job and perform some of the most difficult jobs. They are often the first at a trauma on the roads, or wherever. I am very worried about the total number of claims in respect of WorkCover action limits going from 78 open claims in 2000-01 and 78 in 2001-02 to 171 in respect of the Auditor-General's reporting of the 2002-03 financial year.

Whilst the cost of the new claims for the financial year was only $70 000 more than the year before and therefore there was not a significant increase in the global budget, there was a significant increase in the total number of open claims. Another part which dovetails into that and which also concerns me is that we have gone from a situation where the injury frequency rate for new lost time injury/disease reached per million hours work has suffered in a negative sense from 161 million hours worked back to 126. Clearly, there is a problem with the welfare of the ambulance service in respect of WorkCover protection. Can the minister give me some further information on what is happening to address that matter?

The Hon. P.F. CONLON: I can. The honourable member would note that we are talking about figures to the end of June 2003. The honourable member might recall that a substantial set of discussions were held with the ambulance employees union about staffing levels and workload. The result of what you might call quite constructive argument was the very significant additional funding for new ambulance employees in the last budget. As a direct response, what you have here is a demonstrated issue and a direct financial response by the government; that is, more money out of consolidated revenue to employ more ambulance officers. I am happy to say that, while we do not like to see increased workers compensation claims because they are no good for anyone—terrible for the victim of the accident, terrible for the service—we can point to the fact that, on objective standards, the ambulance service in South Australia remains one of the best in terms of response times and responses in Australia.

The point raised by the shadow spokesperson is absolutely true; that is, there are very serious issues about workload growth, but they are not simply South Australian. In fact, at the last meeting of the ministers for emergency services the matter of increased workload growth around Australia was discussed because, according to other figures, it has grown faster than it appears it should. As I understand it, currently a study is being undertaken at a national level to try to identify the factors. It is a very important issue. I think that it is a complex inter-relationship between the health system and the ambulance service, and I suspect that we will find nationally that there are factors about the relationship between the health service and the ambulance service leading to that. However, in short, there was a response by this government. The response was to employ more ambulance officers as a result of extra funding in the last budget, and I can get the details of that extra funding for the honourable member in due course.

The Hon. W.A. MATTHEW: I note that over the past two audit reporting periods there have been some fairly significant changes to the structure of the departments that administer energy. In fact, under this minister we now have two departments administering energy, one department being Primary Industries and Resources (which principally reports to the Hon. Paul Holloway in another place) and the other department being Treasury (which principally reports to the Treasurer). For example, on page 1069 of the report there is a table showing a structure with which the minister would be familiar. That is a new structure for energy, which last year was a unit in its own right within Primary Industries and Resources and which reported to the chief executive. It has now been put in with the minerals division with minerals and petroleum. In view of these changes, has any control that the minister has over the energy portfolio been watered down through this structure; and who exactly reports to the minister? If the department heads report to other ministers, who reports to the minister?

The Hon. P.F. CONLON: Oddly enough, the head of Minerals and Energy and the head of PIRSA report to me on their activities and the head of MERI, Garry Goddard, reports to me from there. I have never had any difficulty with exercising control over that portfolio. I have never experienced any difficulty at all. I suggest to the honourable member that it is not unique in government that the chief executive of a super-department created under the previous government actually reports to more than one minister. The classic example in your government was the chief executive of justice. I cannot remember when the opposition were in government their suggesting that the chief executive was not reporting properly to the Minister for Police because she also reported to the Attorney-General. I find it absolutely unremarkable.

The Hon. W.A. MATTHEW: To clarify the situation further—I acknowledge it is not entirely unique for a chief executive to be accountable to multiple ministers—what is unique is the fact that these units are buried within the structure. The Department of Justice, for example, has easily discernible sections, be it the police department, the Country Fire Service or the state emergency service. They are identifiable groups with their own head.

Even the management of these personnel has been watered down. For example, in Primary Industries, we have a very competent geologist in David Blight and a very competent manager, who was recruited from Western Australia during my time as minister. He is very competent in the field of minerals and petroleum and suddenly he is responsible for Energy. How is it that these people get new tasks thrust upon them yet they are supposed to be accountable to the minister?

It seems to me that the minister is responsible for infrastructure, yet that comes within the portfolio of his colleague the Minister for Administrative Services. The minister is responsible for electricity, but that is split between Primary

Industries, which is responsible to the Hon. Paul Holloway, and the Treasurer. He also has responsibility for emergency services, but that is within Justice, which is principally responsible to the Attorney-General.

The ACTING CHAIRMAN: Order! The member for Bright is supposed to be standing. If he were he might be a bit more explicit in his questioning.

The Hon. W.A. MATTHEW: Madam Acting Chair, I am happy to do so, and simply ask the minister whether there are any chief executives in government who principally report to the minister for a major part of the role they undertake.

The Hon. P.F. CONLON: I am not sure that I can answer the question because I am not quite sure what it means. I will address the points that were made in the honourable member's lengthy introduction. You have to laugh, don't you! They come in here at question time and whack away at us because the number of employees earning over $100 000 has increased. They say we have more of them when we said we would have fewer. We have moved to an arrangement in Energy where, instead of having an executive here and an executive there, we have—

The Hon. W.A. Matthew: You are a minor player in your department.

The Hon. P.F. CONLON: I will get it in *Hansard* because he thinks that he is insulting me. The other proposition is that I am a minor player in these departments. We will send that out to all those agencies and to all the people who deal with me. We will let them make a judgment, and I think a lot of them will get a very good laugh out of it. I have been accused of many things as minister but not failing to make my influence known. Let me say that MERI may well be buried in Treasury but I do not have any difficulty telling them apart from the PPP unit, for instance, or Jim Wright. I generally recognise them when I see them. They generally come to see me when I ask them to come and see me. They generally do what I ask, and I am pretty comfortable with that. I am pretty comfortable with David Blight in Minerals and Energy. He is a good officer who generally does what I ask. To a degree it is a work in progress in that we have an agency that is more about delivering programs and policy advice.

In terms of the Office of Infrastructure being within the Department of Administrative Services, the Minister for Administrative Services is here, and I think he would be the first to testify that I am generally able to make my opinion known and have it acted upon in that area. It is an interesting complaint. It is simply not one to which I can offer any agreement at all.

The Hon. W.A. MATTHEW: The minister earlier was recanting—

The ACTING CHAIRMAN: Order, the honourable member will stand to address the chair!

The Hon. W.A. MATTHEW: Earlier the minister was recanting his strong support for the words of wisdom of the Auditor-General, and it is not often that I share an opinion of agreement with him but on this occasion I do. I put to the minister that this same Auditor-General found previously the following:

> The need for appropriate risk management strategies and oversight is compelling. Not only do ETSA corporations and Optima represent a significant proportion of public capital in South Australia, capital which should be preserved, but the downside for the South Australian public is significant as they, through the government, stand behind the financial viability of these entities. The conferral of government guarantees on publicly owned commercial business places a greater obligation—

The Hon. P.F. CONLON: I rise on a point of order. Does this lengthy recitation have any reference to any page of the Auditor-General's Report of 30 June 2003?

The Hon. W.A. MATTHEW: The reference is the Electricity Supply Industry Overview, commencing on page 1233. I know why the minister does not want me to put this on the record, as I continue:

> Not only do the ETSA corporations and Optima represent a significant proportion of public—

The Hon. P.F. CONLON: I have a further point of order. Can the member please explain what reference the long remarks he is reading have to any comments in the current Auditor-General's Report?

The ACTING CHAIRMAN: The time for this examination has expired. I have been tolerant in allowing a quick question and a quick answer. I am not getting a quick question. Can the member for Bright wrap up very quickly and I will ask the minister to reply?

The Hon. W.A. MATTHEW: I was two sentences from having my question in and I have had two interruptions from the minister because he does not want me to put this on the record.

The ACTING CHAIRMAN: Order! Please ask a question. I did not say the member could make a statement.

The Hon. W.A. MATTHEW: The statement relates to the question because it is a statement from the Auditor-General. Am I allowed to put the statement on the record or not?

The ACTING CHAIRMAN: Ask the question.

The Hon. W.A. MATTHEW: Does the minister acknowledge the correctness of the Auditor-General's statement that the effect of the collapse of the former State Bank of South Australia on the state's finances must never occur, when the Auditor-General was talking specifically in relation to electricity and was recommending to the former Liberal government that it should lease or privatise the state's electricity assets?

The ACTING CHAIRMAN: Can I have a reference please, member for Bright?

The Hon. P.F. CONLON: I am happy to agree that the member for Bright remains unapologetically a supporter of the privatisation of ETSA.

The ACTING CHAIRMAN: The time for the examination of this area of the Auditor-General's Report has expired for the Minister for Infrastructure, Minister for Energy and Minister for Emergency Services.

Progress reported; committee to sit again.

STATE PROCUREMENT BILL

The Hon. J.W. WEATHERILL (Minister for Administrative Services) obtained leave and introduced a bill for an act to regulate the procurement operations of public authorities; to make a related amendment to the Gaming Machines Act 1992; to repeal the State Supply Act 1985; and for other purposes. Read a first time.

The Hon. J.W. WEATHERILL: 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.

It gives me great pleasure to introduce the Government's *State Procurement Bill 2003*. This Bill is a key plank in the Government's 10 Point Plan for Honesty and Accountability. The Government took the following policy to the election:

"We will also review the State Supply Act, together with other legislation, in consultation with the Auditor-General. The objective will be to modernise the legislation to take account of the increased complexity of today's relationships between the government and the private sector."

Throughout Australian jurisdictions and in Governments in other places, the role of public sector procurement and the benefits that it can deliver to government programs through increased efficiency and through the direct delivery of Government policy objectives have been recognised.

The changes that this Bill introduces will ensure that the model of an independent board working with Government remains relevant and successful in a public sector environment that has changed significantly since the State Supply Act was introduced in 1985. The changes that this Bill represents over the State Supply Act are important in ensuring that a robust framework of accountability exists and that the policies and objectives of the Government of the day are supported. The independence and integrity afforded to procurement through the oversight of a body independent of Government will be enhanced. In this way the Bill is a key plank in our commitment to be an open, honest and accountable Government.

To help illustrate the need for the changes proposed in this Bill I will briefly outline the history of the State Supply Board and public sector procurement in this State.

The *State Supply Act 1985* came into operation on 30 September 1985 and replaced the *Public Supply and Tender Act 1914*. The 1985 Act established the State Supply Board as an independent body operating at arms-length from government. The Board's key role was to achieve the objectives of the Act, with the primary focus on ongoing efficiency and effectiveness in public sector procurement of goods.

The State Supply Board oversees the State Government procurement function which until the mid 1990s was largely viewed as an administrative support function based on clerical processes and standardised procedures for the procurement of goods. Put simply, the procurement function was predominantly a centralised model, with little or no interaction with end users.

During the 1990s, Governments across Australia began to recognise that significantly improved outcomes could be achieved through the introduction of strategic practices into their procurement activities. This was designed to stimulate better management of procurement processes, and ultimately deliver savings.

Also through the 1990s governments turned to outsourcing and contracting-out. Many of these measures were poorly researched and implemented which led to poor outcomes. Outsourcing and contracting-out caused a significant increase in the procurement of services as compared to goods. It was soon recognised that the traditional "lowest price" approach fitted uncomfortably with procurement of services and that different procurement competencies were required.

An acknowledged leader in public sector reform, in the area of procurement, is the United Kingdom. The fundamental issue identified by their experience is that procurement needs to be outcome focussed because the mere following of a process does not ensure the best possible result for the community.

As a result of the lessons learned both across Australia and in the UK, government procurement strategies now include the consideration of multiple outcomes, which include service delivery to the community and linking economic, environmental, and social priorities. Improved procurement practices have seen the development of more innovative contract arrangements, longer-term contractual periods, improved supplier arrangements, local industry development and a movement away from risk averse models to models seeking the appropriate management of risk.

It has now been five years since the first steps toward procurement reform were implemented in South Australia. This Bill provides the proper basis for further reform.

The Government believes that a Procurement Board established under statute remains the preferred mechanism as it confers power and authority on a single body to manage procurement on behalf of Government in a way that is at arms-length from Government. A single body operating at arms-length from Government delivers confidence to the community and suppliers that procurement decisions are not inappropriately influenced by the political process.

The State Supply Act was last amended in 2002 to address concerns raised by the Auditor-General regarding the State Supply Board and its role in procuring services. The previous Government had asked the State Supply Board to take a key role in the procurement of services without ensuring it had the appropriate legislative authority to do so. In Opposition, Labor strongly supported the role of an independent and expert authority having oversight of the purchasing and supply activities of government agencies.

In supporting the amendments we raised a number of concerns that public sector procurement could be better managed. This conviction led to our commitment to modernise the State Supply Act so that it takes account of the increased complexity of today's relationships between the public and private sectors.

The concerns that we raised in October 2001 included—

- that no comprehensive across-government policies and procedures (as to the conduct of procurement processes, structured and focussed on each step of in the procurement cycle process) had been developed;
- that there were insufficient institutional controls on the process of government contracting to ensure that government contracting was competitive, open, transparent and truly accountable;
- that the definition of goods and services, which enables certain activities to be placed outside the scope of the Act, could not be used to retrospectively make lawful some arrangement that was not lawful prior to the making of the legislation.

We had in mind events of the kind we saw associated with the Motorola contract where preferences and incentives were provided to Motorola to attract the establishment of the Software Centre to Adelaide, a process that involved secrecy and a departure from accepted procurement processes, exposing the former Government to allegations of partiality, favouritism, patronage and corruption.

Accordingly, we have reviewed the State Supply Act and are proposing to take the next significant step in procurement reform to ensure procurement across the public sector is undertaken in a coordinated manner consistent with best practice.

As most of us now recognise, best procurement practice is achieved by applying cost-effective purchasing approaches based on whole of life costs, including capital, maintenance, management, disposal and operating costs.

Whilst it is acknowledged that governments must ensure appropriate procurement practices are in place, it is further recognised that suppliers, as an integral part of the procurement process, also have a responsibility to contribute to government policy objectives. The proposed State Procurement Bill provides a governance framework for government procurement, and this new legislation includes an "object clause" that clearly describes that the purpose of the legislation is to advance government priorities and objectives by a system of procurement for public authorities directed towards—

- obtaining value in the expenditure of public money; and
- providing for ethical and fair treatment of participants; and
- ensuring probity, accountability and transparency in procurement operations.

A key objective of the proposed new legislation is that it will remain general rather than be specific. This provides greater flexibility for government policy to influence government procurement policies and practice. Clause 20 of the Bill strengthens the requirement that the State Procurement Board take account of government policy and clause 3 places an obligation on the Board to further the object of the legislation.

Key areas where procurement can support government policy are in the important areas of fair employment and environmental practices.

Examples of the way in which government policies may be reflected in procurement decisions include not purchasing uniforms made by producers who exploit outworkers and not purchasing goods which involve wasteful packaging.

I am confident that the provisions contained in the State Procurement Bill will also enable the public sector to continue its procurement reform program to ensure that the procurement activities of the public sector support the Government's objectives of service delivery to the community linking economic, environmental and social goals in a way that achieves true value for money. The State Procurement Bill will address our commitment to provide "Open, Honest and Accountable" government and contribute to the restoration of faith in the political process.

I commend the Bill to the House.

EXPLANATION OF CLAUSES

Part 1—Preliminary

1—Short title

2—Commencement
These clauses are formal.
3—Object of Act
This clause provides that the object of the measure is to advance government priorities and objectives by a system of procurement for public authorities directed towards—

(a) obtaining value in the expenditure of public money; and

(b) providing for ethical and fair treatment of participants; and

(c) ensuring probity, accountability and transparency in procurement operations.

The clause requires the Board and the Minister to have regard to and seek to further the object of the measure.
4—Interpretation
This clause defines key terms used in the measure.
5—Act not to apply to local government bodies and universities
This clause provides that the measure (other than clause 17) does not apply in relation to a local government body or a university.
Part 2—State Procurement Board
6—Establishment of Board
This clause establishes the State Procurement Board.
7—Composition of Board
This clause provides for the Board to consist of—

- the presiding member, being the chief executive (or his or her nominee) of the administrative unit responsible for the administration of the measure; and
- 8 members appointed by the Governor, being 4 persons who are members or officers of public authorities or prescribed public authorities and 4 persons who are not members or officers of public authorities or prescribed public authorities.

The appointed membership must include persons who together have, in the Minister's opinion, practical knowledge of, and experience or expertise in, procurement, private commerce or industry, industry development, industrial relations, information technology, risk management, environmental protection and management, community service and social inclusion.
At least one appointed member must be a woman and at least one must be a man.
8—Terms and conditions of membership
This clause sets out the terms and conditions of membership of the Board.
9—Vacancies or defects in appointment of members
This clause ensures that acts and proceedings of the Board are not invalid by reason only of a vacancy in its membership or a defect in the appointment of a member.
10—Allowances and expenses
This clause entitles members of the Board to allowances and expenses determined by the Governor.
11—Staff of Board
This clause provides for the Board to have staff comprising of public servants and to make use of the services of officers of an administrative unit or public authority.
12—Functions of Board
This clause provides that the Board has the following functions:

(a) to facilitate strategic procurement by public authorities by setting the strategic direction of procurement practices across government;

(b) to develop, issue and keep under review policies, principles and guidelines relating to the procurement operations of public authorities;

(c) to develop, issue and keep under review standards for procurement by public authorities using electronic procurement systems;

(d) to give directions relating to the procurement operations of public authorities;

(e) to investigate and keep under review levels of compliance with the Board's procurement policies, principles, guidelines, standards and directions;

(f) to undertake, make arrangements for or otherwise facilitate or support the procurement operations of public authorities;

(g) to assist in the development and delivery of training and development courses and activities relevant to the procurement operations of public authorities;

(h) to provide advice and make recommendations to responsible Ministers and principal officers on any matters relevant to the procurement operations of public authorities;

(i) to carry out the Board's functions in relation to prescribed public authorities and any other functions assigned to the Board under the measure.

13—Committees
This clause empowers the Board to set up committees to advise it or assist it in carrying out its functions.
14—Delegations
This clause empowers the Board to delegate functions or powers to its members, committees of the Board, staff of the Board and other persons engaged in the administration of the measure.
15—Board's procedures
This clause prescribes the procedures of the Board.
16—Common seal and execution of documents
This clause requires a decision of the Board to authorise the use of the Board's common seal and the signature of two members to attest the fixing of the common seal.
Part 3—Miscellaneous
17—Undertaking or arranging procurement operations for prescribed public authorities and other bodies
This clause empowers the Board, with Ministerial approval, to undertake or make arrangements for procurement operations for a prescribed public authority or a body other than a public authority or prescribed public authority.
18—Public authorities bound by directions etc of Board and responsible Minister
This clause requires a public authority to comply with directions given by the Board or by the responsible Minister on the recommendation of the Board, and to comply with any policies, principles, guidelines or standards issued to the authority by the Board. It also requires a prescribed public authority to comply with any directions given by the responsible Minister on the advice or recommendation of the Board.
19—Responsibility of principal officers in relation to procurement operations
This clause makes the principal officer of a public authority responsible for the efficient and cost effective management of the procurement operations of the authority subject to and in accordance with the policies, principles, guidelines, standards and directions of the Board.
20—Ministerial directions to Board
This clause empowers the Minister to give general directions in writing to the Board about the performance of its functions. A direction may require the Board to take into account a particular government policy or a particular principle or matter. The Minister must, within 6 sitting days of giving a direction, table it in both Houses of Parliament. Except as provided by this clause, the Board is not subject to Ministerial control or direction.
21—Accounts and audit
This clause requires the Board must keep proper accounting records in relation to its financial affairs, to have annual statements of account prepared in respect of each financial year, and to have the accounts audited at least once in every year by the Auditor-General.
22—Annual report
This clause requires the Board to prepare an annual report, and requires the Minister to table the report in both Houses of Parliament within 14 sitting days of receipt.
23—Regulations
This clause empowers the Governor to make regulations for the purposes of the measure.
Schedule 1—Related amendment, repeal and transitional provisions
Schedule 1 repeals the *State Supply Act 1985*, amends the *Gaming Machines Act 1992* to update the reference to the Board and makes transitional provisions in relation to the Board.

The Hon. W.A. MATTHEW secured the adjournment of the debate.

AUDITOR-GENERAL'S REPORT

Consideration in committee of the Auditor-General's Report (resumed on motion).

(Continued from page 765.)

The CHAIRMAN: The committee is now dealing with the examination in relation to the Minister for Urban Development and Planning and the Minister Assisting the Premier in Social Inclusion.

Mr BROKENSHIRE: I advise the minister that I am here as the shadow minister for gambling, not planning. I refer to point 6.3.3 (page 60) of the Auditor-General's Report under the heading 'Gambling taxes'. I will give the house some background to this matter. The report states:

> During 2002-03, taxation revenue from gambling activities amounted to $335 million, $23 million (7 per cent) over the previous year and were very close to the 2002-03 budget ($336 million).

A chart shows the trend in gambling taxes in real terms. It highlights the increasing contribution that gaming machine tax makes to the state's budget. In fact, this is a very steep graph which shows the government projecting a significant increase of $71 million in real terms over the forward estimates right through to the year 2006-07.

I appreciate that the government is addicted to gambling as a form of revenue raising so that it can indulge in its programs. I appreciate that it is not the minister's fault in its entirety as he is not the Treasurer, but it concerns me that the government is addicted to gambling and is projecting in public records a massive hike in taxation revenue that will go further towards the vulnerability of problem gamblers in this state—people who are putting themselves, their families, their properties and, most importantly, their children, at risk. When we look at this graph we see next to nothing in the way of increased funding for problem gamblers and rehabilitation programs. I therefore ask the minister: when will the government put serious amounts of money into rehabilitation? I am not talking about the whole lot, but just 4 or 5 per cent of this $71 million would go a long way towards helping problem gamblers.

The Hon. J.W. WEATHERILL: In a nutshell, the point seems to be that the honourable member is concerned about the question of problem gambling. If that is a genuine concern—and I have no reason to doubt that—then he ought to give credit to the government for at least three of the most important reforms that have been seen in this area for many a long year. Those three reforms in broad terms cover three basic areas. The first reform is directed at the actual problem gambler, asking them to take responsibility for their circumstances. The second one is to place additional requirements on gambling providers and ensure that they accept their responsibilities. The third is directed at the general level of gambling opportunities in the community. The government is adopting this three-pronged attack based on the philosophy of harm minimisation to address the undoubted harm that is occurring in the community in respect of problem gambling. The government adopts the view—and this view is enshrined in the legislation that governs the regulation of gambling in this state—that gambling is a legitimate form of entertainment, that a number of people enjoy it and they are entitled to do so, and that a number of businesses are engaged in this industry, and they prosper and are entitled to prosper. That is the starting point.

The second point is that we are taking serious steps in relation to mitigating the harm caused by problem gambling. Rather than just adopt some window dressing which was adopted by the previous government by imposing a freeze or limiting the capacity of gambling operations to transfer by putting a prohibition on shopping centres but not applying it retrospectively so that there is a complete hotchpotch of regulations which do not stack up to any real scrutiny, what we have done is engage in a most serious examination of three important legislative measures.

The first of these is the family protection order. This is directed at the first issue, that is, ensuring that the gamblers themselves take some responsibility for the harm they are causing in their own family. The advertising that is currently taking place throughout South Australia on radio and television and in print is reminding gamblers about what they are in fact gambling with, that is, the relationships they value most in their lives: their family and friends. These campaigns require resources and then demand further support services. When these measures are introduced there is an associated increase in counselling. That has been budgeted for, and those funds have been made available. Those programs have been supervised and inspired by the Minister for Social Justice, who continues to discharge her functions in relation to those issues with great skill and competence. I have the utmost faith in her to continue that work. However, these programs require resources, the very resources that the honourable member says we are not applying.

The second measure is the most detailed analysis of the codes of practice which has been carried out by the Independent Gambling Authority since its inception. It has consulted up hill and down dale. It has spoken to every community group conceivable in relation to this issue. It has spoken to gambling providers and those who care for those who suffer from the harm caused by problem gambling and it has sought to engage in a dialogue which will lead to the production of codes which will have a real effect on the incidence of problem gambling. These are not general codes or motherhood statements but serious measures which are directed at gambling providers taking real responsibility for ameliorating the harm caused by problem gambling. Not surprisingly, that has caused some controversy. Members opposite would have received as many letters as I have—probably more—complaining about what was being proposed by the Independent Gambling Authority. That process is continuing, and we expect to make some announcements shortly in relation to those matters.

Finally, I refer to the gaming machine inquiry. Once again, extraordinary evidence was given by a range of people—crucially, those people who suffer from the harm of problem gambling and the people who work with these victims. They came along to the Independent Gambling Authority and talked about what it was like to have a family ruined by the effects of problem gambling. The providers and their representatives and advocates had to sit there and listen to this evidence, and it is evidence you cannot ignore. I think that played a crucial role in shifting the attitude of a number of the gambling providers to engage in a much more cooperative and fulsome way in the development of the codes of practice and, indeed, in making serious submissions about the gaming machine inquiry.

There is no doubt that, at the beginning of this process, it was true to say that on one hand we had the church and welfare sector, which was adopting a somewhat prohibitionist approach to the debate and, on the other hand, we had the gambling providers who were not seriously engaging with harm minimisation measures. The Independent Gambling

Authority has been able to bring those parties together, and we believe we will be able to produce some very serious gains in the area of problem gambling.

Somehow there is this suggestion that we are enjoying the benefits of this additional gambling revenue and not addressing problem gambling, but it is quite the contrary. This government is doing more about problem gambling than has been done in the state since the introduction of gaming machines.

It was also suggested that somehow this revenue is applied to indulgences. Well, if one regards hospitals and schools as an indulgence—which I do not—I think that is—

Mr Brokenshire interjecting:

The Hon. J.W. WEATHERILL: And, indeed, extra police resources. How does one get extra police, teachers and nurses—how do you get those things—without paying for them?

Mr Brokenshire interjecting:

The CHAIRMAN: Order, the member for Mawson! It is not a debating time; the minister is answering a question.

The Hon. J.W. WEATHERILL: I have just one small fact to promote to the member for Mawson. We have only one form of money; it is taxpayers' money. We cannot make any other sort of money, so it has to come from somewhere.

Mr Brokenshire interjecting:

The CHAIRMAN: Order! These sessions have been very pleasant up until now. We do not want to get into a situation of unnecessary conflict. The member for Mawson.

Mr BROKENSHIRE: I thank you for your guidance, sir, and I appreciate that. The minister's answer was like a spruiker on a soap box in a park on a weekend. I asked a specific question. I acknowledge that when we were in government we led Australia in setting up the IGA and the Minister for Gambling, and a lot of work was done. I am trying to get a very simple answer. This government is clearly by its own graft addicted to gambling, and people are sick and tired of rhetoric, brochures and announcements that do not achieve anything. We need some real dollars put into helping to rehabilitate and support problem gamblers. My question is: when will we see reasonable amounts of money from the government's massive tax grab put into helping those people who have kids who are not being fed tonight because this government is addicted to the gambling tax?

The CHAIRMAN: I take it that that is the question, and that this is the answer?

The Hon. J.W. WEATHERILL: Yes, this is the answer. The measures which we are putting in place and which directly go to minimising the harm of problem gambling may well jeopardise some revenue. That is a natural consequence of those reforms, and we do not shy away from those things. That is why, to some extent, there is some concern by the gambling providers that are engaged in this debate about the measures. If the measures were not going to have an economic effect on the providers, presumably they would not be as alarmed by them, but they have made representations to us about those matters.

We are interested in doing the right thing and ensuring that we put in place measures that minimise the harm caused by problem gambling. To the extent that that jeopardises revenue, it is not revenue that we ought to be having. If it is revenue that has been coming out of the pockets of people who are ruining their families, it is revenue we do not need.

The Hon. D.C. KOTZ: Minister, the Auditor-General's Annual Report and the Auditor-General's memorandum to parliament states that the minister's department predominantly deals (as we all know) with proposals and tenders by private sector proponents, which are valued in the tens of millions of dollars and, in some cases, hundreds of millions of dollars.

The Auditor-General's memorandum to parliament raised questions of probity issues and the potential for conflict of interest and duty associated with the renewal and re-tender of major public sector contractual arrangements. The Auditor-General points out that several senior public sector executives who it would be considered essential to be involved in the evaluation process hold a limited number of shares in entities that directly or indirectly may have an involvement with the contracts concerned. He suggests that the proposed tendering and contracting for future ICT services of government could be the vehicle for a potential conflict of interest. So, my question is: has the minister taken action to identify senior public servants who may fit this profile and taken action to sequester these officers from evaluation processes or sought to urge divesting of shareholdings by these officers and ensured that the due probity conventions are, in fact, upheld?

The Hon. J.W. WEATHERILL: I thank the honourable member for her very good question.It is crucial that the future ICT procurement, which is such a large body of procurement for state government, is completely above reproach. We are in the process of addressing that very issue by having a particular body of work which will ensure that those people who are intimately involved in the procurement decision do not have a conflict of interest, and those steps are being taken. So, the very issue which the member has raised and which may have been touched on by the Auditor-General is receiving specific attention, as it would in the ordinary course but with this procurement.

The Hon. D.C. KOTZ: The minister's area covers SA Water, so my next question relates to that and relates to the background on page 59, 'Statement of Financial Performance', under 'Revenues from Ordinary Activities', which states that revenue from rates and taxes increased by $45.9 million or, in fact, 10 per cent in this area. It goes on to note that this huge 10 per cent (or $45.9 million) increase was due to two specific components. One was the increased water sales due to dry conditions and the other was increased prices. It gives a breakdown of revenue relating to these two components: $24 million of the $45.9 million was received through increased water sales due to dry conditions, and the increase in pricing brought in $18.1 million of the $45.9 million. That information was followed by the following comment:

> This outcome also reflected the ready availability of water supply to meet demand.

The minister may recall that, through that period of time, SA Water was actually selling $24 million worth of water and reaping a further $18.1 million profit from that sale. The minister was expanding the requirement to bring on water restrictions in South Australia, which he announced on the first day of the current financial year. Will the minister explain to the committee what is meant by that statement that is a quote in the Auditor-General's Report and advise the committee why SA Water was selling $24 million worth of water whilst at the same time the government initiated a water levy on South Australians to bring in some $20 million to buy water into the state, which was also due to alleged dry conditions?

The Hon. J.W. WEATHERILL: I do not particularly understand that question. The Auditor-General's Report

applies to the year ended 30 June 2003, so it is the year preceding June 2003, and the water restrictions came into place on 31 July 2003. So, the water restrictions were introduced in a period outside the scope of the Auditor-General's Report.

The Hon. D.C. KOTZ: I am not quite sure that answers any of the questions I asked in relation to that area. I will take my next question as a supplementary question. The question was: would the minister also explain the statement that was made by the Auditor-General immediately after telling us about the $18.1 million profit that was made by SA Water and the sale of $24 million worth of water. The statement was, 'This outcome also reflected the ready availability of water supply to meet demand.' I presume that there is a good answer for that, but it seems to me on reading it that it is a contradiction in terms. I would really like an explanation of what that means, and I would also like to know why the restrictions that were brought into place were immediately on top of the sale of $24 million worth of water held by this state to bring in another $20 million on a levy through South Australians.

The Hon. J.W. WEATHERILL: I still do not entirely understand the question. The Murray Darling Basin Commission allowed us our entitlement flows for the financial year covered by the Auditor-General's Report, and there was a forecast cut in those entitlement flows which caused the Minister for Environment and Conservation to make a 20 per cent reduction in the licence to SA Water. SA Water then had to respond to that proposition by imposing water restrictions to meet the 20 per cent reduction in its water licence and the foreshadowed potential further reduction in the water licence. So, we had a guaranteed supply of water, as we have had from the beginning of history up to that point, 1 July. From 1 July we experienced that most extraordinary event, that is, the first time the Murray Darling Basin Commission did not guarantee us our entitlement flows.

The Hon. D.C. KOTZ: I will not make any further comment on that at the moment, for expediency given the time. I refer to Segment Reporting on page 76; does SA Water have a policy to restrict the percentage of water that can be stored in aquifers and recycled as needed to reduce water use normally provided by SA Water through its distribution pipes, particularly in local government districts?

The Hon. J.W. WEATHERILL: I do not immediately know the answer but, to the extent that there is a policy, that policy is under review in water-proofing Adelaide in any event. The whole question of stormwater and its capacity for re-use, the extent to which SA Water will engage in that process and its relationship with councils and third parties who want to engage in such schemes is the subject of that $1.8 million study, called 'Water-proofing Adelaide'. I will find out the status quo for you in that context.

The Hon. D.C. KOTZ: I have a supplementary question or perhaps a clarification, if you will take it on notice. Putting it more anecdotally, if a local council were to propose that it could achieve a saving of, say, 30-35 per cent of water use for its city through aquifer storage and then recycling, thereby reducing the purchase of water from SA Water, would SA Water have any legal or other reason to limit that savings target?

The Hon. J.W. WEATHERILL: I do not know if there is any legal impediment to that. I know for a fact that a scheme of that sort has occurred in the Salisbury council area. I cannot imagine that there would be a legal impediment but, to the extent that there was, it seems to have been overcome in that case.

The Hon. D.C. KOTZ: I now refer to page 8 of the Auditor-General's memorandum to parliament and the definition of procurement arrangements. The Auditor-General's Report states that the State Supply Act of 1985 includes a definition of supply operations that establishes the nature of procurement activities covering goods and services that fall within the legislative ambit of responsibility of the State Supply Board.

The Auditor-General goes on to say that it is considered important that the government and its agencies and the State Supply Board have a clear understanding of the various types of procurement arrangements that fall within the jurisdiction of the board. It is also important that the associated accountability arrangements with respect to procurement matters are clearly understood by all relevant parties.

The Auditor-General specifically mentions that significant procurement activities such as information and communication technology contracts should clearly fall as a matter of legislative authority to a particular entity—the State Supply Board, as he states—or as otherwise provided by legislation. However, he believes that a potential for contention exists. I would like to ask the minister what his current understanding is of this matter and what part the Supply Board has played in recent, if any, procurement activities undertaken by DAIS on the IT contracts that have either become or are becoming available for tender?

The Hon. J.W. WEATHERILL: I must say that, if I was the member of the opposition, I do not know whether I would be going near a definition of supply operations under the State Supply Act in advancing any particular argument. That was, indeed, the provision that was put in the act, in response to the debacle over the Motorola affair, by the previous government. Who could forget those heady days in the last government, when we had government ministers, and indeed premiers, who were the subject of serious allegations of misconduct in relation to procurement operations.

Mr Hamilton-Smith interjecting:

The Hon. J.W. WEATHERILL: That provision was put in place because of the failings of the previous government to conduct themselves in a manner which was appropriate in relation to the procurement of operations concerning the Motorola contract. This government was elected on a platform of a commitment to modernise State Supply, and, indeed, a few moments earlier, I introduced to the house a bill which will address those issues.

The very point that was the cause of contention between the then opposition, the now government, and those sitting opposite was, in fact, a lack of commitment to the probity arrangements that otherwise existed under the State Supply Act. We not only reassert our commitment to those provisions but we are also strengthening them in the bill that I have recently introduced to the house.

In relation to future ICT, it is indeed a contract which is governed by the definition of supply operations within the meaning of the current State Supply Act and therefore it is under the province of the State Supply Board. The procurement operations will in fact be carried out under the auspices of the State Supply Board, as provided by the act. So, the cabinet has, in terms of endorsing the framework which will go forward for the procurement of future ICT, reasserted the importance of the role of the State Supply Board in that relationship.

The Hon. D.C. KOTZ: I thank the minister for his answer, although it was a matter of reinventing history, as the Labor Party generally tends to do. I am so pleased to hear that he intends acting on something that the Auditor-General has already qualified in his report. I should have thought that the minister would also recognise that the Auditor-General had never qualified that particular area before. So, I am quite pleased to hear that it is being addressed as he has qualified it, under your government.

My last question is again on South Australian water, going back to page 59, part B, volume 1. I return to the comments that I made earlier on the sale of water. The following last comment is made on that particular page:

> Restrictions on water use took effect from 1 July 2003—

as the minister and I have already discussed—

> that are likely to have an effect on water sales after that date.

Has any data been compiled on the effect that water restrictions had on water sales after 1 July 2003? If so, what variation in water sales has occurred following the introduction of water restrictions on 1 July?

The Hon. J.W. WEATHERILL: That is a good question. The last data I had was that there was a 16 per cent reduction in water sales since 1 July 2003. Care has to be taken in then concluding that the water restrictions were entirely the cause of that 16 per cent reduction. However, we do know that, because the water restrictions were fundamentally targeted at outside use and because 50 per cent of water usage in an average home is outside the home and, given that the earlier period that we analysed was in winter, where we would expect the outside use to be low in any event, any incremental effect from water restrictions is likely to be small. So, from that I think we can conclude that the lion's share of the 16 per cent reduction in water sales in that period was probably due to the effect of the water restrictions.

Another qualification I put on that is that it may not have been the water restrictions themselves; it may have been the change in behaviour caused by the communication and announcement effects of the water restrictions. For instance, the member would be aware that when she brushes her teeth in the morning she probably now turns off the tap a little earlier. I think that is a phenomenon that we are all beginning to experience. People are becoming a bit more careful about how they use water, and it could be that a big slab of that is due to the changed behaviour, but it is very hard to know. All we do know is that it is likely to have some effect. It is forecast that we are heading into a very warm summer so, to a certain extent, it may not be offset by that. That is all we know at the moment.

The CHAIRMAN: That concludes the examination of matters raised in the annual report of the Auditor-General for the Minister for Urban Development and Planning.

The Hon. J.W. WEATHERILL (Minister for Urban Development and Planning): I move:

> That the sitting of the house be extended beyond 6 p.m. and on completion of the examination of the Minister for Tourism, Minister for Science and Information Economy, Minister for Employment, Training and Further Education, the house be suspended until 7.30 p.m.

Motion carried.

The CHAIRMAN: I declare open the examination of matters raised in the annual report of the Auditor-General covering the portfolio of the Minister for Tourism and her other portfolio areas. Minister, do you want to make a brief statement?

The Hon. J.D. LOMAX-SMITH: I think not.

Mr HAMILTON-SMITH: I thank the minister for an opportunity to question her about some of the details in the Auditor-General's report, because it seems to confirm a number of points raised by the opposition during the budget estimates and, indeed, there are a number of questions to answer. The opposition recognises that it has been a difficult year for tourism and that the minister has had to operate within considerably tight budgetary constraints, and that is evident from the Auditor-General's report.

During the period, staff have been put off from the SATC and there are serious problems with infrastructure, and I have a specific question on that. We have had the nonsense of the on-again off-again horse trials; there have been cuts to marketing and events; there does not appear to be a single new event in the budget; and we note with interest, in relating the Auditor-General's Report to the annual report of the SATC, that interstate arrivals have dropped by 5 per cent, I understand, and overseas arrivals have dropped by 10 per cent. So, we understand that it is a difficult environment.

My first question about the Auditor-General's Report relates to page 1204, concerning operating revenue from government. It seems to confirm that revenue from government has been reduced by $9 million or 17 per cent this year compared with the previous year; and that other operating revenue (that is assumed to be from event entry fees) is down $1.9 million, or 21 per cent. It is a cut overall of about $11.1 million in the total operating revenue. I seek to explore that a little, because the other side of the balance sheet is spelt out. On that same page is the operating expenditure side of the balance sheet, and the Auditor-General points out that expenditure is down by a total of $8.3 million; and I see that most of this money seems to have come out of the important areas of advertising, promotion and industry assistance. I believe the exact figures are of the order of $2.9 million out of advertising and promotion, $3.2 million out of industry assistance and about $1.9 million out of events.

It is apparent from the Auditor-General's report that he has had advice from the minister that that is because of one-off events such as the Year of the Outback or the so-called biennial events. However, the Auditor-General notes that that is not the only reason those cuts have been made. So, I ask the minister to explain what has been cut in respect of the figures that the Auditor-General has noted. Apart from the Year of the Outback, because we know about that and do not need to repeat it, and apart from the biennial events that supposedly are not run this year but were run last year, what has been cut in those areas?

The Hon. J.D. LOMAX-SMITH: I am a generous woman, but I have difficulty explaining even simple facts to the member for Waite. In fact, last year, because he had such difficulty understanding the difference between capital and operating budgets, appreciating the expenditure for events, understanding what a biannual event was, and appreciating the difference between staff layoffs (as he explains them) with gay abandon and a contract ending, the CEO sat down with the member for Waite and tried to explain the budget line by line. I regret to say that he failed, because there are some people who do not wish to hear when facts are explained simply. There are multiple biennial events that occur only once every two years. There are events that have been moved between portfolios, such as the Clipsal 500. There are festivals that occur only biennially and there is seed funding

of events that are given on condition that they be given for three years only: that is part of the contract.

If you did not finish a three-year seeding cycle at the end of three years, and every few years you incrementally supported some new events, you would end up with so many events being funded that we would not be able to do anything else in the department. Clearly, seed funding is that: it is seed funding. At the end of three years you stop it, because you have weaned the new product off the public purse.

In terms of this coy description of staff laid off, we have not laid off staff, because their contracts for events have finished when the event cycle has ended. So, this notion is totally untrue. As for the on and off again horse trials, there was never any suggestion that there would not be a horse trial. In fact, my commitment always was that, having taken the event from Gawler, in the future we would give the event back to the community at a site or a place that would be cheaper to run, and it will be a community event. But it need not be a $1.3 million event: it could be a community event with less sponsorship. We fulfilled that commitment. As it happened, we could not find a cheap location out of the city, so we ended up having the Mitsubishi International Horse Trials in the city. So, there was no on and off again: the commitment was there, and we honoured it. The explanation that the Auditor-General lists about those events is perfectly true. I am at a loss to understand how simple numbers can be explained to the member for Waite, because he seems unable to understand them.

Mr HAMILTON-SMITH: I draw it to the attention of the committee that the minister has not answered the question, as usual, so I will be more specific. On page 1205, the Auditor-General states:

> Advertising and promotion expenses decreased mainly as a result of the completion of the Year of the Outback activities, biennial events. . .

What I am asking is: what falls outside of the 'mainly' to which the Auditor-General refers? The minister has just repeated what we already know—the usual waffle. What I want to know is, other than biennial events—the Year of the Outback—what else did the minister cut?

The Hon. J.D. LOMAX-SMITH: Some of our costs related to DBMT. The member has heard this information before. He knows that overseas offices have closed. He knows those costs have been reduced, and that we are undertaking those marketing activities in a different manner. We have had this discussion before, and those answers have been given. The member has specifically put questions on notice and he has specifically asked questions during estimates, and we have answered those questions.

Mr HAMILTON-SMITH: So, we are not going to receive an answer to that question, either. I will move to the issue of industry assistance (page 1216). Under 'Industry Assistance', the Auditor-General pointed out that tourism infrastructure grants have been reduced. I am helping the minister by answering the question that she would not answer in my first two questions—and perhaps she will try to dodge this. The Auditor-General particularly pointed out that tourism infrastructure grants have been reduced by $3.5 million. What geographical areas have been affected by this cut in infrastructure funding? I noted the minister's glossy release on 4 November which talked about infrastructure grants. It was substantially less than in previous years. Can the minister explain what has been the impact of that cut to infrastructure funding?

The Hon. J.D. LOMAX-SMITH: I do not think the member could have read the glossy that he quoted because, in fact, he might have noted that our infrastructure funding grants have increased somewhat. The reason why we have not spent more money is that we have been very specific about the need for good urban design, proper environmental standards and developing only infrastructure of which we will be proud. Therefore, in introducing greater stringency with respect to those developments, they have taken longer, and the issue is that we are only developing that infrastructure which fulfils the criteria which have been set. We have not spent all the funds, and we will not seek funds more than we can spend in a year.

Mr HAMILTON-SMITH: In regard to expenditure on marketing (which, from the Auditor-General's Report, I understand to be $26.5 million), is it correct that about $9.5 million of that is administration and salaries rather than advertising and marketing expenditure, and is it correct, when one relates the annual report of the SATC to the Auditor-General's Report that, in fact, in this year the government underspent about $900 000 of the marketing and advertising budget?

The Hon. J.D. LOMAX-SMITH: I do not know where the member for Waite has been. Did he not notice that it has been a challenging year for tourism? I remind the member that in the past year we have had the threat of war, and we have had war; we have had international terrorism; we have had a major international outbreak of SARS; and we have had a decline in global tourism and travel on a scale that has been quite shocking to all operators around the world. In the course of all that, one has to say that it would be extraordinarily stupid to spend large sums of money in trying to entice international tourists to come to South Australia. I suspect that, when the hotels in Hong Kong are down to 1 per cent occupancy, when international tourists are scared beyond belief to go in the air, it is pretty dumb to rank up marketing, say, to China. It is pretty silly, in the midst of war, to be promoting.

We made—as did the Australian Tourism Commission and every other state—the tactical decision that we would have a couple of months' delay in major marketing programs and whack it hard when the events that were depressing tourism stopped. Even if money is put in, there are people who will not fly during war or during major terrorism attacks and who will certainly not fly through Asian hubs when there is a risk of SARS. We decided, like the ATC, with the advice of the federal government, to lay off marketing campaigns during the crisis. If the member for Waite, in his wisdom, thinks he would like to fly in the face of experts, I think he is probably a little gung-ho.

Mr HAMILTON-SMITH: I am beginning to appreciate why the member for Elder, the minister's colleague, called her 'Her Royal Highness' in the last parliament. We are getting a real whack of royal arrogance here.

Mr Koutsantonis interjecting:

The CHAIRMAN: Order! The member for West Torrens is out of order and out of his seat.

Mr HAMILTON-SMITH: I do not know whether the minister has ever before run a trading business, other than a professional office, but what happens is that, when business turns down, quite often one spends a little more on advertising and looks to market, perhaps, New Zealand or some other source that might not have been affected by SARS. One spends a little more on marketing to cover the loss from the

markets that have been lost as a consequence of SARS or terrorism. That point seems to have been lost on the minister.

In the two years of Labor, and in this budget and in the Auditor-General's comments, has the minister or Labor introduced a single new event in tourism that was not conceived by the former government? Is there anything new? I take the minister's point when she says that events that we were running—such as the Year of the Outback and Encounter 2002—have ended, so we do not need to fund them any more. Is there any new idea, or any new event, to replace the ones that ended? The idea is that, as one event ends, hopefully some new ideas come. Can the minister point to the funding line in the Auditor-General's Report where anything new has been added that was not the work of the former government?

Mr RAU: Mr Chairman, I rise on a point of order.

Mr Brindal interjecting:

The CHAIRMAN: Order! The member for Unley does not have a point of order.

Mr RAU: My point of order is that I do not believe that the Auditor-General has directed himself to the question of whether new events have been thought up. I think he has been looking at whether the ones that have been on the agenda have been run in a proper way and so forth. That might well be a very good question for question time, or for some other venue, but I am not sure it is relevant.

The CHAIRMAN: I take your point of order. It is a valid point. Some members see this debate as an opportunity to discuss the origin of the universe. It is about matters raised in the annual report of the Auditor-General and should not be used, or attempted to be used, as an opportunity for general politicking. I uphold the point of order from the member for Enfield.

The Hon. J.D. LOMAX-SMITH: I think the problem the member for Waite has is that this is the first Auditor-General's Report reflecting on the Tourism Commission which has given us a clean bill of health. It is something that has not happened recently, certainly not under the leadership of the previous five ministers.

Mr HAMILTON-SMITH: I note that there is no answer to the question. I assume the answer is no. On page 1 216 of the report, the Auditor-General refers to membership of tourism industry bodies having been reduced. On the same page, he refers to a reasonably significant reduction in revenues from event entry fees. Can the minister explain why those reductions have occurred; and, in particular on the subject of events, will she tell us whether funding has been provided for the Adelaide Rose Festival and whether that will be continuing?

The Hon. J.D. LOMAX-SMITH: As for the membership of bodies, there was a review of the number of organisations with which we were involved. In relation to the matter of the events and the number of events, the gate takings reflect the off years from some of the biennial events. Clearly, there were no gate takings for those biennial events in the off years. In relation to the number of events that are occurring, one of the issues we have been very keen to take up has been leveraging other activity out of events so that the department has, as much as promoting the events, made sure that we have got economic benefit from them. I think the last government was effective at promoting and making safe major events occur, but it did not always make the connection between events occurring and tourism opportunities.

The change in focus that this government has made has been the implementation of a Linger Longer campaign; the leveraging out of education graduation ceremonies; the linkage between the department of tourism and the education departments; the linkage between the department of tourism and the Department for Environment and Heritage; and the opportunities that exist to synergise between our economic levers and tourism opportunities and the need to spread those events through the calendar year. The approach has been somewhat different from that of the last government but, far from there being a drop in tourism, it has resulted in an increase in the length of stay of our tourists and an increase in the number of bed nights, and therefore an increase in the economic advantages of tourism.

Mr BRINDAL: What is the justification in the minister's new department for having 29 executives who earn a total of $3.9 million, three of whom earn considerably more than the minister? I would have thought that as head of the department and as minister you were leading the charge in this—in fact, I am quite sure you are. However, from the way in which I read it at least three of the minister's executives are earning considerably more than she is and I want to know why—and 29 people are earning over $100 000 a year. I find that rather extraordinary. It is on page 418.

The Hon. J.D. LOMAX-SMITH: It is true that there are some highly paid and highly competent staff members in my department. I think any professional who enters government expects to be doing it for the good of the community and not for the good of their pocket. However, I believe that the complexity of my department would indicate that those people are required in science, technology and further education, and I am quite comfortable with the skill sets and the number of people listed in this column. The honourable member will notice that the column speaks only to the year 2003, which reflects the new structure, these people having been part of a range of departments previously. I suspect that these people would have been in DBMT, Primary Industries, the Department of Premier and Cabinet, as well as the old DETE, because the honourable member will appreciate that my department is an amalgam of parts from up to six other departments.

Mr BRINDAL: I want to come to that next minister. I refer to page 415. The minister will have to help me if I misread this but, as I understand it, the net revenues for restructuring the administrative arrangements amounted to $423 870 000; and turning to page 417, I do not think that includes the reconciliations which were the assets that the minister owns which amounted to another $455 odd million. If the minister looks at the total worth, if you like, of her new department both in administrative arrangements and assets, she will see that it is virtually a billion dollar department. I am not really fussed about the minister's having the charge of a billion dollar department—and I would have to say that, ranging down the front bench, I would rather give the minister a billion dollars to look after than most of her colleagues—but is the minister satisfied?

It really does strike me—and I mean this in a proper parliamentary way—as scant reporting. A billion dollars is transferred in assets and the Auditor-General writes two or three pages. Is the minister satisfied with the reporting process? I am not suggesting anything untoward but I would have thought that a billion dollars would have required a little more reporting than two or three pages by the Auditor-General.

The Hon. J.D. LOMAX-SMITH: I think that the department has taken on some complex tasks. It is true to say that the infrastructure we now maintain and control had a

large backlog of maintenance. It was really in need of serious management issues to do with occupational health and safety, access for disabled people, air-conditioning and asbestos. We will be reviewing a lot of our major infrastructure assets. I think that the discussion on these pages reflects poorly on the past, in terms of the poor management processes and financial management processes within much of the department. I think that the comments are fair in that they do highlight significant problems within the organisation, which I can assure the honourable member we are trying to address at the moment.

It has just been pointed out to me, and I apologise to the member, that the $739 513 000 figure on page 416 includes the $423 870 000 on the previous page. It is a cumulative number, not separate numbers, if that helps. The total is $739 513 000, not the sum of the two numbers that the honourable member quoted.

Mr BRINDAL: Figures bore me, and that is why I used to have financial people to tell me what they meant. I am intrigued about the line on page 414 with reference to an ANTA infrastructure program at $4.6 million. I know what ANTA is; I know what they do. I am just intrigued that there is a $4.6 million line for an infrastructure project for ANTA. I cannot work out what it is. Is that a consultancy? I remember that the state was commissioned to do some work for ANTA. It might be related to that, but I would like it explained.

The Hon. J.D. LOMAX-SMITH: I am informed that the ANTA infrastructure project is money given to specific programs for a schedule of works. I will get the specific breakdown of that, if the honourable member would like it, but I do not have the exact details of what was completed. It may have been part of the Regency development.

Mr BRINDAL: In respect of the minister's earlier comments, I suggest that she may remember this quote: that the man who does not learn the lessons of history is bound to repeat them. I do not care what we did; I do not care how many mistakes we made. That is not my worry. My worry is to sit here and see that this government is not repeating the same mistakes, and that is the vein in which I ask these questions. I am sure that my colleague here will admit that we were not perfect as a government and, after this government is finished, it will not have been perfect either, but we are here to see that this government is more perfect than we were.

I notice reference to the Centre for Lifelong Learning, but I cannot follow the trail. It appears to have come under administrative arrangements from the Department of the Premier and Cabinet, but it came to you with a deficit. They did not give you any money; they gave you a bill for $268 000, if I read it correctly. Then I lose the trail. Is the government still funding it? Will it continue to exist, or is it one of the brilliant ideas of the last government that this government is too myopic to see is something that should be pursued?

The Hon. J.D. LOMAX-SMITH: I cannot answer whether we got a bill, but Lifelong Learning is one of the programs that has been integrated into our skills and employment strategies. The issue about lifelong learning is that one of the major opportunities for re-engagement of unemployed youth and mature age employment is the concept of lifelong learning. The state is still engaged in the matter on a generic level and has recently been part of a visit from members of the Educating Cities Consortium, who have travelled mainly from Europe to South Australia for a conference on lifelong learning with Professor Denis Ralph.

We have recognised that the issue of lifelong learning needs to be reconnected with ongoing skills development and the opportunity to gain employment, so we have integrated the AIS programs with the Lifelong Learning and employment programs in a way that will allow us to give transitions and pathways to employment. We believe from the work that we have carried out that that will have a better impact on our communities and we will be able to have the concept of lifelong learning badged as such, perhaps, but integrated with other programs.

Mr BRINDAL: You are not worried that you have taken a world-class lighthouse and dumbed it down?

The CHAIRMAN: Order! I declare the examination of matters raised in the annual report of the Auditor-General relating to the Minister for Tourism and her other portfolios complete.

[Sitting suspended from 6.15 to 7.30 p.m.]

The CHAIRMAN: I declare open the examination of matters raised in the annual report of the Auditor-General as they relate to the portfolios of the Premier.

The Hon. R.G. KERIN: I refer to the objectives stated on page 996 under 'Departmental objectives'. The third point states:

> Adopt a whole-of-government and whole-of-community approach to facilitate integrated services which better meet the needs of the community.

The seventh point states:

> Provide leadership and direction to the South Australian public service to achieve management improvements which lead to excellence and professionalism in public administration.

I also refer to the Premier's statement in support of the Fahey report. What action has been taken in 2002-03 and what action is planned for the current year to implement the sections of that report?

The Hon. M.D. RANN: I think this is a very good question.

The Hon. R.G. Kerin: A lot of thought went into it.

The Hon. M.D. RANN: And a lot of thought is going to go into the reply. I commend the Leader of the Opposition and his government for convening the Fahey team, which I think included Greg Crafter, a former Labor minister for community welfare and education and other things and, of course, John Fahey, the former federal finance minister and New South Wales premier, as well as the former commissioner for highways, Rod Payze, who is now, of course, the new president of the SANFL. I must say that during my time in opposition, because sometimes one becomes jaundiced when in opposition, I was a bit cynical about the Fahey report. However, John Fahey came to see me with the team shortly after the election and again when they presented their report, and I was very impressed with the work they had done. Many of the recommendations of the Fahey report on structures of government, streamlining, more efficiency and greater accountability have been rolled into what the Economic Development Board has come up with in terms of its framework.

The Leader of the Opposition would be aware that we have supported 70 of the 71 recommendations of the EDB. The one that we did not support as a cabinet was the elimination of job security for the public sector. However, we are currently working on a range of other areas, including planning. I should also say that we have asked the head of the DPC, Warren McCann, to develop a whole-of-government

(whole-of-state) plan for the future. We want him to draw out of the Fahey report and the EDB framework, the work of the Social Inclusion Board and the Science and Research Council and, of course, the sustainability forum a series of pillars for the future of the state government. Certainly, the Fahey report will be part of that. In a whole range of areas in the state's strategic plan, we want to see those items identified by the Fahey report rolled into it but, as I say, much of it is already being done through the EDB.

The Hon. R.G. KERIN: I refer to page 999 and the heading 'Other expenses from ordinary activities'. Given that graduate program expenses dropped from $1.379 million to only $376 000, will the Premier explain why the Annual Report of the Commissioner for Public Employment states that 63 per cent of agencies are deferring their graduate recruitment?

The Hon. M.D. RANN: I will get a report on that.

The Hon. R.G. KERIN: With reference to that same point, the Annual Report of the Commissioner for Public Employment notes that graduate recruitment peaked during 2000-01 under the youth recruitment initiative but that during 2002-03 recruitment reduced to only 126 graduates. However, the report goes on to say that 80 per cent of agencies state that they would recruit more graduates if the subsidy scheme was reintroduced. In the light of that statement, will the Premier now give consideration to the reintroduction of the subsidy scheme?

The Hon. M.D. RANN: I mentioned that one of these various pillars that must form part of our strategic plan has to be financial responsibility. Every day we hear members of the opposition leap to their feet demanding buckets and buckets of cash to be thrown at every problem. Those days are over. Obviously, there are many things that we would like to do but cannot afford to do. Yesterday, of course, there was a report in the newspapers about a rise in the public sector. We have been out there recruiting more nurses and teachers, and we will be out there soon recruiting more police to record numbers.

It all comes down to priorities. Obviously, there are priorities in terms of graduate employment. We have announced our priorities and, at the same time, we announced that we had to make substantial cuts. In the last budget, my own department suffered a cut of about 11 per cent and, from memory, I think the Treasurer's department was cut by about 11 per cent. That is a deep cut for any department. Meanwhile, we have put extra money into employing teachers so that we can lower class sizes in schools in our first three years. We are going to spend about $19 million on more police. We would be able to do all of these things if we had buckets of cash, but the fact is that we do not. We cannot adopt the approach of the former government, which was basically not to care about fiscal rectitude. As you know, fiscal rectitude is close to my heart.

The Hon. R.G. KERIN: I am very glad to hear that last comment. As far as graduate recruitment is concerned, I hear what the Premier is saying about the need to have priorities for where to put money. I am not going to go back to the fact that across the Public Service we saw a big increase in the number of people paid over $100 000, but I say to the Premier that we really need to look after the next generation of the Public Service. We do not need to have big gaps by not employing enough graduates for a while. It is not just about graduates and departments, but there are some other issues. In his report, the commissioner basically talks about the difficulties that agencies are experiencing with the employment of indigenous graduates. Employing graduates in regional areas is certainly a real problem, especially graduates with higher qualifications.

There are some real problems in this area. We experienced them and we tried to solve a lot of them. The current government, the departments and the commissioner are identifying that there are some real issues. I would be grateful if the Premier would either share with us or take on notice what sort of initiatives will come into place. I am very aware of some of the problems that government and private industry have in employing graduates in regional areas. However, there is a need for graduates such as engineers and others. The Premier might need to take this question on notice, but I would like to know what plans are in place to try to address some of these issues.

The Hon. M.D. RANN: It also depends on classifications because, when you think about the people we have been taking on, we have been taking on more graduate teachers. In order to provide for a major drop in class sizes in our first three years of being responsible for education, we had to go out there and recruit a whole stack of graduate teachers. We are also recruiting a massive number of graduate nurses. So, it depends on where you classify them. Obviously, the Commissioner for Public Employment has a role of looking at a range of issues, including the refreshing of the public sector. We have all been concerned about the age profile of the Public Service and, of course, that also applies in the area of teaching. I think the average age of teachers in South Australia is close to my own age, which, on reflection, does not seem that old, but may be even closer to the Leader of the Opposition's age! So, those are areas that we must address.

We are also currently in the process of selecting a new Commissioner for Public Employment and obviously refreshing the public sector, and those strategies are going to be key responsibilities. It is interesting that the Leader of the Opposition mentioned Aboriginal employment, which is something very close to my heart. In fact, back in 1990, I was involved with the 1 per cent challenge, which was a challenge to ensure that 1 per cent of government departments were Aboriginal people. That was regarded as a success nationally, and I have told the former Commissioner for Public Employment that that is something I want to ensure again.

The Hon. R.G. KERIN: This will be my last question. This is not attacking those people on the unattached list, but over the last 12 months there has been an increase in the number of people on the unattached list; there are now five people on over $100 000 where there was only one 12 months ago. That sort of thing can happen for a range of reasons. Would the Premier say that that is mainly due to the fact that TVSPs have fallen away this past year or are there other factors for that particular increase?

The Hon. M.D. RANN: I guess that really relates to the restructuring of departments, and the ultimate responsibility would be with the commissioner. In relation to the whole question of fat cats on salaries of $100 000 plus, I am told that much of the increase in Public Service numbers going over $100 000 is a pay rise that lifted people from one level—I do not know whether it was $99 000 or $98 000 or above the limit. Of course, the same thing could be said about members of parliament and what their average salary was and how that might increase through increments. I am happy to get a report on that issue and ensure that the leader is informed.

Mr HAMILTON-SMITH: I will move on to matters to do with the arts portfolio, and I will start by asking the

Premier about the South Australian Film Corporation. I note that on pages 1021 and 1022 of the Auditor-General's Report that there are a couple of qualifications there. In particular, the Auditor-General is worried that an external auditing firm was not engaged to perform internal audits. It is also observed that there was insufficient independent checking with respect to the operation of the disbursement service, and that would obviously be of concern to the Premier because it is effectively cash grants to people.

There has been no monthly reporting to the chief executive officer or the board, and there are questions about whether the Film Corporation is holding any funds specifically earmarked for the International Film Festival, which is not quite clear from the reports, or any funds associated with the Film Festival, but perhaps that is a separate issue.

In relation to the first three points the Auditor-General has noted, what does the Premier intend to do to ensure that those areas are picked up? In seeking an answer, I point to *The Advertiser* article that appeared, I think, last month titled 'The Film Corporation dealing with its own internal drama'. That *Advertiser* article by Leanne Craig talked about what *The Advertiser* claimed were serious concerns within the SA Film Corporation. Sources it quoted claimed that the corporation was directionless and that a lot of the money from the Film Corporation was currently being spent on interstate projects. So, a range of issues have been raised by the Auditor-General in his report, but also within the context of this concerning media report. I wonder what the Premier's views are on those problems and what he intends to do about it.

The Hon. M.D. RANN: Thank you. Of course, the Film Corporation has been doing brilliantly, and I think that needs to be recognised. Let us look at some of the films that have come out in recent years. By the way, David Minear, the Chairman of the South Australian Film Corporation, was appointed by Diana Laidlaw, as were a considerable number of other board members, and I pay a tribute to the work that has been done both before and after the last election.

Just look at some of the films we have seen in recent times winning recognition around the world, such as *Tracker Rabbit Proof Fence, Black and White, Australian Rules* and, even last night, *The Honourable Wally Norman*. And more films will be announced in the next few weeks that I think will bring enormous credit to us. I want to give a bit of preamble in defence of the Film Corporation lest they think that their work is in any way being diminished or downgraded or not being fully recognised. The corporation is doing a fantastic job with a series of small investments to leverage a whole range of work being done in this state, including areas of post production.

One of the things I was doing in Korea and China was talking about the work. We have a whole string of companies in South Australia with experience in digital, multimedia, special effects, and so on. I am told that one firm gets 70 per cent of its work from overseas, such as Hollywood productions, and so on. I am told they are James Bond Films, *The Lord of the Rings*, and a whole range of films. We have this background, and the Film Corporation tries to make sure that, out of its investment in each film, a slice of the action—

Mr HAMILTON-SMITH: I rise on a point of order, Mr Speaker. I have asked a specific question, and the Premier is using it as an opportunity to make some sort of ministerial statement. I do not question what the Premier is raising, but we have only a few minutes to go. I would be grateful if we could get back to the substance of the question.

The CHAIRMAN: The member has raised a point, but I point out that both sides have tried to use the examination of the Auditor's report for general political purposes. It is meant to be an examination of what the Auditor-General has said about a specific portfolio and not an opportunity to canvas widely on political matters.

The Hon. M.D. RANN: The honourable member jumps to his feet and says that I am dealing with issues that are not related to the Auditor-General's Report. He raised an *Advertiser* article about leadership problems, disputes or dramas within the Film Corporation. That is not mentioned in the Auditor-General's Report. You wonder why people regard you as the Private Pyke of the parliament. I will deal with what the Auditor-General has said. In Part B, Volume III, on page 1021, 'Risk Management', the Auditor-General says:

> Consistent with previous years, Audit commented that the Corporation had not established a formal process for identifying, assessing and managing risk as required by the Financial Management Framework, but did identify and manage risks through the implementation of internal controls.
>
> The Corporation responded that it will establish a risk management policy and plan.

So, a risk management plan and policy is currently being developed.

In Part B, Volume III, page 1021-2, relating to 'Disbursement Service', the Auditor says:

> The Corporation provides a disbursement service to film producers to distribute film returns to investors. Matters raised in relation to the Disbursement Service are as follows:
>
> *Internal Audits*
>
> In accordance with the Distribution Agreements with film producers, the Corporation engages an external firm to conduct audits to provide producers with assurance that moneys that have been received on a timely basis are completely and accurately recorded, and the Corporation has correctly calculated and disbursed moneys received.

Audit noted that the external firm was not engaged in a timely manner to perform the internal audits for 2001-02. The corporation responded that the internal audits would be performed annually and in a timely manner. Independent checking: audit observed the lack of segregation of duties and insufficient independent checking with respect to the operation of the disbursement service. The corporation responded that changes to investor details—

The CHAIRMAN: You have made the point; members can read. I think both the Premier and the member for Waite should be a bit more disciplined in the questioning and the answer. The Premier is correct: the member for Waite did raise an article from *The Advertiser*. I think the Premier has made the point, and it is there for everyone to read.

Mr HAMILTON-SMITH: I thank the Premier for reading out the Auditor-General's Report. I will move on to the museum. On page 978 of the Auditor-General's Report, expenses from ordinary activities seem to have been cut by $160 000 in the administration area. It is also noted on page 983 that there is a reduction in maintenance of about $40 000 and the opposition notes that, with the rebuild of the museum, there has been some extra floor space. So, if you like, there is actually a bigger area to maintain: more light; more fuel; more cleaning; more administration, in a sense. We note that the solar fitments to the ceiling of the museum have been welcomed, but we have a concern that there might not be enough money there for administration and maintenance, and I ask whether the Premier could clarify that.

The Hon. M.D. RANN: I think that if you looked through the list properly you would find areas where there had been

increases. However, I am quite happy to get a report for the honourable member.

Mr HAMILTON-SMITH: Still on the museum, we note in the Auditor-General's Report that attendance has dropped from 743 000 to 668 000. We also note that there has been a 5 per cent energy saving from the solar panels fitted to the building. I suppose I am asking two questions in one: on both those subjects we wonder why the attendance dropped and, secondly, will the 5 per cent savings from the solar energy fitments to the roof of the building be given back to the museum as a dividend, if you like, for their own use in maintenance and administration?

The Hon. M.D. RANN: I should say that the $250 000 for the solar panels did not come out of the museum's own budget. I secured the funding extra to its budget, just as I went out and sought extra funding for the collection of animals and other things so that they could be stored properly, and I understand that matters are still in process in that regard. I am happy to get a report for the honourable member, but I think you will find that the solar panels are a very welcome addition, because they did not come out of their budget. They were essentially a gift from the government to the museum, the art gallery and soon other institutions as well. But, again, I will get a report for the honourable member.

Mr HAMILTON-SMITH: I will move on to the History Trust. From a reading of the Auditor-General's Report, it would appear that he raises a number of matters of concern in respect of the History Trust. For example, at the Maritime Museum there appears to have been a nearly 14 per cent decline in visitation, school visits having declined by about 21 per cent. There is no sponsored free day, we note. Linking it to the annual report, the Auditor-General notes that travelling exhibitions appear to have reduced from four to one.

The Auditor-General qualifies his report, in a number of areas in the History Trust. In particular, on page 942 of the Auditor-General's Report, he notes that there is an emerging trend for the History Trust not to earn enough revenue to cover its operating expenses. I ask what the government intends to do to help the History Trust, which does an outstanding job, through all those difficulties raised by the Auditor-General.

The Hon. J.D. HILL: I thank the member for that. It is true that the History Trust, I suppose like most museums, does struggle to get the resources to do the things that it would want to do. It has an extensive collection in three locations as well as material in storage. A lot of that is valuable and requires considerable work to keep it in proper order. There is a building program under way to assist the Migration Museum, and that is partly completed. There is certainly no doubt that the Maritime Museum requires some work.

Of course, as the house would know, a major redevelopment of the Port area is proposed and government will make decisions about the History Trust in the context of that overall redevelopment project. We want to make sure that the activities that happen at the History Trust building connect in with the overall development. I would expect that the Maritime Museum will be an important attraction for the overall Port development.

In terms of visitations, I guess that depends a bit on the popularity of the particular exhibitions that are put on from time to time, and the amount of money that is raised for those exhibitions depends on whether or not sponsors can be obtained. There are a range of issues of that order, but I can certainly get some more detail for the member if he wishes.

In relation to qualifications, I am advised that the audit in 2001-02 suggests that the History Trust should regularly sight all collection items, like other tangible assets. Previously, a random selection of items was sighted each year. Significant resourcing issues are involved in any such regime and there is no museum in the world that currently undertakes such a process. All other state and federal funded museums in Australia sight a random selection of collection items on an annual basis. You can imagine if every single item in the History Trust had to be sighted each year. They are working on a sighting regime over a 15 year cycle. Apparently, Audit rejected that, so a compromise of a 10-year sighting cycle was agreed, and although audit has accepted this response they have recorded that they would prefer a sighting regime of five years.

The resource implications for the History Trust, as you can imagine, even if they had to do it on that sort of time frame, are very difficult. So, these are a number of issues that need to be sorted through. Resourcing issues aside, the trust considers that the actual risk of losing collection items to be very small, and the trust is aware of no items that have been lost in the 23 years since it was established.

Mr HAMILTON-SMITH: My next question has to do with pages 1003 of the Auditor-General's Report. I note that arts industry development grants are shown as having reduced from $3.18 million to $2.77 million, which is a reduction of about $412 000. Also, under the category of 'Other Arts Grants', there has been a reduction of about $287 000, from $3 million to about $2.8 million. That is nearly $700 000 of reduced funding in the way of industry development grants and other grants. I ask the Premier if he could provide more information on where those cuts have been made and who has missed out.

The Hon. M.D. RANN: They were made in the areas that have just been identified by the honourable member. The committee has seen the figures which have been put out and which show that the arts in South Australia, on a per capita basis, are funded at a much higher rate than are the arts in other states. This year, there was—

Mr Hamilton-Smith: It is a smaller population. It would be the same with the Northern Territory.

The Hon. M.D. RANN: I cannot believe what I have just heard. The member—Private Pike, I describe him, from Dad's Army—has just said that that is because we have got a smaller population! It was per capita. Go and ask the Liberal Minister for the Arts, Mr Kemp, what he said at the cultural ministers' council about the relative merits of the different states last year in terms of funding for the arts. This year we had a major increase in arts funding. For goodness sake, we saw $2 million being allocated for the film festival, including $1 million for commissioning films, and we have had to make cuts—

Mr Hamilton-Smith interjecting:

The Hon. M.D. RANN: This is why it is mind-boggling to ever consider that this member might one day be a minister. He seems to think that you just continuously keep adding on and adding on. He is the tax man of the future, that is what he is. In government you have to make hard decisions and establish priorities. You have to put money into areas that you back and you have to cut other areas. If you do not understand that, and you do not even understand what the words 'per capita mean', how on earth do you ever expect to be a minister?

The CHAIRMAN: I declare closed the examination of matters raised in the report of the Auditor-General relating to the Premier and his various portfolios.

I declare open the examination of matters raised in the annual report of the Auditor-General as it relates to the portfolio of the Minister for Education and Children's Services. Does the minister wish to make a brief statement?

The Hon. P.L. WHITE: No.

Ms CHAPMAN: The Auditor-General's report of 2002 was the subject of questions on 28 November 2002 and the minister received twelve questions from me on that occasion. Importantly, I note that the minister—I think, in fairness, comprehensively—answered a number of those. However, seven of them were taken on notice. I will be revisiting some of those because, indeed, since that time three of them were answered on 21 January 2003, another was answered on 12 May 2003 and I am yet to receive answers to three questions. So, I think 25 per cent of my questions remain unanswered, and I am hopeful that this year when we consider the Auditor-General's report of 2003 there will be some improvement in the percentage of answers. I do not expect them to be answered immediately because I understand that very often issues can take some time to consider and research to provide a comprehensive answer, but I hope that I will receive answers to all these questions before we deal with the 2004 report.

In relation to the financial year ending 30 June 2003, in Part B, Volume 1 the Auditor-General reported on pages 193 to 224 inclusive in respect of the Education and Children's Services Department. This was a new department in that financial year resulting from the restructuring that occurred on 30 June 2002. My first question to the minister is as follows. On page 195 the Auditor-General qualifies the financial statements and explains how the consolidated financial statements are prepared from the records of the department and audited financial statements of other entities but do not include financial statements of government schools per se. He says in his qualification:

> While I am not required to act as the independent auditor of government schools, their financial statements are subject to audit by private sector auditors in accordance with the Education Act 1972.

He goes on in his qualification to state:

> As I have been unable to obtain sufficient appropriate audit evidence in respect to the financial statements of government schools, I am unable and do not express an opinion on the consolidated financial statements.

The reason that is a particularly important qualification is that when I asked the minister on 28 November 2002 about the Auditor-General's previous qualification and what action the minister has taken to include funds generated by the non-corporate entities as required under the Australian accounting standards to which the Auditor-General had referred in that year, the minister answered:

> In respect of the financial statements and financial accountability requirements of schools, the member and all members would note that, as part of the recent review of Partnerships 21 and the report that was tabled in response to that, I indicated that a particular focus of mine over the coming months would be to ensure that the department put in place better financial accountability mechanisms right throughout the department and certainly incorporating schools. The member is right to point to a section of the report that indicates that more improvement could be made in respect of the financial statements of schools, but I hope the house will note that there is progress along those lines and that has been noted by the auditor. It is the strong intention of the current state government that we take further action to improve our whole department's financial accountability and financial reporting and all the systems surrounding our financial management practices.

To complete this exercise in answer to a following question as to which would have priority, I paraphrase to say that on that occasion the minister indicated to the house schools that would be given the major portion in the next financial statement and said that other aspects in relation to other entities would be of secondary focus. I paraphrased that; I am sure the minister will correct me if I have misunderstood that aspect, but I will not repeat it all. So, having come to this year's report to find exactly the same situation replicated where there appears on the face of it to have been no action (at least, the Auditor-General has completed another full financial year and the same situation prevails), my question to the minister is: given that commitment that had been made in the previous year, what action, if any, to incorporate schools was taken during the preceding financial year or, indeed, since that time and, if none, why was none taken?

The Hon. P.L. WHITE: This is a half-hour section and the member has taken five minutes to get to her first question. I am kind of flattered by that. Before I respond directly to that question, because it was a five minute speech from the member, I will say that the member has a strange way of counting answers provided to her. Sometimes I think she just does not like the answers that she gets. But, specifically in relation to the topic of her inquiry, the fact is that significant progress has been made and it has been acknowledged by the Auditor-General and his department. He acknowledges significant progress in the matters to which he refers. I think the member has misunderstood the auditor's qualification on page 195 of Part B, Volume 1 of his report. The Auditor-General expresses a positive audit opinion on the department's corporate financial statements. There is no adverse finding at all in respect of the school components.

The member made the claim that the school's finances were not incorporated in this report. That is completely incorrect, because they do appear there, quite obviously, in the Consolidated Account. What the Auditor-General referred to is the circumstance where one of department's contractors for audit service to our schools failed to produce acceptable working papers. That matter was taken up with the contractor through the department's internal audit unit, and the ultimate remedy for the department is in the control of the renewal or otherwise of that audit contract.

Ms Chapman interjecting:

The CHAIRMAN: Order! The member for Bragg has asked her question.

The Hon. P.L. WHITE: The member should listen to what I am saying. They are incorporated here in the Consolidated Account. The member misunderstands the Auditor's report and what the Auditor is saying. I should also say (and members might like to note this) that the audit contractors are provided (and this is something that has been ensured by my department and, as I mentioned earlier, significant work with respect to accountability of school accounts has been undertaken in the last 12 months) with an extensive set of detailed audit requirements, and they are expected to complete the various audit components, including notes, and to return those—the audit set and the audited statement—to internal audit. These are considered by the department to be working papers, and the staff of the Auditor-General's Department is being consulted on that matter to avoid a recurrence of that circumstance that involved one contractor. The member is quite wrong in her assertion that that work has

not been done, because it has been done. The particular circumstance to which the Auditor-General refers is the actions of one of the contractors providing audit service.

Ms CHAPMAN: On page 195, the Auditor identified certain instances of non-compliance in relation to internal control procedures and departmental policies, and he reported specific issues arising. The first one is the need to ensure that payments were made to bona fide employees only. Were any payments made to any people in the subject year other than to bona fide employees and, if so, to whom, how much was paid and why?

The Hon. P.L. WHITE: There is no evidence that any inappropriate payments have been made. The Auditor-General's comment relates to his check of the process rather than discrepancies being found. There is no evidence, of which my department is aware, that indicates there has been any inappropriate payments to bona fides. He is referring to the matter of checking data processing. It relates specifically to the Auspay payroll system, which is quite an old system that is being upgraded.

Ms CHAPMAN: In the same paragraph at page 195.9, the Auditor also refers to the specific issue of 'a lack of segregation of duties regarding post processing cheques, to ensure that only authorised data has been processed'. Given the minister's previous answer, I am not sure whether she is perhaps confusing the former with the latter. She may not be but, again, my question in relation to that issue that was raised and reported upon by the Auditor-General is: what unauthorised data, if any, was processed, by whom and given to whom?

The Hon. P.L. WHITE: I offer my apologies if I answered both the member's questions with the former answer, but that is what I did. When I referred to the Auspay payroll system and the independent checking of data, I was referring to the second dot point. The member has now raised both dot points and, with respect to them, I point out that the checks have been of the process rather than findings of discrepancies.

Ms CHAPMAN: Do I take it, then, that the minister can confirm that there has been no breach by way of a payment to a non-bona fide employee in that year, and that there has been no disclosure or publication of data arising out of the two processes that have been referred to?

The Hon. P.L. WHITE: I am not aware of any, and I have been advised that the department is not aware of any, either.

Ms CHAPMAN: The Auditor-General reported again on the same issue and said as follows:

> The departmental response indicated that appropriate action would be taken to address the matters raised.

What action has been taken?

The Hon. P.L. WHITE: With respect to the action taken on the first point about payments to bona fide employees, the department has delivered training. In fact, quite recently all payroll officers have undertaken training in respect of the processing and checking of bona fide certificate reports to ensure that all those officers understand the department's obligations in this area, and I am advised that this was further reinforced with all payroll supervisors. So, that is the action that has been taken on the Auditor-General's first comment. In relation to the second comment made by the Auditor-General, as I indicated before, we are replacing the system. That is the action that has been taken on that matter.

Ms CHAPMAN: In response to that answer, I ask the minister whether the system is being replaced, what is the progress in relation to the implementation of the same, and what is the anticipated date of implementation to the extent of its being operational?

The Hon. P.L. WHITE: I am advised that currently my department is reviewing the whole of the HRMS (Human Resources Management System), and the first part of that is the question of replacement of the Auspay system.

Ms CHAPMAN: Minister, do I take it then that, given your statement in relation to replacing the system and given that you have announced that you are currently reviewing the whole system, in fact there is no current process of replacement; that is, you are simply in a state of review and, until that review is completed, replacement will not commence?

The Hon. P.L. WHITE: The replacement of this system is something that dates back to the early 1990s, so it is a long-term project and we are part way through it. I understand that the Children's Services payroll system is the first to be replaced.

Ms CHAPMAN: Given that, has there been a laying out of this payroll system in Children's Services, or will it be the first? Will it occur next year, or what is the time frame? If Children's Services has been identified as the first area to have a new system and that this replacing will take place, when will it take place and when is it expected to be operational? Will that be before the end of the next financial year? Does the minister expect that it will be replicated throughout the entire department, so that when we receive the Auditor-General's Report this time in 2004 it will be operational? Is that a sufficient time frame?

The Hon. P.L. WHITE: The Children's Services employees are currently being paid by a system which is very fragile, and that is the reason why we are progressing that first. I gave a recent approval for a shift to a new system. I just cannot recall the details of that shift and the time frame off the top of my head, but I am happy to provide some more detail to the house. That is the first stage of what is left to be done regarding the conversion. I must say this is a significant task and I think it was being undertaken during the whole two terms of the former government. It has been a significant and long-term process. As I say, I will be happy to provide the member with the details of my most recent approval.

Ms CHAPMAN: So that it is absolutely clear, I ask the minister, firstly, to identify the priority project (which is the Children's Services program which she has recently approved) and when it is proposed that that will be implemented and operational. Secondly, what is the time frame for the implementation and operational commencement date for the rest of the department? I hope that is clear in relation to what information I am seeking. It seems that there is every likelihood, given the time frames to date, that we will be into the 2004-05 year before this is completed. That may be so and there may be good reason for it, but I accept the minister's indication that the Children's Services payroll system is to have priority, given the apparent fragility of that system.

Of course, it is for the minister to identify what ought to be a priority in her department. However, I would like it to be made absolutely clear that, if this is the first stage of what is being undertaken, then it appears that, at this stage, no other operational system has been implemented. This is the first part; it has been approved. I would like to know when is it proposed that that will be implemented and when will it be operational. I would like similar responses about the rest of the department which of course is the bulk of the depart-

ment and which the Auditor-General has highlighted as being non-complying and necessarily to be implemented. In fairness to him and his report, he has had a response from the department indicating that appropriate action would be taken. I am asking that the government ensure that that is exercised and is operational before he reviews this matter again.

I now refer to the capital works of the department shown in Part A, Audit Overview on page 72, in paragraph 7.2.4.1, entitled 'Change in estimates since the 2002-03 budget'. The Auditor-General reports in relation to the overall government sector and, in particular, he identifies the reduction in gross capital formation which, as he says, is a chart highlighting the underspending against the budget in 2001-02 and 2002-03 and, indeed, he goes on to talk about budget variations in future years. In that chart he identifies a $145 million underspend by the government in the 2002-03 year. How much of that is relevant to the Department of Education and Children's Services?

The Hon. P.L. WHITE: The honourable member has referred to a page in the budget papers, the investing payment statement 2.3.4. It is a reference in the Auditor-General's Report to the budget papers. If the member consults that, the investing budget for 2003-04 in the education and children's services portfolio was $50 million. The estimated result issued in the government's budget papers was for $45 million. However, the actual expenditure came in at $48.5 million. I am advised that the difference can be attributed to timing of receipt of accounts and payments.

Ms CHAPMAN: I will repeat my question: of the $145 million total government underspend, how much of that does the minister say relates to her department?

The Hon. P.L. WHITE: The honourable member is talking about estimated results, I believe.

Ms CHAPMAN: Page 72.

The Hon. P.L. WHITE: The honourable member is referring to $145 million of estimated results?

Ms CHAPMAN: Yes.

The Hon. P.L. WHITE: Under page 2.34 of the budget papers, as I pointed out, education share would be $5 million. However, that was not the actual result. The actual result for education was an underspend only of $1.5 million out of that $50 million budgeted on the investment payments statement on page 2.34 of the budget papers. My department advises me that timing of account payments is an explanation for that small amount.

Ms CHAPMAN: Am I clear then that, in response to my question, $5 million of that $145 million estimate is from the minister's department and the minister is saying that the actual result was a negative of $1.5 million for the reasons that the minister has explained? Is that the minister's position?

The Hon. P.L. WHITE: Can the member clarify where she is getting the figure of $145 million?

Ms CHAPMAN: Page 72 of Part A, Audit Overview, in which the Auditor-General reports on the whole of government budget. At the top of page 72, the paragraph is entitled 'Change in estimates since 2002-03 budget', and it shows the figure for 2002-03 at minus $145 million. The Auditor-General identifies that the chart highlights underspending against budget in 2001-02 and 2002-03, which is explained there—I think that is clear—and then he goes on to identify other estimates. That is his estimate of all the government's underspend for the 2002-03 year, and whilst the minister has identified where her department has characterised that I am asking her specifically how much of that minus $145 million estimate is from her department.

The Hon. P.L. WHITE: I will have to seek that information from my department. The information that I gave with relation to that investing statement is correct. However, I am not certain how this whole of government $145 million relates to those figures. I will seek clarification and provide that information.

The CHAIRMAN: I declare the examination of matters raised in the annual report of the Auditor-General relating to the Minister for Education and Children's Services to be closed.

I declare open the examination of matters raised in the annual report of the Auditor-General pertaining to the Minister for Transport and other portfolios under his control. Minister, do you want to make a brief statement?

The Hon. M.J. WRIGHT: With your concurrence, sir, I will make a brief comment when we get to the transport portfolio.

The Hon. D.C. KOTZ: In the Auditor-General's Report on page 41, Part B, Volume 1, a table shows that two employees are remunerated at a total cost to the taxpayer of between $540 000 and $560 000. Are either of those $250 000 employees engaged by the Office of Recreation and Sport and, if so, will the minister identify the positions that they hold?

The Hon. M.J. WRIGHT: If I interpret the honourable member's question correctly, she is referring to the two figures at the bottom. The advice that I have received is that the highest paid employee in the Office of Recreation and Sport is at executive C level, and those figures are way in excess of that level. There may well be some who wish they were paid at that level or believe they should be.

The Hon. D.C. KOTZ: In that same vein, on the same page under remuneration of employees greater than $100 000, the report shows that some 55 employees are within the remuneration bands of $100 000 and $210 000, and that is a total cost to taxpayers of between $7.44 million and $7.97 million. Can the minister advise which of the employees in each of the remuneration bands are officers who are employed by the Office of Recreation and Sport?

The Hon. M.J. WRIGHT: The honourable member asks a legitimate question and I will get the detail for her. I will need to get officers to check contracts, and so forth, and I will be happy to bring back that detail for the member.

The Hon. D.C. KOTZ: On page 11 of his annual report, the Auditor-General comments unfavourably on the management procedures of the three grant expenditure programs that are administered by ORS; that is, the Management and Development Program, the Active Club Program, and the Community Recreation and Sports Facilities Program. The audit review revealed a general lack of formal documented policies and procedures in relation to the assessment, monitoring and acquittal programs.

Equally disturbing in relation to the management and development program which, as the minister well knows, can involve tens of thousands of dollars in one grant, the Auditor-General found that most of the approved grant applications reviewed did not have the required documentation on file. Has the minister investigated the reasons why accountability procedures were not followed, and has he assured himself that the management and development program applications without supporting documentation that have received funding are genuine and that human error rather than illegal activity was the cause of this inappropriate action?

The Hon. M.J. WRIGHT: As a former minister, the member for Newland, like me, is well aware of the importance of these various programs, whether it be the active club, management and development, to which her question refers—and I will come back to that—or community recreation and sport. Those are the three major grant funding areas of which the member would be aware. Nothing illegal has occurred here: in fact, quite the contrary. The Auditor-General recommended that grant applications contain the necessary documentation as specified in the funding guidelines and that the maintenance of this documentation would then support the assessment committee's decisions in relation to grant funding programs and the capability of grant recipients' delivery of management and development programs. That is a legitimate expression by the Auditor-General.

Of course, we would want to ensure that all our funding programs were not only successful but met all these requirements. The Office of Recreation and Sport has implemented a process to recover necessary documentation from applicant organisations in the 2003-04 round of the management and development program. Failure to provide this documentation will result in applicants not being considered for funding. Obviously, we want to work with the major stakeholders and with the sporting community, but we have to make sure that these programs hit the mark and that the required materials, which are essential to be provided as part of the process of government through the taxpayers applying money in these important areas, are addressed by the applicants.

The Hon. D.C. KOTZ: Supplementary to that, obviously this is a significant area where documentation is required to be fully efficient across the provision of the types of funds we are talking about. So, I am sure that the minister would consider that this is significant. I asked this question on the premise that, in many instances, the Auditor-General will qualify an issue in his report, but very often, although the office or the agency involved may make the correct noises when it comes to instituting the follow-up process, we find that the Auditor-General's Report for the next year is still looking at following up a process that has not, in fact, taken place. That is why I ask the minister for his assurance that he will ensure that every effort is made to make sure that the documentation that is required is placed within the file.

The Hon. M.J. WRIGHT: Most definitely. That is a fair point, but I draw to the attention of the member that the Auditor-General has said that the department has responded positively to matters raised regarding ORS and indicated that appropriate action will be taken. However, as I said, the honourable member raises a fair point and this does need to be pursued. So, yes, I will provide that commitment. This is one of the very important areas in this portfolio. It is not the only important area, but it is very important that we get these processes right. It is important that the money be used for what has been predetermined by a good policy outlook.

Of course, as the member would be aware, we have gone through a very exhaustive process in the grants review, which will see the recommendations that have been adopted by the government come into place with the next round of funding. I think this provides both opportunities and challenges for all of us, not just for government but also, of course, for the stakeholders. I acknowledge the challenge that the stakeholders have taken on through that process. In response to the member's specific question, yes it is an important point and it needs to be dealt with and followed through, and I will do so.

The Hon. D.C. KOTZ: I refer again to the remuneration of employees (page 45). Under 'Administered units greater than $100 000', the figures show that six employees receive remuneration rates of between $110 000 and $230 000 at a total cost to the taxpayer of between $940 000 and $1 million, as well as five employees who receive remuneration of between $270 000 and $310 000 at a total cost to the taxpayer of between $1.44 million and $1.45 million. Overall, 11 employees share between them $2.34 million and $2.45 million. Will the minister advise once again which of the employees in each of the remuneration bands relate to officers of the Office of Recreation and Sport?

The Hon. M.J. WRIGHT: The advice that I have received in regard to that question is that there is none in that category.

The Hon. D.C. KOTZ: This is my final question in the area of recreation and sport. It is a direct question seeking clarification of the administered units and the administered items that are available to us in the Auditor-General's Report under the list on page 45. Does the Office of Recreation and Sport provide funds to the Department for Administrative and Information Services for administered items held and administered by DAIS on behalf of the Office of Recreation and Sport, and does the Office of Recreation and Sport contribute to funds to provide salaries and related payments to the employees who administer the administered items relating to recreation and sport?

The Hon. M.J. WRIGHT: The member asks a detailed question. Is she referring to items on page 45: the sport and rec fund and the rec and sport fund?

The Hon. D.C. KOTZ: Yes.

The Hon. M.J. WRIGHT: The advice that I have received is that those two funds are administered by the Office of Recreation and Sport. DAIS has no involvement in the administration of those two funds; therefore, no payments are made to DAIS.

The Hon. D.C. KOTZ: To fully clarify that, I was not referring to a specific fund, but I was seeking information on whether there were items under 'Administered items' that were dealt with through the DAIS portfolio area. There are three portfolios under DAIS, and the only link to administered items with reference to any of the three portfolios of which I am aware is under that one listing of 'Administered units'. So, I am not sure and would like to know whether there are any administered items for which ORS has responsibility in terms of either contribution to salary payments or to the management of those administered funds with any payment to DAIS. Obviously, if no administered funds are held by DAIS, that would not be the case. However, as I do not know that, that is actually the question.

The Hon. M.J. WRIGHT: The advice I have received is that no administered items for Recreation and Sport are managed by DAIS.

The ACTING CHAIRMAN (Ms Thompson): The member for Light.

The Hon. M.R. BUCKBY: I think the minister wants to make a statement.

The Hon. M.J. WRIGHT: I thank the member for Light for this opportunity. I just want to make a brief opening statement, if I may. I have had discussions with the shadow minister with regard to this. I make this brief opening statement to provide the committee with this information. The Public Finance and Audit Act 1987 requires all South Australian government departments to submit draft financial statements to the Auditor-General by 11 August each year.

The 2002-03 draft consolidated statements for the Department of Transport and Urban Planning, which consolidates Transport SA, Planning SA and the Office of Local Government, were submitted to the Auditor-General by the due date. However, while the audits of Planning SA and the Office of Local Government were completed by the deadline set for the Auditor-General to report to parliament, Audit was unable to complete the audit of Transport SA by this date. This was due to a number of outstanding issues that have now largely been resolved. DTUP consolidated financial statements will now be included in the Auditor-General's supplementary report to parliament on 24 November this year.

I am disappointed at this outcome, particularly as I was not advised of this problem until the Auditor-General's Report was published. I have spoken to my department and expressed my concern, and my Chief of Staff has spoken to the shadow minister to help address this issue. The shadow minister has requested a briefing and that will be provided. As the final Audit opinion has yet to be received, I am not yet in a position to advise whether the Audit opinion of the department's financial statements will be qualified. It should be noted that none of these issues will have any material adverse impact on the department's ability to finance its operations and deliver on its annual budget.

The Hon. M.R. BUCKBY: I was well aware of the situation, and the minister may not be able to answer my first question because of his previous statement. Part A: Audit Overview, on page 72, identifies that the underspend of the government in capital works was some $145 million. Is the minister in a position to advise what the underspend was for the Department of Transport and Urban Planning as part of that $145 million?

The Hon. M.J. WRIGHT: I will take that question on notice. To the best of my knowledge we have not contributed to any of that underspend, but I will get the additional detail for the member. However, the advice I have received is that none of the underspend to which the member refers was contributed to by the Department of Transport and Urban Planning. However, I will check and ensure that I get that precise detail for the shadow minister.

The Hon. M.R. BUCKBY: Minister, on page 1131 the Auditor-General has raised the adequacy of the calculation of bonus payments in relation to Access Cabs and has identified the potential for incorrect bonus payments due to appropriate data validation and other matters. Can the minister advise what was the deficiency in the data collection process and what measures the Passenger Transport Board has put in place to correct this error?

The Hon. M.J. WRIGHT: All bookings are now required to go through the central booking service, whereas users were previously able to call cab drivers directly. This caused some debate, but the government had little option. As a result of this being put in place, we have largely been able to overcome the difficulties that were being experienced in the system.

Generally speaking, although we have to monitor Access Cabs carefully and be up to date with our policy, it does appear that there have been some significant improvements through the system over the past 12 months or so. The bookings now required to go through the central booking service are a key feature of that, and they provide the central database that we use.

The Hon. M.R. BUCKBY: Will the minister advise the committee how much was collected from Serco, Southlink and Torrens Transit in fines revenue for not fulfilling their contract, or breaching the conditions of their contracts; for instance, lateness of services in terms of arriving at various destinations? I recognise the minister might not have the figures on hand and may have to get them.

The Hon. M.J. WRIGHT: I thank the shadow minister for his question. The advice that I have received is that it is of the order of approximately half a million dollars. I will come back with a more precise answer, but I think it is in that vicinity.

The Hon. M.R. BUCKBY: Are any fines relating to those public bus contracts in dispute? If so, what is the amount that is in dispute?

The Hon. M.J. WRIGHT: What page is it on?

The Hon. M.R. BUCKBY: I refer the minister to page 1132, Revenues from Ordinary Activities, and that includes user charges, fees and fines. Minister, in relation to your previous answer that approximately half a million dollars was collected in fines from Serco, Southlink and Torrens Transit, is an amount still in question in terms of a dispute between the Department of Transport and those companies as to whether those fines are owed, or is there an outstanding amount where there is a dispute over whether or not the fine is owed to the government? If so, what is that figure?

The Hon. M.J. WRIGHT: The member for Light is correct; I am simply not aware of that detail and will have to check it for him. I would be happy to seek that information from the PTB, but I just do not have that sort of detail with me.

The Hon. M.R. BUCKBY: I refer to page 1139, under Grants and Subsidies Provided for Concessional Travel in Country Route Services and Regional Cities: why has the figure risen from $2.98 million in 2002 to $3.74 million in 2003, and what routes were affected?

The Hon. M.J. WRIGHT: The advice that I have received is that the figures that were referred to by the member for Light, in particular, those regarding the increase that he has highlighted to the house, relate to the increase in expenditure for regional passenger services in the Murray-Mallee. That advice is probably correct, and that is what we think to be the case. If that is proven to be incorrect, I will come back to the member. I think that probably accounts for that increase. I remind members that that was a pilot program which was put in place in the Murray-Mallee in the first budget of this government. It is continuing and is going well. So, I think that is what that is about.

The ACTING CHAIRMAN (Ms Thompson): We will now proceed to matters relating to the Minister for Industry, Investment and Trade; the Minister for Small Business; the Minister for Local Government; and the Minister for Forests. Does the minister intend to make a statement?

The Hon. R.J. McEWEN: No.

The ACTING CHAIRMAN: Is he ready to proceed to questions?

The Hon. R.J. McEWEN: Yes.

Mr BRINDAL: Is the minister not making any statement?

The Hon. R.J. McEWEN: No; there is nothing I need to say.

Mr BRINDAL: Does the minister have any advisers?

The Hon. R.J. McEWEN: No.

Mr BRINDAL: Minister, the basis for the question is Part B, volume 1, pages 109 and 163. Has the minister approved any payout to any person who was appointed to a senior

executive position in the minister's department but did not actually commence work?

The Hon. R.J. McEWEN: No. I will qualify that: not that I am aware of, but I will not give an emphatic no.

Mr BRINDAL: On—

The ACTING CHAIRMAN: Order! I remind the member for Unley that the house is in committee and that the normal proceedings apply. One addresses the chair when standing.

Mr BRINDAL: I apologise; I had forgotten. The minister disposed of the first question very quickly with a very concise answer, which is unusual and I am now flustered. This question also applies to Part B, volume I, pages 109 and 163. On 30 October 2003, the minister appointed Mr Steven Haines as the Implementation CEO of the Department for Business, Manufacturing and Trade. The minister explained that Mr Haines' sole task for the next six months was to be:

. . . responsible for implementing the restructure recommendations as agreed by the government.

Has cabinet endorsed all recommendations of the Bell-chamber-Bastian review of the Department for Business, Manufacturing and Trade? If not, what is Mr Haines currently implementing?

The Hon. R.J. McEWEN: Yes; the member is right. As per the review of the Department for Business, Manufacturing Trade, the recommendation was that I appoint an interim CEO to be responsible for implementing the review. The first task of the interim CEO was to assist me in preparing a government response to the review. That matter is in progress at the moment. It is my hope to take that response to cabinet within the next fortnight. Obviously, once that has been done, I will make the response public. So, what has Steven Haines been doing between his appointment last Monday and today? He has been working with the department and me to prepare our response to the review.

Mr BRINDAL: I thank the minister for his very clear answer, but I want to be sure that it is clear in my mind. In other words, Mr Haines has been employed for six months to be responsible for implementing the restructure recommendations as agreed by the government, but his initial task is, in fact, to determine the response with you, and I think you said that that will be done within about a fortnight. Having done that, cabinet will sign off on its response, and then Mr Haines will implement it for the remainder of his time. Have I understood what the minister has said?

The Hon. R.J. McEWEN: The member has certainly understood what I have said. Obviously, at this stage we have a review of the Department for Business, Manufacturing and Trade which is dated 30 September. That is no more or less than an independent review of the department, which was a requirement of recommendation 67 of the summit. Obviously, now I need to prepare and take through cabinet a government response to that—not dissimilar to the process that you adopted in government, where John Bastion actually prepared and reviewed for your government the Regional Development Board. The opposition, when in government, also published a response to that review which was the government's position.

Some people have assumed that everything in this report is the government's position. That is not the case. It is no more or less than a report and I have made sure that the authors of the report have been widely available to brief people on the report and how they arrived at their conclusions. As part of that process, I made the team available to the shadow cabinet and the caucus and I understand that they did a briefing. Further to my understanding, at that time there were very few questions asked and there seemed to be a general acceptance of the report. Of course, it does follow from what I also understand to be a general acceptance by the opposition of the economic framework document, 'Our Future, Our Direction'. This means that I have already assumed that there is support, at least in principle, for most of the recommendations, particularly recommendation 67.

It is interesting, though, and I think this is an important point for the public of South Australia. I make this point to the shadow minister that I think there is some expectation that the opposition at least come clean on where it stands on each of those recommendations. I do not think it would be in the spirit of the framework document, the summit, and everything that led up to May 2003, for the opposition now to run some sort of guerilla campaign as we move through implementing 70 of the 71 recommendations that cabinet has accepted.

I think the people of South Australia are expecting leadership on both sides in this, as a follow up to the bipartisan support in principle, for the framework document that was the outcome of the summit. I think that the people of South Australia are a bit disappointed at this stage, that they have not seen a statement from the opposition as to which of the recommendations they support, which they give qualified support to and which they reject. You might remember, of course, that of the original 72 recommendations, the Economic Development Board itself withdrew one, recommendation 46, and then the government accepted all remaining recommendations but recommendation 24.

So, the government's position is very clear. What is more, the government has said it will come back in 12 months and call together all of those people who contributed to the summit to, at that stage, give a reckoning of what action they have taken. Given that the responsibility for growing South Australia is a bipartisan responsibility, I think it is time, and I have said this a few times, that the opposition came clean and put on the record where they stand on each of these matters. I am sure the shadow minister will take that challenge up with his leader and I am sure that as a Christmas present the people of South Australia can expect something of substance from the opposition in relation to all of that work that led up to the foundation papers, the State of the State report, the round tables, the regional forums and, of course, the summit. I do not think that we as South Australians should expect any less.

Mr BRINDAL: I cannot let that challenge go unanswered, at least on the record. I am quite sure that all of my colleagues, including my leader, will take an absolutely responsible approach to this and any other matter raised by the government. I do, minister, remember—and you were younger then, in terms of parliamentary experience—your telling me when I was minister that of course it was not your job to necessarily have a policy position. It was the government's job to have a policy and it was your job, in the words of the late political person of some note, Don Chipp, to keep the bastards honest. So, minister, I will pass on to my party your sentiments, and you have every right to expect the opposition to be constructive, not destructive, and to be as helpful as they can. It is, nevertheless, the prerogative of an opposition to constructively criticise.

The Hon. R.J. McEwen: I don't think there is a question in there anywhere.

Mr BRINDAL: No, there is not. I am just responding to your long statement about why we should give you a policy

statement before Christmas. I am just saying that that may or may not be possible. You can guarantee, minister, that the opposition will act in the best interests of South Australia, whatever it determines those best interests to be, both before Christmas and until we regain the Treasury benches after the next election. Under costs of your office and plant and equipment, when do the leases for the department's current accommodation at Terrace Towers and South Terrace expire? What is the minister's current intention about renewing these leases, given the restructure of many of the entities that now comprise your department? Is there still work being done by DBMT offices on future accommodation options for his new department?

The Hon. R.J. McEWEN: I believe the important thing is to make sure we do not get the cart ahead of the horse. We need to put in place the new structure and recruit into the new structure, which is basically a new department. It is a green field site. In effect, we are decommissioning the old Department of Business, Manufacturing and Trade which is an entity of the nineties. It is an entity, in part, based on a philosophy of corporate welfare, which has been discredited in many ways. I might add that it was discredited by the Economic and Finance Committee of the last parliament, ably chaired by the member for Stuart, that brought the recommendation to this parliament that corporate welfare was not a responsible way to use public money to encourage enterprise and endeavour and to grow wealth through exports.

The whole summit process, the Economic Development Board and the review have all consistently followed a theme that said, 'Wean us off corporate welfare.' As we restructure the department around a policy moving forward (which is around a framework allowing business to do business) we will need to make a whole range of decisions about appropriate accommodation. As we go through the decommissioning process and the establishment on a green field site of a new department, we will need to make many decisions about the accommodation that is available. As was the case with the last government, we are locked into contracts. Sometimes it is better to let those contracts run their course than pay the penalty of an early exit. All of those decisions will be made at the appropriate time, in the appropriate manner.

I will first commission the new department. That department ought to make decisions about the accommodation it needs. We must keep in mind that as part of that process we are folding out some of these functions to more appropriate departments. Another recommendation which came out of the summit, out of the economic framework, is a department of infrastructure. Therefore, some of the resources which are presently with DBMT will be folded into infrastructure. The same will be the case with the new population unit. The same will be potentially the case—I am not going to stand here tonight and pre-empt the government's response to the report, but the report is suggesting that some of the food services functions be folded out into Primary Industries.

Equally, some of the prudential management around the existing contracts with industry that run over from that corporate welfare of the 90s, ought to be managed more appropriately by Treasury. All of that will need to be folded out, which means that some decisions about accommodation may need to be made by the new agencies. In terms of the detail of what we are doing about North Terrace and South Terrace, in particular, I cannot answer that at this stage. We have exited Woodville. The components we had there have now been moved back to South Terrace. This in turn required the movement from South Terrace to North Terrace of some components of DBMT. We are using the accommodation that is available at the moment in the most responsible way possible. But, yes, I would say that, as we decommission the old department, further space will be freed up, and obviously we will then deal with either exiting those contracts or using that space in another appropriate way within government at the appropriate time.

Mr BRINDAL: I understand that answer, save for this part: if, say, the lease on South Terrace expires in six months' time—or the lease on Terrace Towers, indeed, expires in nine months' time—while I absolutely accept what the minister is saying, I put to the minister that he may well have a problem that, if his final scenario is not yet realised, he as minister or his department or some entity has to make a decision whether to renew a lease or not to renew a lease. So, while I accept his answer, does he know the date on which those leases run out? Is there a couple of years to run on North Terrace, or one year? What about South Terrace?

The Hon. R.J. McEWEN: No, I do not have that detail in front of me but, if I find a situation where a lease runs out before we have made a final decision about where we are moving forward, we will obviously be looking for a short-term extension of that lease. We will not lock ourselves into leases to go well beyond our need to use that accommodation. Of course, that is not only an issue for North Terrace and South Terrace. I am sure the member will be well aware, for example, that we are faced with the same issue regarding the overseas offices that we still have in Dubai, Hong Kong, Shanghai and Singapore. In fact, we are in the position at the moment with our Hong Kong office of finalising a decision around what we intend to do there. The review says there should be no overseas offices but I do not fully support that. I believe that there are some circumstances in which we need to do business government to government before business can be done business to business. There is a very good reason to have a government presence in some markets. In the case of Hong Kong, as one example, at the moment we are looking for a short-term extension. The last thing we want to do is lock ourselves into a long-term and expensive accommodation option and then find less need for that accommodation.

So, we will certainly in our best endeavours balance our needs in a responsible way, making sure—and I think this is the tenor of the question of the shadow minister—that we do not find ourselves, as has tended to happen in the past, leasing expensive accommodation that we are not using. That is not a good way to spend public money. I, for one, will ensure that I avoid that under all circumstances, but there will be some times when we have made decisions in the past—times when both governments have made appropriate decisions at the time—that have locked us into leases beyond the period for which we need them. Again, we will accept that. It was very interesting to find that the office I moved into on becoming minister had been vacant up to that time. It had been locked into an expensive lease by a previous government, but we are now using that accommodation.

Mr BRINDAL: What was Jim Duncan's position with the Rann government in relation to the naval shipbuilding project, and has Mr Duncan's appointment been terminated or has he resigned from his position? If so, have taxpayers' funds been spent on any significant payout in relation to this matter?

The Hon. R.J. McEWEN: I have some difficulties with that question on a number of fronts. I am not sure how that question applies to that section of the Auditor-General's Report that we are dealing with at the moment. It is certainly

not a responsibility of mine, so I have no knowledge of Mr Duncan or any other matters associated with the question. And I do not believe, moreover, that I would even give an undertaking to bring back an answer, because I do not believe I am responsible for that contract in any way. Let me refer that to the appropriate minister and see whether someone else can take responsibility for getting an answer.

Mr BRINDAL: I am satisfied with that, because I take the minister's word that he will ask somebody else.

The Hon. R.J. McEWEN: I hope you are taking my word.

Mr BRINDAL: Yes, I am—that you will ask another minister to answer it. Were Mr Bastian and Mr Belchamber paid (because this is the scuttlebutt around the place) $1 000 a day to undertake their review of the DBMT? What were the total costs paid to both Mr Bastian and Mr Bellchamber, and were these payments in addition to the payments that these people received as members of the Economic Development Board?

The Hon. R.J. McEWEN: I do not believe so. My understanding is that, if there were any payments beyond their retainers as part of their being members of the Economic Development Board, those decisions would have been made by the Economic Development Board, certainly not by my department. They were made available to do the review because of their position on the Economic Development Board. Again, although that is beyond my domain, I am happy to check on that. Certainly, in my understanding, there was not anything beyond what they were doing for the Economic Development Board. That was the body that made them available to me as part of the review. So, my short answer is that I do not know but I will find out.

Mr BRINDAL: The minister would be aware that the Premier has said, quite vociferously, that he was interested in reducing the number of boards and committees, which the government undertook and was going to do so across agencies. Therefore, I ask the minister—in the context of the Auditor-General's Report—if he has yet made decisions about which boards and committees will be cut and, if so, how many? Which ones does he consider should be cut or amalgamated?

The Hon. R.J. McEWEN: We have been faced with fishing trips in the past. I think that is an enormously broad question that goes well beyond anything we are dealing with in the Auditor-General's Report. I am not actually sure what he is fishing for, either. At least if I had an inkling of his reasons for the bait and the shape of the hook, I could at least focus in some detail on what he is asking. The short answer is, 'No. I am not.' However, unless he wants to give me more information and link it back to the Auditor-General's Report, I would have to say that I do not think that fishing trips are an appropriate exercise for this time of night.

Mr BRINDAL: I think that pivotal to the operation of any ministry in any government is the quality of advice from the various boards and committees set up under the minister's auspices. As Minister for Youth, for instance, I had the Youth Advisory Council, which provided critical advice in the youth area. I am sure the minister has a number of boards and committees—he has a new entity. I am sorry if it is a bit of a fishing expedition, but there is no other way to do it with the minister's new department. Some things will come in, some things will roll out—as he said in his own words—and some things will best be placed elsewhere. So, in the minister's own words, the exact shape of the department is yet to be determined. However, I presume that he will still need at least some boards and committees under his auspices to advise him. The nature of the inquiry—

The ACTING CHAIRPERSON (Ms Thompson): I remind the honourable member that this is an inquiry relating to the matters raised in the Auditor-General's Report. I have listened most attentively, and I hear a question that may well be asked in Question Time tomorrow. However, I do not hear anything that refers to the matters raised in the Auditor-General's Report. I would be pleased if the honourable member could give me a reference.

Mr BRINDAL: All right, just a minute. Mentioned in the Auditor-General's Report are, quite consistently—

The ACTING CHAIRPERSON: Committees?

Mr BRINDAL: Committees and payments for committees. I am asking, because it is detailed in the Auditor-General's Report, which committees are responsible to which departments; how much have they have been paid; and the bands, etc. I am therefore asking in the light of that whether any committees—as per the Premier's instructions—are planned to be cut and, if so, which ones and what savings will be made. I think the minister has answered most of that. Minister, I will go back to something that he touched on previously, and I want to confirm his answer. I gather from what he said in relation to the closure of overseas trade offices that he is yet to make any final decisions as to which, if any, should be closed. Is that correct? That is what I think I heard him say.

The Hon. R.J. McEWEN: Just recently, I closed the New York office. Its primary focus was investment attraction—so, capital attraction to the state—and, in terms of an outcome of performance measures, I was most unhappy about that: I did not think that we were getting good value for money. There has tended to be a preoccupation with our overseas offices—and I have said this on a number of occasions. Apart from London, of course, which is managed by the Premier, anyway, and has a much broader responsibility, there are really only, in effect, four offices left. Nick Allister Jones of course, runs the Dubai office and, certainly, it is most appropriate that we have someone in Dubai who is not only fluent in Arabic, but who can also work very closely with the ruling families through the UAE and beyond—and I have certainly had recent discussions in terms of opportunities in Iraq that we can manage out of that. With respect to the Singapore office, Tay Joo Soon, of course, also supports Kuala Lumpur, and Malaysia generally. Recently, as part of the Australia Malaysia Business Council, a number of South Australian business people visited Kuching. That was all managed out of that office, and it was a very successful mission. The Premier has recently returned from China, and he complimented me on the work that Ken Zu and his team are doing in Shanghai. The only other office, of course, is run by Joyce Mack in Hong Kong, which is part of our strategy in China.

One would have to say that, consistent with the fact that sometimes we have to have government to government relationships sitting on top of business to business relationships, we have a very modest presence overseas and some very good people who have contacts at the highest level within those governments. Does that mean that they are going to stay? I am not saying that. Obviously, as we review contracts with individuals, we will reassess the situation.

Importantly, running parallel to that, I am very keen to get closer to Austrade. I think the key brand is Australia, and we ought to add some value to that for South Australia underneath it, not compete with Australia as a brand name. That

means that, in each of those markets, I am looking to complement what Austrade is doing and, elsewhere around the world, obviously, South Australians who are also commonwealth taxpayers ought to be using those functions that we pay for at a commonwealth level and using all our Austrade offices overseas. So, let us have that as a general strategy. Sitting underneath that, a very specific strategy in four limited markets is where we sit at the moment.

The Dawkins review said, 'Review them all. Make sure that at least you are getting value for money. Come back and have another look at those minor presences that we have.' They said to close Tokyo, and we have done that. They said, 'Get out of Indonesia. You are not getting good value.' We have done that. They said to have another look at New York. I have done that, and I have closed New York. There is very little left, and I think we are getting very good value for money at this time with what is left. But, again, I will take advice from Stephen Hains and the implementation team and make that final decision as part of taking a presentation back to cabinet, or at some future date when it is appropriate to make that decision.

I note that the Speaker has rejoined us, and the Speaker will tell us that, if we put a little effort into Korea, we could get some enormous value for the state out of that. We should not underestimate the value that we can get out of a very small investment, which is about relationship building and maintaining networks for South Australian businesses to do business in these emerging markets. In a responsible way, I am saying that, in what is left, we are getting very good value for money now. That does not mean that we cannot improve it. Obviously, we are continually reviewing these situations and as circumstances change we will make these decisions.

Mr BRINDAL: Can the minister clarify the government's position on industry incentive? He said, I think, that that was a thing of the 90s, and I think even the previous government would acknowledge that, in some ways, it was locked into by a bidding war, which every state seemed intent on ratcheting up. However, I am interested in the Auditor-General's Report because of the financial implications of the state in so as far as is the minister saying that, in the future, industry attraction can be weaned to the extent that two of the primary instruments used by government have been an agreement not to tax payrolls for a period? So, it was not money paid out of Treasury: it was forgone payroll tax. The other one the minister would be aware of, I am sure, from his work on the Economic and Finance Committee is the build and lease back of buildings through an agency.

I think that at that time it was an agency of the Housing Trust. Is the minister proposing that weaning will be to the extent of, 'Look, if you want to come here, you come here. We will give you the best we can but there are no special deals', or will those two types of provisions still remain? What is the minister's thinking on the matter?

The Hon. R.J. McEWEN: It is horses for courses. Obviously, we are not ruling out all sources of direct and indirect support; but, certainly, all of the Treasurers—except the Queensland Treasurer—have talked to each other about the silly nonsense of pirating businesses from each other that stay only until such time as the support runs out and then they move on. That is just a nonsense. I saw a figure that said something like $600 million worth of taxpayers' money was used during the 1990s in terms of industry attraction type funding, and it really did not achieve a tremendous amount.

It was not money well spent. Yes, in particular circumstances, if we need a key industry here it is a key part of a cluster and a whole lot of industry extension will come from it. Obviously, we will deal with it on merit, but the general thrust is to get a business climate right to let businesses be competitive. That means that we must look at the framework you need around businesses in general rather than public money for private good. Yes, I have got difficulty with public money for private good, but public money for a general framework around hard and soft infrastructure is an important way to create a competitive environment within which our businesses can compete globally.

Obviously, that means money around specialist training, money around making sure that that human resource is upskilled and competitive. It means money around making sure that the legal and financial frameworks that support businesses are in place. It means that, where appropriate, the public infrastructure is in place. I am not ruling out specific support to individual companies: I am saying that it will not be the norm. However, under certain circumstances, there will be for the short term. If it is to happen, I would certainly look for a plan where it is eased off very quickly, and it is really only almost around some start-up assistance—keeping in mind, of course, that the Venture Capital Board was set up exclusively to look at some of that support that we need early on.

We talk about business angels and we talk about other ways of getting very good innovative ideas kick-started, and that tends to be more supporting the potential for home-grown product rather than attracting people in from outside. I think that is where most of our future is—adding value to what we have got. When we look around this state we have got some enormously skilled people doing some wonderful work, and it is only the growth plan around them that needs a bit of encouragement. Today I happened to be out in the northern suburbs looking at a little business that had started off locally and, within 15 years, it has gone global, but it grew on debt.

Mr Brindal: Which one?

The Hon. R.J. McEWEN: I would prefer not to talk about that yet. I am happy to talk privately with the shadow minister about that. The company concerned actually grew on debt. There was a point where the house was fully mortgaged. The wife's car and caravan was sold because they had to manage cash flow. One of the real challenges for small businesses is around growing in a framework of debt and equity equally now within a superannuation environment where that money, which would have traditionally stayed in businesses and in communities, particularly in regional South Australia, is now lost forever. It ends up in the global equity market and is never available for small businesses to grow.

Yes, there are some challenges around financing, training and the legal framework, but I would have to say that our general policy thrust is to move away from public money for private good. I think that is what we mean when we talk about that culture of the 1990s which has not really worked and which is not appropriate. Why tax businesses in the first place? I mean, the last thing you want to do is tax a business to subsidise its opposition. That does not make sense; it did not work in the 1990s. We said that corporate welfare is a part of the past and that is a strong message we need to send.

The CHAIRMAN: The examination of matters raised in the annual report of the Auditor-General relating to the portfolios covered by the Minister for Industry, Trade and Regional Development, and other portfolios has now concluded.

Progress reported; committee to sit again.

LOTTERY AND GAMING (LOTTERY INSPECTORS) AMENDMENT BILL

The Legislative Council agreed to the bill without any amendment.

ADJOURNMENT DEBATE

The Hon. R.J. McEWEN (Minister for Industry, Trade and Regional Development): I move:

That the house do now adjourn.

Mrs PENFOLD (Flinders): The win by Mr Tony Santic's horse, Makybe Diva, in the 2003 Melbourne Cup is possibly the highest point in the cup racing history in South Australia. I congratulate Tony, his trainer David Hall, jockey Glen Boss, and all the stable team who had a hand in this great win. The background to this win would make a compelling film, and I acknowledge the media, particularly *The Advertiser*, *Port Lincoln Times* and the ABC for much of the information I found out. Tony was born on the small island of Lastova between Croatia and Italy. He came to Australia with his family in 1958 when he was six. His parents worked at Geelong in Victoria.

The SPEAKER: Order! The member for Flinders in the course of these remarks, I think, anticipates the debate of item 22 under 'Other Motions' for Thursday 13 November.

Mrs PENFOLD: Mr Speaker, I asked one of our illustrious lawyers and he said that, because I had not moved the motion and that is likely to be some weeks hence, if ever, I was able to speak tonight.

The SPEAKER: No, the motion is in possession of the house; the honourable member has given notice of the motion. If the remarks the honourable member wishes to make are in the context of addressing Mr Tony Santic and his team for the fantastic win by his racehorse in the recent Melbourne Cup of 2003, regrettably, they are out of order. The question is that the house do now adjourn.

Motion carried.

At 9.44 p.m. the house adjourned until Thursday 13 November at 10.30 a.m.