LEGISLATIVE COUNCIL

Wednesday 5 July 1995

The PRESIDENT (Hon. Peter Dunn) took the Chair at 2.15 p.m. and read prayers.

INDUSTRIAL AND EMPLOYEE RELATIONS (MISCELLANEOUS PROVISIONS) AMENDMENT BILL

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

That the sittings of the Council be not suspended during the continuation of the conference on the Bill.

Motion carried.

PAPERS TABLED

The following papers were laid on the table:

By the Minister for Education and Children's Services (Hon. R. I. Lucas)—

Regulations under the following Acts—
- Electrical Products Act 1988—Various.
- Electricity Corporations Act 1994—Remove 'Trust' and insert 'ETSA'.
- Pay-Roll Tax Act 1971—Exemption—Momentum Films.
- Public Corporations Act 1933—
  - ETSA Energy Corporation.
  - ETSA General Corporation.
  - ETSA Power Corporation.
  - ETSA Transmission Corporation.
- Sewerage Act 1929—Variations—Plumbers, Gas Fitters and Electricians.
- Southern State Superannuation Act 1994—Primary.
- Waterworks Act 1932—Hot Water Installation.

By the Attorney-General (Hon. K. T. Griffin)—

Regulations under the following Acts—
- Fisheries Act 1982—
  - Abalone Fishery—Licensing.
  - Lakes and Coorong Fishery—Renewal of Licence.
  - General—Fees.
  - Marine Scalefish Fishery—Fees.
  - Miscellaneous Fishery—Licensing.
  - Prawn Fisheries—Licensing.
  - River Fishery—Licensing.
  - Rock Lobster Fisheries—Licensing.
- Gas Act 1988—Interpretations.
- Natural Gas Pipelines Access Act 1995—Definition and Information.

By the Minister for Consumer Affairs (Hon. K. T. Griffin)—

Regulations under the following Acts—
- Liquor Licensing Act 1985—Barring Persons from Premises—Forms.
- Plumbers, Gas Fitters and Electricians Act 1995—Primary.
- Retail Shop Leases Act 1995—Primary.

By the Minister for Transport (Hon. Diana Laidlaw)—

Regulations under the following Acts—
- Catchment Water Management Act 1995—Plans, Information and Interest Payable.
- Local Government Act 1934—Variations—Accounting.

SELECT COMMITTEE ON THE CONTROL AND ILLEGAL USE OF DRUGS OF DEPENDENCE

The Hon. BERNICE PFITZNER: I bring up the report of the committee and move:

That the report be printed.

Motion carried.

PARLIAMENTARY COMMITTEE ON OCCUPATIONAL SAFETY, REHABILITATION AND COMPENSATION

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

Pursuant to section 15E(2) of the Parliamentary Committees Act 1991, the following members be appointed to the committee, namely, the Hons M.J. Elliott, R.D. Lawson and R.R. Roberts, and that a message be sent to the House of Assembly in accordance with the foregoing resolution.

Motion carried.

QUESTION TIME

WOMEN'S LEGAL CENTRE

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Minister for the Status of Women a question about a Women's Legal Centre.

Leave granted.

The Hon. CAROLYN PICKLES: Yesterday the Attorney-General was asked for his views on the establishment of a Women's Legal Centre in Adelaide as proposed in the Federal Government's justice statement of May this year. The Minister for the Status of Women would no doubt be aware that the concept of women's legal centres was strongly supported by the Australian Law Reform Commission report produced last year on equality before the law. A working party of concerned women has been meeting in Adelaide since last year to refine the proposal and to gather support for it. The Minister would also be aware of this working party. Yesterday, when I put a supplementary question to the Minister for the Status of Women seeking her view, she was not allowed to answer. So, today—

Members interjecting:

The Hon. CAROLYN PICKLES: Not Standing Orders? You check your Standing Orders.

Members interjecting:

The Hon. CAROLYN PICKLES: I know them too.

Members interjecting:

The Hon. CAROLYN PICKLES: Yes, you can. I now ask: will the Minister tell us today whether she supports a women's legal centre for Adelaide based on the proposals contained in the Federal Government's justice statement? If not, why not, and what legal services for women does she support?

The PRESIDENT: Order! Before the Minister answers that question I point out to the Leader that she is reflecting on the Chair. I did rule that the question was not to be asked of another Minister.

The Hon. Diana Laidlaw: I would readily have been prepared to answer the question yesterday if the Leader had been directing it through the proper Standing Orders. As she did not do so, there was not an opportunity for me to answer. In addition, if the Leader carries on she is, as the President points out, reflecting on the Chair, and I suspect she might be wise not to continue with that course. I am aware that the working party has been meeting and addressing the issue. I am also aware that the matter is being considered by the Women's Advisory Council, which was established by the Government last year to address a whole range of issues of interest and relevance to women.

A member of that committee is Janet Maughan who is also a member of the Legal Services Commission. We had some discussions about this matter. I recall writing to the Women's Advisory Council indicating that, from the minutes I had read of the working party, it was essentially concerned with the conduct, arrangements and money available through the Legal Services Commission and, rather than creating another structure with the administration and all that was involved, it would be better to address the essential problems with the Legal Services Commission, and I remain of that view.

MARINE PARK EXCLUSION ZONE

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Primary Industries, a question about the Great Australian Bight marine park exclusion zone.

Leave granted.

The Hon. R.R. ROBERTS: Over the past few years, recognition of the importance of whales and marine mammals in South Australia has been well documented, and the autumn edition of *Southern Fisheries* indicates very good reasons for that:

> The South Australian population of New Zealand fur seals is around 22 600 (about 83 per cent of the Australian population). . . . Many of the State's coastal bays and inlets are also frequented by the endangered southern right whale. The estimated global population is around 1 500—3 000 with an Australian population of 400 to 600. The breeding and calving sites at the head of the Great Australian Bight are recognised as the most significant in Australia and the world, and are currently the subject of a marine park proposal.

After extensive negotiations and an inquiry, which cost some $300 000, a very extensive marine park was recommended to the Government. After consultation between the Minister for the Environment and Natural Resources and the Minister for Primary Industries, that area was substantially reduced. It was decided that the exclusion zone would be declared under the Fisheries Act (South Australia), under which from time to time the Minister has discretion to allow activities to take place in these zones for a whole range of reasons. The zone has been set up for 12 months initially, but a process is in place now to develop a new development plan for the Great Australian Bight Marine Park.

During the Estimates Committees, the Hon. Mike Rann, when questioning the Minister for the Environment and Natural Resources (Hon. D.C. Wotton), did get assurances from the Minister. He agreed with the current status of the exclusion zone which quite clearly prohibits mining or fishing within that zone. He was then asked by the Hon. Mike Rann whether he believed that it was in perpetuity, beyond the 12 months, and the Minister gave assurances that that was his position.

Some concern has been expressed by people, especially those in the conservation movement, about the future of the marine park beyond the 12 months. They give credit to the Minister for the Environment and Natural Resources about his attitude to the new plan. However, they are concerned for the future of the marine park exclusion zone with respect to what is happening with fisheries. Therefore, my question is: Will the Minister give assurances that the management plan being prepared at his direction for the Great Australian Bight Marine Park exclusion zone will prohibit mining and fishing activities in the zone at all times?

The Hon. K.T. GRIFFIN: I will refer that question to my colleague in another place and bring back a reply.

REMAND CENTRE

The Hon. T.G. ROBERTS: I seek leave to give a brief explanation before asking the Attorney-General, representing the Minister for Correctional Services, a question about Remand Centre prisoner safety.

Leave granted.

The Hon. T.G. ROBERTS: In the past two days quite a bit of publicity has been given to two rape incidents that occurred in the Adelaide Remand Centre—that is the rape of males by males—and perhaps a little less publicity to a rape that occurred in the Northfield Prison by a woman on another woman. It is no coincidence that negotiations around enterprise bargaining are taking place within the system to try to work a new structure or roster system that takes into account the cuts being made by the department and the Minister. In fact, the CEO was rewarded with bouquets when she highlighted in the media the restructuring of the prison system and taking $30 million out of it.

Many categories of prisoners admitted into the Remand Centre are either on bail or awaiting sentencing. In many cases, the groups of prisoners put together are not categorised correctly. With respect to the mixing of prisoners, if there is single cell accommodation, obviously one prisoner can be secured from another, and prison officers feel much more secure with single cell accommodation. One of the aspects being raised is the design of the Remand Centre.

The Hon. L.H. Davis interjecting:

The Hon. T.G. ROBERTS: We cannot say that all prisons—

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: The Opposition's position is that the Government cannot use the excuse that every prison system operating in South Australia is poorly designed because the clear fact is there is a responsibility on departmental management and Governments to make sure the design features and functions of those prisons are adequately equipped for the job they are designed to do, and that is to secure prisoners from escape and from perpetrating any further violence on either themselves, other inmates or correctional services officers. It is quite clear that the system was managed far better under the previous Labor Government than under this Government.

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: Otherwise the daily papers would not be filled with the incidents which are now occurring. I must have hit a raw nerve because I have got a fair reaction from the other side.

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: The Minister for Correctional Services put out a statement through the *Advertiser* saying that the Mount Gambier Prison was totally inadequate in design for the function that it was supposed to serve for the incoming private operators. If that is not an anticipation of escapes and problems I do not know what is. I will get to the question. Does the Minister equate the violent acts which are occurring inside our prisons—that is, prisoners on prisoners and prisoners on security officers and the escapes which are occurring regularly—with the financial cuts that have been highlighted by the media over the past three weeks?

The Hon. K.T. GRIFFIN: I am surprised that the honourable member raises the question in the context of

asserting that prisons were better managed under Labor. I do not think that the record demonstrates that.

An honourable member: Why are you surprised about that?

The Hon. K.T. GRIFFIN: I am not surprised about the honourable member's assertion, but I am surprised that he seems to believe in it. I do not believe that any objective assessment can demonstrate that that is the case. The Minister for Correctional Services, when he made the statement about the Mount Gambier Prison, was not indicating that it was unsatisfactory for private management but that it was unsatisfactorily designed for any management, whether public or private sector. That was the statement that he made.

The honourable member's assertion that prisoners are regularly escaping from correctional services institutions is not factual; it does not bear close scrutiny. I have very clear recollections that under the Labor Administration, from 1982 to 1993, there were incidents such as parts of prisons burning and protests on roofs; and I think that Dr Hopgood, as Deputy Premier, ordered the demolition of one of the cell blocks at Yatala—

The Hon. Diana Laidlaw: 'A' block.

The Hon. K.T. GRIFFIN: 'A' block—without consultation. I think that was on the heritage list, too. Let not the Hon. Mr Terry Roberts cast stones because he will find that they will rebound. In response to the honourable member's questions, I do not have all the detail at my fingertips. They are questions which I am sure the Minister for Correctional Services will be delighted to answer and I look forward to bringing back replies when I have referred the questions to him.

VERTICAL INTEGRATION

The Hon. M.J. ELLIOTT: I seek leave to make a brief explanation before asking the Attorney-General, representing the Minister for Tourism, a question about the vertical integration of tourism.

Leave granted.

The Hon. M.J. ELLIOTT: There has been a great deal of concern in Queensland for quite a few years about the growth of what is known as vertical integration within tourism. This has meant that an increasing number of tourists coming to Queensland are on package tours where a vast majority of the money spent goes to companies owned by a single parent which then takes funds out of the region. Some tourists are now arriving in Australia without any Australian currency but with purchase tokens or resort money, whatever we want to call it, to be used within the operations owned by the parent company which has been involved in the pre-package tour. As a result, in Queensland many locally owned companies and the local economy are receiving far less return than would otherwise be the case. In fact, a large number of tour operators on the reef, for instance, have lost all their business and gone broke.

The same fears are now beginning to surface in South Australia with the emergence of companies such as MBf, whose associated companies now own the Wirrina Resort south of Adelaide, a bus company, an airline which flies to Kangaroo Island and ferries between the mainland and the island. I understand that the company is also considering running boat tours on Kangaroo Island's Pelican Lagoon, and there are suggestions that it may be involved in building a resort on Kangaroo Island as well. It is now possible for a tour arriving at Adelaide airport to climb onto a bus of this company, travel to its resort, fly on its plane to Kangaroo Island or travel on its bus to Kangaroo Island via its boat, board a bus (if they have flown there), travel around the island and eventually, it appears, travel on its boat on Pelican Lagoon and/or stay at a resort there as well. Critics observe that, while some jobs would be created to the benefit of the South Australian economy—

The Hon. A.J. Redford: Who are the critics?

The Hon. M.J. ELLIOTT: I have had people ringing me from Kangaroo Island who are most concerned about it. Critics observe that, while some jobs will be created to the benefit of the South Australian economy, a great deal of the money from these tourists would be exported. I understand that a second interstate based company is already running one major operation within South Australia and is also considering running a number of others which will form part of integrated operations. Does the Government have a policy or an attitude towards vertical integration within the tourism industry where the benefit to South Australia is minimised as a consequence?

Members interjecting:

The PRESIDENT: Order!

The Hon. K.T. GRIFFIN: That is a question which requires some careful consideration before replying. I will refer it to the Minister for Tourism and bring back a reply.

ROLLERBLADES AND SKATEBOARDS

The Hon. T. CROTHERS: I seek leave to make a personal explanation in respect of a matter on which I have recently been badly misquoted.

Leave granted.

The Hon. T. CROTHERS: Recently I was informed that the Channel 7 television station and the ABC radio station misquoted my position in respect of the Road Traffic (Small-wheeled Vehicles) Amendment Bill. I do not know where they obtained their information. It may well be that their source of information was the way in which they were misled. However, they misquoted my position in respect of the Bill, and, because I am handling the Bill on behalf of the Opposition, they therefore also misquoted the Opposition's position. My position is the position talked about and developed by the Opposition Caucus in this Parliament.

It is very clear to me that there is mischief afoot. The media outlets in question neither read my second reading contribution given latterly on the Bill nor looked at the amendments which I filed on behalf of the Labor Party and which are on file with the Clerk of the Council. So that the matter is very clear and is laid to rest once and for all, and so that nobody can use this in a mischievous manner so as to advance some other position that is not visible on the surface, let me put this on the *Hansard* record: the Labor Party's position on rollerblades and skateboards, and therefore my personal position, is clear. We believe that all roads and footpaths ought to be denied to skaters unless local councils set aside footpaths and streets or other areas as play streets suitable for skating, and signposting them accordingly.

The PRESIDENT: Order! I understand that this is a personal explanation. The honourable member is entitled under Standing Order 175 to 'repair', if you like, a misquotation, but he cannot introduce new matter. The honourable member bordered on the edge of new matter when he started to explain the position that he holds. I would ask the honourable member to limit his explanation to the quotation that he believes is wrong.

The Hon. Diana Laidlaw: The honourable member said that he supported the legislation, with amendment.

The Hon. T. CROTHERS: That is correct; I did. That is not to say that I support the legislation, full stop. A casual perusal of my second reading speech will reveal that I said that I supported the legislation with amendment. If I understand the reports that have been given to me with respect to media comments, those comments are being designed to say that I am at variance with some of my colleagues here with respect to my support for certain sections of the Bill. I do not know how the Minister is involved, but for some reason best known to her she is interjecting at this stage; I guess she may know how she is involved. However, I also said that I congratulated the Minister on her stand, as she was following on in the footsteps of the former Minister for Transport, the Hon. Barbara Wiese, relative to trying to bring some resolution to this matter.

If anyone suggests that I am totally in support of the Bill, they are wrong. I am in support of the Bill as outlined in my second reading speech and I will be supporting that, coupled with the amendments I have placed on file. I have not seen or heard the media, but if they have said what they have been reported to me as saying, I would hope that they will take the opportunity that my personal explanation is giving them to correct what I think is a mischievous—

The Hon. Diana Laidlaw interjecting:

The Hon. T. CROTHERS: What you do, Minister, is up to you. I have not talked about either Mr Atkinson's or the Minister's role in it. I have talked about the reports that have appeared on Channel 7 and ABC Radio. If the cap happens to fit any other proponents who are involved, let them wear it. I have not said anything about either party named by the interjector.

The PRESIDENT: Order! I remind the honourable member that he cannot debate the subject.

The Hon. T. CROTHERS: Then remind the interjectors that they cannot interject, Mr President.

The PRESIDENT: I will fix that.

The Hon. T. CROTHERS: Thank you very much; as long as the fixation is not one-sided. That is all I have to say in respect of the matter except that I would hope that, if revamping the thoughts that have been given to them is necessary, the media outlets that were involved will take the opportunity to run a correction piece relative to the whole of this matter so as to depict the truth of what I have said and what I stand for. I thank the Council for its indulgence.

RAILCARS

The Hon. G. WEATHERILL: I seek leave to make a brief explanation before asking the Minister for Transport a question about railcars.

Leave granted.

The Hon. G. WEATHERILL: During 1994-95 the new railcar replacement replaced obsolete 300 and 400 class railcars, better known as the Red Hens. What was the manner of the disposal of surplus 300 and 400 class railcars? Who purchased those railcars? When was the sale effected? What price was received for the railcars? What were the terms of the sale? Were the railcars sold as scrap or as operational vehicles? What costs were involved in the disposal of the railcars? What are the details of those costs?

The Hon. DIANA LAIDLAW: Those are very detailed questions. I will have to seek further information for the honourable member on those subjects. It is true that progressively new railcars are coming on to the system, and the Red Hens are being sold. We anticipate that there will be no more Red Hens in about 18 months, which will be good news for all rail travellers. In the meantime, I will obtain detailed answers for the honourable member.

TRANSPORT FARES

The Hon. BARBARA WIESE: I seek leave to make a brief explanation before asking the Minister for Transport a question about public transport fares.

Leave granted.

The Hon. BARBARA WIESE: During the Estimates Committee hearing, the Minister for Transport was questioned about the most recent public transport fare increases and how they came about. In reply, the Minister got herself into a terrible tangle, trying to explain the process that had been undertaken. Early in the questioning, the Minister said that, under the Passenger Transport Act, it was not for her but for the Passenger Transport Board to decide fare increases. That is correct, so one would expect the process that was followed to be easy to explain. However, later in questioning, the Minister stated that details of fare increases were not included in any of the budget press releases on budget day and were released separately because the fare increases had to be endorsed by the Passenger Transport Board, and the board was not meeting until that very day. When asked who initiated the increases, she said at first that it was the board, but then she corrected herself and admitted that they had flowed from her own request, which led to work being undertaken by officers.

Later, she indicated that the matter had been considered by Cabinet and needed to go back to the Passenger Transport Board to be 'ratified and noted'. Later still, she said that fare increases were not proposed by Cabinet but came about as part of budget discussions between Treasury, departmental officers and herself. Unravelling those contradictory statements, it would appear that the fare increase proposals were generated from within Government, were then referred to Cabinet for approval, with the Passenger Transport Board, which has responsibility for those matters under the Act, turning out to be not the first but the last cab off the rank in having a say. In fact, it would seem that the board's role was to rubber stamp decisions that were taken elsewhere. Does the Minister agree that that is the process that was followed? If so, why did she allow such a contravention of the Passenger Transport Act?

The Hon. DIANA LAIDLAW: No, and I did not allow such a situation. The questions do not warrant more reply than that; nevertheless, I shall again detail the situation for the honourable member. As I indicated before the Committee and as is the case, the PTB set the fares. As the honourable member will know, in terms of budget discussions there are discussions between various agencies, Cabinet, the Minister and the like. Cabinet had earlier set revenue budget projections for all agencies—budget cuts for some but not others. It was in that context that the PTB, Treasury and I met. We looked at a variety of options. The PTB went away to consider in which areas there would have to be cuts and in which areas it could raise revenue. Propositions were put to me. They were considered, ratified and endorsed by the board, as is required under the Act. They were announced as soon as the board had followed through the process it had initiated.

The Hon. BARBARA WIESE: As a supplementary question, will the Minister advise whether the Passenger Transport Board made a recommendation to her about fare increases before they went to Cabinet? Secondly, was Cabinet asked to approve or to note fare increases?

The Hon. DIANA LAIDLAW: The PTB was involved right from the start. That is what I have just indicated to the honourable member. It has done all the work.

The Hon. Barbara Wiese interjecting:

The Hon. DIANA LAIDLAW: Officers do not work without the knowledge of the board.

The Hon. Barbara Wiese: I am asking about the decision making process; don't confuse the issues.

The Hon. DIANA LAIDLAW: I am not confusing the issues. The honourable member has the issues confused. The PTB was aware of the situation and authorised the work to be done. It was done within its knowledge and there was discussion for some time. Cabinet considered the issue and the PTB—

The Hon. Barbara Wiese interjecting:

The Hon. DIANA LAIDLAW: I will get that for you. The important part is that the board, as required by the Act, has the final authority in terms of the setting of the fares, and that was undertaken. No announcement was made until the board had been involved, as the Act—

The Hon. Barbara Wiese interjecting:

The Hon. DIANA LAIDLAW: The board is ultimately responsible for the setting of fares. That is what Parliament provided—

Members interjecting:

The Hon. DIANA LAIDLAW: That is quite right. Parliament provided that and that is what the board did—just as Parliament sought.

The Hon. Barbara Wiese interjecting:

The Hon. DIANA LAIDLAW: They cannot rubber stamp: that is what the board is required to do under the Act.

PERFORMING ARTS COLLECTION

The Hon. ANNE LEVY: I seek leave to make a brief explanation before asking the Minister for the Arts a question about the performing arts collection.

Leave granted.

The Hon. ANNE LEVY: The performing arts collection, as I am sure most members know, is currently housed in the Festival Centre, where it has been for a number of years. Its budget allocation for this year was kept at the stand still amount of $91 000, and I understand that, with cost increases expected from WorkCover and such other unavoidable costs for the two staff members employed by the performing arts collection, it will be left with only $6 000 for all its running costs, including telephone, postage and such incidentals. I am informed that currently it can afford conservation attention for one article per year in the collection and, as there are 70 000 items in their collection, it looks as if it will take 70 000 years to conserve its precious material properly.

I understand that without consulting either the Helpmann Academy Board or the Performing Arts Collection Committee the Minister has said that she wishes to relocate the performing arts collection with the Helpmann Academy in the Centre for the Performing Arts in Grote Street. This would mean moving a fragile and delicate collection of items from an air-conditioned location to a crumbling building that has no temperature control at all, which would be an absolute disaster in terms of rapid deterioration of the collection. Certainly, it would be a move from bad to worse.

Everyone acknowledges that the collection is not well housed currently, but its inadequacies are lack of space and poor location, certainly not the quality of the premises. In Grote Street there would be inadequacies in the quality of the premises added to the poor location. Furthermore, the counterparts of the performing arts collection in other States are all housed in the main theatrical complexes: in the Opera House in Sydney, the Performing Arts Centre in Melbourne and its counterparts in both Brisbane and Perth. I ask the Minister two questions:

1. When will the Minister appoint a Chair to the Performing Arts Collection Committee, as the previous Chair resigned many months ago and still has not been replaced? I understand that the Acting Chair does not wish to continue in that position.

2. Will the Minister agree that moving the collection to Grote Street would be potentially very damaging for it and that so doing would be moving the collection from being her responsibility as Minister for the Arts to that of the Minister for Employment, Training and Further Education? Is the Minister trying to divest herself of yet another museum and its collection, thus reinforcing the common view that she has very little interest in heritage matters?

Members interjecting:

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: In terms of the honourable member's last statement, she would recall that her own Government deferred for 10 years the redevelopment of the museum. This Government has already started that exercise—

The Hon. Anne Levy: We didn't close museums.

The Hon. DIANA LAIDLAW: —in terms of the Aboriginal Cultures Gallery, the Mawson museum and $22 million was found for the three stages of the Art Gallery extensions. Far from closing things, we are actually developing them and developing them fast.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: The honourable member will find that there are other opportunities for the History Trust that are strongly endorsed by the board, which is the custodian of such responsibilities.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: The world does not stand still.

Members interjecting:

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: It is true that the Chairman retired some time ago and the acting Chair, Ms Denton, does not wish to continue in that position. There are discussions at the moment between the performing arts management working party that the honourable member set up (chaired by Ms Fran Awcock) and the management committee with the acting Chair (Ms Denton). I do not see a need to have two such committees and we will be looking at having one only, which is why the acting Chair position has remained. As the honourable member said, it is true that all performing arts collections, where there are such collections, are housed in main theatrical complexes but, as the honourable member indicated, and it is a position that she tolerated for all the years that she was Minister, it is not well housed; there is not sufficient space and it is a poor location.

As the honourable member knows, when she was Minister the Adelaide Festival Centre Trust board wanted it moved out because it needed the space, and we will be accommodating

the board in that respect. There were discussions between the Director, the CEO of the Department for the Arts and Cultural Development and the Helpmann Academy. Almost immediately after those discussions I received correspondence from the Chair, Ms Judith Roberts, very pleased with the approach taken, indicating that it would most willingly accept the collection. It believes that it will augment and bring status to the work and all that they were seeking to achieve as the Helpmann Academy. It acknowledges that it could not accept the collection at that time, as the honourable member and I acknowledge, as the Grote Street premises where it was thought the Helpmann Academy would be based were not in adequate or fit condition to house such a collection. The honourable member may know that in terms of the Grote Street site many discussions have been undertaken with TAFE, the Federal Government and others. It is considered that another site should be explored for the Helpmann Academy, so there is no way the performing arts collection will be located in Grote Street.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Not necessarily; it might be joint custodianship.

SPECIAL NEEDS EDUCATION

The Hon. SANDRA KANCK: I seek leave to make an explanation before asking the Minister representing the Minister for Health a question about the Intellectually Disabled Service Council and negotiated curriculum plans.

Leave granted.

The Hon. SANDRA KANCK: I point out that the Minister for Education and Children's Services might also be interested in answering this question because the Negotiated Curriculum Plan scheme is supposed to be a joint effort between the Minister for Health and the Minister for Education and Children's Services. I have recently been contacted by a concerned constituent with an 11 year-old daughter who is a student, classified with special needs, at Brahma Lodge Primary School. She informs me that the Education Department does not supply occupational therapists for special needs students but it does supply a speech therapist, albeit with a very heavy, that is, a 150 to 200 person caseload, in the northern region of Adelaide.

Special needs children require more intensive care to progress not only in their integration with non-special needs students but also academically. The sort of attention required includes more rigorous and individual monitoring and focusing by speech pathologists and occupational therapists. The Department of Education has adopted the Negotiated Curriculum Plan scheme to better enable special needs students to be integrated with non-special needs students. The Intellectually Disabled Services Council of the Health Commission has been conducting negotiations with my constituent and Brahma Lodge Primary School over the necessary occupational therapy services for her children which are currently provided by the IDSC but which my constituent informs me were to have been withdrawn as from 30 June for children over six years of age. This is despite previous written assertions by the Executive Director of the IDSC that if the service was ever to cease the IDSC would pay the Medicare difference for private occupational therapy for these students. Commonwealth Parent Advocacy has written a letter to the IDSC on my constituent's behalf asking who will provide these services after 30 June, and is yet to receive a reply. My constituent has met with senior people in the State education and health bureaucracies and has been told, among other things, that there is insufficient State Government money available for extra staff in the special needs area. More recently she has been informed by the IDSC that her child now no longer needs occupational therapy services to progress in her academic and social learning, even though a recent independent private assessment and an assessment by the Lyell McEwin Hospital in 1993 found that occupational therapy was required. Liberal Party policy on people with disabilities states that a Liberal Government will:

> Continue a commitment to the best possible provision of services for persons with a disability in recognition of changing and expanding needs.

The policy also commits the Government to give the area of special education services high priority in its first term of office and to support early intervention programs. My questions to the Minister are:

1. Who will provide the occupational therapy services for special needs children over six years of age after 30 June?

2. What is the Minister doing about coordinating service delivery between the education and health departments for special needs students, in particular the delivery of occupational therapy services?

3. Does the Minister believe the withdrawal of these services will leave the Government liable to equal opportunity claims?

The Hon. DIANA LAIDLAW: I will refer those questions to my colleague in another place and bring back a reply.

MURRAY-DARLING BASIN

The Hon. T. CROTHERS: I seek leave to make a brief explanation before asking the Minister for Transport, representing the Minister for the Environment and Natural Resources, a question about the recently announced agreement on the usage of waters from the Murray-Darling Basin.

Leave granted.

The Hon. T. CROTHERS: Most recently the Minister for the Environment and Natural Resources, Hon. David Wotton, made an announcement on the agreement reached on 30 June this year relative to the freeze which has been slapped on the amount of water being drawn from the Murray-Darling Basin. This in effect means that a cap has been placed on water diversions in the basin. This proposal at this time is of an interim nature whilst the parties involved consider ways and means of meeting funding requirements which will become necessary if this interim measure is to become permanent.

The parties to this agreement, as I understand it, are South Australia, Queensland, New South Wales, Victoria and the Commonwealth Government. This will, I am sure, be regarded by all as an agreement whose time has come, particularly in so far as tackling the problems of catchment, reduced usage, water quality and the environmental degradation of the basin. It flows in part from a recent major audit on water usage in the said basin. This audit survey found that, amongst other things, the call on the waters of the basin had risen by an additional 8 per cent over the past six years or, in metric measurement terms, an increase of some 790 billion litres, or about four times Adelaide's annual water supply needs. My questions to the Minister, in light of that foregoing, are:

1. Does he believe that this interim measure will become permanent?

2.The agreement will have the effect of preventing additional waters being drawn from the basin, which currently run at about 1 per cent extra per annum and, in light of that, how will the prevention of the withdrawal of additional waters be policed?

3. If one of the parties is found to have breached this agreement, what penalties, if any, will be applied to the offending party, and does the Minister believe that there should be some penalties incorporated in the agreement, if that is not already the case, so that any person or corporate entity who is found to be in breach of the agreement can be dealt with summarily?

The Hon. DIANA LAIDLAW: I will refer those questions to my colleague in another place and bring back a reply.

GEPPS CROSS SPORTS PARK

In reply to **Hon. M.J. ELLIOTT** (8 June).

The Hon. DIANA LAIDLAW: The Minister for Housing, Urban Development and Local Government Relations has provided the following information.

1. The proposed site was zoned Special Use (Abattoir), a reflection of the previous use, and as such did not envisage the type of development as proposed by Woolworths. This zoning would not have allowed the development to proceed. Thus, the zoning required changing and this was done in accordance with provisions under the Development Act, 1993. The process is not unusual. It is a normal practice for the Minister to initiate re-zoning on matters of State interest. In the past two years approximately 15 Ministerial plans have been approved.

2. Woolworths face very tight deadlines if the proposed development is to be ready in time before their leases expire. For this reason there was no time for internal consultation. However, the plan amendment is now on public consultation for two months after which a public meeting will be held.

3. The remainder of the land has been allocated for sporting and recreational uses. This land also has an open space proclamation over it to protect it from non-sport related development.

DEPARTMENTAL RESOURCING

In reply to **Hon. M.J. ELLIOTT** (9 March).

The Hon. DIANA LAIDLAW: The Minister for the Environment and Natural Resources has provided the following information.

1. The Government has targeted reductions in the public sector work force across all agencies within Government. The Department of Environment and Natural Resources will contribute 80 full time equivalent positions in 1994-95.

The Government's budget for 1995-96 is to reduce operating costs by $4.6m through strategic productivity improvements and the elimination or reduction of non core activities.

At the same time, the Government recognises the need for a greater focus on capital investment to maintain the current substantial asset base and to provide for strategic asset development. For 1995-96, capital investment will increase to $16.6m.

2. For 1995-96, the Government is funding the EPA with $5.17m. Full time equivalents are planned to be maintained at approximately the current level of 75. The proclamation of the Environment Protection Act, 1993 and associated regulations, particularly the Environment Protection (Fees and Levy) Regulations, 1994, enable the EPA to meet its commitments under the Act.

The Environment Protection Act, 1993, is good legislation and the EPA has explored a range of options to discharge effectively its responsibilities under the Act. In line with a 'whole of government' approach, options include working with officers within other areas of DENR, other Government agencies and Local Government.

In addition, a significant component of the EPA's responsibility is to provide quality environmental policies and codes of practice for industry and commerce to effectively meet their responsibilities in a self regulatory climate (thereby meeting best practice environmental management).

3. The statement recently released by the Premier 'A Cleaner South Australia' demonstrates this Government's commitment to environment protection. It is a far reaching statement aimed at reducing and where possible eliminating pollution in a comprehensive manner. While the EPA will play a key role in implementing change towards a cleaner South Australia, industry and the community will also need to continue to have a major input. As previously indicated, the EPA has been provided with adequate funding to meet its commitments.

PATAWALONGA

In reply to **Hon. M.J. ELLIOTT** (31 May).

The Hon. DIANA LAIDLAW: The Minister for Housing, Urban Development and Local Government Relations has provided the following information.

The Glenelg/West Beach development project comprises three main centres of activity.

1. A comprehensive program of work to address water quality issues through the total catchment has been initiated and reinforced through the:

- proclamation of the Catchment Water Management Act;
- the appointment of the Patawalonga Catchment Water Management Board;
- establishment of the levy to fund an ongoing program of works;
- a public education program;
- implementation of short term remedial measures, including in particular the construction of a number of trash racks and silt traps over the next few months; and
- preparation of a catchment management strategy in the form of a Catchment Water Management Plan.

2. Priority public works are also programmed in the area of the Patawalonga basin. The two major components are specified in the agreement entered into with the Federal Government under the Building Better Cities program. They are:

- dredging of the Patawalonga lake, disposal of soil and edge treatments; and
- installing a system to flush the Patawalonga lake with sea water and create a saline catchment basin.

3. A private sector development consortium has been selected to prepare a master plan for the Glenelg/West Beach area and to negotiate towards a heads of agreement covering the wider development proposals for the area.

Five separate development proposals have been evaluated for the Glenelg/West Beach area since the mid 1980s. This includes the Jubilee Point development that was proposed and evaluated through an Environmental Impact Statement during the mid to late 1980s and four separate proposals evaluated during 1990 and 1991. Each of these proposals was the subject of an Environmental Impact Statement.

Excavation of sediments from the Patawalonga basin were proposed and discussed in each of the Environmental Impact Statements. Four of the five Environmental Impact Statements canvassed the possibility of a separate outlet to the sea as part of the flushing system for the Patawalonga basin.

Given the available information and the framework established by these recent Environmental Impact Statements, the approach is for each stage of the works to be properly assessed in accordance with the requirements of all approving authorities at the time the works involved in each stage have been identified.

The first stage of the works comprises a contract to dredge the Patawalonga lake, dispose of soil and establish new design levels and edge treatments within the basin. These works have been assessed and approved by both the State and Commonwealth Environment Protection Agencies, and environmental impact assessment requirements have been fully satisfied for these works.

Options for flushing the Patawalonga, including the possibility for a new outlet from the basin to the sea, have been publicly canvassed. It has already been explained in public forums that additional investigations are being undertaken on each of these options and this information will add to the data included in previous Environmental Impact Statements for the area.

The works proposed by the Development Consortium will also be presented for public comment and assessment when the master planning process currently being undertaken by the Consortium is complete and the proposed works have been identified.

The honourable member can be assured that environmental impact assessment requirements are being properly addressed at each stage of the project.

FUNERAL INDUSTRY

In reply to **Hon. M.J. ELLIOTT** (30 May).

The Hon. DIANA LAIDLAW: The Minister for Housing, Urban Development and Local Government Relations has provided the following information.

1. The Government has commissioned a report on the financial value of the State owned Enfield Memorial Park, Cheltenham Cemetery and West Terrace Cemetery as a precursor to deciding on their future management. This review is consistent with the Government's intention to review all its business units in response to the report of the South Australian Commission of Audit. A report is due in three months and will not be made public.

2. The Government has yet to formulate a position on what size market share is appropriate for any one company in either the funeral or cemetery industries.

3. The Government has a policy position that cemetery and crematorium authorities will not be subject to restrictions in relation to the commercial activities or services they provide so long as the public are free to select outside services when taking out a grant or burial licence. This position will be further developed when new legislation is prepared for cemetery and crematoria management and the disposal of human remains.

4. The Minister for Housing, Urban Development and Local Government Relations has not had any discussions with Service Corporation International (Australia) in relation to private ownership or management of cemeteries in South Australia, nor is he aware of any officer within the Department of Housing and Urban Development having had discussions with the company on the subject.

5. The Minister for Housing, Urban Development and Local Government Relations has responded to inquiries from at least two groups who have expressed an interest in operating West Terrace Cemetery on behalf of the Government, both being based in South Australia. Officers within the Department of Housing and Urban Development have spoken to a number of individuals involved in or who have inquired about private operations of cemeteries, but they have not entered into any discussions with any private cemetery or crematoria operators with respect to those operators managing State owned cemeteries.

BLACKWOOD FOREST RESERVE

In reply to **Hon. T.G. ROBERTS** (8 June).

The Hon. DIANA LAIDLAW: The Minister for the Environment and Natural Resources has provided the following information.

1. The consultative committee has yet to submit to Government a final report on the results of its detailed community consultation process. It is expected that this will be submitted in mid-July following a final invitation from the local community to comment on all identified development proposals. A final decision will be made by Government either in late August or early September.

2. The Minister for the Environment and Natural Resources understands that some 3 000 people have signed a petition to see the land retained as open space, although to date this petition has yet to be presented. The petition process runs counter to the consultative process and exploration of other opportunities. The open space option is one that will be considered in the decision making process.

3. A recent site history and detailed testing program has revealed that a small area is contaminated with agricultural chemical residues.

It is intended that this area will be covered and sealed.

ROAD RESERVES

In reply to **Hon. T.G. ROBERTS** (1 June).

The Hon. DIANA LAIDLAW: The Minister for the Environment and Natural Resources has provided the following information.

Many public roads in rural areas are unmade, and very often are used by the adjoining landowners for grazing or other private uses. Occupation of a road reserve by any person does not give any rights of ownership to the person, and does not prevent the free use of the road by the public, except in those cases where a licence to occupy and use the road for some purpose has been given by the council as provided by the Local Government Act.

The landowner may ultimately apply to the local Council for closure and purchase of the road pursuant to the Roads (Opening and Closing) Act 1991. The Act affords protection for public and private interests in roads through an objection process, with the final decision being made by the Minister for the Environment and Natural Resources. Every proposal is treated on its own merits, having due regard to objections received and the criteria and requirements of the Act.

From 1987 the Department of Recreation and Sport carried out a review of the recreational worth of unmade public roads throughout the State, and roads identified as suitable for inclusion in a Statewide Network of Recreation Trails were designated in maps distributed to the relevant councils. Often, this has included the majority of unmade roads within the district, irrespective of how they could link into a walking trail network. Consensus was not reached with all councils.

From time to time application is made to close one of these roads. In some cases the Office of Recreation, Sport and Racing attempts to negotiate a Land Management Agreement to protect public access, otherwise they lodge an objection. Legislation similar to that apparently operating in New Zealand may be a suitable alternative to this process. The Minister for the Environment and Natural Resources has referred this suggestion to the Minister for Recreation, Sport and Racing.

There is no alternative legislation at this time and road closure applications can only be made through the Roads (Opening and Closing) Act. The Minister for the Environment and Natural Resources assures the honourable member that in the administration of this legislation the concerns of all interested parties are given proper consideration before a final decision is made.

BLOOD TESTS

In reply to **Hon. R.R. ROBERTS** (31 May).

The Hon. K.T. GRIFFIN: The printing and provision of copies of judgments of the Magistrates Court is the responsibility of the Courts Administration Authority. The Authority is established as an independent body under the provisions of the Courts Administration Act 1993. The Act provides very clearly that the Courts Administration Authority is not subject to the direction of the executive government.

In the case of Police-v-Walshaw, the Magistrate delivered judgment *ex tempore*. In such circumstances, it is not the practice for a formal judgment to be typed unless this is requested by one of the parties or by some other person. I am advised by the Courts Administration Authority that, prior to the honourable member asking these questions, no-one had requested a copy of the judgment and the judgment had never been typed.

After these questions were asked by the honourable member, a request was made on my behalf in order to obtain a copy of the judgment. Subsequently, the formal judgment was typed up (for the first time) from the handwritten notes and a copy has been provided to me.

I advise the honourable member that Section 51 of the Magistrates Court Act 1991 enables any member of the public to apply to the court for a copy of any judgment given by the court. If such an application had been made in this case, the formal judgment would have been typed up and provided in accordance with the provisions of the Act. As I have stated, I am advised that no such application was made.

Hence, it will be seen that the judgment in this case has not been withheld from anyone. No-one had made an appropriate request for it. Further, I can assure the honourable member that the availability of the judgment had nothing to do with any decision made by the Government. The Government did not seek to influence the availability of the judgment in any way.

The honourable member has also suggested that Mr Walshaw's barrister had been denied a copy of the judgment. This is not so. Mr Walshaw's barrister has confirmed that he was not denied a copy of the judgment. He made no request of the Magistrate, the Magistrate's Clerk or the Port Pirie Magistrates Court for a copy of the judgment.

Accordingly, the answers to the honourable member's questions are as follows:

1. Copies of the judgment have not been withheld from interested parties. The Courts Administration Authority advises that no person had made a request pursuant to Section 51 of the Magistrates Court Act for a copy of the judgment. If such a request had been made, a copy of the judgment would have been published and provided.

2. I am happy to make a copy of the judgment available to the honourable member.

3. Yes, I can assure the honourable member that proper access to the Walshaw decision has not been denied.

NATIVE VEGETATION

In reply to **Hon. T.G. ROBERTS** (31 May).

The Hon. K.T. GRIFFIN: The Minister for Primary Industries has provided the following response:

1. The Department of Primary Industries SA Forestry has a policy of purchasing suitable land for the establishment of radiata pine plantations. In most instances the land is offered to the department through an agent. Some land is also purchased at auction. On being offered the land the Department assesses its potential for afforestation. Consideration is given to such factors as location, soils, rainfall, area of native forest, easements and topography. If a price can be negotiated that will allow an acceptable rate of return the land will be purchased.

This land was offered to the Department, the assessment done, an acceptable price negotiated and the land purchased.

2. The Department will continue to evaluate all land offered for afforestation purposes.

3. No.

NETTING

In reply to **Hon. R.R. ROBERTS** (1 June).

The Hon. K.T. GRIFFIN: The Minister for Primary Industries has provided the following response.

1. Recreational gill net fishing has been banned in New South Wales, Queensland, Victoria and the Northern Territory, and is severely restricted in Western Australia. Tasmania is considering the issue at the present time. South Australia has the least restrictive policy in terms of the amount of net that can be set and the areas that can be fished.

There was a very strong public reaction opposing recreational gill net fishing in both the review of the marine scalefish fishery 1990-92 and the 1994 netting review. Recreational gill nets are not selective in terms of the species or numbers of fish killed. They can be twice as effective as line fishing on species such as tommy ruffs, mullet, yellowfin whiting and even King George whiting. It is not true that these species are under-exploited, especially the whiting species.

Recreational gill net fishing is considered to be inconsistent with the national policy on recreational fishing where active participation is required and where only sufficient fish for immediate requirements may be taken. Further, the current restriction on the registration of recreational nets is considered to be inappropriate and inequitable.

2. Recreational gill net fishers continue to have access to Lake Alexandrina, Lake Albert, Lake George and the Coorong. Registrations for recreational gill nets will not be cancelled unless the holder of the registration voluntarily surrenders the registration. A proportional refund will be payable upon cancellation.

3. The Government will not be purchasing recreational gill nets.

4. I will consider any new evidence that can be submitted in support of the continuing use of recreational nets in the State's marine waters.

SOFTWOOD LOGS

In reply to **Hon. T.G. ROBERTS** (1 June).

The Hon. K.T. GRIFFIN: The Minister for Primary Industries has provided the following response:

No. I am unable to provide sufficient timber allocations to guarantee the viability of all South Australian timber processors and users. The viability of a processor is dependent on much more than log volume. However, the total industry requirement for log exceeds the supply from all available resources, including major private forest owners.

What I have done in the South-East region is bring forward some log which would otherwise not have been available for many years and offered this additional resource in an open and competitive process.

FORENSIC SERVICES

In reply to **Hon T. CROTHERS** (7 June).

The Hon. K.T. GRIFFIN: The Government has no plans to privatise or outsource forensic services.

However, I am aware that the University of Adelaide has been preparing a proposal to put to Government which, if accepted, would result in the creation of some form of independent institute affiliated to the University, and from which forensic services would be provided to the justice system. I understand that a specific proposal will be put to the Forensic Science Advisory Committee in the near future. I am sure that the committee will handle the matter so that there is a full and proper consideration by all parties.

In considering the proposal, all participants in the justice system will need to be assured that there will be no detriment to the service provided, now or in the future. However, it should be remembered that an important factor in the setting up of the integrated forensic science service in 1982 was that it be independent and free from control by any legal service agency. A move to an agency such as a university would be in keeping with that goal and could offer a significant stimulus to scientific research in the area.

There is therefore considerable potential for an improved service. I am informed that the University has held discussions with the Police and the State Coroner, as well as with State Forensic Science about its plans. These agencies have made their needs clear, and the University should be in no doubt that a proposal which is at all detrimental to the quality of service will not be acceptable. In addition, any proposal would need to demonstrate improvements in costs and quality of service, and offer staff a fair mechanism for transfer to the new employer.

I will inform the Council of any developments once a specific proposal has been obtained and evaluated.

PRISON PRIVATISATION

In reply to **Hon. T.G. ROBERTS** (30 May).

The Hon. K.T. GRIFFIN: The Minister for Correctional Services has provided the following response:

The Correctional Services Act 1982, like all legislation, is constantly under review to ensure that it is relevant and suitable for the purposes for which is intended.

During a recent review, some amendments were identified which resulted in changes as follows:

Regulation 8

8. (1) For the purposes of section 51(a) of the Act, all manners of communication between a prisoner and a person other than an employee of the Department are prohibited except communications—

(a) at a lawful visit; or

(b) by an authorised telephone call; or

(c) by a letter lawfully sent to a prisoner.

(2) For the purpose of this regulation an 'authorised telephone call' means one that is made or received in accordance with rules made by the manager or that has been specifically allowed by the manager.

Regulation 8 has been made to give effect to section 51 of the Act. That section provides:

Section 51: Offence of unlawful communication or furnishing prisoner with forbidden item, etc.

A person who—

(a) communicates with a prisoner in a manner prohibited by the regulations; or

(b) delivers to a prisoner, or introduces into a correctional institution, any item prohibited by the regulations; or

(c) loiters outside a correctional institution for any unlawful purpose,

is guilty of an offence.

Penalty: Division 7 imprisonment.

The section occurs within the division entitled 'PRISONERS ESCAPING OR AT LARGE' which is in turn within the Part entitled 'OFFENCES'. As can be seen the other elements of the section relate to activities which have an untoward intent or outcome.

The Department for Correctional Services advises that:

- within this context regulation 8 goes beyond what is needed to prevent escapes or other untoward activities. In its own terms, regulation 8 relates to normal operational activity where non-employees communicate with prisoners for legitimate purposes e.g., for prisoner medical services.
- regulation 8 as stated extends the coverage intended by Section 51 of the Act. This is contrary to the normal hierarchy of Act, regulation and administrative arrangements.
- the offence is not committed by the prisoner, rather by the person with whom they communicate. Also, the penalty for an offence is imprisonment.

Recent legal advice to DCS indicates that regulation 8 has the capacity to relate to normal operational activity. This makes the situation somewhat complex.

The regulation affects all communication between prisoners and non departmental employees, including:

- medical and dental staff
- educators
- prison chaplains

- visitors
- family of home detainees
- ambulance officers
- fire officers
- police officers, and so on.

There are a number of ways that legitimate operational arrangements can be authorised by amendment to regulation 8.

Section 51 as stated suggests that the relevant regulation will be in terms of prohibitions. This can be achieved in 2 ways:

- by inclusion—the regulation could identify that which is permissible and exclude all else. This is the way regulation 8 is presently stated.
- by exclusion—the regulation could identify that which is not permissible. This is not the way regulation 8 is presently framed. In detail there are many alternative expressions possible, the simplest may be to reinforce the escape context of the enabling section of the Act and amend regulation 8 to be of the form

Pursuant to section 51(a) of the Act, any mail, conversation or telephone call wherein a person aids, abets, counsels or procures a breach of regulation 23 by a prisoner is prohibited.

It is also possible that regulation 8 is not required at all (taken in the context of prisoner escapes). There are three elements of coverage of regulation 8, namely:

- unspecified communication
- telephone usage
- mail

The first and last of these are adequately covered elsewhere in the Act and regulations. The only issue not explicitly covered anywhere else is use of the telephone. The technology to deal with authorised/unauthorised telephone calls has recently been addressed and the Minister has approved the recommendation of the tender evaluation team. Use of the equipment to manage authorised/unauthorised use of telephones can be achieved by way of a Ministerial directive, a CEO directive or a Managers Rule—each of which are permitted under various sections of the Act. A more restrictive and more costly approach may be to simply withdraw all facilities for telephone calls that are not directly supervised by custodial staff.

Each of the last three alternatives (frame the amendment as an inclusion, exclusion or delete the regulation entirely) effectively involves a change of regulation which needs to go through the processes presently being experienced.

The amendment proposed is not directed specifically at facilitating private management of prison operations. It is directed at enabling a range of non-Departmental employees to communicate with prisoners for legitimate purposes at all prisons. It is possible that a strict interpretation of regulation 8 as it stands creates an offence when even people such as Parliamentarians, priests, doctors etc., communicate with prisoners for a range of legitimate purposes. The penalty for which is 6 months imprisonment.

Regulations 24, 33 and 47

Regulation 24

Regulation 24 states that 'A prisoner must not disobey, or refuse or fail to comply with—

(a) a rule made by the Chief Executive Officer that applies to a prisoner; or

(b) a lawful order or direction of an employee of the Department; or

(c) a procedure for, or notice or direction about, work, safety promulgated by an employee of the Department.'

This regulation makes it an offence where prisoners do not comply with Departmental orders and directions. There are many situations where orders are required to be given to prisoners by persons other than Departmental employees. For example an industrial instructor (who is not a Departmental employee) may direct a prisoner to stop using a machine because it is either unsafe or he/she is operating it in an unsafe manner. Similarly the police, fire officers, ambulance personnel, education specialists conducting programs etc., also have to instruct a prisoner to comply with a direction in the interests of safety or the efficient management of a prison. Clearly these people are not Departmental employees and it seems appropriate that non-compliance with lawful directions given by such people should also constitute an offence.

This regulation needs to be amended to take account of these factors and to overcome them the amendment proposed was to widen the interpretation to include the above type of circumstances, which are not exhaustive. The amendment allows the Department for Correctional Services prison manager to authorise such persons to give directions. It also provides a more enabling approach for persons who are serving the legitimate needs of prisoners.

Furthermore the amendment is required for the safe and efficient operation of all prisons and is not specifically directed at a privately managed prison.

Regulation 33

This regulation states that 'a prisoner must not hinder or obstruct an employee of the Department in the exercise of the employees powers or functions.'

The well being of a prisoner or prisoners may be threatened if prisoners hinder or obstruct persons who are carrying out activities relevant to safety issues, educational matters or medical treatment within the prison. The regulation is also relevant to persons carrying out activities related to education and medical treatment of prisoners. It is impractical to seek the authorisation of a Departmental employee for every action by a non-Departmental employee that occurs in a prison.

This regulation needs to be amended to take account of these factors and to overcome them the amendment proposed was to widen the interpretation to include the above type of circumstances, which are not exhaustive. The amendment allows persons to lawfully exercise powers or carry out a function in relation to prisoners. It therefore provides a more enabling approach for persons who are serving the legitimate needs of prisoners.

Furthermore the amendment is required for the safe and efficient operation of all prisons and is not specifically directed at a privately managed prison.

Regulation 47

This regulation states that 'a prisoner must not use equipment or machinery of the Department without the authorisation of an employee of the Department.'

Similarly again to the aforementioned proposed amendments, this regulation is also impractical in the day to day management of prisoners, whether they are in a public or privately managed prison.

For example:

- a prisoner may not use a computer without the permission of a Departmental employee when a course is being conducted by TAFE and other educational specialists.
- a prisoner would not be able to operate industrial equipment without the permission of a Departmental employee when the trainer may not be a Departmental employee.
- a prisoner would not be able to use a fire extinguisher in an emergency without the permission of a Departmental employee.
- a prisoner would not be able to operate laundry equipment without first seeking authorisation from an employee.

This regulation needs to be amended to take account of these factors and to overcome them the amendment proposed was to widen the interpretation to include the above type of circumstances, which are not exhaustive. The amendment allows persons to lawfully authorise a prisoner in the use of equipment. It therefore provides a more enabling approach for persons who are serving the legitimate needs of prisoners.

Furthermore the amendment is required for the safe and efficient operation of all prisons and is not specifically directed at a privately managed prison.

PARLIAMENT HOUSE PHOTOGRAPHS

The Hon. ANNE LEVY: I seek leave to make a brief explanation before asking you, Mr President, a question about the Legislative Council's idiot board.

The PRESIDENT: To what is the honourable member referring?

The Hon. ANNE LEVY: The photos in the lounge.

Leave granted.

The Hon. ANNE LEVY: As every member knows, there is in the lounge a collection of photographs of all members of the Legislative Council which is complete except for seven vacancies that occurred in the mid-nineteenth century. It displays a photograph of all other members of this Council ever since the Council first existed. It resulted from an incredible amount of work undertaken by the present Clerk, before she was Clerk, and it is very much to her credit that we have only the seven vacant spaces compared with 30 or 40

vacant spaces in the similar collection held by the House of Assembly.

This collection, commonly known as the 'idiot board', has, however, seemed to slip back and has not been kept up to date. The most recent portrait there is of Dr Pfitzner who entered this Parliament well before the last election, so five members of this Parliament have not—

The Hon. Diana Laidlaw: Five years ago.

The Hon. ANNE LEVY: Since that time, five new members of Parliament have entered this Chamber whose photographs are not yet on the idiot board. The board currently indicates that the Hon. Dr Ritson is still a member of this Chamber. It is many years since Dr Ritson sat on these benches. I ask you, Mr President, whether you would undertake to have the idiot board brought up to date as soon as possible so that people looking at it are aware of the five new members who have entered this Chamber in the past five years, and that they are also aware that Chris Sumner, John Burdett, Ian Gilfillan and Bob Ritson, amongst others, are no longer members of this Parliament.

The PRESIDENT: I think the honourable member has probably walked through the room and noticed that the board is not there. That is because we have just updated it, but we are still waiting for Mr Cameron's photograph before we can complete the display. When Mr Cameron's photograph arrives in the Clerk's office, it will be duly inserted and the board will be put back on the wall. I cannot give the honourable member any more up to date information than that. The question is a good one, and we will certainly see that it is fixed up.

MATTERS OF INTEREST

EDMUND WRIGHT HOUSE

The Hon. ANNE LEVY: I wish to refer to Edmund Wright House and indicate my concern at the treatment which is being meted out to the Australian Keyboard Music Society and which seems to me grossly unfair to such an eminent organisation which has contributed so much to the cultural life of this State over the past 25 years. The society has been conducting concerts at Edmund Wright House in lunch hours and on Sunday afternoons for 25 years. Its program includes eminent overseas artists who visit Australia and prominent pianists who live in Adelaide, and opportunities are given for promising students to perform to an appreciative public.

Edmund Wright House was closed last week. The keyboard music society, which has two Steinway grands valued at over $200 000 in Edmund Wright House, has been told that it can continue to have concerts there until the end of this year only, but that it will need to look for other premises after that time. This seems to me to be grossly unfair. Even during the rest of this year, when the society can use the premises, its members will have to undertake all security and cleaning arrangements themselves during its concerts, even having to clean the toilets and provide toilet paper for those attending the concerts.

They have been told they will have to move elsewhere, yet there is no comparable site anywhere in Adelaide where they can hold their concerts. They do not know where they can go, and this is a society which organises its concerts up to two years in advance. When one is dealing with overseas artists, one cannot organise concerts at five minutes' notice. There is a lead time involved of at least two years. The society now finds itself with no home, no prospect of any home, and nowhere to go as from the end of this year, and most inadequate arrangements for the next six months.

We have been told that Edmund Wright House is to be the future home of the History Trust central administration, which will move from the institute building, and also the State History Centre, which will move from Old Parliament House. I cannot see that the History Trust directorate requires the use of the main banking chamber of Edmund Wright House, this being the chamber where the keyboard music society holds its concerts. It would seem to me that the two uses are in no way incompatible, and I would have thought that the History Trust would welcome the use of the old banking chamber by the keyboard music society for its concerts.

I would strongly urge the Government to ensure that the keyboard music society can continue to use the old banking chamber for its concerts, and that the matter be finalised in the very near future to avoid the inordinate disruption which is occurring to the society. The society organised the most magnificent protest last weekend, having continual concerts on the hour every hour for three days from 10 a.m. to 10 p.m. I am not aware that a single member opposite attended any of those concerts, though it may be they were not recognised by members of the keyboard music society.

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

MOBILE TELEPHONES

The Hon. CAROLINE SCHAEFER: Some time ago in this Chamber the Hon. Ron Roberts raised the issue of cheap rental for mobile phones as a safety issue for those who were travelling in the country. Minister Laidlaw agreed with him that that idea might be worth considering because there is indeed a safety issue when people travel alone in remote areas. I had the occasion on Sunday night, when my car broke down, to have to use a mobile phone to seek assistance. Fortunately, my car broke down on Main North Road, Blair Athol. Had it broken down anywhere that was remote or anywhere I normally travel, I certainly could not have used a mobile phone.

Members opposite may not be aware that approximately 95 per cent of across-Australia truck drivers now possess mobile phones and consider them to be an essential part of their methods of communication. However, once they get west of Port Augusta or, if they are very lucky, Iron Knob, there is a gaping black communications hole until they reach just this side of Perth.

Farmers are now expected to market their grain on an international market on a day-by-day basis. However, if they have no method of communicating verbally with their agents, they have no idea of the day-to-day prices. Mobile phones are also an occupational health and safety concern. Many years ago people were more closely settled, they often had someone working for them—for example, a labourer—and they almost certainly had a partner at home who would check if they did not arrive for lunch or whatever. Now many people work alone and their wives work off their properties, so they are unable to contact anyone should they be in trouble. We

regularly see television advertisements pointing out that tradesmen in the city find mobile telephones an essential part of their method of doing business. Yet, has anyone considered stock agents who are completely unable to make a competitive quote if they are outside the area where mobile phones work?

It seems to me that it is a matter of social justice that those who are most isolated have the greatest need for communications. I grew up in a fairly isolated area, and I remember the great jubilation when, in 1959, we were connected by phone, even though it was a party line. Indeed, it was about the same time as my city cousins got television. We are constantly told that country people are better off now because through technology their children can access equivalent education and communication standards as their city cousins. However, this would seem to be a pie in the sky dream when they have no ISD connections in country areas. In fact, I do not think there are any ISD connections north of the Barossa Valley.

I wonder whether we have progressed much over that period if we compare the technological advances and communications that are available to city people now with those that were available in 1959 to country people. I suggest that we have not advanced very far at all. I ask this Parliament to do whatever it can to pressure both Telstra and Optus to provide a viable communications system for those who live outside a very protected and precious area.

FRENCH NUCLEAR TESTS

The Hon. T. CROTHERS: I thought that at this time it might be appropriate for me to give a small dissertation on the French Republic.

The Hon. J.C. Irwin interjecting:

The Hon. T. CROTHERS: Well, I could give a chorus or two of the Marseillaise, but I do not think I want to give up this job in favour of my singing capacity. The France that we know today is made up of many constituent parts. Going back to the time when France was being formed, as we all know, Charlemagne, the first of the Holy Roman Emperors, was a Frank, and he assisted in laying the framework for what has come to be modern day France; but the first real ruler of the France that we have come to know was a man called Pepin the Short.

As I said, France is made up of many constituent parts. It is a confederation of separate nations and former kingdoms and fiefdoms, such as Brittany, Normandy, Gascony, Picardy, Anjou and Franche-Comte. They reel off the tongue, particularly if one understands and cares about history relative to the subject matter that I have chosen to debate today.

France sustained a series of reverses against the English longbow men in fights at Cressy and Agincourt. After France had licked her wounds from that and after the decline and fall of Spain, she became a dominant power in Europe. That remained very much the case until the defeat of Napoleon in the wars between 1798 and 1815.

Napoleon, as an artillery general, came to power by and large because France opted to do away with its Royal Family who had been behaving most abominably to the poor, starving, barefooted citizens of the French kingdom at that time. In consequence, Louis XVII and Marie Antoinette, who were King and Queen of France, were beheaded, and Republicans such as Danton, Robespierre and even Napoleon himself, who was a Corsican as opposed to being a Frank, came to power. They came to power as a consequence of the arch right wing elements of the Royal Family and their supporting Ministers being dethroned, destroyed and torn asunder after the storming of the Bastille.

It is significant to note that Bastille Day is Friday week, 14 July. That is a point that the present right wing President of the French Republic, President Chirac, should bear in mind, because the French are a very proud nation relative to their own history. In consequence of that, the current debate whether or not France ought to be testing eight nuclear devices on Mururoa Atoll, 12 000 miles from metropolitan France, elucidates the type of answer that we get when the French man and woman in the street is questioned as to whether France should continue to use the atoll as a site for its nuclear testing program.

The Federal Opposition would do well to understand that Australia does not talk from a position of strength when it opposes the French nuclear tests. Rather, Australia has to garner strength to maximise its capacity to deal with whether or not it is morally correct or even correct from a health point of view for the French to do that testing. The Opposition ought to be putting its best shoulder to the wheel with the Government in order to present a united front and not give the appearance to the world that Australia is divided in its opposition to nuclear testing at Mururoa Atoll. The French—

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

HOUSING INDUSTRY

The Hon. A.J. REDFORD: Today I want to talk for a short period about the housing industry. I start by acknowledging that Australia is recognised as a world leader in housing construction methods. Since being elected, the Brown Government has embarked on an ambitious program of attracting capital investment to this State, and the housing industry has a vital role to play in the reconstruction of the State's economy. However, the conduct and incompetent management of this country by the Keating Labor Government is sabotaging the hard work and effort put into the resurrection of the South Australian economy after nearly 20 years of incompetent Labor Governments. Indeed, the Keating Government's management of the economy, leading to high interest rates, and its recent announcements regarding building materials taxation have devastated the construction industry. Availability and affordability are two key factors.

The Hon. T.G. Cameron interjecting:

The Hon. A.J. REDFORD: You ought to go and talk to the housing industry. I think that despite the Federal Labor Government's incompetence, there are some issues that the State Government might like to explore. I say this as a Government backbencher and do not in any way suggest that it is the Government's view. However, I would urge the Government to consider a number of options.

It is also important to note that the average cost of an average house and land package has risen nearly 30 per cent over the past five years whereas inflation has been half that rate. At the same time, builders' and developers' margins have been squeezed downwards. However, I have had a number of suggestions from certain elements of the housing industry about the sorts of things that the State Government may consider despite the incompetent management of the economy by the Federal Keating Labor Government. I can single out some of those items.

I refer first to land tax. Perhaps we ought to consider that land tax be exempt on all newly created allotments, which I understand would save $600 per house. We might consider the elimination of up-front charges on first home buyers for underground powerlines, which might save something in the order of $1 500 per house. The State Government training levy perhaps ought to be dropped. There is some question mark on whether it is working and, indeed, the industry suggests that training can be done by the industry itself without outside bureaucratic interference: a saving per house of some $200. Perhaps we could consider imposing stamp duty on the value of the land component only of a new house, thereby saving approximately $3 000 per house.

In relation to WorkCover, perhaps independent contractors and subcontractors could be exempt from the WorkCover provisions and take up their own personal sickness and accident cover: a savings per house in the order of $250. The other matter is the development plan. No doubt even members opposite would consider that some of the applications and requirements under our planning approval process are excessively bureaucratic. If we could speed that up, quite clearly there would be opportunities to save some $500 per house. As to council application costs, the average development application fee paid to councils is $300. Bearing in mind that councils benefit from future rate revenue, the saving per house would be $300.

In relation to subdivision costs, the process of charging up-front fees for subdivisions in terms of infrastructure and things of that nature is something in the order of $1 200 per house. It may be more reasonable to consider charging that price over the life of the house rather than in an up-front manner. As to land supply, if we made land more available by reducing the locking up of land through archaic zoning laws it has been suggested that there would be a saving per house of some $2 000. There is the provision in relation to open space where, with new land divisions, 12.5 per cent of land for open space must be set aside. If it was reduced to 5 per cent it would involve a saving per house of some $1 200.

Councils earn little in the way of rates on broadacre pieces of land and perhaps if there was a freezing of rates in that context for a period of time there would be further savings per house. These items identify savings of over $11 000 on some new dwellings. For the average house and land package, savings of up to $8 000 are available immediately. I urge the Government to consider those suggestions.

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

FISHING

The Hon. R.R. ROBERTS: I wish to make some remarks about changes in the fishing industry. Over the past few years it has become abundantly clear that there has been excess pressure on fisheries in South Australia, in particular, and it is high time that some of that pressure was relieved. That was recognised last year when the Director of Fisheries (Mr David Hall) was removed from his full-time job to undertake a comprehensive review of fisheries in South Australia. The review was to take place and finish by Christmas time. Whilst I believe that Mr Hall has been working diligently on that project, up until the end of Estimates that report had not been presented in its final form to the Minister. It has been alleged to me, though, that it has been presented at least two or three times before, and one wonders how an independent report can be presented three times.

In recognition of the problems within the fishing industry, the Minister for Primary Industries (Hon. Dale Baker) set up the Netting Review Committee which took extensive evidence from across the State on a whole range of fishing matters. I will not go into all the detail of the report but it contained 14 recommendations. Thirteen recommendations were accepted in a modified form. The fourteenth in respect of recreational fishermen was rejected out of hand, and that could be the subject of another five minute debate at least.

I was granted a briefing by the Minister—and I thank him for that—before the Netting Review Committee's report came down. I spoke with a couple of his officers and it was indicated to me that there would be substantial increases in licensing fees. That was to take place with substantial reductions in the number of licensed fishermen who would be permitted to access the public estate in South Australia. I expressed at that time my hesitation in respect of that being an appropriate way to proceed, given that we did not have all of the Netting Review Committee's report. We did not have David Hall's report available to us and, therefore, all the evidence was not in.

Clearly, the licence considerations have taken place without the full benefit, one assumes, of the Netting Review Committee's report and certainly without David Hall's report. It seemed incongruous to set higher fees for 100 per cent full cost recovery, given that the evidence was not in. On that day I suggested to the officer that I would be reluctant to support licence increases when substantial change was to take place, especially with respect to the number of licences. I submitted that there ought to be a phase-in of any increased cost, which would take into consideration the changing circumstances in the fisheries and which would impact on the worth of licences. I suggested that there be no increase initially but that after six months there ought to be a review of the trends in the fishery and that a true reflection of what the licences were worth would be more appropriate. There needs to be some alteration in fisheries. My problem concerns the rate of change, the manner and the pace of reform within this industry.

Recently, other announcements were made with the introduction of a global fund to look at all fisheries, which I welcome. I also welcome the establishment of a strong, united and representative SAFIC. I was pleased to be advised last night that a new board has been called for which, hopefully, will provide better representation. I look forward to that. It is quite clear that within fishing it is time that something was done. I applaud the global fund for the looking after of fishing in a holistic way rather than individual IMCs. I am disappointed that professional fishermen have decided to disintegrate and try to represent themselves. I urge them to make SAFIC stronger, more accountable and much more efficient. I am certain that, given adequate funding, SAFIC is capable of managing fisheries on behalf of all participants across the full range of fisheries in South Australia. I look forward to working with them. I add a note of caution: that they hold concerns in respect of the licence fees and the pace of change. I will be making further submissions in this area.

PARKING REGULATIONS

The Hon. J.C. IRWIN: I last spoke in this debate on 8 June. The subject I chose then was my old hobbyhorse,

parking regulations. I knew I had no hope in the world of finishing that subject in the five minutes that I had on that occasion so I will take the opportunity today to conclude the point that I was trying to make. If those who are interested in following that well-read publication called *Hansard* put this submission with the one that I began on 8 June they will see the point I am making. Last time I spoke I pointed out that a number of councils, both rural and metropolitan, do not keep a proper register of parking controls. I am advised further that still more councils are being exposed as not complying with the regulations and, indeed, with the Local Government Act in respect of parking. This is occurring despite a recent assurance from the Local Government Association, which has taken on that responsibility under the Act to oversee the proper workings of the regulations.

It has said that all councils now comply with the Act and regulations. I know that to be wrong. I know the Local Government Association is wrong. Quite frankly, it has never attempted to show me or anyone else how it knows that all the councils are complying. No-one, whether it be the Government Minister or the Local Government Association, can be sure of their position in regard to the proper keeping of parking registers unless they have a person or persons out on the road constantly checking first hand. I have no doubt that my friend Gordon Howie is a rotten nuisance for councils around the roads of South Australia. As long as I can remember, from the early 1960s, he has been testing the rules and how they are applied. He often tests the rules by parking his car in places where the signage does not comply with the law. He overturned the clearway regulations by doing just that with his car.

The real point is that if any of these elements—the council motions both from the committee stage and the council stage, the public notification, the parking indicative signage (that is, the signs that go up on the footpath), the parking paint lines that are put on the road for guidance and the register of parking controls—or a combination of those elements is not done properly, motorists are not illegally parked and should not have to pay a fine. On the evidence I have seen over the years, I hate to think how many millions of dollars have been ripped out of motorists' pockets by the fact that they are parking by illegally erected signs.

Members interjecting:

The Hon. J.C. IRWIN: I have asked one of our Ministers to consider that, as far as a clearway is concerned, and I am sorry to say that I have not had a reply. The final point I wish to make is that, on many occasions when Mr Howie's car is booked for an alleged offence and the matter proceeds to the court, the charge is withdrawn by the council at the last minute. Presumably, that charge is withdrawn because the council knows the facts are against it. Hence, the law is not tested in respect of that alleged offence. Worse than that, nothing changes at the site of the offence and each succeeding motorist who gets a ticket at that spot pays up under false pretences. If members multiply that around the metropolitan area they should agree with me that this is crook.

Mr Howie's contention is that, even if a council does withdraw a charge against him in court, he should be able to proceed in the court to test that law. That should apply to anyone. His contention is that, if anyone has a charge withdrawn against them in these circumstances, notwithstanding the fact that the other side has pulled out, those people should be able to take the matter to court and have it tested. These cases are being withdrawn and not tested, and people are paying their fines on a completely illegal set up. I want to take up this matter with my legal colleagues in this place and, indeed, with the Attorney-General.

SOUTH AUSTRALIAN HEALTH SERVICES BILL

Adjourned debate on second reading.

(Continued from 8 June. Page 2163.)

The Hon. DIANA LAIDLAW (Minister for Transport): I thank all members for their contribution to the debate on this Bill, and I particularly thank the Deputy Opposition Leader (Hon. R.R. Roberts) and his colleagues for their cooperation in allowing me to speak at this time in summing up the debate. I assume that the Hon. Sandra Kanck has also been tolerant in that respect. I do not intend to cover all the issues raised in respect of this Bill. Some amendments have been foreshadowed and it may be a more efficient use of time to deal with the substantive issues in Committee. However, I must address some points that have been made. Members opposite have at least—or perhaps I should say 'at last'—acknowledged the need for change. After a succession of reviews of various parts of the health system, a dark green paper, a light green paper and a select committee over the past 10 years, we finally have an admission, grudging though it may be, that some change is necessary.

But then we get into the classic attack of the 'two bob each way' syndrome. On the one hand it is acknowledged that the Minister ought to have increased powers to ensure better coordination of health services but, on the other hand, from the comments made and the amendments foreshadowed it is clear that members opposite are seeking to erect barriers that will ensure that change is severely hampered. It seems to me that the reality has got lost amongst the rhetoric. When we speak of the health portfolio, the reality is that we are speaking of an enterprise that spends $1.4 billion of taxpayers' money per annum. When we speak of individual health services, such as the Royal Adelaide Hospital, the Women's and Children's Hospital or the Flinders Medical Centre, we are speaking of multi-million dollar public enterprises. Are members opposite seriously suggesting that the public money tied up in those public enterprises should not be protected appropriately? With the State Bank debacle behind them I would have thought that members of the Opposition might have been somewhat more circumspect.

I turn now to the power to close hospitals, sack boards and so on. If we take a short journey back into history and out into the country—to Tailem Bend, Blyth, Onkaparinga and Minlaton—what do we find? We find that the previous Government did just what it is saying that the Minister should not be able to do under this Bill, and it used the blunt instrument of withholding funds to do it. Let us look for a moment at what this Government has done. Last financial year, having inherited a dreadful budgetary situation, did we close country hospitals or let them wither on the vine? No: the Government recognised the importance of country hospitals and provided rural access grants to ensure that the small ones could stay open. Certainly, it expected efficiencies to be made in some of the others, but that is just a matter of plain good management.

No Government can justify valuable resources being locked up in outmoded practices or structures. As far as

sacking boards is concerned, perhaps the Opposition has conveniently forgotten what it did to the South Australian Mental Health Service Board and the Angaston Hospital board.

Why did it do it? It did it because the system had broken down to such an extent that there was no other way to go. Consider for a moment what would have happened had that power not been there. Do members opposite seriously suggest that a Minister should be a mere bystander, looking on from the sidelines, unable to take any action while millions of dollars of taxpayers' money is placed at risk? Thankfully, that power has been used sparingly in the past. I hope that it will need to be used only sparingly in future, but there must be a mechanism—a pressure relief valve—that can be activated when a service has broken down, to ensure that the taxpayers' investment is protected.

Much has been made of a perceived lack of checks and balances or accountability. In fact, this Bill is all about accountability. Perhaps it should have been called 'the buck stops here Bill'. As members know, under the Westminster system, the Minister is ultimately answerable for the expenditure of public money. It does not seem to matter how long the chain is or how remote from a particular decision the Minister might have been. The reality is that he or she is held accountable in this place, yet members opposite seem to be intent on making the Minister operate with one, and sometimes both, hands tied behind his or her back.

Over the past few weeks, comments from the field and from bodies such as the Hospitals and Health Services Association have indicated a preference—and this is the advice that I have received—for the Minister to be more visible in the Bill.

An honourable member interjecting:

The Hon. DIANA LAIDLAW: We will have to check that and debate it as necessary. Obviously, in the interests of good day-to-day management, it is a matter of balance as to what the Minister retains to himself or herself and what is delegated to the Chief Executive Officer. The Government is prepared to respond to those comments and, during the Committee stage, I will move some amendments to clarify the respective roles of the Minister and Chief Executive Officer.

I can assure the Council that those powers would not be used capriciously. The reality is that any move in that direction would have the field making its views known vocally and forcefully. The Bill already provides for directions to be in writing. The Government is prepared to require that they be published in annual reports, and amendments will be moved accordingly. To those who are concerned about due process, I simply point to the principles of natural justice. A Minister or Chief Executive Officer who did not observe those principles would face the possibility of the courts setting aside a decision. However, given that due process must be observed, the Government is prepared to amend the Bill to spell out a process, particularly in relation to the amalgamation or closure of health services.

Much has been made of the Minister's supposed power to acquire and dispose of community-owned health service properties. However, such properties are likely to be subject to a charitable trust, and it is just not within the Minister's power to dissolve such a trust. The Government is prepared to make that expressly clear and will propose amendments to do so. I remind members that a similar power to that under discussion was used to hand back assets to the community in the cases of Onkaparinga and Blyth.

The Opposition also seems to have the idea that the legislation would somehow be used to place staff on contract or to remove tenure. It would have been helpful if the Opposition had taken some legal advice on just what the transitional provisions mean. They are there because the commission is being abolished and a department is being established. There needs to be a mechanism for staff to transfer across. It is no more or no less than that, and I emphasise the words in clause 3(3) of schedule 1:

> The transfer of staff. . . does not affect conditions of employment or existing and accruing rights to leave.

There is nothing in that clause about staff of individual hospitals and health services, because their position does not change: their employment status is not affected by the creation of a department at central level. They remain employees of the health service. The Government is prepared to consider clarifying that matter by way of amendment, although that is not really necessary.

There are three other matters which have been raised and to which I refer briefly: first, private sector involvement in the provision of health services. The Government makes no apology for pursuing opportunities to draw upon the private sector's expertise and capacity in order to take advantage of innovative ways of providing better services to the public. The bottom line is quality, efficiency, effectiveness and value for money. Accountability is extremely important. Accountability mechanisms are included in the arrangements set up in each case. In the Modbury exercise, there is accountability between the board and the Minister and, of course, the Auditor-General takes an interest in such matters.

There will be matters of commercial confidentiality—anyone who understands business would understand that. But there are also many external checks and balances such as the requirements of corporations law and the Australian Stock Exchange listing rules. Members opposite, locked into their ideological straitjackets, are trying to introduce more onerous reporting requirements than the corporations law or the Australian Stock Exchange listing rules. Perhaps their hidden agenda is to get rid of any private sector involvement, to make things so difficult that private sector operators will be discouraged from investing in South Australia. I shall say more about that in the Committee stage.

Reference has been made to policies and strategies, and amendments have been foreshadowed. It is absolute nonsense to suggest that policies and strategies will somehow be kept secret. Incorporated service units are required by the legislation to administer services in accordance with approved health policies and strategies, so of course they will be available. A statement of the policies and the strategies would, as a matter of good reporting, appear in the annual report. The Government is prepared to make that expressly clear by way of amendment. The Government is also prepared to flesh out the objectives of the legislation so that the framework is a little clearer. However, it is not prepared to accept amendments which would see the department stripped of any role in policy and strategy formulation. Again, I shall have more to say about that later.

The Hon. Ms Kanck referred to community health service amalgamations. Perhaps she has not caught up with the extremely successful exercise which has just taken part in the northern suburbs, involving Salisbury, Tea Tree Gully, Lyell McEwin Community Health Services and the Elizabeth Women's Community Health Service. A successful amalgamation has been completed and has yielded more than

$0.25 million in administration savings, which has been ploughed back into additional service delivery. That has been done with enthusiasm, commitment and consultation, and it is a credit to all involved. Community health is alive and well.

It has been suggested that community consultation will be reduced under the Bill. I direct members' attention to clause 7, in which the Chief Executive Officer has a statutory function to facilitate consultation. If anything, the Bill will open avenues for consultation. There are a few issues which were raised and which I have not addressed, but that might be better done during the Committee stage. The Bill paves the way for long overdue change. It is about achieving high-quality services and best value for dollar for the customer. I look forward to its progression through this place.

Bill read a second time.

In Committee.

Clause 1 passed.

Progress reported; Committee to sit again.

WORKERS REHABILITATION AND COMPENSATION (AGE LIMIT) AMENDMENT BILL

The Hon. R.R. ROBERTS obtained leave and introduced a Bill for an Act to amend the Workers Rehabilitation and Compensation Act 1986. Read a first time.

The Hon. R.R. ROBERTS: I move:

That this Bill be now read a second time.

It has become necessary to introduce this Bill following the passage of the Workers Rehabilitation and Compensation Amendment Act that passed through here on 25 May 1995. Since the passing of that Act it has been reported to the Working Women's Centre attached to the Trades and Labor Council that an anomaly has arisen in respect to female employees over the age of 60 but still under the age of 65. This matter has been discussed and I am aware of about six cases where female employees between the ages of 60 and 65 years have been denied access to workers' compensation because of the amendments moved at that time. There was somewhat of an oversight by the Committee when discussing that Bill and I will go into that in some detail.

I am advised that the Working Women's Centre and legal counsel were anticipating taking a case before the discrimination court in respect of this matter. Having identified the problem, the Opposition's view is that the best way to overcome the problem is by this simple amending Bill which we present before the Council today. It is a short Bill but it does an important job. Soon after the latest amendments to the Act which was passed on 25 May 1995 WorkCover promptly stopped payments of income maintenance to injured women between 60 and 65 years of age because of a one line amendment contained in clause 11 of the Bill which we received only a couple of days before it was debated in the Upper House about the beginning of April.

This matter revolves around clause 11 of the Government's then Bill. It is important to note that clause 11 was primarily to do with the reversal of the James case, whereby the Government sought to create a mechanism to get people off WorkCover income maintenance payments, even though there was simply no work available for injured workers genuinely seeking re-employment. At that time the Democrats came up with a compromise amendment, which restated the so-called Gilfillan amendment. I will not go into great detail now because the matter was debated extensively within the Committee stages of the Bill and I will simply refer to it as the Gilfillan amendment because it is self-explanatory.

That amendment arose out of a bipartisan inquiry into WorkCover three years previously. In a sense the entire package of WorkCover changes brought in by the Government this year revolved around this particular battle: when and under what circumstances injured workers could be thrown off the WorkCover system and protection. In the event (*Hansard*, 5 April 1995, pages 1773 to 1777), on behalf of the Opposition I moved an amendment which modified the test proposed by the Hon. Mike Elliott. Substantial debate then ensued about the James case and the circumstances under which injured workers should have their income maintenance payments cut off in the face of zero employment prospects. Because of the focus on the big picture at that time—this matter was debated very late in the night and after an extensive legislative program—there was actually no debate on that part of the Government's clause 11 which simply stated:

> Section 35 of the principal Act is amended—
> (b) by striking out paragraph (b) of subsection (5).

As to the chronology of the events, ultimately the Opposition's amendment was defeated and the amendment moved by the Hon. Mike Elliott on behalf of the Democrats was passed. The Democrats and the Government then passed the clause as amended by the Hon. Mr Elliott. The Opposition opposed it, although there was not actually a division. Prior to the 1995 amendments section 35(5) of the Act provided:

> Weekly payments are not payable in respect of the period of incapacity for work falling after the later of the following dates:
> (a) The date on which the worker attains the age at which the worker would, subject to satisfying any other qualifying requirements, be eligible to receive an age pension under the Social Security Act 1947 of the Commonwealth; or
> (b) —

and this is the subsection deleted—

> The date on which the worker attains the normal retiring age for workers engaged in the kind of employment from which the worker's disability arose or 70 years of age (whichever is the lesser).

The Hon. Mr Elliott touched on this matter in his contribution and I assert that he was clearly of the general understanding, as was the Labor Party, that 65 years would be the cut off date for injured workers in future instead of 70 years. Whilst I understood it, I wish to point out that the Labor Party did not necessarily agree with that provision. However, with the numbers as they were, we were obviously beaten at the ballot. In his contribution (*Hansard* at page 1776) the Hon. Mr Elliott in referring to this proposal stated:

> I have said that I would not accept benefit cuts, so I am opposed to the whole of clause 35 as proposed by the Government—

that was the James case—

> except for, as I said, one line, which seeks to strike out paragraph (b) of subsection (5) of section 35 of the principal Act, which relates to the age at which entitlements cease. The effect of the Government's amendment will, I think, be that entitlements will cease at the age of 65.

I understand that, if we fail to contain it at that point, in a substantial number of cases people will argue that the retirement age is much higher. I assert that the Hon. Mr Elliott was of the opinion that workers', in the broad sense of the word 'worker' and not female or male, entitlements would cut out at 65. Mr Elliott went on to say that the actuary was trying to determine that everyone would retire at the age of 85, or something like that. Clearly, in his assertion, there

needed to be a cut-off point and he thought the age of 65 was not unreasonable. That is the one part of the Government's amendment to section 35 the honourable member indicated he would support.

The Hon. Mr Elliott was of the view that workers would unfortunately lose entitlements at the age of 65 under section 35 of the Workers Compensation and Rehabilitation Act. The effect of the Government's amendment was to leave subsection (5) with age limits solely referable to the age pension commencement provisions of the Social Security Act; in other words, 65 for men and 60 for women. Therefore, at present WorkCover income benefits cease for men at 65 years of age and for women at 60 years of age. There is some change taking place, as members would be aware, to the Social Security Act in that there is legislation which provides that the retirement age for qualification for pensions for women will gradually ease up: it is six months in the first instance eventually going to 65.

This is entirely reasonable taking into account the changing nature of our society and the role women have played in the past. It also takes into consideration the fact that many women now choose to have careers and work far longer. That is a process that will take place. Many women choose to stay in the work force. If we apply the law strictly as it applies today women are entitled to receive a pension at 60½ years of age. It is quite incongruous to expect that female workers who have no intention of retiring and who suffer an injury during the course of their employment ought to be denied their rights to make up pay because of their gender.

That line of thought is quite draconian and it is well past the time when those sorts of things can even be contemplated. We in Government wish to achieve the same rights for female workers as male workers injured in their place of employment and that they are protected by the law. I believe that it would be senseless to take a case before the discrimination courts. I would assert, with no legal training I might add, that the courts would be hard pressed to deny a claim that female workers were being discriminated in their work place on the basis purely of sex.

I am not sure how many women aged between 60 and 65 received income maintenance prior to 25 May 1995 but I have heard of at least half a dozen cases. It seems utterly unjust that their income should be reduced from 100 per cent or 80 per cent of their pre-injury income down to the age of the pension level or, in the case of a woman whose husband was working so that there was no pension entitlement, the income should be reduced to zero, yet if these injured workers were men they would continue to receive their WorkCover income maintenance. I reiterate that this is clearly a discriminatory situation.

With the help of Parliamentary Counsel and a colleague, Mr Kris Hanna, a short Bill has been drafted to restore the equity of this situation. The effect of this Bill is retrospective to 25 May 1995 to the weekly payments ceasing for both men and women at the age of 65, after which they would presumably be eligible for pension entitlements. I stress the obvious, that this Bill aims to increase the coverage of WorkCover benefits even though the level of benefits will be less than it was prior to the Government's 1995 amendments. I know of the Government's reluctance in the past, in almost all instances, to support retrospectivity, although since coming to Government if it means added income or revenue it is much happier about retrospectivity than indicated previously.

I believe that a denial of natural justice would result through what I believe was a misunderstanding of the legislation and a clear oversight by the whole of the Committee. As I pointed out a moment ago, it was the clear understanding of the Hon. Mr Elliott that we would not deny injured workers any rights and, in particular, in this case there was an acceptance that women would not be discriminated against. I would urge the Council in Committee to look favourably on the retrospectivity argument proposed in our Bill and restore equity to working women in South Australian work forces.

This Bill is very short. It contains three clauses and I give a brief explanation: the first clause is the short title and the second is the commencement. I point out that the Bill contemplates retrospectivity to 25 May to provide justice for those workers injured since that time. There is an amendment to section 35 in respect of weekly payments. It replaces the previous provision with a provision which states:

> Weekly payments are not payable in respect of the period of incapacity for work falling after the date on which the worker attains the age of 65 years.

I point out that, consistent with our position during the debate on this matter, although 65 is something with which we do not necessarily agree, we accept the age of 65, but there could be an argument that an injured worker may well decide, because of the extent and nature of injuries, to avail himself or herself of a pension provided for under the Social Security Act. There is nothing in this Bill which denies an injured worker that right. However, if those of the legal fraternity represented in this Council believe that is a problem I can assure you, Mr President, that I, representing the Opposition, would be amenable to amendments which said that an injured employee of their own volition, without any duress or force, could decide to avail themselves of the provisions of the Social Security Act and take a pension. The Opposition would not be necessarily opposed to that proposition.

I ask the Council for its due consideration and hope that, in a speedy fashion, we get consensus on this matter, and I look forward to the contribution from the Hon. Diana Laidlaw, the Minister for the Status of Women. I commend the Bill to the Council and seek its speedy passage.

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

REFERENDUM (WATER SUPPLY AND SEWERAGE SYSTEMS) BILL

The Hon. SANDRA KANCK obtained leave and introduced a Bill for an Act to provide for the holding of a referendum of electors relating to management of the State's public water supply and sewerage systems. Read a first time.

The Hon. SANDRA KANCK: I move:

That this Bill be now read a second time.

This Bill seeks to have put to South Australians a referendum on the question of whether or not the Government should cause the management of all, or a major part, of the State's public water supply and sewerage systems to be contracted out to a private body. This referendum question is for the purpose of formally asking the owners and major stakeholders in South Australia's major water supply and sewerage systems, the people of South Australia, how we want our water system run. In recent times there has been increasing public debate about this question, and rightly so.

There is a lot more to water management in South Australia than just the efficiency of supplying water to businesses and homes and the removing and processing of sewage. There are a number of vital issues relating to our water supply and sewerage systems which deserve close consideration, not least of this these being water quality. There are complex issues of politics and water quality relating to our main sources of water, the Adelaide Hills catchment and the Murray-Darling river system. South Australians have to wonder why, when we already have water quality laboratories which have won international awards and are recognised as world leaders in water quality management, we need any help at all from foreigners, let alone hand over to them the management of our entire metropolitan water system in order to improve our water quality.

If there is a shortfall in our proficiency, one would have thought private consultants could have enabled us to make this up. We have seen, with Great Britain's experience of privatisation, horrendous problems including, among other things, massive pollution of the Cornish coast with raw sewage. Earlier on today I was being interviewed on radio about this Bill, and a listener rang in saying that he had been speaking to his parents in Britain last night, and they had been without water for four days because the private company that was running their water had no pumps.

South Australians also have to wonder about the Government's argument that this contract will save us money. The cost of providing our water services has been kept well below inflation in recent years, and with staff rationalisations projected by management, those costs would have fallen further this year and during future years. Under private management, this surplus would be lost to taxpayers and if the British experience is anything to go by, consumers can expect higher water tariffs.

Conservation of our very valuable water resources is another issue which the Government appears not to have considered. It surely would be in the interests of a private company to ensure that we use as much water as possible and not go out of our way to conserve it. Thus privatisation would be working against sound principles of environmental management. The tendency towards the maximisation of consumption raises the matter of reliability of water supplies. The fact that South Australia is the driest State in the driest continent and that, despite this, the EWS in the past has provided us with enough water to meet our requirements without the need for water rationing is a remarkable achievement, especially when we are compared with New South Wales which has a much higher rainfall but where water rationing is almost an annual occurrence.

Finally, there is the question of whether the proposed private monopoly management of our water supply system will be any more beneficial to South Australians than the current public monopoly. I argue that the Government has failed to provide any sound reasons for its decision. The Hilmer report and its recommendations are about competition, not replacing public monopoly with a private monopoly or privatisation. It also sets a dangerous precedent whereby we are mortgaging our most essential public service to pay for our own industrial future, a future which is far from certain in relation to water service exports.

The Government has provided no guarantee, probably because it is impossible for any Government to do so, that a large water multinational, once entrenched in Australia as a result of a deal like this, would not shift head office to Victoria or New South Wales. Although we are told the contract will apparently contain a provision requiring the prime contractor to locate its head office in Adelaide, such a provision will be unenforceable. Remember the Grand Prix, tennis championships and other golden eggs poached by other State Governments? What if the private operator makes a mistake? We survived, only just, a stuff-up with the State Bank, but this would be minor in comparison with an equivalent disaster to our water supply. Private managers would be able to walk away from it, just like the directors of the State Bank did. Our Government simply uses the State Bank as a convenient excuse to justify its privatisation agenda, but it has not learnt the lesson of the State Bank catastrophe.

The real costs of this privatisation manoeuvre are being hidden from us and will continue to be hidden from us. Most of us are now aware of a public relations contract worth hundreds of thousands of dollars being simply given to a Sydney-based company without an open tender process. But there will be other costs we may simply never know about. The EDA, operating quite separately from SA Water, will play a significant part in this process. They might, for instance, offer a rates holiday or, perhaps through the Housing Trust, build a factory for the foreign-based company, thus diverting money desperately needed to relieve the Housing Trust waiting lists. We will not know about it and we will have no say in it.

The Democrats believe that the Government should have attached a marketing arm to SA Water with perhaps a modest application of taxpayer funds towards developing a water industry policy. There is no good reason why the Government, in the form of SA Water, should not be the prime contractor. This would have been a far better way of developing a new export market than putting at risk our local water supplies and sewerage systems. The New South Wales water authority, which is also attempting to break into the Asian market, has done just that: attach a marketing arm to the existing structure.

Our Minister for Infrastructure has argued for the build-own-operate (BOO) and build-own-operate-transfer (BOOT) schemes as an integral part of its plans for SA Water. The Economic Planning Advisory Council (EPAC) recently released a report on such schemes, and an article in the *Australian* of 29 June summarises some of the views who hold concerns about BOOT schemes. These views suggest that BOOT schemes might over-favour the private sector by 'stacking all the risk on the side of the taxpayer while the private developer is able to cream off high returns at little or no risk to its own profits'. These are not ideological arguments; these are arguments being advanced by industry itself.

Economic consultant for BIS Shrapnel, Mr Richard Robinson, is quoted as saying, 'Some of these deals are too good. There doesn't seem to be much risk to the private sector—the public sector bears it all.' He makes the point that BOOT contracts often contain Government guarantees of assistance in case the asset fails to perform to expectations. Will this be happening in South Australia in regard to the private management of our water? We can only guess.

The basis of the Government's plans, most likely the key to any success or failure, is breaking into Asian markets, but let us look at the reality of this pipedream. The Snowy Mountains Engineering Corporation has been in Asia for 20 years, but its work has been mainly headworks. After all this time, it has not managed to break into the water distribution segment of the market. The New South Wales and Victorian

water authorities are also ahead of us in attempting to break into the Asian markets.

If you were one of the decision makers of an Asian company looking at a list of Australian companies tendering for some aspect of that country's water supply, why would you choose a South Australian company over the Snowy Mountains Engineering Corporation or even the larger New South Wales or Victoria authorities? Why would you bother with a company you had never heard of? The truth is we have nothing to gain from these company relationships, and these international companies have a great deal to gain by being able to milk the best of our talent in SA Water to their advantage.

Given the current low level of morale amongst employees of SA Water and the stress levels many of them are working under, private sector poaching of the best public sector brains seems inevitable. I understand that at one sewage treatment plant only 2 per cent of the work force want to continue working for SA Water. Opponents of this Bill—

The Hon. T.G. Roberts interjecting:

The Hon. SANDRA KANCK: Probably getting very close to it. Opponents of this Bill will point to the cost of holding a referendum, but this argument does not hold water—pun intended—when measured against the background of the total value of the contract and the vital importance of water to South Australians. Such people will also talk about a Government mandate. The simple truth is that the Government can claim no mandate whatever for this decision. There was no promise to privatise our water systems at the election, and if the Parliament had known the full extent of the Government's plans, I dare say it would not have let the SA Water Corporation Act pass. At the time the SA Water Corporation Bill was put to Parliament there was no hint by the Government that the Parliament was paving the way for such a massive privatisation as this one.

Many constituents have raised their concerns with me about this privatisation. One, who owns a company, compared the actions of the Government with what a private company might do. This Government has made much of the South Australian Commission of Audit and a more business-like approach to government. So, if our Government were to be compared to a private company, what would its core business be; what is it that this State depends on? The answer is 'Water.' We can do almost nothing in this State without this precious commodity, so our core business is water.

We know that private companies do not make a habit of divesting themselves of their core business. But what would a private company be required to do if it did want to divest itself of its core business? First, it would need to be sure that the decision was not at odds with the company's articles and memorandum of association. It is worth noting that the Government needed to change the law to implement its decision. I repeat, the Parliament would not have agreed to that change had it known what the Government had in mind. It could certainly be argued that this Government, in proceeding with this privatisation, would have been acting outside the law as it stood when it took office—acting outside laws made under its constitution; its articles of association, so to speak.

Secondly, it would need to disclose all the details of what it proposed and what it said, both expressly and implied, to prospective contractors, together with a statement of benefits and risks to its shareholders—in this case, to all South Australians. The Government could hardly claim to have fulfilled these requirements.

Thirdly, there would be the requirement to certify all claims and statements made by the Government equivalent of private enterprise boards and advisers as follows: (1) the equivalent of the Chairman—the Premier; (2) the equivalent of the Managing Director—the Minister; (3) the equivalent of senior company officers—senior public servants; and (4) all advisers—consultants; and with the accompanying legal liability, involving damages and/or gaol for misrepresentation or for any incorrect statement which should have been recognised as incorrect by the exercise of reasonable skill and diligence.

The people of South Australia will probably never see any Labor or Liberal State Government apply the sort of rigorous scrutiny operating in the corporate world to itself, but, as South Australian citizens, we should be able to decide whether or not we are willing to give up our ownership and control over one of our vital public services. The Minister for Infrastructure has said that he is putting his career and reputation on the line over the issue of private management of our water supply. The repercussions of this privatisation, if it goes wrong, will be felt long after the current Minister for Infrastructure has left office. The Hon. John Olsen's political scalp is not enough collateral for the people of South Australia. I commend the Bill to the Parliament.

The Hon. T.G. ROBERTS secured the adjournment of the debate.

FRENCH NUCLEAR TESTS

The Hon. SANDRA KANCK: I move:

That this Council deplores plans by the French Government to recommence nuclear fission tests in the Pacific Ocean and therefore calls for—

1. a complete ban on sales to France of uranium from South Australian mines;

2. a complete ban on South Australian Government purchases of goods and services manufactured or produced in France or by French companies; and

3. French-owned organisations or consortiums containing a French-owned partner to be precluded from tendering for any South Australian Government contracts including any contract to operate Adelaide's water supply and waste water systems.

The purpose of this motion is to protest in the strongest possible terms to the French Government against its resumption of nuclear fission tests at Mururoa Atoll. The Democrats are not just talking about voicing our concerns in the media and at the diplomatic level, as the Commonwealth Government and the Federal Opposition have done, as this approach has proved useless in the light of French arrogance and resilience to world opinion; we are talking about direct protest action designed to show the French Government that we are serious about our opposition to their intention to resume nuclear testing—actions by the French which amount to ecological vandalism for the purpose of further developing their already awesome capability in the use of weapons of mass destruction.

I first became active in the issue of French nuclear testing 24 years ago, shortly after my son was born. At that stage it was atmospheric testing that was taking place. With a newly born child, I became very concerned about the prospects for my child's future health. I read that one of the by-products of the fallout, Strontium 90, is mistaken by the body for calcium taken up into the bones, particularly those of children, and it sits there contributing to a cancer which will appear 20 years down the track.

I was horrified and went to my first public meeting, and it is an issue that I have followed with some dedication for many years. Some 24 years ago it became clear to anti-nuclear protesters that we were not getting the message through to the people of France. We were dealing with an arrogant Government that took no notice of the written messages that we sent, so it was felt that a boycott of French products would be a more effective way of making the point.

I instituted my own personal product boycott, which I kept active until three years ago, when the French stopped their testing. During my 21 years of boycotting French products, I often felt that I was the only person doing it, so I have been delighted by the public reaction at the resumption of testing with 95 per cent of people opposed to it. It provides the opportunity to cause a twinge in the hip pocket nerve of the French people. If that nerve is activated, there is more chance that the French people will put pressure on their Government and President.

The Premier of this State has said that no South Australian uranium ends up in French bombs. If he is so sure of this, I am delighted to hear it. His Liberal counterparts at national level say that the Federal Government's response to the resumption of testing has been inadequate, so I am sure that he will now join me in taking steps to ensure that no South Australian uranium ends up in French bombs in future. But he should be mindful that there is really only one way to secure that non-nuclear future, and that is to be certain that we sell not one gram of uranium to France.

I am convinced that if South Australia were to take the lead in opposing the tests, other States and countries would follow. I see this as an opportunity for South Australia to take the lead, because the South Australian Government is in a position to hit the French Government where it really hurts—their uranium supplies: the first part of my motion.

Not only do we supply uranium from our Roxby Downs mine to fuel French nuclear power stations and possibly French nuclear weapons, but our uranium ore also supplies French enrichment plants, which in turn supply European and United States nuclear industries. Significantly, no-one has been able to prove that uranium from South Australia does not end up in French nuclear weapons or, indeed, that it will not end up as fuel in the nuclear tests to be carried out at Mururoa Atoll. The uranium that they import goes into a common stockpile, so, on a percentage basis, some of our uranium must end up in their bombs. In the light of this, we have a moral obligation to take meaningful action against the French Government. At the very least we, as a Parliament, must be satisfied that no South Australian uranium is being used in the despicable French nuclear testing program.

The second part of my motion relates to any other goods and services manufactured or produced in France or by French companies. I admit that in these days of takeovers and complex corporate structures it might be somewhat difficult to work out which companies are French. In the wine industry, for instance, names like Jacob's Creek, Wyndham Estate, Orlando and Coolabah, which might once been Australian, now have French companies owning them.

But it is certainly easy to avoid the obviously imported French champagnes, wines and bottled waters. If the Government is doing any entertaining there are certain brands it can make sure it avoids using. In accepting tenders for the supply of pens, for instance, the Government can make sure it does not buy Bic and related brands. When it comes to waste management, the Government should avoid contracts with the French company Collex. If the Government needs some advice on this to help it identify the French products, it should contact the Buy Australia Campaign or the Australian Owned Companies Association which, I am sure, would be only too pleased to provide advice to the Government about alternative Australian suppliers.

The Hon. R.I. Lucas: Shall we stop teaching French?

The Hon. SANDRA KANCK: I do not know that teaching French advances much in this country, anyhow: I think there are better languages to learn. The third point of my motion relates to the management of Adelaide's water supply. Given that so many people are outraged at the resumption of French nuclear testing and that the Liberals at national level say that we are not doing enough, I invite the Government to not consider the tenders of two of the three companies who are competing to manage our water supply, because two of the three have a very strong French connection.

As with selling uranium to France and purchasing other goods and services from France, it is inappropriate for an Australian State to encourage what are essentially French companies to take over our water supplies. The total lack of regard shown by the French in their continued nuclear testing at Mururoa Atoll shows that they have no understanding of the environment at all and clearly would not understand how to run a water system in an environmentally responsible way. The *Advertiser* of 17 June had a feature article about the bombing of the *Rainbow Warrior* in Auckland Harbour by French secret agents. The article was entitled, 'L'arrogance': a most fitting title.

It is clear that South Australians do not want their water supply run by a foreign company, but even clearer still that it should not be a French company. If, as an Australian State Government with power to make a politically effective protest, we sit back and do nothing of substance in this instance, we will be sending a clear message to other countries in the Pacific that their cause for a nuclear free Pacific for them and their children is hopeless. It is also an opportunity for Government members in this place to show Australians that they are not just opportunists, that they can match political manoeuvres with effective action as a national political Party and that they are not just free market ideological zealots in government. I commend the motion to the Council.

The Hon. BARBARA WIESE secured the adjournment of the debate.

SELECT COMMITTEE ON THE CONTROL AND ILLEGAL USE OF DRUGS OF DEPENDENCE

The Hon. BERNICE PFITZNER: I move:

That the report of the committee be noted.

This committee has taken a long four years to report. During this time we had changes of research assistants of varying abilities, a State election and a change of Chairperson, which must have made it even more difficult for the research person. This was the first Parliamentary committee I was on and, therefore, I was not quite sure whether or not one could expect a better quality of evidence. My then parliamentary colleague, Dr Bob Ritson, assured me that he had seen better evidence given in other select committees. After attending other standing and select committees I must say that I agree with Dr Bob Ritson that better evidence should be expected.

However, the other problem is that there is a surprising lack of well controlled scientific studies on illegal drugs, in particular, cannabis and heroin. In an article by Mr P. Colton, published in the *Journal of the American Medical Association* in June 1994, he states:

> Opinion tends to be stronger than data on illegal drugs.

The terms of reference for this inquiry were: the nature and extent of illegal use of drugs of dependence and prohibited substances; the effectiveness of current drug laws in controlling trafficking in prohibited substances and drugs of dependence; the cost to the community of the enforcement of the laws controlling trafficking in prohibited substances and drugs of dependence; and the impact on South Australian society of criminal activity arising out of substance abuse and trafficking in prohibited substances and drugs of abuse.

The terms of reference were very wide and, because of limited resources, in the end one had to draw very heavily on the Federal National Drug Strategy Group and its task force, especially with regard to cannabis. As one will note, my parliamentary colleague the Hon. Jamie Irwin and I have made dissenting statements about three of the 10 recommendations. Although I have signed the report as Chairperson, I did not agree with the trend the report was taking, which was rather obviously towards decriminalisation of cannabis together with a more permissive attitude towards the harder drugs of heroin and cocaine. There were statements on heroin such as those made by a pharmacologist, as follows:

> Dr White told the select committee that withdrawal from opiates was a problem but not life threatening in the same sense as withdrawal from alcohol or barbiturates. . . heroin withdrawal symptoms have been described as being 20 times worse than recovery from a bad case of the flu.

We had to counterbalance this perception by including in the report in appendix C information about withdrawal symptoms, in order to describe the '20 times worse than the flu' statement. In relation to heroin, appendix C stated:

> Although the lethal dose is greatly altered in tolerant individuals, a dose always exists that is capable of producing death from respiratory depression.

Quoting further, these are the withdrawal symptoms as described in a well acknowledged medical and pharmacological text book:

> Nonpurposive symptoms, such as lacrimation, rhinorrhea, yawning and sweating appear about 8 to 12 hours after the last dose. About 12 to 14 hours after the last dose, the addict may fall into a tossing, restless sleep that may last several hours but from which he awakens more restless and more miserable than before. As the syndrome progresses, additional signs and symptoms appear consisting of dilated pupils, anorexia, gooseflesh, restlessness, irritability and tremor. . . As the syndrome approaches peak intensity, the patient exhibits increasing irritability, insomnia, marked anorexia, violent yawning, severe sneezing, lacrimation and coryza. Weakness and depression are pronounced. Nausea and vomiting are common, as are intestinal spasm and diarrhoea. Heart rate and blood pressure are elevated. Marked chilliness, alternating with flushing and excessive sweating, is characteristic. Pilomotor activity resulting in waves of gooseflesh is prominent, and the skin resembles that of a plucked turkey. This feature is the basis of the expression 'cold turkey' to signify abrupt withdrawal without treatment. Abdominal cramps and pains in the bones and muscles of the back and extremities are also characteristic, as are the muscle spasms and kicking movements that may be the basis for the expression 'kicking the habit'.

In trying to play down the well accepted dependency of opiates, a section in the report quotes a letter from two physicians who had analysed the personal files of 12 000 patients who needed morphine for treatment, and found that only four patients developed dependency. Two factors to be considered here cast shadows of doubt on such a study in terms of its validity. First, the study was not scientifically controlled and has not been published in a reputable journal, thus preventing it from being subjected to peer scrutiny.

Further, it is a well-known phenomenon that those who are given morphine for pain as opposed to those who take morphine for pleasure infrequently develop dependency. Therefore, the point I make here is that one ought not to use this particular study to provide any validity to the theory that morphine or any of the other opiates is not particularly addictive. In fact, an article in the *Journal of Anaesthesia* identifies the relatively high drug abuse-drug dependence by anaesthesiologists who regularly handle these highly addictive drugs, the opiates in particular. I quote from the article as follows:

> Although the true prevalence of substance abuse and chemical dependence in physicians is unknown, the disease (drug addiction) is more common in some specialities. . . Estimates of the scope of chemical dependency in anaesthesiologists [have] come primarily from two sources—questionnaires and treatment centres. Two retrospective surveys suggest that the prevalence of 'the disease' [that is, drug addiction] in the speciality is in the range of 1 to 2 per cent. A similar survey in progress at the time this is being written confirms these figures.

Let us now look at the 10 recommendations. We will start with the six on which there was unanimous agreement. In relation to recommendation 1 the select committee recommends that scientifically designed and controlled clinical trials in the use of cannabis for therapeutic purposes be undertaken for specified medical conditions. The National Drug Strategy monograph No.25 provided the committee with much needed information on medical treatment in which cannabis can be used for various conditions. In particular, it can be used as an anti-emetic for cancer patients, a treatment for glaucoma of the eye, as a possible anti-convulsant, and it also can be used in the treatment of AIDS and multiple sclerosis. Some Federal funding ought to be made available to conduct research into a specific medical condition, for example, terminal AIDS.

As to recommendation 5, although the select committee notes that some issues still need to be resolved, it urges the State and Federal Governments to support the proposed heroin trial in the ACT. Our committee had completed its deliberations before the members could receive the latest report on the proposed heroin trial in the ACT. This report, entitled 'Feasibility research into the controlled availability of opioids, June 1995', is now to hand. The two institutions responsible for the report are the National Centre for Epidemiology and Population Health at the ANU, and the Australian Institute of Criminology. As they will be evaluating a potentially harmful drug (heroin) the proposal is designed to 'move cautiously and with scientific rigour'. It is proposed that a randomised control trial will examine the clinical question: 'If maintenance treatment for opioid dependence is expanded so that both injectable heroin or diacetylmorphine and oral methadone are available, is this more effective than current maintenance treatment which involves the provision of oral methadone only?'

The recommendations suggest that this question be answered in three stages, as follows. In stage 1, a pilot study of 40 dependent heroin users who have been established ACT residents since 1993 will be assessed over a period of six months. In stage 2, a pilot study of 250 dependent heroin users will be assessed over a period of six months, and in stage 3, if the pilot studies are shown to be successful, a two year trial of 1 000 participants will be conducted in three

Australian cities. The rationale for expanding maintenance treatment to include heroin was to find ways of ameliorating the effects of drug use, and this was given further impetus with the advent of HIV/AIDS. Two major difficulties were looked at: the legal aspects of the trial and the risks associated with running the trial. The legal aspects addressed international treaties, liability for harm to participants, 'ancillary liability', which looks at criminal liability for the crimes committed by the trial participants, and confidentiality.

On the aspect of associated risks of the trial, the report looked at the possibility of dependent users from Australia moving to Canberra; a more permissive attitude to illicit drug use; high cost due to the need to monitor a number of social effects; trial participants driving under the influence of trial drugs; law enforcement made more difficult; trial heroin becoming available on the black market; violence to participants from non-participants; babies born to women participating in the trial; and the trial not achieving the proposed benefit. The report appears to have looked into numerous possible problems, and support ought to be given to the heroin trial, which will give us much more needed scientific information on a drug that is very prevalent and also potentially dangerous.

In recommendation 6 the select committee recommends that culturally relevant information about drug abuse be prepared and distributed amongst ethnic groups. This is a harm minimisation strategy, which will provide educational information to ethnic groups in a culturally sensitive way. As to recommendation 7, the select committee recommends that culturally appropriate drug and alcohol treatment centres staffed by Aboriginal health workers be established in locations frequented by Aboriginal populations. In this case, the location of these treatment centres was identified to the committee as being very important to enable access by Aboriginal people.

In relation to recommendation 8, the select committee notes that abuse of prescription drugs is a significant problem in South Australia and urges the Government to further examine this issue. Limited evidence was given to the committee with regard only to drug prescriptions given to Aboriginal people. The committee saw fit to include this alleged abuse of prescription drugs to the rest of the general community. Whilst this might be the popular perception, no evidence has been given to the select committee with regard to the rest of the community. Whilst this concern may put me in the position of trying to protect the medical practitioners, I would refute this. My concern is due to the lack of supporting evidence rather than a particular sensitivity for my medical colleagues.

In recommendation 9 the select committee, acknowledging the reality that prisons are not drug free environments, recommends that the South Australian Government introduces harm minimisation strategies for the South Australian prison system; provides sterilisation and exchange needle programs; and introduces a methadone program for prisoners suffering from drug dependence. Although we did not obtain much direct information with regard to drugs in the prison system, we did take some information from a report to the Minister for Correctional Services, entitled 'Investigation into drugs in the South Australian prison system'. This report showed that, of a limited sampling of 78 prisoners, 70 per cent had experienced drug abuse before entering prison. In that report, recommendation 28 proposed that the methadone program be expanded to include access at an appropriate time prior to their release for prisoners considered likely to return to opioid dependence. That recommendation concurs with our suggestions to a certain extent. I understand that that recommendation is being or has been implemented by the Government.

With regard to the needle exchange program, although I agree with the recommendation in principle, especially with regard to the likelihood of HIV-AIDS transmission, insufficient evidence was provided to Committee members as to the possibility of whether such needles could be used by prisoners as weapons of attack.

On recommendation 10, the select committee recommends that the South Australian Police Statistical Services unit collect and present data in an accessible form, including accurate costing of South Australian police detention and prevention activities and other costs associated with illicit drugs in South Australia, and statistics which identify the current level of crime relating to illicit drugs.

We were made aware that certain statistics that were required were not fully and routinely collected by the South Australian police. Committee members hope that that recommendation, proposing the keeping of relevant statistics, in particular the impact of drug abuse on society, will be implemented so that more statistical evidence and less opinion and anecdotal evidence will be available for future inquiries.

I now refer to the three recommendations on which my colleague the Hon. Mr Jamie Irwin and I have given dissenting statements. All relate to the drug cannabis, or marijuana. Recommendation 2 is that the cannabis expiation notice system be changed to ensure that criminal convictions are not recorded if expiation does not occur. Further, it recommends that persons who have received criminal convictions for possession of quantities of cannabis for personal use in the past should have those convictions expunged.

We oppose that recommendation, which would serve to emasculate the existing cannabis expiation notice system which we believe to be essentially sound. The CEN system, the South Australian model, maintains the official policy of discouraging the use of cannabis while also allowing for personal users not to be stigmatised and to reduce the heavy and expensive demands put upon the court system. However, one acknowledges the problem of a significant percentage of personal users still going to court and therefore obtaining a criminal record.

It is not known whether those people are unable or unwilling to pay the expiation. Comprehensive statistics have not been kept on that. There is concern that people of a low socio-economic status will be disadvantaged by being unable to pay, and I understand that the Attorney-General's Department is looking at the system of fine enforcement, in particular the enforcement of expiation notices. It is suggested that the expiation notice procedures were too inflexible, and perhaps one could look at the recipient of an expiation notice being able to apply for community service or payment by instalments immediately after receiving the notice. In other words, we believe that the problem of some marijuana users being unable to pay the expiation of a fine should be addressed in an alternative way rather than that in recommendation 2.

In recommending the improvement and reform of the CEN system, one should also build in adequate follow-up monitoring and evaluation of matters such as the medical status of a person who repeatedly receives CENs or is receiving CEN and still drives under the influence of cannabis. Further, the routine provision of information on the health risks of

cannabis should be provided as an adjunct to the issuing of cannabis expiation notices.

We will look at recommendation 3, which calls for the repeal of all laws relating to cannabis paraphernalia. That recommendation is rejected by the Hon. Jamie Irwin and myself on the following grounds: first, there is as yet no scientific research to confirm that apparatus such as the bong reduces the tar content of and other harmful substances in marijuana smoke, nor is there any comment by the National Drug Strategy Group that harm reduction can be achieved through the better availability of drug paraphernalia. Furthermore, there is also the suggestion that the bong is used mainly to cool the smoke so that less inhalant is lost, and will therefore increase the likelihood of respiratory damage.

Secondly, the possession of cannabis equipment for personal use is classified under the simple cannabis offence and therefore will attract only a CEN or cannabis expiation notice, whereas such equipment used for commercial purposes is at times the only evidence that the police can use for criminal prosecution. We therefore reject the harm minimisation argument and believe that harm reduction is better achieved through targeted education about the health risks of marijuana.

The substitute recommendations, which are strategies to aid the promotion of harm reduction, are as follows: first, that further research be done to identify whether the filtration of cannabis smoke will reduce the number of harmful constituents; secondly, that further research be undertaken to develop an instrument or a procedure to measure the impairment of motor coordination and cognitive function of people who are intoxicated by cannabis, particularly as it relates to driving motor vehicles or operating machinery; thirdly, that further research be undertaken to ascertain the community's knowledge and opinion of the health effects and the risks associated with cannabis use so that that information can be used to develop a consistent and nationally focused public education campaign on the health risks of cannabis; and, fourthly, that targeted education activities be directed at current users of cannabis, with the aim of minimising the possible long-term harmful effects such as chronic respiratory damage and cannabis dependence.

At this stage, I should like to consider five possible legislative options. The National Drug Strategy, Monograph No. 26, 1994, entitled 'Legislative Options for Cannabis in Australia' advocates five legislative options. Those five options were also recommended by the 1978 South Australian Sackville commission. The language used avoids the terms 'decriminalisation' and 'legalisation', as those expressions have quite different meanings for different authorities. The following quotations and descriptions have been drawn from Monograph No. 26. The five suggested legislative options are, first, total prohibition; secondly, prohibition with civil penalties for minor offences (the current South Australian model); thirdly, partial prohibition; fourthly, regulation; and, fifthly, free availability.

On option one, total prohibition, under the system of total prohibition, the use, possession, cultivation, importation, sale and distribution of any amounts of cannabis are treated as criminal offences. People importing or dealing in cannabis may be liable to severe sanctions, and those using or found in possession of the drug are subject to arrest and prosecution. If convicted, they acquire a criminal record and may be subject to a variety of sanctions, including imprisonment.

Option 2 provides for prohibition with civil penalties. Under this option the penalties for possession and cultivation of small amounts of cannabis for personal use are dealt with by civil sanctions such as a fine. Criminal sanctions still apply to the possession, cultivation and distribution of large quantities of cannabis. The South Australian cannabis expiation notice scheme introduced in South Australia in 1987 was the first example of such a system and this has been followed by a similar though not identical system in the ACT.

Partial prohibition is the third option and seeks to maintain the controls on production and distribution of cannabis whilst at the same time avoiding the cost of criminalising use of the drug. Under partial prohibition it will remain an offence to grow or deal in cannabis in commercial quantities. It would not be an offence to use cannabis or possess or grow it in quantities judged appropriate for personal use.

Option 4 relates to regulation. In this framework the production, distribution and sale of cannabis would be controlled to a greater or lesser extent by the Government. Trafficking outside the regulated system will continue to be a criminal offence and attract penalties. However, activities associated with personal use would not be penalised. This regulation option is the option that the committee has recommended. Some examples, depending on the type of regulatory scheme imposed, would be that all or some of the following features could be involved, that is, restriction on trading hours; restriction on the type, location and number of outlets; prohibition on sale to minors; control of the purity and strength; restriction and prohibition on advertising; limits on the number of drugs that can be sold to a customer; licensing of seller outlets; licensing or counselling of buyers; monitoring the consumption of licensed buyers; and compulsory treatment for licensed buyers identified as having problem use. Similar features could be expected in a Government monopoly with the addition of Government licensing of cultivation and production, Government marketing and price control.

The last legislative option is free availability. Free availability of cannabis, like its total prohibition, is an extreme legislative option. Free availability will mean the absence of any legislative or regulatory restriction on its cultivation, importation, sale and supply by other means, possession or use. One can imagine a free availability regime under which cannabis was sold in supermarkets and openly grown in commercial farms and suburban vegetable patches.

The option chosen by the select committee, as I mentioned, is the regulated model which, in effect, seeks to decriminalise cannabis for personal use. The Hon. Mr Irwin and I—two of the five committee members—are strongly against this legislative option. As we make up a minority on the committee a dissenting statement by us was issued in the report. The cannabis expiation scheme introduced in South Australia in 1987 amended the Controlled Substances Act 1984. It is the South Australian model and is supported as the legislative option of prohibition with civil penalties. This model is supported by us. This model option permits the possession and cultivation of small amounts of cannabis for personal use under civil penalties rather than by criminal sanctions such as court imposed fines or imprisonment.

Criminal sanctions still apply to the possession, cultivation and distribution of large quantities of cannabis, that is, for commercial purposes. The two minority members appreciate that there are problems with our current South Australian legislation and that the situation should be reviewed as it pertains to clearly defining and differentiating between production for commercial purposes and production for personal use. Inevitably there will be borderline cases and

perhaps one might have to look at providing for reverse onus of proof for these cases. The cannabis expiation notice scheme also has its problems and this scheme ought to be reviewed along the lines of recommendation 2.

Recommendation 4 cannot be supported on two main grounds, namely, the health aspect and the practical implementation of the scheme, such as the legislative option of a regulation model. Some questions that would arise from the implementation of the select committee's recommendation 4 are: which Government agency or private contractor would control licences, inspect sites, audit records and observe administrative costs? What would the security arrangements be to prevent thefts at the growing site, in transit or in storage by black market operators? How will other States react to a supply of cannabis being legally available in this State and what impact will that have on their law enforcement agencies? As legalised production and sale is in conflict with the current objectives of the national drug strategy, how would this action be justified? Is there potential for people currently in the work force to leave stable employment and pursue a get rick quick scheme? Will producers adopt stand-over tactics to gain a greater market share?

Current legislation prohibits the sale of alcohol to 18 year olds and it is well known that children get their adult friends to buy alcohol for them. The same thing happens with cigarettes. Youths will no doubt resort to the same tactics to obtain cannabis. How will licensed outlets that have to absorb business overheads be price-competitive and compete with the black market? What incentives will there be for buyers to purchase from legal outlets rather than from the black market, which can undercut prices and provide the product any time, anywhere and in any amounts and to any aged customer? In short, the regulation model will involve a complicated and complex system of licensing and monitoring which could involve high administrative costs. The health aspects are an even greater concern. Apart from the wellknown harm that cannabis causes, especially the risk of respiratory cancer, risk to the foetus and risk of acute psychosis, there is also increasingly well documented evidence that cannabis smoking causes impairment of learning and short-term memory, effects that will persist for several weeks after abstention. Also, there are road traffic and work-related injuries sustained during cannabis intoxication and this is a significant additional risk.

There is also the concern about the possibility that cannabis may be a gateway drug and that it will encourage graduation from cannabis to the more dangerous, elicit drugs, such as cocaine and heroin. Others argue that progression to other elicit drugs is due to other social factors. More longitudinal research of cannabis use needs to be done to resolve this concern. The dissenting statement recommends:

1. Activities relating to the possession, unsanctioned cultivation, sale and non-therapeutic use of cannabis in any quantity should remain illegal, and this concurs with Task Force recommendation 8.

2. The law enforcement focus on the detection and prevention of the importation, sale and unsanctioned cultivation of cannabis should be maintained, and this statement concurs with Task Force recommendation 9.

3. The current State legislation on cannabis should be supported but with the added reform that the CEN scheme be reviewed along the lines of recommendation 2.

For the validity of the Task Force recommendations, I would like to name the membership of the committee: the committee Chairman is the well respected Dr Robert Ali, Director of the Drug and Alcohol Services Council of South Australia; Mr Ray Donaldson, Assistant Commissioner of the Drug Enforcement Agency in the New South Wales Police Service; Mr Frank Hansen, Chief Inspector of that same service; Mr Kevin Larkins, CEO of the Western Australian Drug and Alcohol Authority; Mr Kerry MacDermott, Policy Adviser to the Drugs Policy Unit of the Federal Justice Office of the Commonwealth Attorney-General's Department; Ms Julie Sarll, Director of the Planning and Statistic Section of the Commonwealth Department of Human Services and Health; Mr Graham Strathearn, CEO of the Drug and Alcohol Services Council of South Australia; Mr Colin Watkins, Assistant Commissioner of the South Australian Police Department; Mr Paul Christie, Project Officer with the Drug and Alcohol Services Council of South Australia; and Mr Gary Quigley, Head of the Community Protection Branch of the Commonwealth Attorney-General's Department.

Further, with regard to the select committee seeking to destroy the black market, I quote from an article in the *Weekend Australian* of 29 and 30 April 1995 which states:

> Mr Richard McCreedie has taken the Chair of the National Drug Strategy Committee.

It further states:

> Mr McCreedie's appointment reflects not only recognition among health professionals of the need to include law enforcement agents in drug policy but also a change in police thinking. . . . Mr McCreedie holds reservations over proposals to decriminalise marijuana, citing the dangers associated with driving under the influence and the lack of an effective means of measuring the drug's presence in the body.

The article further states:

> He also rejects claims that decriminalising marijuana results in the death of the black market—the teenage black market would still exist.

Mr McCreedie said:

> People who would argue simple decriminalisation as a simple answer are missing the point.

In conclusion, when I first came to the committee I was of a mind that decriminalisation of cannabis was the way to go. However, on taking evidence I have had not one iota of support for this position. For such potent drugs, in particular the more frequently used cannabis and heroin, there are surprisingly very few well researched clinical trials to evaluate the short and long term effects of these drugs on the physical and mental abilities of the person taking them. It is therefore very difficult to be too bold in deciding to move to a more relaxed legislative option and also to decide on the type of harm minimisation strategies to adopt.

I am sure that all of us would like to put in place the legislative model that will, if not eliminate, at least reduce the abuse of illegal drugs and to complement this legal model with harm reduction strategies. If one cannot beat it at least we can reduce it and ameliorate the effects that this type of drug abuse is having on the person and on society. To me the current legislation of prohibition with civil penalties for personal use is a good holding model until we have further long-term research on its effect—deleterious or otherwise. It is premature to move into a decriminalisation or regulation model as, in my view, this would be irresponsible, especially when we are faced with a high health risk. So, Mr President, I ask this Council to critically note this report.

The Hon. T.G. ROBERTS secured the adjournment of the debate.

SHOP TRADING HOURS ACT AMENDMENT BILL

Order of the Day: Private Business No. 3: Hon. R.R. Roberts to move:

That he have leave to introduce a Bill for an Act to amend the Shop Trading Hours Act 1977.

The Hon. R.R. ROBERTS: I move:

That this Order of the Day be discharged.

Order of the Day discharged.

EWS OUTSOURCING

Adjourned debate on motion of Hon. T.G. Roberts:

1. That a select committee of the Legislative Council be established to consider and report on proposals by the Minister for Infrastructure to outsource functions now undertaken by the Engineering and Water Supply Department with particular reference to:

(a) whether the specifications will ensure best international practice is achieved in the delivery of a continuous supply of water that meets AWRC/NHMRC health related guidelines;
(b) the level of financial protection and security of service against default by the contractor or subcontractors;
(c) the probity of criteria used for short listing tenderers and the decision to exclude Australian based companies;
(d) the effect on public finances over the contract period;
(e) the effects on consumers including the price and quality of water, sewerage charges, connection fees and response times to faults;
(f) the effect on environmental performance in regard to the conservation of water and the treatment and disposal of sewerage;
(g) the timeliness and standard of maintenance of infrastructure;
(h) commitments by the Government in relation to the provision of capital;
(i) proposals by the Government for the management and control of the contract; and
(j) any other matter concerning the public interest in relation to the above.

2. That Standing Order 389 be suspended to enable the Chairperson of the committee to have a deliberative vote only.

3. That this Council permits the select committee to authorise the disclosure or publication, as it thinks fit, of any evidence or documents presented to the committee prior to such evidence being reported to the Council.

4. That Standing Order 396 be suspended to enable strangers to be admitted when the select committee is examining witnesses unless the committee otherwise resolves, but they shall be excluded when the committee is deliberating.

(Continued from 31 May. Page 2042.)

The Hon. R.I. LUCAS (Minister for Education and Children's Services): I oppose the motion in relation to the establishment of this select committee. Everything that moves from the Government these days seems to be tracked or traced by the Opposition or Democrats in terms of wanting to establish a select committee. I seem to recall the Hon. Mr Elliott and some members of the then Labor Government saying that one of the major reasons for the establishment of the standing committees was to reduce the necessity for select committees. I must admit at that time I indicated some caution about that because I believed that, on occasions—

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: No, I think I was more of a pragmatist or realist about the Hon. Mr Elliott or the Leader of the Labor Government, but on occasions there might still be the need for the odd select committee—

The Hon. M.J. Elliott: You were right.

The Hon. R.I. LUCAS: The Hon. Mr Elliott says I was right. Let it be recorded in *Hansard* that the Hon. Mr Elliott just said 'You were right.' I want that on the record. It is the first time in eight or nine years that the Hon. Mr Elliott has ever conceded anything I have said is right. I must admit that there is a bit of an argument that it probably was not going to be realistic to think that we would not have any select committees, that all these issues would be referred to the standing committees, but I really think it is getting to the interesting stage where everything that the Government does or seeks to do in terms of anything is being tracked or traced in some way by an attempt to establish a select committee.

The Government has actually done the Modbury contract in terms of outsourcing, and we have a select committee faithfully tracking that through. I think another select committee has been recommended on correctional services in relation to the outsourcing of the Mount Gambier prison. The Government has been talking for quite sometime about outsourcing in relation to the Engineering and Water Supply Department and water supply generally, and we have another select committee on that issue. I guess members of the Labor Party must have plenty of time to collect their $12.50 a day in terms of these sitting fees. I am not sure whether they think that they are not paid enough on the standing committees, and they want a combination of—

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: The Hon. Sandra Kanck wants to be on another committee. She says she is not getting enough on her other committees, so we want another select committee getting another $12.50 a session for every one of these sittings of select committees.

The Hon. T.G. Cameron: Have they been indexing it?

The Hon. R.I. LUCAS: The Government must look at the issue of indexing on behalf of the Australian Democrats. The Hon. Mr Cameron suggests perhaps retrospective indexing, because I think $12.50 has been the rate for some time. I really do think at the outset it is an interesting question and perhaps one that members of the Labor Party and Democrats might re-visit. Whether or not these are issues that the majority of the Parliament wants to see explored, whether it is imperative on every occasion that we have a separate select committee and whether or not some of these might be perhaps more appropriately referred to a standing committee of some sort in terms of the workload that the standing committees—

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: The Hon. Angus Redford makes the point that the Modbury outsourcing contract has been signed, sealed and delivered. I suspect that by the time the correctional services one for the Mount Gambier prison is established that will be the same, and in relation to this issue, I think the decision will be taken sometime in August or September, or perhaps soon thereafter, in terms of making a decision in relation to the contracting. Knowing select committees, this particular select committee, if it is established, will only just be warming up to its task in terms of taking evidence from expert witnesses nationally. With the Hon. Terry Roberts nodding his head, he might even have a trip in mind to France and the UK or something to—

Members interjecting:

The Hon. R.I. LUCAS: I do not know whether all the committee members will agree to a trip to France and the UK. Indeed, if that is contemplated maybe a few more people might want to become members of this select committee rather than be on other committees.

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: I cannot imagine the Hon. Terry Roberts wanting to do anything as cynical as that which was

suggested by the Hon. Angus Redford. I would be delighted to hear from the Hon. Angus Redford at a later stage as to the detail of that story. I took much delight in preparing myself for this contribution reading word for word the contribution of the Hon. Terry Roberts over two weeks—it was not quite as long as my colleague's speech in relation to another issue—but I did read his contribution. One of the things that intrigued me in terms of the contribution of the Hon. Terry Roberts was his reference to the restructuring debate generally. If I can quote the Hon. Terry Roberts, he said:

> That is one way to look at it. What impact will the restructuring of the water and power infrastructure have on the individual? The Federal Government is saying as much as $1 400 for each individual could be saved through streamlining water resources, power resources and infrastructure and that, by bringing competition in the field, we will have these marked savings.

The point the Hon. Terry Roberts is making is that—

The Hon. T.G. Roberts: You will not quote me out of context, will you?

The Hon. R.I. LUCAS: Never. It comes out of the mouths of babes, I might suggest. What the Hon. Terry Roberts is suggesting is that the South Australian Labor Party is isolated to the degree of a shag on a rock. Even his own Leader of the Federal Government is talking about restructuring in terms of water and power delivery. It is only the South Australian Labor Party, under the leadership of the Hon. Mike Rann, and with the active support of the Hon. Terry Roberts, which is trying to stand Canute-like against the tide of the restructuring of the power and water supply, and the reduction of power and water costs to consumers. As the Hon. Terry Roberts has said, the Federal Government is predicting that there will be a $1 400 reduction possible to individuals through water and power infrastructure restructuring. I cannot say that I always believe 100 per cent what the Federal Government tells me.

The Hon. T.G. Roberts: What I did I say?

The Hon. R.I. LUCAS: I am not sure what the Hon. Terry Roberts says about the Federal Government. Perhaps he might interject and tell me. Does he believe the Federal Government?

The Hon. T.G. Roberts: I think the figures would be unrealistic.

The Hon. R.I. LUCAS: The Hon. Terry Roberts is certainly understated in his response. He says the Federal Government is a bit unrealistic. He is saying he thinks the Federal Government is speaking a lot of cobblers and he does not believe a word that our Prime Minister or his Federal colleagues are saying. He is saying that Mr Keating is unrealistic in terms of what he has saved. The point is whether one believes Prime Minister Keating, and the Hon. Terry Roberts has been very unkind in this lead-up to a Federal election about his own Federal Labor Leader in saying he is unrealistic and out of the real world, in fantasy land—all the sorts of things which a thesaurus will define as meaning 'unrealistic'. He is saying that he does not believe that exact sum of money in terms of savings.

What the Commonwealth Government and most State Governments, both Labor and Liberal, are saying is that, after decades of inefficiency, it is time for some national collaborative action in this area, and that there will be some benefit to consumers from that action. Whether it is as much as the Federal Government and the Prime Minister are predicting, I do not know. Not being an infrastructure expert in this area, I cannot attest to the accuracy of those predictions. However, the common view of the Federal Government and of State Governments, both Labor and Liberal, is that restructuring will rid these public sector authorities of inefficiencies and lead to some savings for consumers throughout the States and Territories.

The decisions that the Minister for Infrastructure, supported by the State Government, is implementing in terms of the restructuring of our engineering and water supply are consistent with the broad directions of the Hilmer inquiry and report, which were driven by the Commonwealth Government with support from the States, and with the recommendations of the South Australian Government's Commission of Audit from 1994. I am advised that much of the detail of the Hon. Mr Roberts' speech is, not to put too fine a point on it, irrelevant to the question of the outsourcing contract. It repeats past misunderstandings and misrepresentations about the scope of outsourcing and it also misrepresents the policy positions of the Minister and the Government in a number of important aspects.

I now want to go through some of the claims made by the Hon. Terry Roberts and provide, on behalf of the Minister for Infrastructure, some short responses by way of rebuttal of those claims. In his speech the Hon. Mr Roberts indicates that, although the indicated Bill that we are expecting from the Government has not arrived, as the Government is still examining the position, it would be good for the Council to have a select committee ready to monitor the legislation. I am told by the Minister for Infrastructure and his advisers that there is no such Bill relating to outsourcing and that there will be no legislation for the select committee to review. From the point of view of the Minister for Infrastructure, if one of the reasons for having this select committee is to review some anticipated Bill on outsourcing, there is not much point in having the select committee because it will be waiting a long time for that Bill. The Minister says that there will be no such legislation; therefore, a select committee will not have to worry about monitoring or reviewing any legislation in relation to outsourcing.

The Hon. Mr Roberts referred to South Australia contracting to overseas companies and losing opportunities for the South Australian public sector to be entrepreneurial in Asian water services markets. I think all members will appreciate the bad experience we have had in South Australia with respect to public sector entrepreneurial activities. Obviously, the Hon. Terry Roberts has a short-term memory loss, but I remind him of the State Bank and SGIC as a couple of examples of State public sector or quasi-public sector agencies engaging in entrepreneurial activities.

The Hon. T.G. Roberts: Entrepreneurial finance, not entrepreneurial infrastructure.

The Hon. R.I. LUCAS: You cannot engage in entrepreneurial infrastructure without entrepreneurial finance. The Hon. Terry Roberts will be well advised—

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: It does not matter where you get it from; it will still be finance. If you are talking about entrepreneurial activity, the record in South Australia of public sector agencies engaging in such activity has been a sorry one indeed. This Government was elected on a platform not of further extending entrepreneurial activity by public sector agencies but, rather, of winding back entrepreneurial activity by public sector agencies. Certainly from the viewpoint of the Minister for Infrastructure, there is no intention of expanding entrepreneurial activities by public sector agencies under his control.

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: He has not yet called for it.

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: I guess the crucial test will be whether he supports it.

The Hon. A.J. Redford interjecting:

The Hon. R.I. LUCAS: I think the Attorney-General was suggesting that it costs about $3 million to have a referendum.

The Hon. T.G. Roberts: We might go on a show of hands.

The Hon. R.I. LUCAS: Good old union principles; none of this secret ballot stuff. The Hon. Terry Roberts wants a show of hands. On a designated day and time everyone will have to put up their hands, shop stewards from around the State will be there to take down the names and numbers, and woe betide anyone who does not put up their hand. It is a novel thought, and it might be a touch cheaper, depending on shop steward rates.

Members interjecting:

The Hon. R.I. LUCAS: I will return to the issue before us: I am sure that we can discuss that matter at greater length on another occasion. From the viewpoint of the Minister for Infrastructure, the real issue is one of generating economic development through export growth and local industry development whilst minimising financial risk to the public purse. That is consistent with the Government's approach to entrepreneurial activity by the public sector.

The Minister has also advised me that South Australian firms will be connected to contractors' growth path in Asia. We are talking not just about an overseas company reaping benefit to itself from any Asian contracts, but about associated benefits to South Australian companies which work in collaboration and cooperation with this successful company in terms of any expanded services in Asia. It is a win-win position from the perspective of the Minister for Infrastructure, a win-win position for South Australia in terms not only of this particular company winning but of this State winning, and also smaller associated South Australian companies would win from such an expansion in export markets. SA Water will contribute technical skills to water industry development, but it will not undertake the commercial risks.

The Hon. Terry Roberts referred to outsourcing as the first step to privatisation followed by large price increases. The Minister for Infrastructure has on a number of occasions indicated the distinction between outsourcing and privatisation. The Government will not be selling the assets of the EWS; the Government will continue to own the assets. What is being outsourced is the management and operation of the EWS Department.

The Hon. T.G. Roberts: Will you put your reputation on the line the same as he has?

The Hon. R.I. LUCAS: I am quoting the Minister and standing 100 per cent behind him, as always. This Government is based on Cabinet solidarity and loyalty. As the Hon. John Olsen is a religious West Adelaide supporter, I would follow him almost to the ends of the earth. No privatisation will occur, the Government will continue to own the assets and, importantly, the Government will be setting the price of water even under the new arrangements. It will not be within the power of some private sector, perhaps overseas-based, company to set the price for South Australian consumers; that important decision will remain with the Government.

The Hon. Mr Roberts also referred extensively to the Murray River Commission water supply catchment management and reservoir management. I am advised that those references are irrelevant to this question of outsourcing: they are the responsibilities of the Department for the Environment and Natural Resources and SA Water. I am also advised that some of the proposed terms of reference for this select committee have already been dealt with by Government policy statements. Term of reference (e), for example, provides that this select committee will look at the effects on consumers, including the price and quality of water, sewerage charges, connection fees and response times to faults. Again, I indicate what the Minister has indicated on a number of occasions: the Government will continue to set prices. That right has not been given to a private sector company. The prime contractor will have no influence on pricing policy. Water quality and response times will be specified, I am told, in the contract that is to be arrived at.

The select committee can take expert evidence left, right and centre and talk about the UK and a whole variety of other frankly irrelevant considerations because, as the Minister has indicated, the structure being established in South Australia is not the same as that in the United Kingdom. Everyone from the Opposition and opposing groups are quoting that the price of water will go up 40 per cent because that is what happened in the United Kingdom; that the South Australian Government is following religiously the UK policy and, therefore, this is what will happen in South Australia. The Minister has unequivocally indicated in the advice provided to me that the Government will continue to set prices, that the prime contractor will have no influence on pricing policy and that water quality and response times will be specified in the contract. As I said, the select committee can do a lot of exploring in terms of reference (e), but those commitments—

Members interjecting:

The PRESIDENT: Order!

The Hon. R.I. LUCAS: Term of reference (f) refers to the effect on environmental performance in regard to the conservation of water. Again, I am told that the prime contractor will simply supply treated water under contract; it will have no responsibility for water conservation. Water resource management is the responsibility of the Department for the Environment and Natural Resources. Whilst it might be very interesting for this select committee to gather a $12.50 a session fee to look at the effect on environmental performance in regard to the conservation of water as if it relates to the outsourcing of the EWS, the Minister indicated that this is irrelevant to the whole question of outsourcing. It will not be the responsibility of the prime contractor: water resource management and conservation will remain the responsibility of the Department for the Environment and Natural Resources. I am told that some of the proposed terms of reference are based on wrong information. For example, term of reference (c) states:

> . . . the probity of criteria used for short listing tenderers and the decision to exclude Australian based companies.

Again, the Minister has indicated that no decision was made to exclude Australian based companies. No Australian company met the qualification criteria. No decision was made to exclude Australian based companies or coalitions of Australian based companies from tendering. However, I am told that several Australian companies are now working closely with the three potential prime contractors in terms of their bids. There are many other aspects of the terms of reference and, indeed, of the contribution of the Hon. Terry Roberts that do not bear close scrutiny. Clearly, the Labor Opposition is intent on collecting its $12.50 a session fee for

another select committee on outsourcing. It is its third select committee in the space of a couple of months in terms of looking at outsourcing.

At this stage I might own up: we are potentially looking at outsourcing two offices of the Department of Education, which might cost $40 000 or $50 000. I alert the Hon. Sandra Kanck and the Hon. Terry Roberts to the prospect of another select committee. I am guilty: there is a little bit of outsourcing potentially coming up—

The Hon. T.G. Roberts: Will any CEOs be outsourced?

The Hon. R.I. LUCAS: No. There are potentially a couple of officers whose functions might be outsourced. In the spirit of making sure that everything that might be outsourced in the public sector is monitored by a $12.50 a session select committee—

The Hon. T.G. Roberts: Is that an amendment?

The Hon. R.I. LUCAS: No, you cannot amend this one. You would not get an extra $12.50 a session fee: you need another select committee. I am sure that the Government will move for greater efficiencies within the public sector in terms of making judgments. The Government is not hell-bent on saying that everything has to be outsourced. The Premier and the Government have said, 'Let us look at functions and make the judgment whether it is more appropriately and more efficiently delivered by the public sector. If that is the case, terrific; we will continue to do it.' In many cases that is what we are doing.

But on other occasions the Government will make a decision about whether it is more efficient to deliver this service through the private sector in some way. If it is more efficient, if it can save taxpayers' money and if it can deliver better quality service to South Australian taxpayers then, as an efficient Government manager of finances, we have a responsibility to consider that, to make the decision that it all stacks up and to go ahead with that prospect. The Labor Opposition, the Australian Democrats, the PSA and all the other groups who want to oppose every aspect of outsourcing can fight until the cows come home in terms of wanting to oppose these things. As we indicated earlier, Modbury has already been done, so it will be a nice retrospective on the past. By the time the corrections select committee is finalised it will be in the same position, and I suspect that, by the time this select committee is finalised, we will be in the same position in relation to the EWS. With those words I indicate the Government's opposition to this select committee.

[Sitting suspended from 5.58 to 7.45 p.m.]

The Hon. SANDRA KANCK: I indicate that the Democrats support this motion, although, as some discussion occurred with the previous speaker, I am looking forward to being on another committee like a hole in the head, but never mind. There remain many unresolved issues relating to privatisation—or outsourcing, as the Government euphemistically calls it—of Adelaide's water supply and sewerage systems. Not least of these is the fundamental question: is it in the public interest? So far, the public has been kept in the dark about so much of this proposal, which puts the State at a financial risk larger than that of the State Bank.

The proposed committee would inquire into whether or not, through the contractual obligations the Government places on the successful tenderer, it will guarantee that South Australians continue to enjoy water of a potable standard which does not deteriorate in quality over time. This surely must be the prime consideration when a change in water utility management is being made. It must meet the needs of the community it is designed to serve, not the needs of foreign multinationals with no sense of loyalty to our community to make a profit. The proposed committee would also inquire into the financial liability of South Australian taxpayers. The simple truth is that, when this contract is signed, much political and economic advantage will rest with the contractor. There will be no competent public management left to take over the running of what was the EWS, and this will put the Government at a disadvantage in any failure to fulfil any contractual obligations, and contractual disputes will be inevitable.

Then we come to the matter of the probity of criteria used for shortlisting tenderers and the decision to exclude Australian based companies. The Hon. Mr Lucas said that they were not excluded, but the fact is that the Government designed the selection criteria in such a way as to exclude Australian companies from tendering on their own, and I think that is an outrage. As the Government intends it, there will be no completely Australian consortium tendering for the project. This is the cultural cringe at its worst. If Australia's move towards a republic does one thing other than make an Australian our head of State, let it be that this attitude, cultivated by the Liberal Party over the years, that we are somehow inferior to our international neighbours, be buried forever. Experience with privatisation of water in Great Britain has shown the terrible pollution that can result from private management, yet this Government insists that we need a foreign manager for our water supply.

After years of working in the conservation movement and dealing with large multinationals, I am yet to be convinced that the profit motive will work to protect the environment—in this case, we are talking about the marine environment—from the sort of pollution we have seen in Britain. Today, my office was contacted by an acquaintance of mine who has just today got back from Britain. He told us that only this week the British newspapers are full of stories about their private water suppliers, because it appears that after five days of hot weather in the scorching climate of Great Britain—I believe it has reached 32°—some water supplies have dried up. If British companies—which, incidentally, are behind two of the three consortiums tendering for the South Australian contract—cannot maintain a constant supply of water to consumers in Great Britain, how on earth are they going to do it in the driest State in the driest continent?

I am particularly alarmed at the Government's employment of a Sydney based public relations firm with a potential conflict of interest in this matter to tell South Australians why we need a water management deal, and hence my amendment which I now move. I move:

Part 1—Leave out subparagraph (j) and insert the following:

(j) any conflict of interest or any other matter concerning the employment of a Sydney-based public relations company to promote the outsourcing to the South Australian public; and

(k) any other matter concerning the public interest in relation to the above.

The latest edition of the *Public Sector Review* has produced a very cynical mock interview with a 'spokesperson' for the privatisation deal, who has declined to be named, for good political reasons. It is well worth reading the article. Its substance is that the State Government has let out a contract to promote the privatisation of Adelaide's water supply, a contract worth hundreds of thousands of dollars. What a shocking use of taxpayers' dollars that is; what a stupid sense

of priorities this Government has! At the same time as the Government is setting in concrete its plans to close Port Adelaide High School, it finds hundreds of thousands of dollars to give away to a Sydney based public relations company. Our water supply is to be privatised, it seems. It is being foisted upon us. It is being done with no reference to Parliament, and with no consultation with the people of South Australia. So, here it is, an inevitability, yet this Government stupidly wastes hundreds of thousands of taxpayers' dollars to convince us that we should like it. And, to add insult to injury, there was no public tender process in the granting of the contract; it has simply been handed to a Sydney based company.

So much for commitment to local industry, but does it stop there? Not likely. The lucky company, named Kortlang, has as its principal a Mr Ian Kortlang, who formerly worked for ex New South Wales Premier, Nick Greiner so, not surprisingly, there is a Liberal Party connection. Is it merely jobs for the boys? No fear. One has to be aware that Nick Greiner is on the board of North West Water, which just happens to be a partner in one of the consortiums tendering for the private management of Adelaide's water supply and sewerage systems. According to the *Public Sector Review*, Mr Ian Smith, who formerly worked for the Premier of this State, also apparently works for Kortlang. I find this process and the connections quite amazing and most deserving of investigation when this select committee is set up. The public must know what is going on in this privatisation process. Parliament would not be doing its job if it did not act to ensure that the public interest is protected. The Democrats have pleasure in supporting the motion.

The Hon. T.G. ROBERTS: I thank all members for their contributions.

The Hon. R.I. Lucas: All members?

The Hon. T.G. ROBERTS: Yes; even the contribution from the Leader of the Government in this Council was provocative but fair. One of the reasons we are moving for this select committee is that we are in Opposition and need to keep an eye on the Government and the measures it has taken in developing the proposal to transfer the management structure of the Engineering and Water Supply Department to the private sector. The Leader of the Government put it to the House that it was unnecessary to have another select committee, that the information that was available to the public was adequate, and that an unnecessary committee would impinge on members' time. The accusation was that members on this side were interested in the $12.50 payment that would come with the select committee's deliberations. I can assure members that that is not the case.

The Hon. R.I. Lucas: Will you give it to charity?

The Hon. T.G. ROBERTS: I will give it to a deserving faction within the Labor Party.

The Hon. R.I. Lucas: Which one?

The Hon. T.G. ROBERTS: I did not say that it was a needy faction; I said a deserving faction. We are setting up not only that select committee but others because most of the debate on restructuring within the Government's agenda is taking place away from Parliament. There is no provision for scrutiny of much of the privatisation program and the outsourcing that is being put in place by the Government. The Government, by its own admission in respect of prisons and other sectors, is using regulation and legislation that is already on the books to make sure that the functionary processes of the transfer of either Government assets or Government management structures to the private sector takes place away from the scrutiny of both Houses. That is of concern to us and to the Democrats.

One of the measures that we are using to scrutinise the sale-transfer of management of public assets is to set up select committees so that it is possible for Parliament to scrutinise those contracts. In the case of the EWS, by the Minister's own admission, it is one of the biggest privatised or outsourcing programs that has been put together in any State, and that includes the larger States of Victoria and New South Wales.

One of the Leader of the Government's criticisms was that some of the issues that we have listed in the terms of reference may be changing or may be settled by the time the deliberations of the committee are finalised. That is probably a fair criticism. If they are settled in the way in which we hope that they are settled—that is, if the private deliberations of the Government behind the scenes are satisfactory to the public—as an Opposition we will have served our purpose by at least stating within our ambit what we require for transparency of the process, and if the people are happy with that process the Opposition and the Democrats will have made some gains.

If some terms of reference are completed to the satisfaction of all concerned sitting around the select committee table, I am sure that we will report on that and recommend that no further action be taken on that issue on the basis that it has been satisfactorily resolved. I cannot see that the criticism that has been put forward by the Hon. Mr Lucas is going to cause too much heartache. It seems to be a moving feast. If the Government has eradicated many of the problems that the Opposition sees in the transfer of the management structure from the public to the private sector, we will be quite happy if they have ironed out those problems. As the terms of reference indicate, we believe that there are some inherent problems that the Government will not be able to accommodate, so we support the setting up of the select committee.

With regard to the other select committees to which the honourable member referred, I do not think that we have one on EDS—I am not sure whether we will need one on EDS. That also is a moving feast that is moving back to a position at which even the Government is not able to put together a package of information pamphlets and leaflets to be able to satisfy its own members in relation to what is going to happen with the EDS project. We will watch to make sure that, when or if there is an opportunity to scrutinise those contracts, we may make some consideration about a further select committee, but nobody is making any promises at this stage. There is enough scrutiny at the moment in the terms of reference that we have set up. Therefore, we will continue to support the motion and the amendment that the Democrats have put forward.

Amendment carried; motion as amended passed.

The Hon. T.G. ROBERTS: I move:

That the select committee consist of the Hons T.G. Cameron, L.H. Davis, J.C. Irwin, Sandra Kanck and T.G. Roberts.

Motion carried.

The Hon. T.G. ROBERTS: I move:

That the select committee have power to send for persons, papers and records, and to adjourn from place to place; and to report on 26 July 1995.

Motion carried.

PORT ADELAIDE COUNCIL

Adjourned debate on motion of Hon. L.H. Davis:

That the Legislative Council expresses its concern about the administration and financial management of the Port Adelaide council and asks that the State Government conduct an investigation into the matters raised in debate on this motion.

(Continued from 7 June. Page 2123.)

The Hon. T.G. CAMERON: Before I rebut the series of allegations made by the Hon. Legh Davis, I believe that this matter should never have been placed before the Legislative Council. It should correctly have gone to the Ombudsperson or it should have been put before the Minister for Housing, Urban Development and Local Government Relations. We could speculate as to the reasons why that was not done. Did the Hon. Legh Davis take the matter to the Minister for Housing, Urban Development and Local Government Relations and were his overtures for investigation into the Port Adelaide council rejected by the Minister?

If he did not do that, that is where he should have taken this matter, but we will never know, I guess, whether he did or did not. Did the honourable member then decide that in order to make these allegations he needed parliamentary privilege? If that was the case, it was a wise decision and the only loser by that decision would have been the legal profession. Certainly, I regret the amount of time the Council has spent on this matter, including the length of my speech. However, the speeches by the Hon. Mr Davis on this subject were riddled with innuendo, hearsay and lots of information from uninformed sources, selective use of facts and figures, a great deal of opinion—usually the honourable member's own opinion—and at times a bizarre interpretation of the facts and figures.

We heard hearsay evidence from former disgruntled employees and of course the contribution by means of the leak from Port Adelaide council, councillor Milewich, more of whom I will talk later. We should not forget the marvellous contribution by a competitor to the Port Adelaide Flower Farm. No doubt they are independent and objective and fully believe what they said but it needs to be pointed out that this source—I recollect that it was the only source the honourable member referred to—was a competitor with a vested interest in seeing that the Port Adelaide Flower Farm was destroyed or at least damaged.

In his speech the Hon. Legh Davis impugned the good name and reputation of many people under parliamentary privilege. By his actions the honourable member has scuttled the Flowers of Australia prospectus at great cost to Port Adelaide council and Port Adelaide ratepayers. The honourable member's actions have also cast aspersions on the professional reputation of a number of companies and people working for them. In all cases they were people who enjoy considerable status and respect within and outside the industry. Therefore, it is only proper and fair that these people and organisations have their side of the story told, and what a different story it is.

I felt in the interests of fair play and natural justice that where every unfair and unjust allegation was made by the Hon. Legh Davis I should rebut it and, in doing so, I will provide a full explanation of the facts and figures as best I can. I have spoken to a number of people about this matter, including the Chief Executive Officer of the Port Adelaide council, Keith Beamish, and I place on record my appreciation for the information that those people have provided to me. I will not be quoting hearsay from anonymous people or quoting uninformed sources. Instead, I will name my sources and provide specific references to support my claims.

The fact that this matter has occupied so much time of this Council is a pity and I can only hope that this motion will be rejected by the Council so that we can spend our time more usefully. Perhaps when this occurs the Port Adelaide council can embark on a course of action to repair the damage done by the Hon. Mr Davis' attacks under parliamentary privilege. It is clear that, following the honourable member's attacks, Port Adelaide's plans have been scuttled at considerable expense to ratepayers. Most honourable members are aware of the history of the matter. As a new member of the Council I was unaware of the history of the matter, but I have taken the trouble to bring myself up to date. What a sorry tale it is. No purpose would be served by racking over all the old coals, and I hope it will not be necessary for me to do so.

Before embarking on a specific rebuttal of the Hon. Mr Davis' allegations I would like to comment about my experience with local government, with Keith Beamish, with Port Adelaide council and its Mayor, Hans Pieters, and some of the councillors whom I know. The Council may or may not know that I spent about nine years working as an industrial advocate with the Australian Workers' Union and, while working with the union, I had charge of the local government award, the Adelaide City Council award, the Botanic Gardens, the Department of Agriculture and most of the awards that dealt with horticulture, agriculture, gardening, nurseries and greenkeeping, etc.

While I was with the Australian Workers' Union I also served on the Local Government Industry Training Committee and spent a considerable time on the preparation of training courses and programs for local government gardeners. Also, I was involved in the setting up of the apprenticeship scheme for gardeners, greenkeepers and nursery people and I was pleased to be able to be part of the process which saw the introduction of an apprenticeship in South Australia for those occupations. As an industrial advocate, on hundreds of occasions I was required to go out and inspect council operations including nurseries and all facets of gardening, greenkeeping and local government activities. On numerous occasions as an industrial advocate I was required to conduct inspections with the commission and I spent a great deal of time conducting work value cases and inspections for the awards to which I have just referred.

A major exercise related to work valuing local government, particularly occupations involving gardening, greenkeeping, nurseries, propagation centres and the like. At some stage during that nine years I visited almost every council depot, nursery and park and garden in South Australia. Having conducted work value inspections at such places in local government all over the State over eight or nine years I have some idea about what goes on in local government, particularly the horticultural side of local government. I worked closely with local government, the Local Government Association and its Secretary, Jim Hullick, a man I grew to admire and respect for his dedication to local government. It would be fair to say that my experience with the Australian Workers' Union, councils, their staff, the Local Government Association and Jim Hullick turned me into a committed supporter of local government and the valuable role it plays as the third tier of Government in our society.

I first met the Chief Executive Officer of the Port Adelaide council, Keith Beamish, when he was appointed Chief Executive Officer in my capacity as an industrial advocate for

the Australian Workers Union. I negotiated directly with Mr Beamish on numerous occasions. Since leaving the employment of the Australian Workers Union I have, from memory, only briefly spoken to him on one or two occasions prior to this matter arising. During the number of years I worked with Mr Beamish—perhaps I should not say 'worked' with him because I was sitting on the opposite side of the fence: I was representing the union and he was representing the employers—I found him to be an honest and totally professional person who kept every industrial agreement he made with me.

There were occasions when he might have wanted to change his mind, but when you reached an agreement with Keith Beamish you knew you were reaching an agreement with a man who kept his word and honoured the agreements he entered into. I found Mr Beamish to be a dedicated Chief Executive who, in my dealings, always had the interests of the ratepayers of Port Adelaide paramount in his mind. His level of commitment to the Port Adelaide area I admired. I grew up at Rosewater, which is near Port Adelaide, and I felt that the Port Adelaide council now had a Chief Executive Officer who would do something about reinvigorating and revitalising the port.

I fully respected his commitment to the port area. I found Mr Beamish to be an articulate advocate for the port; a man of integrity, and one of the most competent chief executives of a local authority I had met in the nine years I worked with the Australian Workers Union. I might add that I probably met and dealt with something like 80 or 90 chief executives of local authorities during that period with the Australian Workers Union, and I would have to say that I always regarded Mr Beamish as right up there with the very best of them.

I went to the Port Adelaide council a number of times conducting inspections and representing our members on the Port Adelaide council. My opinion of the Port Adelaide council under Mr Beamish's stewardship was that it was an efficiently administrated local authority. Mr Beamish was also well respected and liked by the council staff both inside and out. I would also like to place on record that I personally know Hans Pieters, Stephen Spence and Mark Keough. I have found these people to be honest and decent people who had the interests of the ratepayers at heart. Their commitment to the local community in Port Adelaide is without question. They have served and I am sure they will continue to serve the ratepayers of Port Adelaide with the dedication and commitment they have in the past.

I will now deal with the specific and unsubstantiated allegations made by the Hon. Legh Davis in his speeches of 5 and 12 April. I intend to go through the points raised by the honourable member in his speeches of 5 and 12 April generally in the order they were raised. I do not intend to read into the *Hansard* lengthy quotes from Mr Davis' speeches; I will assume that everyone has read them and will be able to follow it, as I am sure will the Hon. Mr Davis and everyone else.

I might also add that I am doing this to cut my speech down a bit. At one stage it was five hours and I am not sure who was complaining most about that: the people on our side or the other. Hopefully, I will be able to finish it in much less time than that, unless I am led astray by interjections. First, it needs to be said that at no time were the plants put directly into the ground at the farm, nor was it ever intended they be, as the honourable member claims in his earlier remarks. The windbreaks were included in the original plan, and the only addition to them were those made more recently with the grant from the Local Government Capital Works Program in 1993 when the plantings were extended.

There was about 10 kilometres of windbreaks and not 30 kilometres, as claimed by the Hon. Mr Davis. There were very few, if any, competitors in South Australia so far as the flower industry was concerned in 1988. The Port Adelaide Flower Farm provided infrastructure to enable other growers to export a service not previously available to them in this State. Private sector operators, despite what the honourable member says, can obtain grants and other assistance which are not necessarily available to council. The original business plan did project a break-even in year four.

In hindsight this was probably optimistic, however, this had previously been reported to council on numerous occasions, and that is old news. Because of the politicising of PAFF (I will now refer to the Port Adelaide Flower Farm as PAFF) it was used as a political football for the council elections in 1989, just eight months after the project was started. It was difficult to attract or maintain private sector interest: it just melted away. As far as injection of equity by IHM, the Hon. Mr Davis asserts that section 10.7 of the business plan says that up to $530 000 would be injected by IHM in equity. This is just not true.

It was contemplated that a negotiated proportion of commissions could be retained but for economic reasons this did not become feasible. In any case, because of later alterations to the Local Government Act, it would have been most difficult to achieve. The Hong Kong investor referred to by the Hon. Mr Davis has been involved with Afcorp (the Flowers of Australia proposal), and is another person damaged by the honourable member's attack. The possibility of IHM relocating to Adelaide is misrepresented by the honourable member. One of many misrepresentations, I might add. It was not a *quid pro quo* for changed arrangements in 1990. A factor in IHM determining not to relocate was the politicising of the farm by the Hon. Mr Irwin in September 1990.

Yes, the council has been bombarded with information about restructuring of PAFF. The Hon. Mr Davis then can hardly maintain his argument that the council has not been kept informed. It has been kept well informed. People have been bombarding it with information ever since the original comments were raised. It was recognised that for PAFF to be successful it needed to be part of a broader-based organisation. The Flowers of Australia Limited proposal, which the Hon. Mr Davis has scuttled, would have achieved that to the great benefit of the Port Adelaide community, South Australia and the horticultural industry.

The potential difficulties for PAFF were recognised over four years ago and council and its management set about finding ways of overcoming them. There is plenty of documentary evidence available; surely Councillor Milewich could have provided the honourable member with that information along with the other leaks. This matter has been debated *ad nauseam* at Port Adelaide council meetings. How anyone can suggest that it has not kept itself informed, and how the honourable member can suggest that it has not received information on this matter is arrant nonsense.

The Hon. L.H. Davis interjecting:

The PRESIDENT: Order!

The Hon. T.G. CAMERON: Notwithstanding the difficulties, an independent report from Horwath and Horwath, chartered accountants, was commissioned by the supervisory board in December 1990, and that projected a

positive outlook. So as far as capitalisation is concerned, the Hon. Mr Davis well knows the difference between funding an operation with capital as opposed to debt, regardless of ownership.

As to the honourable member's comments in relation to the Newco project, the Newco proposal did not proceed for a number of reasons, one of which was the reluctance of private sector financiers to become involved with a project that had become the subject of political bashing. One might say that self-fulfilling prophecy has been the hallmark of the farm's detractors. The attack on the Flowers of Australia prospectus and on Birss Consulting Management Pty. Limited has resulted in correspondence from Birss to the council. I believe that Birss Consulting is entitled to have its side presented to Parliament and, at a later stage, I will read into the *Hansard* statements made in a letter Birss has forwarded to the council. A copy of a letter forwarded by the company to the Premier, dated 18 May 1995, sets out unequivocally that the Hon. Mr Davis's speeches—I find this 'honourable' a bit hard to get used to, but I will get there.

The Hon. L.H. Davis: Just stay with it, Terry.

The Hon. T.G. CAMERON: Not that you are honourable; I don't mean that at all. Don't place that interpretation on it, please. Mr Davis's speeches are in no way a fair or frank representation of the flower farm or of its prospects within the proposed corporate structure of Flowers of Australia Limited. I will now read into the record a letter that was sent from Flowers of Australia Limited to the Hon. Dean Brown, as Premier of South Australia:

The Hon. L.H. Davis: Signed by?

The Hon. T.G. CAMERON: I'll get to that. It reads:

Dear Sir, Flowers of Australia Limited prospectus. The Hon. Legh Davis, in his speech to the South Australian Parliament on 5 April 1995, attacked the Port Adelaide City Council and its flower farm. The statement, including in particular the linking of the prospectus to the Budget Rental Car company, is an outrageous libel. On 12 April 1995 Mr Davis continued his attack, this time in a manner which it is difficult to conclude is other than a deliberate character and professional assassination of Dr Freeman, a director of this company, who is engaged in private business. The board has determined that it will not proceed with a public offering in view of the advice it has received regarding the adverse political climate created by the Hon. Mr Davis MLC under parliamentary privilege. The Hon. Mr Davis has damaged the private business interests of Flowers of Australia Limited and its directors.

The Hon. L.H. Davis: It's a very long bow you are stretching.

The Hon. T.G. CAMERON: I will talk about your comments about the ASC later. You know only too well it is not uncommon for draft prospectuses by the ASC to be sent back for modification. If the honourable member wants, I will provide him with a list of the last 20 or 30 companies that it did that to. The letter continues:

The board unequivocally rejects the content and innuendo contained in Mr Davis's speeches and regards with extreme distaste the extraordinary attack under parliamentary privilege on two of its directors, namely Dr Freeman and Mr Beamish. Whilst the level of public audience is negligible, nonetheless the effect of Mr Davis's speech is to question the integrity of the directors of the company and its professional advisers. Mr Davis's speeches are in no way a fair or frank representation of the flower farm nor its prospects within the proposed corporate structure of Flowers of Australia Limited.

The directors of Flowers of Australia Limited believe that their approach is principled, reasoned and objective, characteristics that distinguish the approach and that of our professional advisers from Mr Davis's speeches. Flowers of Australia Limited's prospectus is supported by experienced and credible professional firms who, in consenting to their expert reports, are required to comply with the prospectus and corporations law. A synopsis on the substance of the professional credibility of these experts is attached to this letter. By contrast, Mr Davis has resorted to unsubstantiated rhetoric based on comments from unknown sources. Further, Davis's comments are based on a 1994 draft prospectus, when he knew that there is an updated 1995 prospectus.

How do we know that? Because he refers to it. The letter continues:

More specifically, Mr Davis attempts to project the historical costs of development and the normal resulting losses into the future. This is false, particularly as currently the farm crop maturity is only 40 per cent of the potential maturity. Mr Davis has taken into account the council's depreciation and interest costs in assessing the future prospects of the farm. This is entirely incorrect. Flowers of Australia Limited will not pay any interest whatsoever and has its own separate depreciation regime. The prospectus projections have been reviewed and signed off by not only the manager, who has experienced in the management of similar flower farms in three other States of Australia but also by the independent experts, namely Scholefield Robinson (Horticultural), Curtin consultancy (University) (Market) and Bird Cameron (Accounting). Rather than go to people with the facts, Davis has paraded hearsay as being factually based from people not in possession of the facts. It is fair to say that the community accepts that the privatisation or commercialisation of Government business enterprises generally result in more efficient and cost effective operations.

We often hear that being shoved down our throats from members opposite.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: I remind the honourable member that I am quoting verbatim from a letter. It continues:

Based on the manager's experience of other farms, that too has been factored into the flower farm's future. In the context of alleged poor cultural techniques and hygiene at the farm, Mr Davis states that currently 18 000 of the farm's 76 000 plants are being replaced. That is portrayed as incompetent management. In short, bad news. That is untrue. The facts represent good news. At that time, 10 000 plants were to be rebagged. As perennials, the plants continue to grow in size and are subsequently cut up into additional plants. Further, an additional 6 000 plants were to be added to the farm. The picture that Mr Davis paints is completely misleading. If Mr Davis wanted to get at the facts of the flower farm, then why would he have not contacted people who know about the flower farm? In his speech of 5 April 1995, he asserts he has. That is not true. He has spoken to neither the manager of the flower farm, the directors of Flowers of Australia Limited, the Manager of Flowers of Australia Limited, nor to any of the independent experts party to the prospectus.

So much for an objective analysis of all the information available to the honourable member in preparing the damning allegations and character assassinations that he undertook in this Chamber! The letter continues:

The private interests of Flowers of Australia Limited and the private business interests of its directors and associates are being progressively impugned by Mr Davis and, as a member of the Government, effectively by the Liberal Government of South Australia. We submit that there is a responsibility on political leaders to exercise reasonable care in protecting the rights of private individuals, especially in respect of material which has the potential to injure non-politicians. In many ways, this is akin to the whistleblowers legislation, wherein there rests upon the whistleblower an obligation to take care in making statements publicly. Their key defence is that whistleblowers must honestly hold the view that the statements are true. How can Mr Davis meet that standard? If he has not checked with the parties who knew, then there must be at least a *prima facie* assumption that what he is saying is not true. This is all the more so as his statements are so materially at odds with what is contained within the prospectus. The financial loss has been incurred and the damage to the credibility and integrity of the directors of Flowers of Australia Limited and its professional advisers has been done. The damage can, we submit, be assuaged if the Dean [Brown] Liberal Government publicly dissociates itself with the content of Mr Davis's speeches and prohibits Mr Davis from concluding his speech. In the context of your Government providing some form of restitution for the aggrieved parties. We request that you give your serious consideration to our letter. Yours sincerely, A.T. Birss, Director, Flowers of Australia Limited.

I do not know why the honourable member asked me who signed the letter: I understand that he was given a copy by the Premier. Additionally, BCG has provided further comments following the Hon. Mr Davis's speeches, and I will refer to those later.

In August 1993 the council was provided with a number of options, including closing down. The council unanimously opted for the AFCORP Flowers of Australia proposal. The Hon. Mr Davis commented on the nursery. For the honourable member's information (and he would have got this had he bothered to check with anyone at the council), the Perce Harrison Environment Centre has never previously been operated as a commercial venture, although it was selling plants in the market place. The draft prospectus states:

> Prior to July 1994 the nursery has not operated as a commercialised entity. The total costs of operating the nursery were not separately identified from those relating to the depot operations.

We know that the Hon. Mr Davis read the prospectus—we can speculate where he would have got it from, but I will say more about that later—yet he has attempted to mislead this Council by the way that he phrased his comments. Given that the prospectus was assembled by BCG with major independent consultants located in Sydney, the reason for lodging the prospectus in Sydney is self-evident. It is not curious, as was suggested by the Hon. Legh Davis.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: The Hon. Mr Davis is obviously one of those gifted people who can speak and listen to someone else speaking at the same time. If he took the time and trouble to listen to what I am saying, he might learn something. I can assure him that I have trouble speaking at the same time and listening to interjections, and I am missing most of his. Given that the prospectus—I will say this again for the honourable member's benefit—was assembled by BCG with major independent consultants located in Sydney, the reason for lodging the prospectus in Sydney is self-evident, not curious, as was suggested by the honourable member.

I also have some correspondence from the Australian Rural Group Limited dated 26 April 1995. The Australian Rural Group Limited is well respected in the agriculture industry. The letter is self-explanatory, and I will read it into the record. It is a letter forwarded by ARG to Mr Bob Mead, Birss Consulting Management Pty Limited, and it reads as follows:

> Dear Bob, We refer to our recent telephone conversation regarding the cancellation of the proposed flower project in South Australia. As you are aware, our company undertook considerable due diligence on this project, including detailed field inspections and reporting. Based on our investigations, we were pleased to offer our services as a horticultural auditor for the report. We believe the project has good prospects of success and that the proposals were commercially viable given good horticultural management, as was proposed. We were also impressed with the professional team you had put together both to complete the necessary registered prospectus and to manage the ongoing project. It was therefore disappointing to learn that the proposed project has been cancelled. We agree that you had no option in view of the recent publicity, which would have made the marketing of the project very difficult.

I believe I know to what they are referring when they use the words, 'in view of the recent publicity'. The letter continues:

> Should you wish to further discuss this proposal at some future time, please let us know. Yours sincerely, Australian Rural Group.

The letter is self-explanatory. Many flower growers are unlikely to comprehend the prospectus, particularly without the benefit of being able to read it, and would naturally be negative if they were led to believe it could harm the industry or was another growth industry-style venture, which it clearly was not.

The Hon. Barbara Wiese interjecting:

The Hon. T.G. CAMERON: Another commercial enterprise sent down the gurgler. The Hon. Mr Davis made a number of references to ministerial approval. The Minister for Industry, Manufacturing, Small Business and Regional Development did not sign the business plan. Approval was given pursuant to the then section 383 of the Act. In applying for that approval a business plan adopted by the council was submitted to the Minister. The suggestion that it was otherwise is not sustained in any way. Obviously, as circumstances require, changes are made to business plans and budgets; that is normal practice in any kind of business.

The council appointed a supervisory board, as suggested by its solicitors, and the Hon. Mr Davis has referred to it in his address. The board continuously monitored IHM's performance and initiated various actions and adjustments from time to time. Over the period the board has been comprised of an officer of the then Department of Agriculture, with the imprimatur of the department head; a Woods and Forests (now State Flora) officer; an agricultural products exporter; a chartered accountant; and two members of the council. It is very easy: you do not ring up the people who will not give you the information that you are not looking for. Mr Lewis, who was a member of the board, an officer of the Department of Agriculture and who recently took up a position as senior consultant with a Sydney firm, wrote to me—that is, the council—in respect of the Hon. Mr Davis's attack. In his letter he said:

> I find the series of events that have taken place to be quite incredible.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: The council has received annual reports from the supervisory board each year, except in 1993 and 1994. I am sure that if the honourable member is patient I will deal with everything. I have 90 pages here and I am on page 5, so the longer the honourable member keeps me tied up answering his interjections the longer we will all be here, and I will get a kick in the pants from my own people.

The council has received annual reports from the supervisory board each year, except in 1993 and 1994. Then they would have been superfluous, given the detailed information and reports provided to the council on 31 May 1993 and the reports in respect of AFCORP Flowers of Australia proposal on 30 August 1993, 14 December 1993 and 22 June 1994. Of course, that is a matter between the council and the supervisory board. As the honourable member should know, it is not a breach of the Act or regulations.

As indicated at the outset of this report, plants were never planted in the ground, nor were they intended to be. Kangaroo paw has done reasonably well in bags at the site, but the Geraldton wax did not, and its replacement commenced in 1992 and was completed early in 1993. In respect of the innuendo by the Hon. Mr Davis regarding Streetwise Signs, the following memorandum from the Director of Technical Services, dated 7 April 1995, states:

> The following information is supplied in response to the allegations contained in the speech by the Hon. Legh Davis MLC as delivered in the Legislative Council on 5 April 1995 (pages 26 to 29 inclusive).
> The vehicle was incorrectly described as a Datsun—

only a minor mistake I suppose—

in the recommendation to report number 14.048.

This is the only mention made of its make. The memorandum continues:

It was and still is a Ford and is the same vehicle used in the local capital works program. The report of 11 August 1994 did not refer to the age of the vehicle and the Director (Technical Services) has no recollection of providing any advice that it was 11 years old; in fact, it was registered on 29 July 1988 and is approximately six years and nine months old.

Never let the truth get in the way of telling a good story. It continues:

One of the basic purposes of the LCWP (local capital works program) was to provide people with the training and opportunity to acquire skills that could lead to permanent employment. Mr Cocking had qualified for the program by virtue of his long term unemployment. He was recruited and employed by Western Personnel and demonstrated the leadership qualities that resulted in his appointment as the leading hand. The cessation of the program before completion of the work provided the opportunity to assist a former employee in the establishment of a small business and at a saving to council of over $65 000 for the completion of the remaining signs.

The utility was offered for sale, not trade in. An approach was made to the local motor dealer seeking a valuation for the vehicle. However, they expressed no interest and referred the officers to local auctions. The auctioneers supplied estimates of the net return to council varying from $6 500 to $8 000 while warning that any sale would depend on the availability and attitude of the buyers on the day. Over $1 500 has been spent on mechanical and panel repairs since the changeover, and the price achieved for the vehicle is still felt to be a fair sum.

The compressor had been heavily used and was considered to be inadequate for the task. It required considerable maintenance and was in poor condition. The engraving equipment, letters and numbers were not included in the sale of the compressor. Streetwise are paid $34 per sale. The $40 figure used by the Hon. Mr Davis applies only to isolated sites such as special responses to vandalism and comprise less than 1 per cent of all signs.

Again, never let the truth get in the way of a good story. It continues:

As would be expected, there has been a significant increase in productivity with a cost per sign dropping from $60 to $34.

I guess that explains the $65 000 saving to Port Adelaide council and its ratepayers. It continues:

The council had entered into a lease agreement with the owner of the equipment at the start of the program. For administrative reasons it was decided to continue with the lease instead of seeking cancellation. All lease costs have been deducted from payments due to Mr Cocking and there has been no cost to council. After establishing the business, Mr Cocking encountered the catch 22 of finance. Because of his long term unemployment he needed to borrow funds to establish the business and purchase the equipment. However, for the same reasons financial institutions saw him as a poor risk with no past history and would not lend the modest sum involved. It is very difficult to become a success unless you already are. Mr Cocking approached me as Director (Technical Services) and explained his dilemma. It was agreed that he could pay off the capital cost over six months through regular deductions from his contract payments.

That is an eminently sensible suggestion considering the substantial cost savings that were accruing to the council. I refer back to the memo which further states:

All his obligations have been met and the final deduction was made from the February 1995 account. Ownership of the vehicle was retained by council during this period as security. The course of action was and is felt to be sensible, practical and within the spirit and intent of the local capital works program. No local capital works program funds were used to purchase the vehicle, which was retained in the ownership of the council during the duration of the program.

Not only do we see evidence of officers of the council and the Chief Executive Officer making sensible decisions on behalf of the council and its ratepayers, which saved it considerable sums of money, but we also see evidence of a compassionate response by Port Adelaide council to help this contractor through a difficult period so that those savings could continue to accrue to the council. I understand that this man is still happily working for the Port Adelaide council saving the ratepayers money.

The Hon. Mr Davis made reference to defamation actions and to a number of matters involving the Port Adelaide council and Mr Beamish. Some of them are such nonsense that I will not even bother to refer to them. Comment needs to be made about not only the allegations made but about the way they were put. One defamation action has been taken by the council. It has been taken in the name of the Chief Executive Officer and the council. It was against the Hon. Jamie Irwin MLC. It is dishonest for the Hon. Mr Davis to try to create the impression that the action was taken simply because the Hon. Mr Irwin referred to a proposed visit to Japan as a junket. The Hon. Jamie Irwin, then Opposition spokesman for local government, made a number of inaccurate and defamatory statements including on television and radio. Keith Beamish obtained a copy of the paper he had distributed which was obviously designed to maximise publicity. He numbered each item and wrote to him addressing each of the matters he had raised with the facts. In fact, Keith Beamish rang him, invited him to meet and visit the farm which he begrudgingly agreed to do. Keith asked him on that visit whether he had any other questions. Keith indicated—

The Hon. J.C. Irwin: Is it Keith now?

The Hon. T.G. CAMERON: I am just trying to save time. I can continue to refer to him as Keith Beamish, Chief Executive Officer of the Port Adelaide council, but with the number of times I mention it it will probably add another 10 minutes to my speech. I remind members that I am now about one-tenth of the way through it. I want to finish this just as much as members want me to. The Hon. Jamie Irwin apparently asked a few questions, stated to Keith that he knew nothing—

Members interjecting:

The Hon. T.G. CAMERON: I would call the Hon. Mr Irwin 'Jamie', too, but the President would pick me up.

Members interjecting:

The Hon. T.G. CAMERON: I agree with you: I think Jamie Irwin is a fine fellow.

Members interjecting:

The Hon. T.G. CAMERON: We do not know whether he defamed Keith or not: the matter never went to court. Common sense prevailed and the matter never went to court. Apparently—and this is Keith Beamish's report—the Hon. Mr Irwin asked a few questions, said that he knew nothing about flowers and, as he was leaving, told him that he would have 'another go that afternoon'—which he did. This is where we need to make a few corrections to the Hon. Mr Davis's speech. The Mayor, not the Chief Executive Officer, called a special meeting of the council to consider what the Hon. Jamie Irwin had said and done. The council resolved on legal advice to institute proceedings for defamation. Whilst the terms for settlement of the action against the Hon. Mr Irwin are confidential (and I have no intention of breaching that confidence), in their letter to Mr Irwin's solicitors offering to settle the matter, the council's solicitors also included the following:

Whilst our client remains unhappy about the statements that were made by your client, our client considers that the parties should look at the bigger picture that exists in the current circumstances. As your client would be aware, there are currently a number of

significant matters of public importance taking place in Port Adelaide. Included in these matters is the recent establishment of a new company which proposes amongst other things to purchase and operate the Port Adelaide Flower Farm. The company will issue its prospectus later this year. As far as the float is concerned, it is anticipated that approximately $10 million by way of investment will flow into the State. Obviously, such investment would be to the benefit of all South Australians. The City of Port Adelaide has been liaising with a number of members of the Government in relation to various matters on its agenda, including the flower farm, and hopes that it will receive support from within the Government for various ventures.

It is not going to assist the float or the working relationship between our clients and the members of the Government if a dispute concerning historical matters related to the flower farm is detracting attention from what is an important matter for the future. It is in these circumstances that our client has made the above offer in what it considers to be a substantial gesture of goodwill towards your client. Our client sincerely hopes that by making the offer the controversy between our clients will be concluded and that the way will be clear for our respective clients to establish a better relationship for the future.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: I have a few more letters here to quote from if the Hon. Angus Redford would like me to do so. I have plenty of letters to quote from.

The PRESIDENT: Order! Without turning all of you into a pumpkin, I suggest you allow the honourable member to finish his speech.

The Hon. T.G. CAMERON: With respect to the other matters referred to by Mr Davis, Mr Nielsen made a number of false statements in the letter to the editor of the *Messenger*. The council's solicitors wrote to him and asked him to withdraw them, which he did. No legal proceedings were ever instituted by the council or by Keith Beamish against the late E.S.P. Rogers or Mr McKell who, incidentally, became a very strong supporter of the flower farm when he became a councillor and a member of the supervisory board. On the other hand, the late E.S.P Rogers took defamation proceedings against a number of members of the council in 1989.

The Hon. R.R. Roberts interjecting:

The Hon. T.G. CAMERON: I thank the Hon. Ron Roberts for his interjection, but I assure him I am not lost for words; I am just looking for a couple of documents which I may of necessity put into the transcript. With respect to the Hon. Mr Davis's comments about then Councillor Milewich's involvement, Councillor Milewich had proposed a motion about obtaining copies of the accounts on 20 June 1994, which was deferred to a special meeting of 22 June 1994, at which the AFCORP Flowers of Australia proposal was to be discussed. The motion failed for want of a seconder. There was little, if any, doubt for the reason for Councillor Milewich's motion, as events have since proved. As no time did Councillor Milewich seek to discuss his concerns about the flower farm with Keith Beamish, in spite of being invited to do so.

An honourable member interjecting:

The Hon. T.G. CAMERON: I did not pick up the interjection, but there seemed to be some doubt cast about that, so I will read into the transcript a letter forwarded to Councillor Milewich by the Chief Executive Officer, Keith Beamish, on a Corporation of the City of Port Adelaide letterhead, as follows:

I write to confirm previous invitations to you from the Mayor and I to attend the office to inspect the council's accounts, in particular those relating to the flower farm. Would you please contact Mr Keogh or the writer should you wish to accept this invitation? The motion without notice which you submitted in respect of the flower farm accounts was dealt with by the council at the special meeting on 26 June 1994. In my report relating to that motion I set out reasons for non-release of the material. Those reasons went well beyond the defamation action, although that was within immediate prospect. You are referred back to that report. My concern is very straightforward. Past results have been raked over time and time again without due recognition given in the media articles or headlining to the fact that an agricultural pursuit of this nature requires time to become established. Reiteration of the chances of having a full fundraising by Flowers of Australia Pty Ltd, which in turn will have an adverse effect on the council. It is therefore in the council's interest and public interest that adverse publicity should be minimised as far as is possible. It should also be said that the council has now taken all of the decisions that are necessary to give effect to the proposal to lease-sell the flower farm to Flowers of Australia Pty Ltd. As the Mayor pointed out to you at the last two ordinary council meetings, a failure by the company to raise the necessary funds will put at risk the council receiving cash and rights to the value of over $3.8 million which, as I am sure you would agree, would not be in the best interests of the council or its ratepayers. Members of the council and I have an obligation at law to act in the best interests of the council.

During the Hon. Mr Davis's contribution to the Council on this matter he made statements regarding sexual harassment allegations regarding Mr Milewich. In respect of these sexual harassment allegations, nothing had been filed in court by Councillor Milewich until 3 April, to my knowledge, nor did Keith Beamish have possession of his affidavit prior to the date of the Hon. Mr Davis's attack nor an opportunity to put it to the council. All previous correspondence from Councillor Milewich and his solicitors in respect of the sexual harassment has been submitted to the council. In my opinion, what the Hon. Legh Davis has reported to the House leaves a cloud hanging over the head of Mr Milewich. I do not see any reason why Mr Milewich should have a cloud hanging over his head about allegations, etc. in relation to sexual harassment. So, in order to protect Mr Milewich's position I think a proper statement of the facts in relation to this matter should be provided to the Council. It will be necessary for me to read a bit of this into the transcript. Apparently, the hearing was listed for 28 April 1995 for conciliation.

However, as the matter was unable to be resolved, the case was listed for hearing on 25 and 26 May. I am sure that I will be corrected if I get any of this wrong. On 28 April 1995, the magistrate varied the restraining order to allow Alderman Milewich access to the council library. Before the hearing on 25 May 1995, the solicitor acting for the complainant was approached by the solicitor representing Mr Milewich. He initiated some settlement discussions. Following an hour or so of discussions, agreement was reached between the parties as to the content of a permanent restraining order.

The restraining order now provides for the restraint of Alderman Milewich in the following terms:

1. He is restrained from attending the premises of the City of Port Adelaide at 155-167 St Vincent Street, Port Adelaide, except for the purposes of properly constituted council or committee meetings to which he has been duly elected and at other times by at least two hours prior to notice with the executive officer of Port Adelaide council stating the time and place of attendance.

2. The defendant is not to approach or communicate with the complainant or act in any manner which is threatening, intimidating or offensive towards her.

3. A suppression order relating to the name of the complainant to continue, a copy of the full restraining order—

It is included in attachments which I will not read into the record. By way of brief explanation, item one of the restraining order imposes an obligation upon Alderman Milewich to advise the Chief Executive Officer well in advance of any time which he might wish to attend the council offices. Importantly, it also requires him to advise the place where he might attend, enabling arrangements to be made for the

complainant not to be present in that location when he attends. The second part of the restraining order imposes an obligation upon Alderman Milewich not to approach or communicate with the complainant at any other place.

In effecting the settlement, the following statement was made to the court:

> The parties have agreed on this compromise to ensure the proper and smooth administration of their responsibilities to the Port Adelaide Council. Alderman Milewich denies the allegations made by the complainant. The complainant continues to stand by her allegations.

This compromise, I hope, will bring an end to the matter. The final matter that was agreed upon was that Alderman Milewich, the complainant and council's Chief Executive Officer undertook not to make any comment directly to the media on the topic of the restraining order. Any breach of the restraining order by Alderman Milewich will constitute an offence, and the police can charge Alderman Milewich in relation to such an offence. To save time, I will skip the rest of that material.

It is clear that the inference by the Hon. Legh Davis that Keith Beamish had withheld Mr Milewich's side of the story from the council is mischievous and dishonest. Given all the accounts and reports from which Mr Davis has quoted, it is difficult to understand how he can sustain an argument that the council was not being informed. There can now be no doubt as to the concern that dragging over the past publicity in respect of the farm would jeopardise the council's opportunity to recoup its investment and past losses in the farm. The Port Adelaide ratepayers are certainly the losers. A most satisfactory management and financial solution was developed, only to be swept away by an irresponsible abuse of parliamentary privilege by the Hon. Mr Davis.

In respect of the council's debt level, does the Hon. Mr Davis imply also that the Port Adelaide community should not have libraries, better drainage, roads, sporting and recreational facilities, and so on? The Hon. Mr Davis has not only certainly prevented the council from reducing its debt by his attack under parliamentary privilege, but moreover he leaves the council even more exposed.

I now refer to the 12 April speech. Many costs associated with the operation of farm processing and exporting are variable—that is, if production is down, income is down, but also are the costs of harvesting, processing and shipping. Mr Davis himself has rendered futile the attempts to overcome the problem of PAFF by scuttling the Flowers of Australia proposal.

As for the Flowers of Australia prospectus, the integrity of the prospectus and its marketability have been dealt with elsewhere. The inference by the Hon. Mr Davis that the Australian Securities Commission, the ASC, twice rejected the prospectus, implying something untoward in the financial projections, is at variance with the facts. There is nothing unusual in the dealings between the company and the ASC. It was normal commercial practice. In any case, the financial projections of Flowers of Australia were not even in question with the ASC. One would have thought, as I have said, that the Hon. Legh Davis would know that it is common practice for prospectuses to be sent back on more than one occasion, and, in fact, on more than two occasions in many instances. Once again, there is a deliberate attempt by the Hon. Legh Davis to draw the worst possible inference from a selected snippet of information.

Although I do not intend to speak for Dr Freeman and IHM, it needs to be said that, like most businesses, IHM has had some unsatisfied clients and detractors. However, I am advised that IHM currently has more than 125 clients, 19 of whom have been clients for more than six years, 45 of whom have been clients for more than three years, and that IHM accounts for 10 per cent of all Australia's cut-flower exports. The immediate past president of FECA and a member of the HRDC and AHC stated in April 1995 that he had never heard any adverse comment about Dr Freeman. In respect of sales and receipts, there has been a full trail of products sold, where and when sold and at what prices. Again, what the Hon. Legh Davis is saying is wrong.

It is true that the Flower Farm has encountered difficulties in the past year. That has been caused through a site staffing difficulty following the loss of the former PAFF site manager in December 1993 to interstate. It was difficult to obtain a suitably experienced replacement. The person who was appointed tried hard but had difficulties in managing staff and the computerised irrigation system, which resulted in lower production. That was identified by the manager of BCG Rural Management Pty Ltd, and in October 1994 it seconded one of its experienced site managers from interstate to PAFF for the harvest period. However, that obviously could not make up for the earlier shortcomings during the growing period.

Contrary to the assertion of the Hon. Mr Davis, a weed eradication program is carried out every year. I will say more about that later. In the March 1995 budget review of 16 May 1995 it was reported:

> The new management arrangements approved by council on 22 June 1994 for PAFF and Willochra Nursery were entered into in order to prepare PAFF and Willochra for a smooth transition to Flowers of Australia Ltd. Under these arrangements, executive budgets were prepared by the manager and executive and approved by the PAFF supervisory board within the $189 000 deficit allowed in council's 1994-95 budget. It is expected that this will be exceeded by $228 000, primarily due to production being 35 per cent below budget. This was largely due to environmental factors combined with a late season—

anyone who knows anything at all about the previous season will appreciate that—

> which meant that the product in late December was not processed as low prices made it economical. . . there were also generally lower prices for PAFF product than projected. These two factors resulted in a net income for the Port Adelaide Flower Farm of $213 000 below the executive budget after allowing for selling costs. Further, projected nursery sales of $220 000 are below the executive budget. This was primarily due to site management problems and unsatisfactory marketing and sales. The site management difficulties have now been resolved.

The farm itself was to be lease purchased—not floated off to the public, as the Hon. Mr Davis asserts. Flowers of Australia Limited—I repeat—was to undertake a public fundraising from which it would do a number of things, including purchase of the Flower Farm business. A changing emphasis and direction of PAFF would have followed.

The Hon. Mr Davis makes much of PAFF's contribution to the Flowers of Australia Limited's prospectus. Based on full subscription, PAFF would represent only a minority of the economic activity of the company. In the context of the alleged poor cultural techniques and hygiene at the farm the Hon. Mr Davis claims that currently 18 000 of the farm's 76 000 plants are being replaced. That is portrayed by the Hon. Mr Davis as bad news. Again, that is untrue. The facts represent good news. In the current phase 10 000 kangaroo plants are being rebagged. As perennials—

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: The Hon. Mr Davis talks about disease in the plants but have you ever bothered to take

the time and trouble to go down and look at it? Have you ever done that? I do not think you have. I did take the time and trouble to go down and look at the Flower Farm and here are a couple of photographs of it. I ask the Hon. Mr Roberts to show them to the honourable member. It is about the closest he will ever get to the Flower Farm. The Hon. Mr Davis sat there and said he had spoken to informed sources—

Members interjecting:

The Hon. T.G. CAMERON: If I could, I would. Perhaps I can give you one to take home and put under your pillow.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: Has the Hon. Angus Redford been down to look at the Flower Farm?

The Hon. A.J. Redford: Yes, I have.

The Hon. T.G. CAMERON: When? How long ago? If you went down and looked at it now you would know—

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: They are not flowering, that's why.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: Yes. Are you suggesting that this is a fabrication?

The Hon. A.J. Redford: No, I'm not suggesting that.

The Hon. T.G. CAMERON: What are you suggesting? I can stay here all night, if you wish. What are you suggesting? I am suggesting to this Council that if the Hon. Mr Davis was fair dinkum he would have taken the time and trouble to go down there and look at the situation, but that it not what he was on about. He was on about impugning the good name and reputation of a number of people, including the Chief Executive Officer. If the Hon. Mr Davis is fair dinkum, he would have had the decency like the Hon. Mr Irwin to go down and talk to them. At least the Hon. Mr Irwin had the decency to do that, unlike the Hon. Legh Davis.

Members interjecting:

The Hon. T.G. CAMERON: Have a good look.

Members interjecting:

The Hon. T.G. CAMERON: Only if you are silly enough to go on television and radio. You were too smart for that and came in here and made all your allegations.

The Hon. L.H. Davis: You know Keith better than we do.

The Hon. T.G. CAMERON: I have already stated that for the record: I worked with Keith Beamish over a number of years on a professional basis.

Members interjecting:

The Hon. T.G. CAMERON: Mr Acting President, I hope you will keep some of these interjectors under a bit more control, especially the Hon. Angus Redford who never ceases to interject.

The ACTING PRESIDENT (Hon. T. Crothers): Order! My concern with the level of interjection is not that I do not appreciate it, but *Hansard* would be having the most extreme difficulty in recording the ripostes that are flowing to and fro in the Chamber. Therefore, in the interests of honest, good and accurate reporting, I ask members to give the honourable member proper respect and I ask the speaker to try to not respond to interjections.

Members interjecting:

The Hon. T.G. CAMERON: I can be a lot more provocative than I have been.

The Hon. R.I. Lucas: Let them all hang out.

The Hon. T.G. CAMERON: No, I am saving that for you. The Flower Farm was a bold initiative of the council concerned about job creation for its community in one of the worst pockets of chronic unemployment in the nation. As acknowledged, the original projections for the farm were over optimistic, including the number of jobs. As in all—

The Hon. L.H. Davis: It's cost $100 000 a job so far.

The Hon. T.G. CAMERON: We might find out how much the present Government is paying for jobs. We would, but you will not release all the information. The Government claims 'commercial confidentiality', I think. As acknowledged, the original projections were over-optimistic, including the number of jobs. I am giving a balanced and objective report, unlike yours. As in all walks of life, when projections are made—

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: This was a pretty peaceful place until the Hon. Angus Redford decided to come back. I can only assume that he has either had a big dinner or is a bit fired up. Look at those three members opposite now that Angus has joined them; the three wise monkeys.

The Hon. A.J. Redford: You've lost your track.

The Hon. T.G. CAMERON: No, I have not lost my track. I decided not to say what I was going to say, but your interjection probably means that I have to. We have the three wise monkeys opposite and the Hon. Angus Redford knows all about monkeys, especially rhesus monkeys. You are an expert on that, but I will not go into the details at this stage. The prediction of income is not always accurate and, therefore, adjustments are a necessary part of business life. Council management has sought ways to turn the situation around. The number of people employed at PAFF in each of the past three years has been 52, 47 and 56 respectively. Clearly, not 30, as the Hon. Mr Davis claimed.

The number of jobs is affected not only by flower production at Port Adelaide but by the production of other growers. Production each year is the function of climatic conditions, amongst other things. Port Adelaide and South Australia have severe unemployment and Flowers of Australia's proposal would have led to more jobs at PAFF and the nursery, but that is all gone thanks to the Hon. Mr Davis.

Prior to June 1993, as advised to the council, negotiations were on foot which led to the Flowers of Australia proposal. IHM, which was part of the proposal, had an option to extend its agreement which it did. In the 30 August 1993 report to council various options were proposed, including close down. As discussed earlier, the Flowers of Australia proposal was unanimously adopted by the council and that involved IHM. However, since June 1994 IHM ceased to be the manager of the farm and BCG Rural Management Pty Ltd took over in the prospect of a smooth transition to the Flowers of Australia take up, with the full acquiescence of IHM—not as a surprise, as the Hon. Mr Davis claimed.

The reference by the Hon. Mr Davis to payments by IHM referred to reimbursement for staff wages and other farm operating costs as per the management agreement—not fees for IHM. During last year, with the changeover of management to BCG Rural Management Pty Ltd, some difficulties were encountered with payroll, largely attributable to confusion with electronic transfers through the bank. Action was taken to rectify this. While mistakes with payroll are serious, especially for employees, the Hon. Mr Davis seems to imply something more sinister.

I referred to the Newco proposal earlier in my speech. The Flowers of Australia proposal is for a lease-purchase arrangement. The concepts of Newco and Flowers of Australia are entirely different and cannot be compared. The Hon. Mr Davis makes an insinuation that a proper valuation

was not made for the Coffs Harbour, Corindi property of Australian Berri Farms (ABF). The fact is that the property was professionally and independently valued on 21 February 1991. The property involved three lots and two ownerships: one lot had a substantial house on it; there were two substantial dams, an irrigation system, mature tree windbreaks, artificial windbreaks, shedding, a cool room, as well as four hectares of horticultural plantings and an extensive drainage system.

I am not aware of what has since happened with the ABF properties. The Hon. Mr Davis's recent information probably refers to only part of the total property involved. I also understand that the farm has since been broken up. I expect these factors explain the difference in price. If they do not, I am sure Mr Davis will do his research, contact the people and report back at a later date. The Hon. Mr Davis claims that the valuation assigned in the Flowers of Australia proposal for the Penola property is inflated. The fact is that it has valuable mature shelter trees, fencing, an irrigation system and electricity supply. It has 14 000 mature plants and 2 000 younger plants, all in splendid condition.

Indeed, the value being paid for the land itself is less than that which the Hon. Mr Davis attributes to it. Normally, a premium price would be paid to secure an option. The implication in part of the Hon. Mr Davis's speech that the Penola farm results were not included in the prospectus is that it was a stand-alone business. This is rejected in the context of the Flowers of Australia proposal. In regard to council's nursery, the Hon. Mr Davis has used incorrect data and has told only half the story. At no time under council ownership has the nursery operated as a fully commercial nursery, and I referred to that earlier.

In the Hon. Mr Davis's calculations it seems he has not taken account of the lease-purchase arrangement, which is designed to take advantage of the incentives provided by the Federal Government aimed at attracting investment into agricultural and horticultural activity. It is interesting to note that the Federal Government this year is doing more of the same. The Perce Harrison Environment Centre, depot and nursery was established in 1989 under a Commonwealth employment program to meet council's horticultural requirements.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: Thank you. I thought he was trying to interrupt me again, but my fears were misplaced. I know the honourable member does not want me to stop. I know he is enjoying it. The nursery capacity was in excess of council's requirements, and the then manager in 1990-91 took steps to make commercial sales to off-set the cost of nursery operations to council. This was not successful. During 1993-94 further steps were taken to rationalise nursery operations and place them on a more commercial footing in terms of health practices, quality control and production in preparation for the Flowers of Australia float.

I had a brief look at the nursery and a rather extensive look at the flower farm. I would not hold myself out to be an expert, as does the Hon. Legh Davis, but I submit that I have a reasonable degree of experience in local government, the industry and nursery operations. From my observations it appeared to be an efficient, well run and well-managed nursery. I had a good look around the farm as well. Whilst it is usual at this time of the year for some of those plants to not be performing at their best, I also considered the flower farm to be well run. It is certainly very well set out; it has very modern amenities; good facilities for its staff, and I certainly did not find any evidence of weeds growing over the top of plants, etc.

The Port Adelaide council was attempting to place the nursery on a much more commercial footing in terms of health practices, quality control and production in preparation for the Flowers of Australia float. On the financial front, the Hon. Mr Davis has ignored the fact that the nursery was not expected to operate at a profit. Commercial sales were to reduce costs to council and there were a number of cross-charge elements in the nursery budget that should be excluded in assessing nursery performance, as clearly explained and accepted by those members of council who attended budget meetings. Again, the honourable member would have found this out had he bothered ever to check with the council.

With this adjustment the variance from budget for the nursery in 1992-93 was a deficit of $28 000—not well over $55 000, as claimed by the Hon. Mr Davis. In 1993-94 there was an improvement in performance against budget of $51 000—not, as claimed by the Hon. Mr Davis, a loss of between $200 000 and $400 000. This is arrant nonsense by the Hon. Mr Davis and he knows it. In fact, total expenditure for the nursery operation that year was only $169 000. On the question of the nursery's 1994-95 performance, the income will be significantly higher than that estimated in the council budget, which was based on past performances.

However, the manager of council's nursery prepared a separate budget based on commercial operations and the nursery's potential. It is true that this management budget will not be achieved, largely due to problems with on-site management. I will talk about that a little later. I put in the good as well as the bad, not like the honourable member. The possibility of disposing of the tissue culture lab facilities was overtaken by the Flower of Australia proposal under which tissue culture would have become a viable option. Should the Flowers of Australia proposal have proceeded, the faults of the nursery would have been rectified. Indeed, most have been fixed during the past 12 months.

The allegation that there have been breaches of the Local Government Act are not correct, except in respect of the date of finalising annual financial statements. Once again, we have a classic case of not all the information being provided, just a bit of it; then another little bit of information is provided, and they are added together to try to build up a case that somehow or other the Port Adelaide council is breaching the Local Government Act all over the place, and is breaching accounting regulations.

Look at what the Port Adelaide council is doing: it is breaching regulations all the time! Let us look at what these breaches are. Lateness in lodging annual financial statements occurs from time to time with many councils. It is conceded that the Port Adelaide council lodged its return late, but I am aware that at least 30 councils were late in 1994. I cannot recall being told that. I got the impression when listening to the Hon. Legh Davis that only the Port Adelaide council was breaching the—

Members interjecting:

The Hon. T.G. CAMERON: No, but once again you selectively leave out anything and make no attempt to give a balanced report. The Port Adelaide council is not lodging its returns—shame on it! But no mention is made that 30 other councils were late in 1994 due to the changeover to the new accounting regulations. Was the honourable member not aware of that? Lateness in finalising the annual accounts can be due to a number of factors including staff shortages or

absences, the introduction of AAS27, the availability of the auditor, the council meeting cycle, etc.

Section 199(10) of the Local Government Act refers to prescribed information and prescribed date. There is no prescribed information; therefore, there is no breach. Dean Newberry and Partners have provided the following information regarding these breaches. I quote from the letter, which was forwarded to the Port Adelaide council, as follows:

> Technical breaches of the local government accounting regulations.
>
> 1.1 With reference to our letters dated 31 October 1989, 11 November 1991, 13 November 1992 and 17 November 1994, please note that we have advised the relevant Minister wherever technical breaches were involved, especially as a consequence of minor delays in finalising annual accounts.

Dean Newberry and Partners are well respected consultants to local government and, as I understand it, are used by a number of councils. They go on to say:

> With respect to the year ended 30 June 1994, our understanding is that more than 40 per cent of local government entities were unable to distribute their 1994 financial statements by 11 November 1994 as a result of the substantial additional workload due to the introduction of AAS27.

If the Hon. Legh Davis were fair dinkum and if he were attempting to give a balanced report, when he slammed the Port Adelaide council for being late why did he omit to mention that up to 40 per cent of councils might have been late that year? Why was there no attempt—

The Hon. Barbara Wiese: Does he want inquiries into all those other councils?

The Hon. T.G. CAMERON: I don't think so. Audited accounts have been submitted in respect of every year.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: Are you disputing that audited accounts have been submitted for every year? I was hoping to save time, but I will read another letter into *Hansard*. This letter is dated 13 April 1994 and is directed to the Hon. John Oswald, MP, Minister for Local Government Relations. I think he is still the Minister, is he not?

The Hon. Barbara Wiese: Today he is.

The Hon. T.G. CAMERON: Today, right. The letter states:

> Dear Minister, I write to express the concern of the members of the Port Adelaide City Council, its management and staff at the allegations made by the Hon. Legh Davis in Parliament on 5 and 12 April 1995 under parliamentary privilege. I will confine my comments in this letter to two aspects to demonstrate Mr Davis's lack of veracity.

The Hon. J.C. Irwin: Who wrote this letter?

The Hon. T.G. CAMERON: I just told you. Keith Beamish wrote this letter to the Hon. John Oswald, MP, Minister for Local Government Relations. The letter continues:

> 1. The annual accounts for the farm have been audited, submitted to and approved by the council in every year since the farm began operations.

Councillor Miller would want to check this. The letter states further:

> In 1988-89, it was reported on 18.12.89, report 17047; in 1989-90, 10.12.90, report 17050; in 1990-91, 18.11.91, report 17042; in 1991-92, 14.12.92, report 17052; in 1992-93, 22.11.93, report 16125; in 1993-94, 12.12.94, report 13087.

He goes on to say:

> The Minister for Local Government at the time in considering the section 383a application to establish the farm referred the matter to the Department of Agriculture. Presumably in approving the scheme, the Minister had received a tick from that department. A senior officer of the Department of Agriculture, Mr Ian Lewis, with the full imprimatur of the head of the department, has been a member of the flower farm supervisory board since it was established.
>
> I have already forwarded to Mr Geddes of your office my report to the management committee of the council of 10 April 1995 which addresses some of the fundamental issues and the full text of the communication from Birss Consulting Management Pty Ltd. I have attached a copy of a media statement which we were planning to release. It would now appear that the behaviour of the Hon. Legh Davis, with his attack on the integrity of the council, its management and others will now cost the Port Adelaide community well in excess of $2 million.

Did the honourable member hear that? I said $2 million. Audited accounts—

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: —have been submitted in respect of every year, so obviously I reject the allegation that a breach of the Act has occurred in this regard. Annual reports by council have been a legislative requirement only since 1992 and the only prescribed requirements relate to application under the freedom of information sections. Section 199(10) of the Local Government Act refers to prescribed information and prescribed date. There is no prescribed information, therefore there is no breach.

In relation to the Harborside Quay acquisition and sale, the Hon. Mr Davis is perpetuating the error made by the Hon. Mr Irwin, who accepted the error made by the former ratepayers association. The fact is that the council resolved on 7 July 1986—

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: Has that got anything to do with all these attacks and allegations you are making against the Port Adelaide council, because there happen to be a few members of the Labor Party? Is that what it is all about?

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: Councillor Milewich is not a member of the ALP as far as I am concerned.

The Hon. L.H. Davis: He is not a member of the Liberal Party.

The Hon. T.G. CAMERON: Who said he was? The fact is that the council resolved on 7 July 1986:

> That for the temporary accommodation of the council, application be made to the Local Government Finance Authority of South Australia—

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: More uninformed sources; more unsubstantiated allegations. You can stand up in here and say that information was provided to you by this person or that person or whomever. If you want to set the record straight, why don't you do what I am doing and quote your sources? No, you are not game to. I will go back to quoting from a report that was made to the council. I will start again:

> That for the temporary accommodation of the council, application be made to the Local Government Finance Authority of South Australia pursuant to section 26 of the Local Government Finance Authority Act 1983 as amended for loan funds by way of a fully drawn advance of $1.3 million on the credit of the revenue of the council with proceeds of such advance to be credited to council's general bank account with Westpac Banking Corporation. The amount of the loan plus interest accrued at the rate to be negotiated with the authority is to be repaid to the bank account of the Local Government Finance Authority of South Australia in accordance with arrangements made with the authority.

It seems that these gentlemen mistakenly thought that the resolution referred to a long-term loan. It clearly did not. The council resolution was carried out to the letter. Dean Newbery

and Partners, council's auditors, provided the following statement in respect of this subject:

> Harborside Quay. During early 1991, this office investigated a formal complaint from Councillor M.W. Cormack in that management allegedly ignored a direction from council to borrow $1.3 million from LGFA in order for Westpac to be repaid, resulting in an additional interest cost in the vicinity of $550 000.

Further:

> As a result of our investigation, we concluded that the complaint was without foundation. We also understand that the then Ombudsman investigated this and other complaints of Councillor Cormack that were also found to have no substance.

Council resolved to sell the Harborside Quay land to the Government on 4 February 1991, set out in the minute book on the fifth, page no. 591. The land was sold and settled on 17 May 1991. The innuendo of the Hon. Mr Davis, that the sale was made without council's knowledge or approval, is made recklessly and without regard to the truth.

As to council debt and rates, debt has to be considered in the context of new assets, that is, redevelopment of Semaphore Road, two new libraries, significant drainage obligations, road works, parks, gardens and recreational facilities. Surely people are not suggesting that, just because they happen to live in the Port Adelaide council area, they are not entitled to a new library? The Hon. Mr Davis has certainly scuttled the council's opportunities to reduce its debt. As a proportion of rates and of total revenue, the Port Adelaide council's debt is less now than it was 10 years ago.

In calculating debt and rates to population ratios, one has to take into account that a high proportion of the Port Adelaide area is not residential, much of which does not contribute to rates. In drawing rate comparisons between councils, one needs to look at residential rates rather than total rates, so that like can be compared with like.

Valuations are the basis upon which the rates burden is shared between the ratepayers. The procedures adopted by the Port Adelaide council are entirely lawful. Property owners have full rights of appeal, and the system is aimed at achieving equity in rating, not slugging extra from certain ratepayers. If a ratepayer has a valuation which is significantly lower than it should be, that means that others pay proportionately more. Anybody can work that out. One can provide numerous examples of places where the Valuer-General's valuations have been unsatisfactory. Many councils are becoming aware of and concerned about lack of equity in their valuation bases. That is not to be critical of the department, because it is understaffed for its task, especially for the complex task of industrial valuations.

The Hon. Mr Davis claimed that no-one presented information to suggest that any of the detail in his speeches was inaccurate. This is a blatantly dishonest claim. Members are referred to reports to the council on 24 April 1995—a copy of which was to be made available to the Hon. Mr Davis by the Minister for Local Government Relations—and on 16 May 1995, both of which undoubtedly would have been available to him by Nick Milewich. By letter dated 31 May 1995, the Premier advised BCG as follows:

> I have referred your letter to Mr Davis for consideration. The BCG letter unequivocally rejected the content and innuendo contained in Mr Davis' speech. It is also obvious from his third speech that he has had them.

So the honourable member started his speech on 7 June with a lie. In relation to the Flowers of Australia prospectus, the central justification for Mr Davis' making his attack is that the Flowers of Australia fundraising would not have been successful.

The Hon. A.J. REDFORD: I rise on a point of order, Mr Acting President. I ask that the honourable member withdraw the suggestion that the Hon. Legh Davis lied to this place.

The ACTING PRESIDENT (Mr Crothers): Order! That is unparliamentary, and I ask that the honourable member withdraw it.

The Hon. T.G. CAMERON: I withdraw my statement that it was a lie. Perhaps he was stretching the truth, it was a falsehood, or it was a fairly poor attempt to mislead the Council. The central justification for Mr Davis' making his attack is that the—

The Hon. A.J. REDFORD: I rise on a point of order, Mr Acting President. To say that the honourable member misled is again unparliamentary.

The ACTING PRESIDENT: Order! There is no point of order.

The Hon. T.G. CAMERON: Thank you for your ruling, Mr Acting President. It is good to see that you are still carrying on your fine work as Chair, as you did when you were President of the Australian Labor Party. In my opinion, you were one of the best presidents the Party ever had.

Members interjecting:

The Hon. T.G. CAMERON: It is not a question of the Acting President's being right; you were wrong.

Members interjecting:

The ACTING PRESIDENT: Order! The Hon. Mr Cameron! Stick to the subject matter, please.

Members interjecting:

The Hon. T.G. CAMERON: She was excellent. It is just that the Hon. Trevor Crothers was one of the best Presidents that I have ever seen, and I think I have attended 30 conventions. The draft prospectus was founded on independent expert opinion. The Flowers of Australia Limited prospectus contains independent professional assessments. First, there was Bird Cameron.

Members interjecting:

The Hon. T.G. CAMERON: It is just as well that I am not hearing some of these interjections. First, there was Bird Cameron's independent accountants' report. This is a national firm of chartered accountants, the tenth largest in Australia, and part of RKM International. Bird Cameron has over 500 professionals and staff and 50 offices throughout Australia, whilst RKM International is represented by over 10 000 staff in 400 offices situated in 75 countries.

Then we have the BDO Nelson Parkhill independent tax opinion. They are a national firm of chartered accountants, the ninth largest in Australia, and part of the BDO Binder group, the seventh largest world-wide. In addition to over 550 professionals and staff in Australia and an annual turnover in excess of $50 million, BDO Binder is established in 66 countries with more than 17 000 staff.

Curtin Consultancy is part of the Curtin University of Western Australia. Curtin University is pre-eminent in flower marketing studies in Australia, and this extends to a faculty supporting the flower industry.

The Hon. A.J. Redford: This is on former Prime Minister Curtin's sixtieth anniversary.

The Hon. T.G. CAMERON: Fiftieth, I think it was. You got that wrong, too. That goes to show how much you know about the Labor Party. Scholefield Robinson Horticultural Services, based in South Australia, is a leading firm in the provision of horticultural services throughout Australia. The

principals of that firm are highly regarded in academia, being represented on the University of Adelaide Academic Advisory Board, and in the commercial world by the agricultural community of South Australia.

When the process was halted last year, Birss Consulting Management negotiated contingency fees for the additional professional work required with all the consultants; that is, they would be paid only if the float succeeded. That is not a bad idea. Perhaps this Government would like to consider that with some of the privatisation proposals that it is looking at.

Additional work by BCG—more than 2 000 hours—has been contingent on successful fund raising. This clearly indicates that those who have been closely involved in the preparation of the prospectus over 18 months have a high level of confidence in the integrity of the prospectus and its likely success in the market. They were working for nothing; they were to be paid only if the float was a success.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: I will refer later to those whom the honourable member did not contact. I have a list of all of them.

The Hon. L.H. Davis: You have told us them already.

The Hon. T.G. CAMERON: No; I have a bigger list than that. The information contained within the prospectus on projected production, Scholefield Robinson, markets, Curtin University, financial elements, Bird Cameron, is interdependent. They are independent reports based on detailed and up-to-date knowledge provided to the council. The Hon. Mr Davis attempts to rank his hearsay from unidentified people who may or may not have an axe to grind—and I will have a bit to say about that later—who may or may not be competitors—and I can say a lot about that, but I will not—and who may or may not have some local knowledge, but who certainly have no detailed working knowledge of PAFF, the nursery or the prospects.

The Hon. Mr Davis preferred all of that over and above the group of professional consultants who have contributed to the formation of the prospectus—that eminent group of companies which I have just outlined to members and which is well respected and recognised throughout the length and breadth of this country as having expertise in this industry and in the areas on which it provided expertise. If those companies were not so well respected for their expertise they would not be as large as they are and would not employ thousands of staff. We know why the Hon. Mr Davis did not bother to contact any of these people: it is because he would not have liked the answers that they were going to give him.

So he relied on hearsay, unidentified informants, people with no expertise in the industry, telephone calls in the middle of the night saying, 'Have you heard this, Mr Davis?' or Councillor Milewich ringing him up with his latest series of allegations designed to cause mischief and controversy within the Port Adelaide council. In other words, the prospectus relies on solid professional opinion from clearly identified people.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: If you do not think they are professional and competent, go outside the Council and say it: don't sit in here like a coward quoting uninformed and unidentified people. The Hon. Mr Davis relies on unidentified people with no direct knowledge of the prospectus. Moreover, many security dealers throughout Australia familiar with the details of the prospectus and background professional advice contained within it had expressed a high level of confidence in being able to successfully market Flowers of Australia to investors because of the financial returns to investors and the ownership of assets. The inference by the Hon. Mr Davis that the Australian Securities Commission has twice rejected the prospectus because of something untoward in the financial projections is at variance with the facts.

There is nothing unusual in the dealings between Flowers of Australia and the ASC in regard to the prospectus. It was normal commercial practice, as well the honourable member knows. How could anyone possibly state in their pecuniary interest list that they are a financial consultant and not be aware of that simple fact. The flawed argument of the Hon. Mr Davis is that the production will not be there and the financial analysis will not produce the profits forecast. As previously stated, this information in the prospectus, which is all interrelated, has been supported upon review by the independent professionals identified earlier by me.

The Hon. Mr Davis has no need to heed the truth or accuracy of his statements because they are made under parliamentary privilege. In other words, you can get up in this place and say whatever you like and you can quote whomever you like; you can quote uninformed, unidentified sources, and obviously that is what the honourable member has done. But what about these people and these professional organisations that he has maligned and impugned? These companies and professionals are responsible to the ASC because they have a clear obligation under prospectus and corporations law as the Hon. Mr Davis, who is a financial consultant and who I have been led to believe has considerable expertise in this area, would know. In fact, if false and misleading statements are contained in the prospectus and are subsequently found to be misleading, these people can be sued, but the honourable member cannot. These people have had to stand by everything contained in the prospectus. Since commencing his attacks, the Hon. Mr Davis has sought an opinion from ABN Amro to shore up his case. I ask that members please note that the view of this firm and Mr Stuart McKibbin is based on the superseded draft prospectus of 1994. The letter states:

> I have not undertaken a detailed analysis of the underlying business, nor have I sought independent assessment of the merits of the structure for tax purposes.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: You did that. You did not put in the rest: you only selectively quoted. I do not need to put your quotes in; they are already in. The letter goes on to state:

> However, we have undertaken a brief review.

Nor did Mr McKibbin contact any of the directors of Flowers of Australia or any of the independent experts whose reports appear in the draft prospectus.

In other words, the ABN Amro letter reflects a very superficial review. It is a non-event and in no way can it be argued that it confirms what the Hon. Mr Davis said about the Flowers of Australia float. A report from Birss Consulting Group to the Port Adelaide Council tells a completely different story. This letter is from the consulting group to Mr Beamish and states:

> You have requested we report on Mr L.H. Davis' speech which we understand to have been delivered in the South Australian Parliament on 7 June 1994. You have provided us with a copy of *Hansard*, pages 2112 to 2123 (we note that it is headed 'subject to revision').

I am reading out the whole letter; I am not leaving out the bits which do not add to my case or which might be a little adverse.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: You see how easy it is to do? Now the honourable member sees how easy it is to misrepresent a situation. Thank you for taking the bait. The letter continues:

We have actual knowledge of the Flowers of Australia Ltd (AFCORP) prospectus as the nominated manager of the issue; and the Port Adelaide Flower Farm (PAFF) and nursery operations as an associate of the manager since 1 July 1994. We have no knowledge of other matters appearing in the speech and which appear to have no relevance including: Department of Agriculture report on proposal in relation to the Adelaide International Airport—

more of which I might talk about later—

matters raised in relation to IHM, the Newco Trust, State Bank of South Australia, SGIC and the Messenger newspaper group. Further, we are obviously not in a position to comment on the level of disclosure between your office and the council. No doubt you will be addressing that as you determine appropriate. To enable a logical review of the speech we have distilled it into four headings which appear to be the core issues raised by Mr Davis; namely, the AFCORP prospectus; assets backing up the investment in AFCORP; the grow bag culture; and the status of PAFF. Our report is based on the documents tabled and approved by the board of AFCORP at its meetings on 16 February 1995 and 22 March 1995 and includes *inter alia* the AFCORP prospectus dated 22 March 1995 and two publications for licensed security dealers.

Where we comment on excerpts quoted by Mr Davis in his speech purportedly from identified authors we are relying on these excerpts being both accurate and also true and correct in the form and context in which they appear. As a preliminary matter we firstly address the following statements by Mr Davis: 'No-one has presented information to suggest that any of the detail in my speech has been inaccurate'; and also: 'There has been no spirited and factual defence made of Flowers of Australia by Doctor Don Williams, Chairman of Flowers of Australia, or any other parties to the issue.' By letter dated 18 May 1995 AFCORP wrote to the Premier of South Australia rebutting Mr Davis' allegations. You hold a copy of this letter as a director of AFCORP. The letter included the following statements: 'The board unequivocally rejects the content and innuendo contained in Mr Davis' speeches...Mr Davis' speeches are in no way a fair or frank representation of the flower farm nor its prospects within the proposed corporate structure of Flowers of Australia Ltd. Flowers of Australia Ltd's prospectus is supported by experienced and credible, professional firms...By contrast, Mr Davis has resorted to unsubstantiated rhetoric based on comments from unnamed sources.

'Further, Mr Davis' comments are based on a 1994 draft prospectus when he knew that there is an updated 1995 prospectus because he refers to it.'

The letter then goes on to deal with five specific reasons why Mr Davis's speech is deficient.

By letter dated 31 May 1995 Premier Brown replied, stating in part:

'I have referred your letter to Mr Davis for consideration.'

We understand Mr Davis' speech was delivered on 7 June 1995. Therefore it appears Mr Davis' statements are false or alternatively the Premier's statements are false or there has been an administrative bungle between them.

We now deal with the core issues.

The AFCORP Prospectus:

We have already referred above to the view that Mr Davis (and hence in turn ABN) is referring to a 1994 draft prospectus and not the 1995 prospectus to which we refer. In other words, responding to these matters is a somewhat fruitless exercise, indeed equivalent to a criticism of a draft of Mr Davis' speech rather than the final effort.

Mr Davis has retained the Dutch Bank ABN to undertake a review of the prospectus. We highlight what we believe are the main comments raised by ABN and respond accordingly.

ABN has said:

'An independent expert's report would seem appropriate to evaluate the transaction considerations.'

The transactions were entered into at arm's length between the council and AFCORP. Based on advice, no further evaluation was required.

ABN has further said:

'There are no detailed financial statements as to the past performance of these operations (being acquired) to enable investors to make a critical evaluation, and hence evaluate the likely future performance of the businesses.'

By their letter dated 16 February 1995, in the opinion of the advisers to the prospectus. . . 'there has been proper disclosure re the Port Adelaide Flower Farm and nursery'. Further, the disclosure included in the tabled material referred to above included, *inter alia*:

'The businesses are currently a loss making commercial unit. The community recognises the limitations of (local) government management capabilities and the advantages to be gained from moving the businesses to the private sector.'

I am sure that will warm the cockles of your heart. It continues:

'(Note: Council is providing a "vendor's warranty" in relation to the ongoing performance of the Port Adelaide Flower Farm). . . Prior to July 1994 the nursery had not been run as a commercial unit, but after fiscal '95, the first year of commercialisation, it is expected to break even. Following acquisition of these businesses from council, the company's plans call for the introduction of a range of improvements to PAFF and operational efficiencies, and these improvements are reflected in the financial forecasts set out in the prospectus.'

ABN has said:

'No detailed cash flow statements, including capital expenditure statements which would be used to make an independent assessment of the use of the remaining funds. . . detailed disclosure of the proposed usage of the remaining funds would be essential.'

The prospectus sets out in an entire section headed 'Application of Funds' the manner in which the funds raised will be applied, based both on maximum subscription and minimum subscription.

Further, the prospectus sets out under the financial forecasts, the investor cash flow which in turn is supported by notes to and forming part of that statement.

We know the honourable member had a copy of that. I am just wondering why he did not read it or, if he did, why he did not include it in his report to this Council. It continues:

In our opinion, disclosure is appropriate.

ABN went on to say:

'The total costs for the formation, registration and management of the issue is $1.43 million. . . (and) rental payments of $1.4 million relating to the nursery and buildings and plant and equipment related to PAFF. . . increased disclosure of these costs should be made in order to highlight their commercial significance.'

We refer to the section of the prospectus which sets out under the heading 'Expenses of the issue' the details of these costs, and again in a subsequent section headed '5. Application of funds', which further describes the make-up of these costs. In our opinion, disclosure is appropriate.

The rental costs payable in respect of the nursery and buildings and plant and equipment relating to PAFF are fully described in the prospectus under the heading '1. Port Adelaide Flower Farm' and '4. Willochra Nursery', which highlights these commercial costs at the beginning of the prospectus.

These costs are again described in the summary of material agreements. Furthermore, investors are invited to examine full copies of such agreements at the company's registered office during normal business hours. In our opinion, disclosure is appropriate.

Assets backing up the investment in AFCORP:

Mr Davis states that if it had managed to raise $4.8 million in exchange for assets worth only $1 million, the answer is still a lemon. We refer to the prospectus where a table sets out the net cost to the investor and the asset backing of each share or parcel. On subscription, the net asset backing of each share or parcel is $871. The net cost to the investor is as follows: cost to investor, $4 800; less tax refund reduction, assuming top marginal rate, $1 974; guaranteed minimal income, set out in Note 1, $1 950; total, $3 924, leaving the net cost of the investment at $876.

Where Mr Davis's analysis is deficient is that he fails to take into account the taxation benefits provided by the Federal Government to attract investment in agricultural pursuits. He fails to take account of the guaranteed minimum income received by investors. He fails to take account of all the assets being acquired, including the cash represented by the refundable bond, being a loan to AFCORP repayable to the investor.

The grow bag culture:

Mr Davis has produced a report from the Department of Agriculture, dated 3 August 1988. The report deals with the proposed production system of grow bag culture and goes on to raise a number of questions in relation to grow bag culture which, in the correct opinion of the author, were not apparent at that time. It is no reflection on the report that eight years later it has limited application today to the matters under review. It is not a matter for us to consider whether the farm should have been sited where it is sited or elsewhere. Suffice to say that an apparently disused area of land is now productive. The report states that there will be extra costs over and above those involved with the field production of these crops.

Everyone was aware of that when the project started out. The report then goes on to detail three cost areas, as follows:

Set up costs, including the cost of grow bags:
We agree with this assessment.
The cost of trellising to support the plants:
There is no evidence of any requirement for this cost.

The third area of cost identified by the report is:

The extra height of the plants which may result in extra harvest costs: We do not agree with this assessment. To the contrary, the elevation of plants in grow bags generally facilitates the ease of harvest and thus reduces labour costs.

The report goes on to state:

It is clear that extra costs will be involved with this production system compared with field production. Unless these costs can be offset by earlier cropping, heavier yields and/or better quality (and hence higher priced) blooms, there is no advantage in using grow bags except that it enables the use of this particular site.

Birss continues:

We are in broad agreement with this statement, although it goes back to the original rationale for the site. As a result of actual experience in the field at Port Adelaide Flower Farm and at other sites using grow bag culture in the Eastern States of Australia, there are considerations which do provide evidence of benefits from the adoption of grow bag culture, but these may not offset all of the additional costs. Specifically, it is fair to say that there are three significant benefits which arise out of the PAFF site. These are: its excellent location for distribution export product; the plentiful availability of labour; and the very substantial shed facilities, the basis of which were, we understand, already available on the site.
The status of PAFF:
Mr Davis has made a number of statements in relation to the appearance and horticultural status of the Port Adelaide Flower Farm, as follows:
One casual worker told me that grow bags were to last only four to five years. Weeds were as high and sometimes higher than the plants. There were thistles in the grow bags.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: If there were thistles in the grow bags, you are our thistle in here. Mr Davis also mentioned the 'disgusting state of the farm'. He said:

Weeds impact on plant growth. Weeds compete with plants for water and fertiliser. This total failure to provide money to weed and maintain the farm until August when in fact the flower season started in July-August obviously retarded growth of the flowers and affected farm profitability.
In November and December, kangaroo paw was harvested but the stems were far too short, reflecting the weed problem, the lack of maintenance and the fact that many of them needed to be split, rebagged or replaced. In some cases, the weeds are higher than the plants, so reducing the light available to the plants.

My goodness gracious! It continues:

The flower farm, through negligence and lack of care and money, was badly diseased. Many of the kangaroo paw have black spot. Coming into 1995—

Members interjecting:

The Hon. T.G. CAMERON: Hang on a minute. I want the honourable member to listen to what his casual worker told him:

Coming into 1995, 10 000 kangaroo paw were bulldozed because of disease. Almost all of the 7 500 boronia died along with 1 250 rice flowers and other plants. Of the 64 000 plants on the flower farm, between one-third and one-quarter died or became diseased or had to be replaced. The problems include an inappropriate site, salt-laden winds, inherent problems with grow bag culture, inadequate care, poor horticultural hygiene, little management direction, lack of money, staff and fertiliser, disease, inferior plants, poor equipment and a badly designed watering system.

Was there anything that the casual worker did not tell the honourable member? Statements such as 'the weeds were high and sometimes higher than the plants' are false. The comment that grow bags were to last—

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: Sorry, did I create the impression that the casual worker said all that to the honourable member?

The Hon. L.H. Davis: Yes, certainly.

The Hon. T.G. CAMERON: I am sorry. I did not mean to create that impression. I suspect that most of the last part the honourable member made up himself.

Members interjecting:

The Hon. T.G. CAMERON: That was not from the casual worker. I think the honourable member made that up himself.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: Who are they? Name them. Who are these mysterious, uninformed, so-called expert sources? Statements such as 'the weeds were high and sometimes higher than the plants' are false.

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. CAMERON: Have a look at all the weeds!

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. CAMERON: Members should go down there and have a look at all the weeds. The comment that the grow bags were to last four to five years is also incorrect, but I will say more about that later. The comment 'disgusting state of the farm' is emotive and subjective rather than accurate and objective. It is false. The statement that the flower farm is badly diseased is false, as is the statement that 10 000 kangaroo paw were bulldozed because of disease. The statement that of the 64 000 plants between one-third and one-quarter had died or become diseased and must be replaced is also untrue. What is relevant? The honourable member should know this. I understand that he is a financial consultant and a consultant to small business. The document continues:

What is relevant is that any commercial operation has competing interests between expenditure and productive result.

That was one of the first things that they drummed into me when I attended the School of Management at the Institute of Technology. Further:

Where expenditure is not commercially warranted, provided such cost saving does not have an offsetting, adverse effect—

Members interjecting:

The Hon. T.G. CAMERON: It probably is a pity.

The PRESIDENT: Order! Members on my right!

The Hon. T.G. CAMERON: It continues:

Where expenditure is not commercially warranted, provided such cost saving does not have an offsetting, adverse effect on, in this case, the future well-being of the plants, savings of this nature should be made. It is not economically viable to maintain flower farms, and the Port Adelaide Flower Farm is no exception, in park-like, sterile conditions. It is just not the way it works. The appropriate balance is necessary to optimise the end result.

That is a matter for judgment in specific circumstances.

That judgment in our opinion has generally been reasonably made at PAFF.

Later in his speech the Hon. Mr Davis went on to say:

[I have] never seen the flower farm in my life.

In response to an earlier interjection he stated:

I have more than 100 informants in this.

These people go on to say:

With respect, Mr Davis has not identified one informed informant. We will explain about this later in the report. The criticisms laid out above attempt to give the impression of a badly conceived, managed and operated farm. The criticisms are highly emotive, either completely false or where they have a grain of truth, grossly exaggerated. For example, where Mr Davis relies on comments of a casual worker it appears he attempts to put across that grow bags have a life of four to five years and/or the need to break up plants is restricted only to the grow bag culture and such a break up is bad news.

The Hon. Mr Davis knows this to be untrue. In the AFCORP letter of 18 May 1995 addressed to the Premier (which has been handed to the Hon. Mr Davis) in rebuttal of Mr Davis's argument of poor management techniques arising from what he says is the requirement to replace 18 000 of the 76 000 plants at the farm, AFCORP states:

The facts represent good news. At that time 10 000 plants were to be rebagged as perennials. The plants tend to grow in size and are subsequently cut up into additional plants. Further, an additional 6 000 plants are to be added to the farm. As a further example we refer again to the earlier comments by Mr Davis that there is a requirement to replace 25 to 33 per cent of the plants at the farm which he portrays as arising from poor farm operations.

I hope the Hon. Mr Davis is listening to this, because the document goes on:

As part of the usual horticultural four to five-year plant cycle at any time it would be expected that 20 to 25 per cent of the plants would be in the course of being replaced, upgraded or broken up into additional plants.

That is so simple to understand that even the Hon. Angus Redford could comprehend it. In other words—

The Hon. Barbara Wiese interjecting:

The Hon. T.G. CAMERON: Should I say it again for his benefit? I will not do that because I want to finish tonight. If he did not understand, perhaps he can refer to the transcript. If he has trouble, he can just lean across and the Hon. Mr Davis will explain it to him. The Hon. Mr Davis is good with figures, and with his expertise the Hon. Mr Redford should be able to grasp that simple fact. So, 20 to 25 per cent of the plants would be in the course of being replaced, upgraded or broken up into additional plants. Are members with me, so far? The document continues:

In other words, where there is a grain of truth in the allegation, Mr Davis's informants have either misrepresented it or portrayed it falsely. The Port Adelaide Flower Farm along with the nursery as a proposed part of the Flowers of Australia Limited prospectus and is a viable commercial unit. However, as we understand, council recognised some years ago that it is not a profitable commercial unit at its current levels of operation, and nor can it be until all the changes contained within the AFCORP strategy or a satisfactory alternative are implemented. These changes include: increasing the current farm maturity from 40 per cent to 90 per cent, which comprises increasing the plants from 65 000 to 83 476; increasing the maturity index of the farm, which is a function of empty spaces and maturity of plants; upgrading specific items of infrastructure to increase productivity operating efficiencies; and implementing a fully commercialised approach to management.

We revert now to the source of Mr Davis's advice. It is becoming increasingly apparent from what we have outlined above that the information fed to Mr Davis is either false or, where it has an element of truth, either may have been falsely presented to Mr Davis or, alternatively, unwittingly, presented by Mr Davis in a grossly exaggerated manner, thereby creating a false impression.

Obviously hundreds of informants do not substitute for one informed expert. We are aware that Mr Davis has taken advice from two disgruntled former employees. We have been able to identify some of the uninformed anonymous sources. The first of those employees is Howard Hollow, who was dismissed by the council for gross misconduct—dishonesty.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: You were not defending him Angus, so perhaps he came out of it better than did Councillor Milewich in his sexual harassment case.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: Not until proof can be provided of further allegations which have been made about him because, unlike my honourable counterpart opposite, I do not intend to table them unless people can provide me with proof. The response continues:

At the time Howard Hollow, one of Mr Davis's sources, who was dismissed by the council for gross misconduct—dishonesty—at the time of his dismissal indicated in an extremely aggressive way that he would take steps that would cost us.

We have identified one of the Hon. Mr Davis's informants as Howard Hollow, a disgruntled employee who was not only dismissed for dishonesty but threatened to get them. He said, 'I will do things that will cost you money'. If he was one of the honourable member's informants, he has certainly succeeded because the honourable member opposite has cost the ratepayers of Port Adelaide in the vicinity of $2 million by scuttling the Flowers of Australia prospectus.

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: It gets much better. It continues:

It was subsequently confirmed by Mr Hollow in preliminary court proceedings in relation to his dismissal that he had been in touch with Mr Davis in relation to the flower farm and the nursery. Here we have a disgruntled employee, dismissed for dishonesty, who threatened to get even with the flower farm. He has been identified and has stated, apparently on transcript in the commission, that he has been in touch with Mr Davis—

well, well, well—

in relation to the flower farm and the nursery.

Mr Hollow was obviously successful. How hollow have his claims been exposed as being now? It continues:

A second employee, who we understand has also been in touch with Mr Davis, is Joanne Bosworth, the previous manager at the flower farm who was demoted to the position of 2IC and eventually resigned. It is ironic that Mr Davis's criticisms are apparently from sources who were, to the extent to which his criticisms have even a grain of truth, very likely to no small extent the cause for such criticisms. Simply, the criticisms can effectively be completely rebutted by an inspection of the farm. A picture is worth a thousand words. Any party taking the trouble to become genuinely informed would, in our opinion, be able to see for themselves that where the criticisms of Mr Davis were not false they were grossly exaggerated. Mr Davis could not necessarily be criticised for this because he has never been to the farm. It does, however, reflect poorly on his informants.

Oh, they are being very kind. It continues:

In conclusion, finally we make two concluding observations. On reflection, what has struck us is the question: is Mr Davis fair dinkum? It is suggested that Mr Davis has undertaken a great deal of research, in the words of the Premier. It occurs to us that thorough research would have required Mr Davis to have referred to at least one of.

Here we have a situation where the Premier of this State replies to an organisation which wrote to him following the allegations and attacks made under parliamentary privilege in this place. The Premier has stated that Mr Davis has done a great deal of research. I return to the letter, which states:

It occurs to us that thorough research would have required Mr Davis to have referred to at least one of the directors of Flowers of

Australia Limited, the Manager of Flowers of Australia Limited, any one of the four experts involved in the prospectus, the CEO of the council, the Manager of the flower farm or the horticultural technical consultant, IHM Growers Pty Ltd. He has not made contact with anyone; instead he sought to reply on input from—

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: My goodness, I'm not hearing something about the State Bank again, am I? Is it $3 billion we lost? I reckon the honourable member has yelled that across the Council about 50 times since I have been here. We have all these people involved in the flower farm: the prospectus, the experts, the council and IHM, Did the Hon. Mr Davis contact any of them? Just a telephone call, perhaps. Just five minutes to check unsubstantiated allegations from disgruntled ex-employees. Did he ever take the time and trouble to write to anyone or to seek any further information or clarification of facts? Not once. It is obvious that the Hon. Mr Davis has done hundreds of hours of work on his submission but not once did he ever contact any of the people I have outlined.

Members interjecting:

The Hon. T.G. CAMERON: Instead, Mr President—

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. CAMERON: —'he sought to reply on input from'. The South Australian Growers Association, which self-evidently represents competing growers—

The Hon. A.J. Redford interjecting:

The Hon. T.G. CAMERON: Mr President, I can yell just as loudly as the Hon. Mr Redford. I can raise my voice if he wants to raise his, but he would be better off sitting there, shutting up and listening: he might learn something.

The PRESIDENT: Order! I ask the honourable member to return to his speech. I ask the Hon. Legh Davis to desist for a while.

The Hon. T.G. CAMERON: Thank you, Mr President. It is much appreciated. That is much more protection than I received from my associate when he was sitting in the Chair. The correspondence states, 'He has not made contact with anyone, instead he sought to reply on input from.' First, the South Australian Growers Association, which self-evidently represents competing growers; two disgruntled ex-employees; a 1988 report from the Department of Agriculture which, to a large extent, will have been superseded by actual experience; and other undisclosed informants. In other words, the honourable member has not contacted one party who has actual, informed, unbiased, professional knowledge of the farm. The correspondence further states:

> That does not strike us as credible. Indeed, it appears that Mr Davis has perhaps gone out of his way to avoid speaking to those who actually know the facts. It now appears Mr Davis seeks to set up a debate between a politician and the farm interests. In our view this is a ludicrous proposition. For any two parties to have a reasonable debate it is elementary that the rules of the debate would need apply equally to both parties. Whilst the flower farm interests would be bound by community standards of debate, Mr Davis as a politician under parliamentary privilege is not so bound. Thus a debate is inherently stacked in favour of the politician. We believe our assessment is both accurate, relevant, supportable and also has the virtue of being true. We have indicated to you [because the letter is to Mr Beamish] our surprise that even a draft prospectus should have found its way into the hands of a politician. It is very surprising. As you know, we have endeavoured to maintain a high level of security in relation to the prospectus consistent with ethical and legal requirements. Draft prospectuses were distributed only on a need-to-know basis.

In other words, there was an extremely limited distribution of the draft prospectus. The letter continues:

> It is evident that there has been a breach of trust by whoever the party is that delivered a copy to Mr Davis.

I have never come across anyone who laughs at their own jokes as much as the Hon. Mr Redford. I should point out to him that I cannot hear what he is saying. As far I am concerned, he can keep talking to himself and laughing at his own jokes. The letter goes on:

> You have advised us that Mr Davis has an association with Todd Partners, stockbrokers. Although we subsequently determined that they would not be involved in promoting the issue, a copy of the draft prospectus was in fact sent to that firm. We would be very alarmed if there has been a breach of professional ethics.

The Hon. Mr Davis goes on with his innuendo to describe the relationship between the council and BCG as a cosy arrangement. The very reason for the council's engaging with BCG, apart from its management expertise and experience in turning around the Australian wildflower scheme, was that it was desirable to have a consultancy committed to the practical implementation of its own advice; that is, not a firm that merely gives advice and has no responsibility for its implementation or little responsibility for its outcomes but one which puts its own butt on the line together with a client. In a report to council on 30 August 1993, Keith Beamish said:

> The firm's philosophy is centred on the belief that the best outcomes are achieved by both the client and Birss Consulting Group being committed to the advice through the participation of Birss Consulting group in the implementation phase. Birss Consulting Group's four partners have a broad role of professional skills in management, accounting, computing, marketing and engineering. As a result of Birss Consulting Group's philosophy, the firm implements its advice. The partners' broad management and commercial skills are regularly tested.

The Hon. Mr Davis claims that there is no factual rebuttal to what he has said. Keith Beamish's report to council of 24 April 1995, from which he has quoted, strongly rebuts his case.

Now, after the event, the Hon. Mr Davis has had the South Australian Flower Growers Association (SAFGA) join with him. The SAFGA letter is more notable for what it does not say. It makes no reference to the fact that IHM through PAFF has refused from time to time to accept product from a number of South Australian growers because of poor quality and pest infestation. IHM has provided the following commentary on the Hon. Mr Davis's speech in *Hansard*, as follows:

> Page 2118, paragraph 3—the farm has the capacity to grow 83 760 plants. The prospectus was predicated on 76 000 plants being planted by June 1995. In 1994, there were 58 300 plants. Of these, 39 390 had an average maturity index of .74 and 16 979 at .26. A maturity index of one represents peak biological maturity. Ongoing rebagging and plant replacement at the farm, a natural part of any flower business, means that the index is variable. In terms of maximum potential, the farm in 1994 was rated at .4 against a possible maximum of .9, that is, allowing 10 per cent replacement with new varieties, etc.
>
> Paragraph 4: the Goerners—at the outset, IHM endeavoured to provide a service to a broad range of South Australian flower growers. The wax flower growers at Swan Reach had a significant production of white alba wax flower. The Goerners delivered bundles of flowers to PAFF for grading and bunching. Much of it was suited only to US grade standards and not prime quality one metre stems as suggested by Mr Davis. The first season was a disaster for all concerned due to the inherent nature of this variety and the problems experienced by all Australian exporters in accessing the US via Honolulu. It was mutually agreed to retry the second year. Additional quality control procedures were implemented. Notwithstanding all efforts to improve the situation, it soon became apparent that this variety of wax flower would not travel once flower opening exceeded 40 to 50 per cent. Samples of

breakdown, whilst in cartons in Australia, were shown to the Israeli flower delegation visiting Australia for the international protea conference. They were unanimous in stating that this variety is troublesome and was being removed from Israeli plantations. IHM made a commercial decision to seek alternative growers of wax flower and this has proved commercially beneficial for the suppliers and for IHM.

In 1994 IHM exported almost 300 000 stems of wax flower very successfully and at agreed prices with growers. None of the IHM suppliers have declined supply in 1995. In fact, more growers are offering product to IHM in 1995, and several are expanding their plantations. That Geraldton wax did not succeed at PAFF is acknowledged. This was reported to PAFF at an early stage. Prior to the selection of crops bought for PAFF, advanced woody plants were examined in a commercial operation in New South Wales and photographed as evidence that woody plants will indeed survive and grow by culture. The decision to plant wax flower was researched and we acknowledge that, in this particular case, we were wrong.

The only grower I can recall who planted rice flower and leucadendron was Birbeck. This farm was washed away in floods. Frost was not a contributor to any demise. Plant stock was supplied by a Victorian nursery. We have never supplied leucadendron for commercial plantation that I can recall. Birbeck's rice flowers were almost two metres high when washed away.

Paragraph 6. The Western Australian person concerned is a Mr Lawfords. He received his white rice flower and agreed to wait for his pink. We have written to this gentleman to resolve the issue of delivery but without reply. The nursery site manager gave an assurance that pink would be produced and in fact advised they were tubed up. This never happened and a number of orders have been cancelled as a consequence of this misinformation.

Re proteas. This is nonsense. Proteas are graded and rejects are held back for local sale. In some cases product is held for several days if in tight bud. Protea growers who supply IHM from South Australia receive prices far in excess of the SA protea price quoted in the *Flowerlink* and are often double what is offered on the Adelaide market. Our demand for protea is unsated. Current suppliers are happy and increasing their plantings.

Paragraph 7. There has been a significant rejection of growers by IHM due to the supply, poor quality flowers, varieties not in demand, and bad farm management practices. We have reported this fact to the PAFF board in response to a reduction in contract processing. Growers delivering insect infested and woody material were downgrading the overall standard and compromising the quality standards of the program. We are aware that some of these growers comprise a proportion of those alluded to by Mr Davis. Since 1988, IHM has dealt with 60 SA flower growers. Of these, 19 are unreliable suppliers, and it was IHM's decision to discontinue; one lost the flowers in the flood; three produced varieties of wax flower no longer required; 15 are current casual suppliers; and 22 are retained as core suppliers and represent the bulk of suppliers. Of the 22 growers IHM has discontinued, the majority supplied only small volumes. These statistics can be substantiated.

There is no mass exodus from IHM in South Australia at all. We take strong exception to the use of the letter from the South Australian Flower Growers Association and its use in this debate. It is divisive to the industry.

Paragraph 8. Who is the leading South Australian horticulturist? IHM cashflows use yields and prices from commercial experience and clearly state the assumptions.

Paragraph 9. Mr Davis should specify the seminar. All our seminars stress the risk of entering the flower business and under no circumstances offer any pots of gold. If this were the case, why then does IHM receive the support of 134 growers across Australia, with steady inquiries recommended by word of mouth only from existing and long standing clients?

Paragraph 10. It is true. IHM was successful in obtaining this contract with the University of Adelaide. It is also true that the university experienced similar difficulties in propagating these banksias. It is also relevant that the person entrusted to perform this work failed in his duties and was eventually dismissed. IHM deeply regrets this event and has expressed this to the university but there were mitigating circumstances. IHM is a major exporter in Australia and commands the respect of the flower industry people in Japan, Taiwan, Holland, England and in the United States and Canada as a company dedicated to service and quality and to it being a good communicator with consistently reliable and accurate documentation.

Paragraph 11. The comments concerning the Flower Export Council of Australia (FECA) are paraphrased from a common theme of an industry person known to many. This is far from the truth of the situation, and FECA will respond in its own right.

Page 2 119, paragraph 1. In relation to the transfer of management to BCG Rural, IHM agreed to adopt the role it would assume under the contractual provisions of the proposals.

Paragraph 2. As above.

Paragraph 4. At the end of 1993, Tonia Sellars and Andrew Hales left after several years' search. The search for replacements was initiated immediately upon notice given. IHM was in no position to allocate money. This was a prerogative of council, and instructions to staff and allocation of resources is contingent upon the funding from council. The delay in acquiring a competent manager did cause an increase in weeds. This was very quickly resolved once a competent manager was appointed in December 1994. The need to rebag was foreshadowed in 1988. The need to divide kangaroo paw was advised in 1991-93, and a steady program ensued.

Paragraph 5. Stem length has progressively declined. This is due not to weeds but due to plant maturity in the bags. This has been reported upon and addressed and is the rationale for the rebagging program. It is acknowledged that the farm was peaking in 1992 and that further expansion to meet capacity and to implement rebagging would be met by the equity funding. There was ample photographic evidence and video footage to demonstrate the state of the farm since conception.

Paragraph 6. It is fact that RIRDC viewed the farm at a time when no manager was on site. During the interim search period, it is also relevant that one outspoken member of RIRDC is a competitor to IHM and has openly expressed hostility. The farm does flood in sections. In grow bag culture, there is continual salinity from the fertiliser program, and this is monitored and removed by a programmed leaching process. The plants chosen for PAFF were second-line salt-tolerant plants. Any additions have been trialled for two to three years before planting. Further, IHM was not dumped. Mills' concern related principally to the competence of the site manager. It is very relevant that the current manager brought the farm dramatically to a much improved condition in a short period of time.

Paragraph 8. An audit of equipment did provide a detailed list of repairs, maintenance and replacement. These were incorporated into the plan.

Paragraph 9. Rice flower and boronia have two to three years' record as been successful in these conditions. They were trialled first. There is photographic evidence. The decisions of the site manager—or lack of it—in spring 1994 resulted in mismanaged watering schedules and the absence of leaching resulted in excessive salinity build up. The damage predisposed the plants to succumb to phytophthora, which was known to exist at the farm, being imported from an outside nursery. Boronia grew successfully in growbags using an acid medium. They also grew to 2 metres tall at Longerenon and in growbags.

Page 2120, paragraph 1. Photographic evidence shows high production and long stems to 2 metre growbags. The need to rebag was foreshadowed well in advance.

Kangaroo paw on the ground will suffer the same effects of diminished stem length if not renovated. The water management at PAFF has never been at over supply with the kangaroo paw. The cost of water has necessitated the careful water budget program. Weeds were quickly brought under control with a competent manager.

Paragraph 2. See note above on boronia. Black spots on kangaroo paw. This was a problem with dwarf delight, which has been replaced after six years' production. There is little or no fusarium and there is not over-watering. Nematodes are a natural pest on rice flower and are recorded Australia-wide.

Paragraph 3. The mixture of mature and semi-mature plants in the same bag is a practical compromise in some sections where replanting has occurred.

Paragraph 4. Mr Davis asserts that 10 000 kangaroo paw were bulldozed because of disease. This is totally false and misleading. The dwarf delight plants after six years were removed. They were at the end of their economic life. The boronia has been discussed, as has the rice flower. It could be effectively argued that, had the current site manager been in charge in July 1994, Mr Davis would have nothing to say. Steps were taken to correct the manager's mistakes, but the damage was already done.

Paragraph 5. Kangaroo paw replacement has involved—

The Hon. L.H. Davis: You clearly haven't written this.

The Hon. T.G. CAMERON: How can I have written it? I am stating that it is a quote from a letter. Did you miss that? I am quoting from a letter.

The Hon. L.H. Davis: I'm sorry. I did not realise that.

The Hon. T.G. CAMERON: Thank you. The letter continues:

Paragraph 5. Kangaroo paw replacement has involved plant division and renovation and an opportunity—

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: I will let you know when I have finished quoting—

to rationalise varieties in accordance with market requirements. The rationale was not due to disease. Boronia can be grown commercially in grow bags as discussed.

Paragraph 6. Kangaroo paw regenerates itself each year around the old defunct previous year's crowns and roots system. Replanting into this situation represented a realistic effort to reduce expenditure. The process was capped at a set number of plants to evaluate the process for future situations. The production of the farm was well in excess of 1.1 million stems. Many stems were not harvested due to the extreme lateness of the season. The shorter stems in 1994 were predicted back in 1992.

Paragraph 7. The council have repeatedly been invited to the farm and have participated in open days attended by thousands of Adelaide residents. It is significant to note that the Horticultural Department of the University of Adelaide's Waite Institute recognised the farm as being innovative and of sufficient horticultural expertise to allow several students to work in collaboration with the farm in the pursuit of their degrees. It is significant that the people of Shandong Province in China have requested assistance from PACC and IHM to establish their own project in China after several visits to Port Adelaide and inspections of the farm. There is no question that the farm suffered in 1994 for the reasons outlined. But it is relevant to observe that the reasons were identified—

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: I am not aware of that.

The Hon. L.H. Davis: I said it in my third speech.

The Hon. T.G. CAMERON: The letter proceeds:

But it is relevant to observe that the reasons were identified and dealt with and that by spring 1995, if there had not been an impediment, the farm would have been the show place that it had been in the past.

There has been a lot of comment about IHM, and I should like to place it on the record. IHM commenced exports in 1986 as ECBM. In 1993-94 IHM's sales to Japan represented 18 per cent of fresh flower exports from Australia. In the same year IHM accounted for about 10 per cent of sales to the US. Overall, IHM's f.o.b. income represented 9 to 10 per cent of Australian fresh flower exports.

The company currently deals with 134 flower growers across Australia and trades with 49 companies in Australia and overseas. IHM has reinvested heavily into market development and goodwill. The company recognises it cannot be all things to all people. Since 1987 it has ceased trading with 22 producers in South Australia, six in Queensland, three or four in Victoria, approximately 10 in New South Wales and three in the Northern Territory. Commercial disputes account for 15 per cent of cessations. The balance is due to IHM's choice or sale of farm.

In 1995 IHM has received in excess of 30 inquiries for services based upon word of mouth referrals from existing clients. Of the 134 growers currently on record, 30 per cent have traded with it for five to 10 years, 33 per cent have been trading with it for two to five years, 27 per cent for one to two years and 9 per cent for less than one year. Neither IHM nor Dr Brian Freeman have been contacted by Mr Davis to obtain any semblance of balance in his privileged commentary. We note that he has consistently avoided quoting from those growers who provided favourable comment on IHM. That is IHM's business which stands on its record. The selective slandered in this way is a sad commentary on the perpetrator.

The willingness of SAFGA to become involved raises a number of questions, particularly in relation to Mr Cavallaro, its President, and the arrangements to establish an export centre at Mile End, trading under the name of Tessa Flora International. Flowers of Australia would have been a formidable competitor for that venture. Unfortunately I am not able to report more on that because I do not believe that the information with which I have been provided substantiates some of the allegations that have been made. I am not prepared to put hearsay into the transcript.

We reject Mr Davis's hypocritical claim that he has the interests of Port Adelaide's ratepayers at heart. We do know there is a personal motivation arising from the proceedings with his friend the Hon. Jamie Irwin, but is there a commercial motive as well? He has gone to great lengths to circulate his speeches across Australia to members of the industry and industry bodies.

Perhaps the honourable member would be good enough to provide me with a list of whom he forwarded copies of his speeches to because I would like to forward them a copy of mine. If these are people in the industry it is only fair that they receive a balanced report in relation to the Flower Farm.

So far as the airport proposal by IHM is concerned, from my knowledge hardly more than developing a concept was discussed. Certainly no real detailed analysis was ever undertaken. IHM confirms this; it is a red herring.

In respect to the current year's result for the council's horticultural unit comprising the farm and Willochra Nursery, it is now clear that, apart from a deficiency on the part of the site manager at the farm, there was industrial sabotage taking place as well as misrepresentation by the site manager at the nursery. The site manager at Willochra Nursery was Mr Howard Hollow who, in a hearing recently before the Industrial Commission in respect of his dismissal proclaimed himself to be a 'friend of Legh Davis'. He has also previously claimed a relationship with Nick Milewich. It is possible that the Hon. Mr Davis and Nick Milewich knew of his activities. Earlier than 1994, Mr Hollow, whilst employed as manager of Willochra Nursery, was being helped to establish a competitive business in Edwardstown.

To use one of the Hon. Mr Davis's favourite phrases, that is curious. This of course the council did not know until February 1995. Action has certainly been taken to remedy the deficiencies in respect of site management at both places. The Hon. Mr Davis claims that Keith Beamish told the council on 12 December 1994:

Income will start to flow in 1994-95 from the increase in farm capacity funded by the local capital works program. Present indications are that budget will be met.

This reference to 1994-95 is obviously a typographical error: it should be 1995-96. Further, the full text of the quotation is as follows:

Present indications are that the budget will be met with any reduction in expected income being met with correspondingly lower costs. On 12 December 1994 more crop was expected but was not harvested due to the lateness of the season.

If you know anything about the industry you will know that 1994 was a late season. Many people in the horticultural and agricultural industry had a bit of a problem in that year—just ask your country colleagues; I am sure they will tell you. Council was not aware at that time of the activities of Mr Hollow. It was fully expected that greater returns would have

been obtained from the nursery. Perhaps I have said enough about Mr Hollow. I refer to the audited results. Keith Beamish submitted on 10 and 24 April 1995 reports on the audited results. The other figures were an attachment from Birss Consulting Group and set out the warranted figures for the purposes of the Flowers of Australia prospectus.

The Hon. Barbara Wiese interjecting:

The Hon. T.G. CAMERON: He told us lots of things that were not true. The warranted figures are an extract from the audited financial statements that reflect council's actual operational results from the farm before capital and financing costs. The Hon. Mr Davis knows the difference between capital and debt regardless of how anyone's capital is funded. He is correct in that to just sell off the assets of the farm will not yield much at all. This was expressed in the report to council in August 1993 in the overall context of the Flowers of Australia proposal. The value of the assets would have been much higher because of their utilisation.

I now turn to PAFF's capacity. Had it not been for the Hon. Mr Davis's intervention, 1 July 1995 would have seen more than 76 000 plants at PAFF. Council was in the middle of that process when the honourable member scuttled the Flowers of Australia proposal. The Hon. Mr Davis fails to understand or ignores information he already has that Flowers of Australia was to raise money by public subscription where it would have acquired assets including PAFF assets. PAFF would have represented a minority part of the economic activity of the company, which would have a nursery, processing centre, Penola farm, share of the new IHM and a 5 000 square metre greenhouse.

The Hon. Mr Davis is critical of the fact that the 1995 revised prospectus was not first submitted to council—obviously so that he could obtain Councillor Milewich's copy. As Keith Beamish advised the council in responding to a question by Councillor Milewich, it was the company's responsibility for preparation and lodgement of the prospectus and obtaining approval therefore from the ASC. It never has been nor could it be the responsibility of the council, and nor could it be subject to the approval of council. One assumes that the honourable member would know that from his considerable expertise in this area.

FECA is essentially funded for its day-to-day operations by voluntary levels. Notwithstanding that all exporters do not contribute, FECA has at all times focused on representing the interests of all exporters. FECA has written to Mr Davis as follows:

> I write in follow-up to your recent comments concerning the Flower Export Council of Australia Inc. (FECA) in the South Australian Parliament as part of one of your speeches specific to the Flower Farm at Port Adelaide. Your parliamentary speech on 7 June 1995 appears to criticise FECA under parliamentary privilege for not sharing market information with growers. We would like to refute this, as we have at all times endeavoured to make our market reports available to all sectors of the Australian flower industry. Results of our overseas work are freely available to the entire Australian industry. We are pleased to offer the industry every report which we have created at most reasonable prices. . . We also publish a bimonthly update newsletter to members and subscribers. We enclose copies of our last two issues for your information. The view that FECA is a club is a view held by a very small minority of our membership, as far as we know. We seek a retraction of your damaging comments, as it is very easy to damage the good reputation of an industry association built up by five years of hard voluntary labour. We suspect your comments have already had some damaging consequences on the Australian floricultural industry. We are also concerned that continued attacks on members of the Australian flower export industry will cause damage to the image of Australian flower exports in the overseas marketplace. We reiterate the fact that Dr Freeman and Mr Beamish have always worked on the FECA committee to the satisfaction of that committee. It is unfortunate that you have chosen to drag the good name of FECA into your ongoing battle with the Port Adelaide Flower Farm and IHM. I look forward to your comments in reply.

The Hon. Mr Davis claims that BCG Rural is taking over the management of PAFF from IHM is curious—that is a favourite word of the member's. Keith Beamish in a report on 22 June 1994 to council stated:

> Management arrangements are in the process of being negotiated to cover the period from now until minimum subscription is raised when the contracts between the various parties and Flowers of Australia Limited can be implemented. It is desirable to move as much as practicably possible towards the organisational arrangements which will then occur and to have a smooth, efficient and effective changeover at that time. It is therefore proposed that BCG's marketing company, which will be the manager of Flowers of Australia, will be appointed as manager of the Port Adelaide Flower Farm, the export processing business and the nursery. This will not only provide better outcomes, oriented and financial management, but will enable IHM to get on with their principal role of marketing, selling and providing technical advice services. What we want to have is a set of arrangements which are headed strongly and seamlessly towards the final outcomes which the Flowers of Australia proposal contemplates.

There is nothing curious about this. It had the full acquiescence of IHM and did not, as the honourable member claims, come as a surprise to IHM. During the period 1993 to August 1994 there were, as indicated earlier, site management problems, however maintenance did continue. The Hon. Mr Davis makes a meal of the fact that there were only two permanent employees during that time. It was usually three, but there was no need to replace one of the permanents until closer to harvesting season. Once again, a sensible decision by the council. Casuals were employed as needed. The difficulty was with the on site supervision. This was rectified and a site manager had to be brought in from BCG (one of its other farms) for the harvest season. The Hon. Mr Davis has painted an extravagantly exaggerated negative picture of the farm that he cannot sustain. He relies on hearsay from unidentified informers. True, there are times when the farm looks better or worse than it looks at other times.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: I showed you some photographs earlier which support the fact that the farm looks better or worse than at other times. However, in their technical report, which forms part of the prospectus, independent consulting experts Scholefield Robinson—well respected, leading advisers across the length and breath of the industry in Australia—state that they visited the farm on 4 January 1994 and on 6 and 18 January 1995. They obviously found a situation much different from that described by the Hon. Mr Davis. He has not even been there yet. I suggest he go down there tomorrow and look at all the weeds, and so on. The Hon. Mr Davis claims there is no flexibility in the irrigation system. The designer of the system is most distressed about this false allegation, as he conveyed to the council both verbally and by letter.

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: I do not think you appreciate just how many people you have hurt and defamed by your attack. The problem was that during most of 1994 the supervisor did not manage the irrigation or the staff appropriately, and this situation has been referred to earlier. The irrigation system is sophisticated and bears no resemblance to the Hon. Mr Davis's description of it. Throughout his speeches the honourable member refers to financial mismanagement of the council. Apart from the flower farm, the only

matters which he raised in support of this allegation are, first, in relation to the Harborside Quay financing of acquisition and disposal to Government. Mr Davis has raised as an issue the purchase of the Harborside Quay land, claiming that a decision of the council was disregarded for its financing and that the land was sold to the Government without the knowledge of the council. This is arrant nonsense. The financing of the purchase was carried out in accordance with the council's resolution. The sale was also carried out at the direction of the council. Once again, the honourable member got it wrong.

I think I have already said enough about municipal valuations, and I do not think there is any need for me to repeat myself in relation to Streetwise Signs, except to state that in both cases the honourable member got it wrong. In his speech on 12 April, the Hon. Mr Davis listed eight points which he considered to be grounds for investigation and which I will now summarise. The first allegation was that the original terms of the agreement to establish the farm had not been observed. There were no changes from the terms of the Minister's approval. By their very nature, business plans have to be adapted as circumstances require from time to time. It is just a simple part of the management process; surely anyone can see that. Part of the control process of management is constantly and in an ongoing manner to review your operations so that you can modify or rectify any of the faults in the business and through that process ensure that you are meeting your original strategy, plan or objectives. The second allegation is that no attempt was made to monitor IHM's performance as manager of the farm and market it. As would be expected of any board, the board monitored the performance of the manager, as did the council executive and its auditors, as can be seen from some of the evidence I have put forward today.

The honourable member claimed that council was not informed of the inherent risks of running the farm. That is absolutely untrue. A specific committee of the council studied the risks, threats and opportunities for 12 months before council unanimously adopted the proposal.

The honourable member's fourth point was that a Department of Agriculture report advising against the farm site was ignored. No such report was ever received by the council. Advice sought from departmental officers was considered and taken into account, but, from the advice I have received from council, it never received a report from the Department of Agriculture advising against the farm site.

The fifth allegation that the honourable member made was that council allowed losses to increase for four years while a restructuring proposal was sought. The truth of it was that the Flower Farm's operating results, reflected in the audited accounts of the council, disclosed operating cash profits in fiscal 1992, fiscal 1993 with a loss in fiscal 1994. The Flowers of Australia Limited proposal would have seen the council recover its investment and past losses.

Another allegation was that the council was refused financial and statistical information on the farm. That is untrue. Councillor Milewich was refused additional copies of the annual accounts because it is now beyond doubt that he wanted to pass them on to be used against the interests of council. There are no prizes for guessing to whom he wanted to give them. Annual reports were submitted to the council each year from the Flower Farm board with the exception of the past two years when the Flowers of Australia proposal, in very detailed reports to the council, would have made an annual report superfluous. No member of the council was ever denied information on a commercial, in-confidence basis.

The seventh point is that there have been breaches of the Local Government Act and regulations. I know that I have covered some of this before, but this is only a summary. The only breach of the Act was a technical one in respect of the date of finalising accounts, not an uncommon situation for councils, for a variety of reasons, as I outlined. We have been led to believe that up to 40 per cent of councils did not comply. If the honourable member had put that in his statement to this Chamber, he could not have misled us in the way that he attempted to do. The auditor and the Minister were fully informed at the time.

The honourable member's last assertion was that no-one questioned the credibility of IHM and Dr Freeman. IHM and Dr Freeman's credentials were carefully checked by officers of the council and a special committee before the proposal was adopted and a management agreement was entered into.

The Flower Farm was a bold initiative of a council concerned with job creation for its constituents in one of the worst pockets of chronic unemployment in the nation. The project was embarked upon as a business and, as such, it had to go through the routine process of business development, starting off in deficit and inching towards viability as the business matured. There were risks, as in any business, but they were calculated and manageable. At the point of intervention by the Hon. Mr Davis, the business had reached a point at which it could be taken over and form part of a much larger enterprise which was to be the subject of a public float. The honourable member has been kicking the council to death for making a decision to go out and try to resolve some of the problems that it had already recognised, that is, that it would be a very successful business provided it formed part of a larger business. It now looks as though the ratepayers of Port Adelaide will have to find $2 million to make up for what they would have got out of a successful float of Flowers of Australia.

The Flowers of Australia prospectus was based on independent expert professional reports with obligations to Prospectus Corporations Law and the ASC and not on uninformed hearsay from unidentified people. The Hon. Mr Davis's intervention has sunk the float irretrievably and undermined the viability of the existing business. So, he certainly helped Mr Hollow in his declaration to get square with these people. The tragedy of that intervention is what it says to others bold enough to stake their future and invest in South Australia. Who will shoulder the risks inherent in achieving the desperately needed economic development in this State?

The Hon. L.H. Davis interjecting:

The Hon. T.G. CAMERON: For the life of me, I do not know why you are sitting there. Perhaps I will say more about that at some other time. Who would invest in desperately needed economic development in this State if they were subject to malicious intervention at this level? The reputation of South Australia as a place for relatively small investment from which growth and employment can come has been seriously damaged by the honourable member's attack. This resolution should be consigned to the political waste basket. It should never have been brought before this place. Enough of the Council's valuable time has been wasted. It is time that this vendetta against the Port Adelaide council was stopped, and it is time for the council to be allowed to set about trying to remedy the damage done to its business by the Hon. Legh Davis. The honourable member's attacks are not only an

attack on Keith Beamish and the elected representatives of the council—except one—they are an attack on the ratepayers and citizens of Port Adelaide.

I am confident that they will not be fooled by this attack made under parliamentary privilege. It is time we stopped wasting the Council's time debating this issue, and I trust that the matter can now be put to rest. I seek the Council's support in rejecting the Hon. Legh Davis's motion for an investigation into Port Adelaide council. It is about time that we let Port Adelaide council set about repairing the damage that has been done to its financial base and to Flowers of Australia's prospectus proposal. It is about time that the ceaseless attacks and vendetta that has been going on against the Port Adelaide council for five years stopped. It is time that the council and its officers were allowed to get on with serving the ratepayers of Port Adelaide and meeting their needs.

It is time for this Council to take a stand about attacks of this nature that are raised in circumstances where it is impossible for ordinary members of the public to defend themselves. It is time that this matter was put to rest. The only people who can effectively do that are the Hon. Mr Davis and the Hon. Mr Irwin. It is about time we let the council get back to its core operation of looking after and servicing the needs of Port Adelaide.

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

APPROPRIATION BILL

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

The Hon. R.I. LUCAS (Minister for Education and Children's Services): I move:

That this Bill be now read a second time.

Given the lateness of the hour, I seek leave to have the detailed explanation of the Bill inserted in *Hansard* without my reading it.

Leave granted.

On 1 June 1995 the 1995-96 budget papers were tabled in the Council. Those papers detail the essential features of the State's financial position, the status of the State's major financial institutions, the budget context and objectives, revenue measures and major items of expenditure included under the Appropriation Bill. I refer all members to those documents, including the budget speech 1995-96, for a detailed explanation of the Bill.

Clause 1 is formal.

Clause 2 provides for the Bill to operate retrospectively to July 1995. Until the Bill is passed, expenditure is financed from appropriation authority provided by Supply Acts.

Clause 3 provides relevant definitions.

Clause 4 provides for the issue and application of the sums shown in the schedule to the Bill. Subsection (2) makes it clear that appropriation authority provided by the Supply Act is superseded by this Bill.

Clause 5 is designed to ensure that where Parliament has appropriated funds to an agency to enable it to carry out particular functions or duties and those functions or duties become the responsibility of another agency, the funds may be used by the responsible agency in accordance with Parliament's original intentions without further appropriation.

Clause 6 provides authority for the Treasurer to issue and apply money from the Hospitals Fund for the provision of facilities in public hospitals.

Clause 7 makes it clear that appropriation authority provided by this Bill is additional to authority provided in other Acts of Parliament, except, of course, in Supply Acts.

Clause 8 sets a limit of $50 million on the amount which the Government may borrow by way of overdraft in 1995-96.

The Hon. G. WEATHERILL secured the adjournment of the debate.

PUBLIC TRUSTEE BILL

Returned from the House of Assembly with amendments.

The House of Assembly draws the attention of the Legislative Council to the amended form in which clause 46, which was referred to the House of Assembly in erased type, has been inserted in the Bill.

PARLIAMENTARY COMMITTEE ON OCCUPATIONAL SAFETY, REHABILITATION AND COMPENSATION

The House of Assembly informed the Legislative Council that it had appointed the Hon. G.A. Ingerson and Messrs Clarke and Wade as members of the committee.

ADJOURNMENT

At 11.30 p.m. the Council adjourned until Thursday 6 July at 2 p.m.