LEGISLATIVE COUNCIL

Wednesday 19 July 1995

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

STAMP DUTIES (MARKETABLE SECURITIES) AMENDMENT BILL

His Excellency the Lieutenant-Governor, by message, intimated his assent to the Bill.

INDUSTRIAL AND EMPLOYEE RELATIONS (MISCELLANEOUS PROVISIONS) AMENDMENT BILL

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

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

Motion carried.

STATUTORY AUTHORITIES REVIEW COMMITTEE: ELECTRICITY TRUST

The Hon. L.H. DAVIS: I bring up the interim report of the committee on a review of the Electricity Trust of South Australia and move:

That the report be printed.

Motion carried.

LEGISLATIVE REVIEW COMMITTEE

The Hon. R.D. LAWSON: I bring up the twenty-seventh report 1994-95 of the committee and move:

That the report be read.

Motion carried.

The Hon. R.D. LAWSON: I bring up the twenty-eighth report 1994-95 of the committee.

QUESTION TIME

HALLETT COVE EAST PRIMARY SCHOOL

The Hon. CAROLYN PICKLES: I seek leave to make a brief explanation before asking the Minister for Education and Children's Services a question about the sale of Hallett Cove East Primary School.

Leave granted.

The Hon. CAROLYN PICKLES: Yesterday I asked the Minister to explain his statement to the Estimates Committee that:

C and G Pty Ltd will be organising the mums and dads of South Australia with their savings and superannuation funds and whatever else into an investment fund.

My questions to the Minister are:

1. Why did the Minister say that he would refer that question to his colleague in another place when it referred to his own statement, and is the Minister now able to explain what he said?

2. Will C and G Pty Ltd be issuing a prospectus for investments in this property, and what returns are being offered to investors?

3. Are returns to investors, the 'mums and dads' referred to by the Minister, guaranteed in any way, and what are the details?

The Hon. R.I. LUCAS: The statement that I made to the Estimates Committee means exactly what I said it meant, and it is quite obvious. One does not need any explanation other than that which I gave to the Estimates Committee. In relation to the referral of the question to a colleague in another place, I have already taken up that issue with *Hansard* this afternoon. Certainly, it is not a question that should be referred to my colleague in another place; it was directed to me. It is my responsibility. I said that I would bring back a reply: I did not say that I would refer—

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: I know what *Hansard* records and, as I have said, I have already spoken to *Hansard* about that. It is not a question to be referred to another place.

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: The honourable member asked me the detail of the terms of the settlement and I undertook to get an answer and bring it back, and that is what I intend to do. The honourable member asked me what I meant by organising the 'mums and dads'. That means exactly what it says: it will, in effect, be organising the funds from individual investors, the mums and dads of South Australia or, indeed, anyone else. If the Hon. Leader of the Opposition cannot understand something as simple as that, giving her a more complicated explanation is unlikely to satisfy the honourable member's lust for further knowledge in relation to this issue. I cannot put it any more simply for the Leader of the Opposition.

The Hon. Carolyn Pickles: It is not for me: it is for the people of South Australia, who want to know the truth.

The Hon. R.I. LUCAS: I can assure the honourable member that we announced this two or three months ago and I have not had a letter, telephone call or any contact from anyone—

The Hon. Carolyn Pickles: That's because they're stunned.

The Hon. R.I. LUCAS: They might have been so stunned, but there has not been what I would call a mass uprising out there. The issue has not been raised with me at all. Obviously, it is quite within the prerogative of the Leader of the Opposition to ask a question if she has a particular concern, but, in the greater scheme of things, given the whole range of innovative measures that the Government and the department are undertaking in relation to education—

The Hon. L.H. Davis: On the Richter scale, this is about minus 2.

The Hon. R.I. LUCAS: As my colleague the Hon. Legh Davis says, it is measured at minus 2 on that scale.

The Hon. Carolyn Pickles: Why is the company so worried?

The Hon. R.I. LUCAS: The company is not worried. The Leader of the Opposition is obviously seeking, in effect, to portray the company as a fly-by-night $2 shelf company. That is the reference that the Leader of the Opposition made. The Leader of the Opposition should be aware that a former very close colleague of hers in the Labor Party—a person who held ministerial office for the Labor Party—is being consulted by that company, has associations with that company, and has been providing advice to that company on how to take up the issue with the Labor Party in relation to clearing its name from the attempt by the Leader of the Opposition. I do not want to enter into the debate any further, but a former

very senior colleague of the Leader of the Opposition in the Labor Party is associated with or has had some discussions with and continues to have discussions with the company in relation to providing advice to the company.

The Hon. Carolyn Pickles: Someone is telling porkies.

The Hon. R.I. LUCAS: If the Leader of the Opposition is suggesting that someone is telling porkies, I can only suggest that she look in her own backyard. Since yesterday's question, I have had the opportunity to refresh my memory on the lease payments, and the lease payments are to be about $130 000 per year, contrary to the Leader of the Opposition's claim that the school has been sold off for half the cost of its construction. Again, the Leader of the Opposition displays her ignorance of the matter. The whole school has not been sold off.

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: I read the *Advertiser* this morning.

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: That is all right. The Leader of the Opposition is indicating that, in relation to her statement, the *Advertiser* has got it wrong.

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: So the radio interview got it wrong. ABC Radio got it wrong, too, with the background briefing from the Leader of the Opposition—the school is being sold off for less than half the price, which was the story that the *Advertiser* was given and which the radio journalists had been given as well. As I explained in the Estimates Committee some time ago, the whole school is not being sold off. The components—the classrooms—are being sold off. The sale price of $1.5 million is more than the current valuation of those classrooms. For the Leader of the Opposition to suggest to the newspapers and to radio journalists that that is a bad deal because the school is being sold for less than half the price than its constructed—

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: At least the Leader of the Opposition is now conceding that, if it is a good deal, it will be the first one. She is now conceding that it is a good deal. That is what the Government said yesterday.

Members interjecting:

The Hon. R.I. LUCAS: She has moved from yesterday; give her another 24 hours and she will be out with placards supporting the Government on the issue, saying, 'This is a wonderful deal for the people of South Australia.' The taxpayers of South Australia, students, teachers and school communities will benefit to the extent of $1.5 million because of this financial arrangement, an opportunity they would otherwise not have had. It is as simple as that. As I have said, after whatever it is, two months, I have still not had someone come to me personally and say, 'We have a major problem in relation to this.' We do not have the parents of Hallett Cove East campaigning in the streets saying, 'What you've done to us is terrible.' There has not been a protest from Hallett Cove East or that particular community about what is occurring in relation to this issue.

I do not think even the South Australian Institute of Teachers, publicly anyway, has spoken out against this initiative or deal and, if it has, certainly I have not seen any indication of its opposition in relation to this. If it has opposed it, it has done it very quietly, as opposed to everything else which it opposes quite publicly in relation to Government initiatives in the area of education and children's services. The only person in South Australia who seems to be concerned about it is the Leader of the Opposition.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: There is no more explanation to organising the investment fund than has already been given. I cannot give it any more simply than that.

The Hon. Carolyn Pickles interjecting:

The Hon. R.I. LUCAS: It is very sad when the Leader of the Opposition has to descend to personal attack in such an unseemly way that she should—

Members interjecting:

The Hon. R.I. LUCAS: A vicious attack!

Members interjecting:

The Hon. R.I. LUCAS: Certainly, the most vicious attack since John Cornwall was on the attack. I am quite wounded by that vicious attack from the Leader of the Opposition. I am offended. I will not sleep tonight.

Members interjecting:

The Hon. R.I. LUCAS: I will just not be able to sleep tonight, having been attacked so strongly and vehemently by the Leader of the Opposition in such a personal and unseemly way by way of that interjection. The answer to the question from yesterday is $130 000. In relation to the terms of settlement, the answer to that question from yesterday is that, when the title has been divided into the 11 titles and the arrangements have been sold off to the individual investors, as with all sales settlement will be up front. There will be a cash settlement up front from the 11 individual investors or groups of investors. In relation to the question yesterday and again today about what I meant, I meant what I said. It is as simple as that. I cannot add any more to that.

The Hon. Carolyn Pickles: What about a prospectus? Will there be a prospectus?

The Hon. R.I. LUCAS: I will take that on notice and check with the company to see what the arrangements will be and get back with a reply. The guarantee in relation to income is the Government is guaranteed for the term of the contract, the sale/lease-back, to pay the rental or lease payment for the 10 year period. This company has been involved with the Commonwealth Government, a Labor Government, for the past three years in organising exactly the same function for the Defence Housing Authority. The company organises groups of investors to purchase individual homes, a deal it has done with the Commonwealth Labor Government for three years without any opposition from the Leader of the Opposition but she, knowing that, obviously chooses not to refer to that arrangement with a Commonwealth Labor Government.

The Commonwealth Government guarantees the investors a guaranteed income stream by way of rental of those homes. What is being done in the State arena is a guaranteed lease or rental income. That is, we will use the school and guarantee to pay a lease payment or rental payment. That is the guarantee. It is as simple as that: exactly the same scheme as the company uses with her colleagues in the Commonwealth arena in relation to the Defence Housing Authority.

That answers all the honourable member's questions, with the exception of the issue and mechanics of a prospectus, and I will undertake to bring back a reply. As I indicated earlier in response to her other question about referring the question to my colleague in another place, that was certainly not what I indicated yesterday. It is my responsibility and I willingly accept that responsibility.

AYTON REPORT

The Hon. R.R. ROBERTS: I seek leave to make a brief explanation before asking the Attorney-General a question about improper disclosure from the NCA joint committee.

Leave granted.

The Hon. R.R. ROBERTS: Early in 1991 the National Crime Authority Committee, a joint committee of the Commonwealth Parliament, decided to inquire into legal casinos and organised crime. On 31 May 1991 the committee received a confidential submission from a Western Australian police officer, Superintendent Ayton. The Ayton submission was circulated to committee members on a confidential basis. In February 1993, a journalist well known in South Australia, Mr Chris Nicholls, rang the NCA committee to ask whether publications of submissions made to a parliamentary committee were protected under parliamentary privilege. He was told that parliamentary privilege applied only if the committee authorised its publication. That discussion took place shortly before the present Attorney-General tabled the Ayton submission and at the same time it was quoted from by the present Premier, the Hon. Dean Brown, and the Deputy Premier, the Hon. Mr Stephen Baker, in this Parliament.

In 1993 the South Australian Casino Supervisory Authority, and subsequently an inquiry carried out by Frances Nelson QC, investigated matters raised by material provided to the Casino Supervisory Authority by the current Treasurer of South Australia, Mr Stephen Baker. Mr Baker's material included, or was drawn from, the Ayton submission. In March 1994, as Deputy Chair of the NCA Committee, Liberal Senator Amanda Vanstone formally raised the question of improper disclosure of the Ayton submission. A Senate committee then investigated the leak. In June this year the committee released its report on the matter. That was chaired by Liberal Senator Baden Teague. The committee concluded that the Ayton submission 'was improperly disclosed and that such disclosure constituted a serious contempt'. The committee went on to conclude that prosecution under the Parliamentary Privileges Act would be warranted if there was evidence of the source of the disclosure and, by implication, the subsequent transmission of the Ayton submission.

The investigating committee had little evidence about how the Ayton submission had been spread about. An anonymous informant had, however, implicated the journalist, Mr Chris Nicholls. When contacted by the committee he initially advised that he was unable to assist but upon further questioning he subsequently admitted that he had received a document which might have been the Ayton submission, although he said he had no idea where it came from—*deja vu*. When the committee sought further clarification he said that he had destroyed the document one or two months after he had received it. The only other clues about how this confidential document got to be spread about arose from the fact that the current Premier, the Deputy Premier, and indeed the Attorney-General, had copies of the Ayton submission in March of 1993.

Yet, the Attorney-General, along with the current Premier and Deputy Premier, refused to give evidence to the NCA committee 'in relation to any aspect of the receipt or disclosure of the documents'. When questioned in the Parliament in early 1994, the Attorney-General said that he had been told that the Ayton submission had not come to the Liberal Opposition MPs directly from a member of the NCA committee, but he did not say who had told him that or exactly how he had got the copy of the document.

In summary, it is quite clear now that a serious criminal offence has been committed. It is equally clear that the pre-eminent law officer in this State had information which could help track down the perpetrator of this crime. My questions are:

1. Now that the committee of privileges has found that a grave offence has been committed in relation to the improper disclosure of the Ayton report, does the Attorney-General maintain his refusal to provide information to the committee?

2. So that we can assist with the investigation of the prosecution of this offence, will the Attorney-General now tell us who told him that they had not received the Ayton submission directly from a member of the NCA committee; indeed, was it the Deputy Premier, the Hon. Stephen Baker?

The Hon. K.T. GRIFFIN: That question reflects how weak the Opposition is. That question was asked by the Leader of the Opposition in another place and it has been asked in this place by the Hon. Ron Roberts, is just going over old ground. He was here last year when the Hon. Mr Sumner was a member of this Council and he would have sat through days and days of persistent questioning by the Hon. Mr Sumner, and I indicated clearly that it was not my intention to respond to the Federal parliamentary committee in relation to this matter because it was a matter of privilege. If you look at the report—

The Hon. R.R. Roberts interjecting:

The Hon. K.T. GRIFFIN: If you look at the report published by the Senate Standing Committee on Privileges, you will see that there is no criticism of me, of Mr Baker or the Premier—there is no criticism at all. You want to be very careful about what you refer to or do not refer to in relation to that question. If this is the only issue that the Opposition can raise as its lead question in the House of Assembly and the only question it can raise as its second or third question in this Council it just shows how weak it is. The Opposition has nothing to criticise. It wants to rake over old coals and rehash the past. The Opposition is devoid of ideas and devoid of anything of interest to bring the Government to account. The Senate Standing Committee on Privileges did not criticise me, the Premier or the Deputy Premier. It made no reflection on the correspondence I had forwarded on behalf of myself and the Government to the committee.

The Hon. R.R. Roberts interjecting:

The Hon. K.T. GRIFFIN: As to the letters I forwarded to the Senate committee, I responded to Senator Cleland and the request for information. I claimed an issue of privilege in respect of this Parliament and the Federal Senate committee has not made any criticism of that at all. If you look at the report—and I have looked at the report—you will see the correspondence is attached as appendices and it clearly indicates the position that the Premier, Deputy Premier and I took when we were in Opposition and the relationship of that information to the major issue.

The Senate Standing Committee on Privilege said that it was a breach of privilege of the Senate. It did not say it was breach of the privilege of the South Australian Parliament. It acknowledged that there was a valid issue in relation to the privileges point that we had claimed when I responded to the committee. There is no criticism of anything that the three of us did on that issue. What the honourable member has said in relation to Mr Nicholls was also misleading, because there was no criticism in the Senate standing committee report of Mr Nicholls, either. He declined to answer in the early stages

but they asked him again for information and he gave the information that he had and the committee made no criticism of that at all. You have a good look at the report because what you have asserted in your explanation is a misrepresentation of what the Senate standing committee found.

The letters are on file. I have no information that will help to track down the person who gained access to it from the National Crime Authority. I have already indicated, as the honourable member said last year, that it was not a member of the Senate standing committee, and there is no other information that I can give. In any event, there are issues of parliamentary privilege which have to be respected and which the Senate standing committee acknowledged as being proper and appropriate in the circumstances.

Last year the Hon. Mr Sumner, when he was in Opposition, sought to raise some veil of mystery about this matter. It is all on the public record, and it will stay on the public record. If you read the report, you will see it all laid out before you. I do not think that the Hon. Mr Roberts has read the report. He is reading from a press release or statement that was prepared by someone in the other House. He thought he would try to catch me and put me at odds with the Premier and the Deputy Premier. The fact is that we are all clean, we have nothing to cover up, and there is no problem so far as the Senate Standing Committee on Privilege is concerned.

The Hon. T.G. Cameron: This is a long answer for such a quick question.

The Hon. K.T. GRIFFIN: Well, it is. I just want to put you back where you belong. You are trying to make a big issue out of a dead issue.

The Hon. ANNE LEVY: I rise on a point of order, Mr President. The Minister is saying 'you' and not directing his remarks through the Chair, contrary to Standing Orders.

The PRESIDENT: There is no point of order.

The Hon. Anne Levy: It is a point of order.

The Hon. K.T. GRIFFIN: Well, that's fair enough. The honourable member has done this on occasion, too, and has had to be pulled up for not addressing issues through the Chair. I address them through you, Mr President. The fact is that the Opposition is trying to make a mountain out of a molehill; it is trying to revisit or redraw history; it is trying to suggest that there is something sinister in this. But we covered it all last year, and the Senate standing committee has not criticised me, the Premier or the Deputy Premier. It has not criticised the issue—

The Hon. Anne Levy: You are repeating yourself.

The Hon. K.T. GRIFFIN: Well, I may be, but I will keep repeating myself for as long as you keep interjecting.

The Hon. Anne Levy: That is contrary to Standing Orders, too.

The Hon. K.T. GRIFFIN: No. The fact is that the Opposition is devoid of anything else of substance with which to criticise Ministers or the Government and it is trying to rake over old coals which went out last year. There was nothing in it, the media lost interest in it last year and the public lost interest in it, no matter how much the Hon. Mr Sumner came at it from different perspectives. The Hon. Mr Sumner exhaustively questioned me in relation to this matter and it was raised in the Lower House. I am afraid that the Hon. Ron Roberts is not able to get any further with me than I have already indicated.

SELLICKS BEACH SEWAGE

The Hon. T.G. ROBERTS: I seek leave to make a brief explanation before asking the Minister for Transport a question about Sellicks Beach sewage disposal.

Leave granted.

The Hon. T.G. ROBERTS: This may be only the third question, but it will certainly have a sting in the tail in relation to the Government's ability to handle some of the problems with which it finds itself since taking over from us. Mr President—

Members interjecting:

The PRESIDENT: Order on my right!

The Hon. T.G. ROBERTS: I have been criticised for using the Messenger Press for pulling out questions, particularly on matters relating to the environment.

An honourable member interjecting:

The Hon. T.G. ROBERTS: No, I was not referring to the Attorney-General. There is an inference that issues raised by the Messenger Press are not important to constituents within this State.

The Hon. A.J. Redford interjecting:

The Hon. T.G. ROBERTS: It is the inference from some of the cajoling coming from the opposite benches. On Monday the Opposition shadow travelled to the southern regions to talk to constituents.

The Hon. K.T. Griffin interjecting:

The Hon. T.G. ROBERTS: It is the first time that the shadow and the Caucus have travelled to the southern regions. We made a number of—

Members interjecting:

The PRESIDENT: Order!

The Hon. T.G. ROBERTS: No, we all found our way down there, although some went in cars that were provided. We met in various parts of the southern regions to talk to constituents about—

Members interjecting:

The PRESIDENT: Order! There is far too much background noise.

The Hon. T.G. ROBERTS: —some of their problems. We met with the Noarlunga council, which raised some issues with us. We toured the developing areas within the southern regions, including Seaford, Noarlunga, Sellicks, and other developing areas within the region. Some good stories are to be told in relation to the housing developments in that part of the State. Growth is apparent in the area; some schools are being built, and there are signs that the area is ticking over probably as well as any other part of the State. In saying that, I must also state that it was pointed out to us—and it was obvious to those who were observant—that a number of infrastructure problems relate to those developments.

Some questions were raised yesterday by my colleague in this place in relation to storm damage and the environmental costs that had been wreaked on the State over those bad two days last week. We saw first hand some of the damage that had been done and, in particular, the problems associated with the lack of sewage treatment programs for the Sellicks Beach area. An article in the *Southern Times* in relation to raw sewage being pumped into the streets around Sellicks states:

> Despite numerous council attempts to gain Government funding for an area-wide sewage draining system in this past decade, residents must get rid of the effluent themselves if household septic drainage trenches fill up.

That is an indictment on the system with which the residents must live, but it is one responsibility that Governments must take on. The Government must transfer, in those areas where developments are taking place, household septic systems onto sewerage systems. A number of articles appear in the *Southern Times* Messenger Press of Wednesday 12 July relating to much more development that will occur in the area. On page 17 of the newspaper the Noarlunga council has taken out a full-page advertisement calling for public participation in assisting it to draw up management plans for the Christie Creek area.

The local government is doing the right thing by getting its act together, calling for participatory statements and programs by the local residents. It is trying to involve local people in coming to terms with many of the developing problems that are developing in that area. The call by the council in that article is for the Government to supply funds immediately and urgently to overcome some of the potential health problems that may exist if the current problem continues. I am reminded that one of the promises the Government made through its local member, Lorraine Rosenberg, at election time was that the Liberal Government would fix the problem. My questions are:

1. What financial infrastructure support will be provided to the southern regions to arrest the problems associated with sewage treatment and stormwater run-off?

2. When will the Government provide adequate funds to connect Sellicks Beach residents to a sewerage drainage system that solves their immediate problem?

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

PORT WAKEFIELD BYPASS

The Hon. SANDRA KANCK: I seek leave to make an explanation before asking the Minister for Transport a question about proposals for the construction of a road bypass at Port Wakefield.

Leave granted.

The Hon. SANDRA KANCK: An article in the *Advertiser* of Wednesday 12 July described a number of options for the bypass of the road that already bypasses Port Wakefield. When one is travelling north from Adelaide on Highway 1, the town of Port Wakefield is itself wholly to the west of the highway, so the current route is already a bypass. The article points out the concerns of the Port Wakefield community about the proposal with some people estimating the loss of as many as 200 jobs in a community of 600 people and several viable businesses if the planned bypass goes ahead.

Truck drivers themselves say that Port Wakefield is where they want to stop. They are not looking for a bypass. Those travelling from Melbourne do not want to stop in Adelaide, and those travelling from Perth or Darwin do not want to stop in Port Augusta. I am curious as to why the Minister's department is looking at allocating $53 million for this particular project. There does not, on the face of it, appear to be any great need for it, especially against the background of savage cutbacks to health and education spending in this State, not to mention the closing of three railway stations on the Belair line for the sake of a few passing loops valued at well under $1 million. My questions to the Minister are:

1. How much time would be saved by road freight companies if the bypass project went ahead, and does the Minister consider that this time saving justifies the project's $53 million price tag?

2. Does the Minister consider the stretch of the national highway at Port Wakefield to be a road safety black spot and deserving of immediate upgrade? If she does not, why is the State Government supporting this project over other road safety measures?

3. Is this push for a bypass being orchestrated by the South Australian Road Transport Association? If not, who is behind it?

The Hon. DIANA LAIDLAW: Essentially, no-one is lobbying for it. It is a standard procedure under national highway criteria. The road is a national highway and is funded by the Federal Government. National highways must be constructed and maintained to a certain standard, and that is why such a big investment has been made in the highway to date from Gepps Cross to just south of Port Wakefield. It is a dual highway carriageway for that full distance at this time. As it proceeds further it is important that consideration be given to whether the road bypasses Port Wakefield or continues on the same route, which some would argue is already a bypass. If it is now assessed to be a bypass it is certainly not to the standard of a national highway, which would not permit the cluster of commercial enterprises on each side of the road.

The Federal Government is paying for the consultancy, and that is appropriate. I applaud the Federal Government for seeking community views on the issues from both the local people and operators. I have given a preliminary indication that I believe the local case has merit: that the national highway should continue on the current alignment. I have always thought that, in road safety terms, it is important on some of these roads to encourage people to stop and take a break, and Port Wakefield has been a traditional place for many people travelling to and from Adelaide to do so. That argument is more difficult to sustain now because of the very efficient road link between Adelaide and Port Wakefield with the dual carriageway.

Nevertheless, that remains my preliminary view on the matter. I am keen to see the outcome of the consultancy. I understand that it will be a couple more months before that has been completed. The honourable member, with due respect, got a number of issues muddled in terms of State and Federal responsibility. I will not elaborate on those further, but it is not possible actually to make the comparisons she is trying to make. I will seek the details in relation to the other questions and bring back a reply.

The Hon. SANDRA KANCK: As a supplementary question, if the Minister's department's determination is that it should follow the existing route rather than a new bypass being constructed, who will have the final say? Will she or the Federal Minister have it?

The Hon. DIANA LAIDLAW: Ultimately, the Federal Minister will have the final say and I will be merely passing on the views of the consultants (after a period of community consultation) and the views of the Department of Transport and its recommendation. Those recommendations are generally made after some discussion with me. I know that the Parliamentary Secretary for Transport (Hon. Mr O'Keefe) has made clear that he believes it should be to the west of the current alignment and, on that basis, meet the national highway standard. There is certainly a variety of views and the consultancy will be an important part of any final view taken by the Federal Minister (Mr Brereton).

LOITERING

The Hon. G. WEATHERILL: I seek leave to make a brief explanation before asking you, Mr President, a question about a question I asked last year about groups of people congregating around Old Parliament House.

Leave granted.

The Hon. G. WEATHERILL: Last year I raised this issue about groups of people drinking and making a total nuisance of themselves outside Old Parliament House. I thought this was going to be addressed, and people were talking about putting extra lighting outside there, but nothing has changed. Walking down there any evening or even on weekends you either get abused by these people heavily intoxicated or you are grabbed and asked for money. This has been going on for some time, and I honestly thought it would be addressed last year. I was told that the council would put in better lighting around the area, which might prevent that. The police seem to be ignoring the situation completely, which is unacceptable, because it is still happening.

I ask you, Mr President: when will this problem be fixed? We are trying to draw tourism to this State, yet walking past this area is quite terrifying to many people, and I have had lots of complaints about it. I have seen it for myself and I would like something done about it.

The PRESIDENT: I thank the Whip for his question. The fact is that approximately 18 months ago the Speaker, the Clerks and I met with the Police Department and the city council. As a result of the meeting an extra light was installed on the pole outside the House of Assembly. There are three lights on that pole: two floodlighting Parliament House and one floodlighting Old Parliament House. It was our opinion at the time that that may solve the problem of people congregating on the wall and behind it at Old Parliament House. There is a committee on which Mr Andrew Schulze represents Parliament and which, I think, comprises the city council and, although I am a bit hazy about this, the Casino and the Hyatt as well. It meets with the police on a regular basis, I presume, to keep those sorts of matters under control.

However, now that the honourable member has raised the matter I shall ask the police again if they can patrol the area on more regularly, if there are people agitated about the matter. I have not had any complaints, but I know that people do congregate there and I will certainly endeavour to deal with the problem if I can.

HIV TRANSMISSION

The Hon. BERNICE PFITZNER: I seek leave to make a brief explanation before asking the Minister representing the Minister for Health a question about HIV transmission.

Leave granted.

The Hon. BERNICE PFITZNER: An article in a recent medical magazine dated 7 July this year entitled 'Multidose phials can spread HIV' gives cause for concern. Melbourne scientists have demonstrated that HIV can be transmitted through phials of local anaesthetic solution that have been contaminated. In 1989 a Sydney case was highlighted in which four patients were infected with HIV in a medical clinic on the same day as an HIV positive man was treated. The medical scientist (Mr Druce) and his team, who are attached to the Victorian Infectious Diseases Reference Laboratory, decided to investigate possible modes of transmission following this Sydney case. They found that needles and syringes retained small amounts of fluid after an injection and that, if the same syringe is returned to the multidose phial, contamination can occur.

Further, it can be shown that the HIV virus can survive from one to four hours in the local anaesthetic solution. It was also found that, although the study involved high levels of HIV, the virus was still transmissible when its concentration was reduced to the level found in HIV positive patients. These multidose phials of local anaesthetics are widely used in minor surgical procedures and in dentistry. My questions to the Minister are:

1. Are multidose phials still being used in our public hospitals or doctors' or dental surgeries? If so, will we be recommending that only single dose phials be used and that the reuse of needles and syringes be avoided?

2. What will the Health Commission do if the practice of using multidose phials persists (a) in public hospitals and (b) in private surgeries of doctors and dentists?

The Hon. DIANA LAIDLAW: I will refer the honourable member's question to the Minister and bring back a reply.

PUBLIC ENQUIRY TIMETABLE SYSTEM

In reply to **Hon. T.G. CAMERON** (4 July).

The Hon. DIANA LAIDLAW: I provide the following information in relation to the Public Enquiry Timetable System (PETS).

1. On 5 August 1991 the former Government approved the expenditure of $1 000 000 for the development of PETS. A contract was signed with C. J. Abell Pty Ltd (now Vision Abell Pty Ltd) on 20 September 1991. Expenditure on the project is currently $992 126.

2. The contractor initiated a prolongation claim in June 1993. When this Government came to office the claim was unresolved. Constructive negotiations have been held with the contractor and this Government is hopeful that the claim will be resolved in the very near future. In conjunction with the settlement of the claim, this Government is seeking both the cost involved to complete the project and a completion date from the contractor.

Following settlement of the claim, I intend to carefully review the project. This will involve a high level assessment of the technical aspects of the project and an evaluation of the most appropriate way to deliver the outcomes of this project to TransAdelaide patrons.

3. The Government will examine the opportunities to sell PETS to other public transport authorities when the project is completed.

REPORTS

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

Leave granted.

The Hon. ANNE LEVY: I am sure that all members present will recall that the Minister, when shadow Minister, was adamant that reports should be released and made available for others to read at the earliest possible opportunity. She was particularly critical that the report of the Adelaide Festival Centre Trust was not released until the commercial in confidence material had been edited from it. She was also very critical that the report on Carrick Hill had not been released, even though the board of Carrick Hill had requested that it not be released. It is noticeable that in the past 18 months the review of Carrick Hill has not been released by the Minister who, presumably, is now taking note of the request of the Carrick Hill board that it not be released. However, a number of other reports are unlikely to contain commercial-in-confidence information. I refer to the report commissioned by her from Peter Alexander—not the Peter Alexander of the Police Association, but the Peter Alexander of the arts community.

The Hon. A.J. Redford: Are they related?

The Hon. ANNE LEVY: I have no idea. They are extremely competent gentlemen in their respective spheres. Peter Alexander's report is on the relationship between the Adelaide Symphony Orchestra and the State Opera of South Australia. That report is now being followed by a further report commissioned by Peter Alexander. I wish that I had his luck to be in Florence at this time.

There has also been the report by Miranda Rowe into the Women's Information Switchboard, which has been eagerly awaited and which, it is well known, was presented to the Minister some time ago but has not been released. A further report was commissioned on the review of the corporate services section of the department. Likewise, that has not been released, although many people, not least those associated with the *Adelaide Review*, have had great interest in the organisation's corporate services.

There is also a report prepared by the Hon. Mr Stefani on possible amalgamations of multicultural arts organisations. We know that the Multicultural Arts Committee has not had its funding cut or changed in the current budget, but nevertheless there remains great apprehension in a number of multicultural arts sectors as to their future, waiting on the Stefani report.

Will the Minister release publicly, table in Parliament or make available to me all those reports—that is, the review of corporate services in the department, the Alexander report on the Symphony Orchestra and the State Opera, Miranda Rowe's report on the Women's Information Switchboard, and the Stefani report on the organisation of multicultural arts in South Australia—and if not, why not?

The Hon. T.G. Roberts: The long-awaited and controversial Stefani report.

The Hon. DIANA LAIDLAW: The long-awaited and controversial Stefani report, as the Hon. Terry Roberts calls it. Nobody knows anything about that report, including Mr Stefani, who has never been asked to write such a report, so I suspect that none will be prepared. Therefore, we will not be able to satisfy the honourable member in that respect.

There are ongoing discussions with a number of groups, including the Multicultural Arts Trust of South Australia and the Multicultural Arts Council. In respect of the review of the corporate services of the department, I received a copy of that report on Monday, but I have not had time to pick it up and look at it, let alone decide when it will be released. It will be released publicly. I am not inclined to favour releasing the report to the honourable member and not releasing it to the shadow Minister for the Arts. If I am able to release it to him or her, I will certainly be prepared to release it publicly. I will not have the clandestine swapping of reports.

As for Miranda Rowe, I received a draft report some time ago, as the honourable member said. There was further work to be done in terms of some statistical information. That matter was discussed between the Office of the Status of Women and Miranda Rowe. I understand that that report is still with the Office of the Status Women and that it should finally be with me this week.

As for Peter Alexander, the initial report was an internal working paper—a basis for his further work. Like the honourable member, I would love to be in Florence, with or without him, but I am here instead. He is doing a lot of work. I should receive the final report at the end of this month. I suspect that the Opera and the Adelaide Symphony Orchestra would be prepared for public consumption.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: It is an internal working paper.

The Hon. Anne Levy interjecting:

The Hon. DIANA LAIDLAW: Of course you can.

The PRESIDENT: Order!

The Hon. DIANA LAIDLAW: By that stage you will have got the final report. I do not know what you are so anxious about.

The PRESIDENT: Order! Question Time has reached a fairly low ebb. We have had eight questions today because there were extremely long explanations and extremely long answers in some cases. I do not think that that helps. I have been talking to the Western Australian Clerk, who says that they have half an hour of questions and that they expect nine or 10 answers. New South Wales has one hour, and 19 to 20 questions are answered. I do not suggest that we go to that extreme.

The Hon. Diana Laidlaw interjecting:

The PRESIDENT: Order! Does the Minister for Transport not want to listen to this?

The Hon. Diana Laidlaw: I wasn't here for most of Question Time.

The PRESIDENT: That is no excuse to be yapping on when I am trying to ask for an improvement in the operation of Parliament. I am trying to get it to work as efficiently as it possibly can. Our present system is deteriorating to fewer and fewer questions, more interjections, and a lot of background noise. Unfortunately, that is not helpful to anybody. I suggest that the Opposition or whoever is asking questions keeps explanations reasonably short, and I will endeavour to keep Ministers to reasonably short answers.

MATTERS OF INTEREST

AUSTRALIAN VERNACULAR

The Hon. L.H. DAVIS: There is something delightful about the Australian vernacular. 'He's flat out like a lizard drinking' and 'He's a few bricks short of a load' are distinctly Australian. Sadly, phrases such as those and words such as 'bonzer' and 'cobber' and, dare one say it, 'sheila' have all but disappeared from everyday speech. One of the joys of a visit to outback Australia is to hear some of those all too readily forgotten Australianisms. Why have those words and phrases gone? Is it because they are unfashionable? Is it that, as a nation, we have become more sophisticated? Or is it because of our growing reliance on America for food, films, fashion, culture and sports?

Do not get me wrong. I am a fan of many aspects of the American way of life. The pride of Americans in their nation and their confidence and determination to succeed are elements that have helped to make the United States the leading nation in the world. The fast food chains that dominate Australia are all American—McDonald's, Hungry Jack's, Sizzler, Pizza Hut and KFC (no longer called Kentucky Fried Chicken because 'fried' is gastronomically incorrect). Why oh why isn't there a boomerang burger chain? Of course, the burger is American.

However, it is refreshing to see the belated recognition of native foods. Andrew Fielke, in the Red Ochre Grill restaurants in Adelaide and in Cairns, has recently and deservedly won the State Tourism Award for the best tourism restaurant. Vic Cherikoff has established a multi-million dollar industry distributing native foods to restaurateurs and food stores, including red and blue quandongs, bunya nuts, lemon thyme, lillipillis, and wattle seed. Kangaroo and emu meat appear on restaurant menus.

In the past 20 years, the Australian film industry has undergone a refreshing, if not patchy, renaissance. It is all too readily forgotten that Australia was a world leader in the film industry in the early twentieth century. C.J. Dennis's *The Sentimental Bloke* was made into a full-length feature film in 1919 and it was a classic, as was *For the Term of His Natural Life*.

The National Film and Sound Archive has in recent years been desperately trying to collect and conserve some of these early films. The South Australian Film Corporation enjoyed a golden patch during the 1970s with classics such as *Breaker Morant, Picnic at Hanging Rock, Sunday Too Far Away* and, later, *Storm Boy*. *Crocodile Dundee* refocussed international attention on the Australian film industry and, in the past three years, *Strictly Ballroom*, *Muriel's Wedding* and *Priscilla, Queen of the Desert* have enjoyed international success and acclaim. Indeed, *Priscilla* won an Oscar this year for best costume design.

In sport, it is unnerving to find that young people are wearing American baseball caps, advertising the White Sox or the Phillies, or American basketball uniforms of people such as Michael Jordan. The Americanisation of sport has a pervasive influence on Australian youth. It is alarming to see that the most popular sporting heroes among Australian youth are not, in fact, Australians but, rather, Americans. In fact, one survey showed that Michael Jordan was the most admired sportsman in Australia amongst young people. When Michael Jordan turned his back on dribbling and went to the dugout in an effort to become a frontline baseballer, this story received relentless publicity in Australia. That is not to say American basketball, baseball and gridiron is not good television viewing for sports fanatics, but the marketing of American sports through international sporting wear manufacturers such as Nike, Reebok and Adidas makes an inexorable impression on young Australians.

This may be good marketing, because it translates into millions of dollars in merchandising sales, but isn't it more desirable that Australian basketballers, footballers, cricketers and athletes are used as role models by international sporting wear manufacturers? People such as Mark Woodforde and Todd Woodbridge, winners of three successive Wimbledon doubles titles; Cathy Freeman and Melinda Gainsford, world class sprinters; and Mark Taylor, cricketer, are excellent examples. There is, of course, some advertising along these lines. But it is somewhat disappointing to find the passion amongst the young for mint condition swap cards of American sporting stars.

In the field of entertainment and culture, Australia has its own exports such as *Neighbours*, which has been a tearaway success on English television. But Australia needs to develop its own popular culture without slavishly adopting or following American models. Many people thought that Steve Vizard's late night television show was terrific until the David Letterman show came along and all was revealed—Steve Vizard's program was a dead copy of David Letterman, even down to the hand-pumping which started off the show each night. And television news in Australia sometimes has the same music and format as their American counterparts.

But all is not lost. I am told that one of the latest hits on youth station Triple J is 'Australia—Don't become America'. This is an issue not so much for governments but for opinion makers such as the media and major sponsors and promoters of events. It should also be a talking point in schools. As we come to the end of a millennium, Australia and Australians should work at retaining and strengthening this country's unique culture, instead of just slavishly saying, 'Play it again, Sam.'

WAGE CONDITIONS

The Hon. T.G. CAMERON: The Melbourne *Age* today carries the headline 'Howard takes aim at the unions'. In his second so-called headline speech, Mr Howard outlined the Coalition's plans to lift the performance and competitiveness of the Australian economy. Mr Howard's speech is notable for its lack of detail and specifics. In fact, it is what he does not say that is worth noting. There is no acknowledgment whatsoever of the positive role played by the ACTU and the Australian trade union movement in reducing our strike rate and the positive role in cooperation with the Federal Government in containing wage rises during the 1980s. For example, the ACTU promised wage outcomes lower than those of Australia's trading partners for the life of Accord Mk VIII.

In the 1980s, the centralised wage fixing system that was a part of the Accord process allowed the ACTU to play a dominant role in wages policy. In fact, Bill Kelty was ruthless towards unions that tried to break out of the wages straitjacket devised between Canberra and the ACTU. In the latest edition of the *Business Review Weekly*, there is an article captioned, 'Strike rate down to 55 year low', written by Nicholas Way. For the information of members, I will now quote from the article:

> Days lost have been cut by a more enlightened approach by unions—and the introduction of enterprise bargaining. Workers of Australia take a bow. After a spate of strikes in the early 1980s [under a Liberal Government], industrial action has dropped to levels not seen since World War II. More importantly, this trend has remained on a downwards curve since the advent of the more decentralised enterprise bargaining system of the 1990s.
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> As the Australian Bureau of Statistics says: 'There were 558 industrial disputes reported in Australia in 1994, down from 610 in 1993. This is the lowest number of industrial disputes for a calendar year since 1940. The annual number of disputes over the past 20 years peaked at 2 915 in 1981 [again, under a Liberal Government], and has fallen every year since 1984, when 1 965 disputes were recorded. In terms of working days lost, the figures are just as telling. In 1994 there were 501 000 working days lost (the lowest total for a calendar year since 1959), a drop of 21 per cent from 1993 and a fall of 58 per cent since 1 202 400 working days were lost in 1989.

In fact there has been an 80 per cent drop in working days lost between 1973 and 1993, compared with Canada's 38.5 per cent. The author goes on to say that there has been a big shift in union attitudes towards business. While no-one would say that the situation is perfect, unions have a far more positive attitude today. They understand that a healthy business is good for their members. The author goes on to say that the Accord process has played a key role in changing union and worker attitudes.

When the Hawke Government asked the union movement to discount wages to offset the balance of payments crisis in the mid-1980s, the ACTU held the line on wages, even while interest rates were rising sharply, and evidence that executives were helping themselves to large increases. During this

period, there were skill shortages in the metal trades areas which could have triggered a wages blowout. However, the unions remained cooperative with the Federal Government. The author goes on to say that if union officials were the architect of the industrial mayhem of decades past, they must now be given the credit for the changing attitudes of the past 12 years.

He concludes his article with the statement, 'But Australia's battles with the problems of fostering an open and competitive economy is being assisted by a more responsive and responsible trade union movement', which brings me to Howard's plans to, '. . . lift the performance and competitiveness of the Australian economy.' Howard has never supported an application to increase wages in the Federal Commission. He always supports the bosses' position which is no increases for workers. Howard would destroy all that has been achieved in Australia since 1982, if he became Prime Minister.

Howard also said that the country needed to aspire to the high performance of its Asian Pacific region. This was a euphemism for what he was really saying, that as Prime Minister, Howard will oppose all wage increases. What he wants is no unions and the introduction of a wages and conditions that exist in Asia, often under military dictatorship.

WOLSELEY RAILWAY LINE

The Hon. SANDRA KANCK: The Wolseley-Mount Gambier-Millicent rail line is one that most members know is closed in the sense that it is no longer operating. It reflects a pattern of Australian National. It is due to what some have called the rigorous abandonment of South Australian lines by Australian National. Since 1978, they have managed to close down over 1 400 kilometres of our country rail network. There is a window of opportunity to reopen this line, but it is only there for a short time. If those in the area who have previously used rail for their freight needs, particularly farmers, switch to road by the end of this grain harvesting season as a result of not having the rail service, it is unlikely they will make the switch back to rail.

There are lessons to be learned from what happened in Victoria. The Government had decided to close the rail line from the Wimmera to Portland because it would cost the Government $12 million to upgrade the line. But the new manager of V-Line Freight threw some very hard economic rationalism back at his Government bosses. He showed them it would cost $30 million to upgrade the road, plus $2 million annual maintenance, so he got his $12 million for the rail upgrade.

I asked a question of the Minister for Transport last month about the costs to South Australia to upgrade and maintain the roads in this area, and she indicated this was a matter she is following up because of its importance. I suspect she will find a very similar situation in South Australia, and that economic rationalism would demand that this line remain open and become operational again. There is a private company, KNS Consortium, which is willing to operate the line using the US shortline concept, provided it gets some funding.

It is asking for $7 million from the Federal Government, $1 million from the State Government and $.5 million from local government in the area. I wonder how the $1 million that is being requested from the State Government compares with the road cost that we will probably have to bear in the longer term if this line is not allowed to operate. Most people who are up to speed on this issue do not think arbitration will make any difference now. It did not in the past when the passenger service was discontinued. Forcing Australian National to keep the service operating just will not work. Attitudinally it is just not the right group to operate the service. When I asked the question last month, the Minister described the Lander report as being overly optimistic, and it does look overly optimistic compared with the Marvin, the paranoid android attitude of AN. Given the way Australian National has treated rail in South Australia since 1975, what more could you expect of its analysis?

The three companies that are involved in the consortium are currently involved in road and rail freight and railway construction. They know the business, have done the research and analysis and have the skills. They would not be promoting this venture unless it was profitable. Those who have said that the Wolseley to Mount Gambier-Millicent line will be unprofitable are correct, but only if, as Australian National did, it is operated without any vision, optimism or marketing and without maintaining the infrastructure; but the consortium that wants to take it over has all these qualities, plus the expertise and a willingness to make it work.

If this State Government allows the line to be surreptitiously closed it will be doing so at great cost to the environment. Figures from V-Line Freight, comparing fuel used to transport 2 000 tonnes of grain from Mildura to Geelong, show that it would take 7 000 litres of fuel to do it by rail on one single train and 21 000 litres of fuel using 640 trucks to do it by road. So, we are looking at not only substantial road damage but a tripling of greenhouse gas emissions if this railway line is not able to be used properly again. There is no doubt that Australian National is playing a clever game at the moment by not even formally announcing that it is has closed the line. The State Government has to take strong and positive action to force the Federal Government to come clean with its intentions, but in the meantime it is essential that the State Government not permit the dismantling of this rail infrastructure under any circumstances.

CYPRUS

The Hon. J.F. STEFANI: Today, on the eve of the twenty-first anniversary of the occupation of Cyprus by Turkish forces, I would like to say a few words about this unjust invasion, which has caused much suffering and distress to many Cypriots since that terrible day of 20 July 1974. I also take this opportunity to express my heartfelt sorrow and personal support to my many friends within the South Australian Greek Cypriot community on the eve of this remembrance, which marks the twenty-first year of the invasion and persecution of Cyprus and its people.

For over two decades now, human rights and fundamental freedoms for the Cypriot people have been grossly and systematically violated by the Turkish invasion and continuing occupation. Forty per cent of the Greek Cypriot people have been expelled from their country and their properties and have forcibly been prevented from returning to their homes and their motherland by the Turkish troops. The Turkish troops have divided Cyprus, occupying more than 37 per cent of the country and killing and wounding nearly 5 000 Cypriots. They have taken a further 2 000 people as prisoners, most of whom are now believed dead. Today, the enclaved Greek Cypriot community continues to struggle to survive in arduous conditions and in cities and towns which

are occupied by the Turks, who have adopted a policy of ethnic cleansing and colonisation, destroying the cultural heritage of the Cypriot people.

Despite the goodwill which has been demonstrated by the Cypriots during the last 21 years, the Turks have ignored all efforts aimed at reaching a fair and comprehensive settlement. During this period of oppression, it is Turkey which has maintained the division of Cyprus, perpetrating gross violations of human rights on its citizens. The Turkish forces have ignored the numerous UN resolutions calling for the immediate withdrawal of all foreign troops and demanding the restoration of sovereignty, independence and territorial integrity to Cyprus. It is tragic that, after such a long period of time and despite the efforts of the former President, Mr Vassilliou, the United Nations and President Klerides, the conflict is no nearer resolution.

The ongoing United Nations initiatives have, unfortunately, been rejected by the Turks and talks have not yet produced any positive results. At a time when the Security Council is considering its future course of action, the Turkish regime has continued to undermine the efforts of the United Nations through provocative statements and actions. I believe that Australia as a nation must play a more active role to ensure the peaceful withdrawal of all foreign armies and settlers from Cyprus so that freedom, independence and peace may be restored once more in that country.

The South Australian Government supports the sovereignty and territorial integrity of the Republic of Cyprus, and as a community we do not recognise the so-called Turkish Republic of Northern Cyprus. The 'Month of Mourning' organised by the Justice for Cyprus Committee has again brought to the attention of the South Australian public the plight of the Cypriot people and the continuing injustices which they are enduring. I pay tribute to the efforts of the South Australian Justice for Cypriot Committee, to its tireless and continuous pursuit of justice for the Cypriot people and to its commitment of support to Cyprus. In joining with it in this commitment I reaffirm my continued support for the quest for a free Cyprus and the freedom of its people and call upon the Federal Government to take a more active role on this issue. I also share with the South Australian Justice for Cyprus Committee the hope that, one day, justice, freedom and peace will return to its people. *Zito ii Kypros*.

STORMWATER

The Hon. T.G. ROBERTS: The subject matter I wish to address today is the catchment management plans and the engineering solutions that have been applied to come to terms with some of the problems associated with stormwater flow and management. In the 1950s and 1960s it was the desire of catchment management programs to get as much stormwater from point A in the east to point B in the west—from the foothills to the sea—as quickly as possible in least disruptive way as possible. The idea was to concrete our channels, which are in the main natural water courses and, when downpours did occur in the metropolitan area between the Adelaide hills and the sea, these catchment areas would channel the water through the concrete pathways down to the sea.

Unfortunately, in the late 1960s and early 1970s and certainly into the 1980s, those projects were seen to be designed with only one thought in mind, namely, to move water from point A to point B, but it was starting to show in the gulf that this was not a desirable solution for an environmental problem, which we are now having to address.

A solution to one problem created other problems, and they had to be addressed. It was quite clear that the seagrasses in the gulf were starting to die and that the mangrove swamps where the wetlands had been drained and in some cases polluted by industry and/or incursions by growth were starting to impact on our total environment. We then had calls for specific point source pollution solutions to be drawn up and engineering programs to be put in place at the developers' and/or Government's cost and, in some cases, joint venture cost. Local governments took up the challenge in the northern suburbs and have put together a management plan that I think is one of the best in the State. In the southern regions, the southern councils responsible for the rivers and outlets around the Noarlunga area put together their management plans and are in the process of drawing up second and third generation programs that will need both engineering and natural solutions to overcome the problems.

After the water catchment management plan programs have been put in place and the legislation has been through both Houses, one of the challenges the Government will face will be to get communities to agree to engineering solutions and to work with catchment management plans that have a wetlands or a natural solution incorporated into them. Pressure will be placed on councils to adopt expensive engineering solutions and to apply natural or wetland solutions.

The council's approach in the Noarlunga region to call for expressions of interest by community groups and organisations to make input into the declarations for their intentions is an admirable one. I understand that local government in that area has costed one program out to about $7 million. Those costs are a concern not only to me but also to the people in that community because levies have to be raised for those solutions to be put into place. The Government needs to ensure that the engineering solution recommended by experts, that is, consultants employed by councils and/or State Governments to put those programs in place, are the correct ones to come to terms with those problems.

The Patawalonga solution advocated by a particular consultant does not appear to be the solution that needs to be applied in that way. A number of other expert opinions suggest that the total plan devised as an engineering solution to this problem is not the right one and that it will need to be supplemented by another process in addition to what is being devised by the Government. Therefore, the lessons to be learnt by the Government are to make sure that all the inputs made by experts into the recommendations for adoption are the correct ones, to keep the local people informed of the solutions and to draw on local people's expertise when formulating those plans.

MORAN, Mr FRANK, DEATH

The Hon. R.D. LAWSON: I wish to pay a brief tribute to the late Francis Brian Moran QC, who died on 6 July 1995 at the age of 73 years. Frank Moran, as he was always known, was one of this State's greatest criminal advocates and one of the great characters of the legal profession. He began his legal career before the Second World War as an office boy in the office of the firm which later became Genders Wilson and Bray. He served with distinction in the Royal Australian Air Force during the war and after the war completed his Bachelor of Law degree at the University of Adelaide. He

was admitted to the Bar in 1947. He was proud of his academic achievements, particularly for a distinction that he obtained in equity.

His interests and activities extended beyond the law. He was active in the Australian Labor Party but became disenchanted with it and became a founding member of the Democratic Labor Party in this State. He was very keen on sport and was a delegate of the West Torrens Football Club to the South Australian National Football League for a number of years and he was Chairman of League Commissioners from 1971 to 1978. He was a life member of the Woodville District Cricket Club.

However, it was as a practising lawyer that Mr Moran made his greatest mark. He specialised in criminal law and appeared in many of the significant criminal cases in this State over many years. He was renowned for appearing for legally aided and other indigent accused persons, and much of his work was performed before legal aid rates were at their current, albeit low, level. He was appointed Queen's Counsel in October 1970. He was a man of great compassion, a supporter of unpopular causes, a true friend of the underprivileged and a champion for the battler. In court his wig was often askew and his spectacles perched on his lined forehead. His voice was rasping and his language plain, colourful and witty. He was a great believer in the jury system, and many of his greatest triumphs were before juries.

After a long and celebrated career as an advocate Mr Moran was appointed a judge of the District Court in December 1983. Unfortunately, his career on the bench was marked by ill health and he retired in April 1986. The Chief Justice correctly described Frank Moran as a 'courageous and tenacious advocate, one of those colourful characters who add life to the law'. Chief Judge Brebner described him as one who 'never lost the common touch.' He said, 'He enjoyed nothing more than a beer and a yarn. He was a genuine and truly Australian character.'

Frank Moran and his wife had 12 children of whom he was immensely proud. His funeral service was held at St Patrick's Church in Grote Street last week and it was attended by hundreds of his friends, colleagues and family—a great testimony to the affection in which he was held by all who knew him. He served the South Australian community well.

RACE HATRED

The Hon. G. WEATHERILL: In my grievance today I want to talk about how people hate one another and about how that is still going on today. During the Second World War I was a young person in England from a large family. I remember having feelings of hatred toward the Germans when I was young because I came from an area that was the largest sea port in the British Isles. We were bombed every day and had to run to air raid shelters during the day and night. Through the news and media reports we built up feelings of hatred towards another group of people.

The Jewish people were persecuted by the German people. Certainly, after the Nuremburg trials and after the war was finished we used to think that the people who participated in these terrible crimes against humanity were inhuman, but the situation started to settle down after that and we met German people and started to see them in a completely different light. I saw that they were no different than we were.

However, 50 years after the Second World War finished we now see in South Australia a group desecrating Jewish and Catholic graves in the West Terrace Cemetery. I believed that as a community we had gone past that. Certainly, in Australia there has always been a tendency to run down people from other countries, and I have seen this when I have walked through the city and seen groups such as skinheads, the National Front and the like and, especially when they are in gang situations, they pray on anyone from a different country. For such activity to be happening in this day and age is totally abhorrent to everyone except those particular groups. These people have a right, just as everyone has a right, to demonstrate, but when it comes to attacking anyone who is different to them or speaks a different language from them I think democracy has gone too far. I understand that legislation is to be introduced at both Federal and State levels and the sooner that is introduced and people are protected, Australia will be a much nicer place in which to live.

STATUTORY AUTHORITIES REVIEW COMMITTEE: ELECTRICITY TRUST

The Hon. L.H. DAVIS: I move:

That the interim report of the Statutory Authorities Review Committee on the Electricity Trust of South Australia be noted.

The Statutory Authorities Review Committee, established about 14 months ago, undertook as its first review an examination of the Electricity Trust of South Australia, with various terms of reference. This report concentrates on reference 5(d), which covers the past and possible future electricity demand growth scenarios with respect to generation and fuel supply strategies, having regard to South Australia's future economic and regional growth interests. The committee has taken evidence from six people with respect to this term of reference. We also received submissions or answers to questions from a further 10 organisations or individuals.

This area, until recent times, has not received the attention that it deserved. I refer particularly to demand side management. Over the past seven or eight years, since the Industries Commission report into the national electricity industry was first published, all major electricity authorities around Australia (and they are State-owned) have moved quite dramatically to improve productivity, effectiveness and efficiency of operation, and that is no less true of the Electricity Trust of South Australia. I think the committee recognises that over the past few years there has been a dramatic change in work practices and in productivity in ETSA, albeit that the number of employees shed is about 50 per cent.

The committee accepted, after analysis, that ETSA had a reasonably good record in predicting future demand, given the limitations of modelling techniques and information available to it. The annual demand forecasting projections of ETSA, as well as the longer-term forecasting, was found to be reasonably accurate. I will say more about that later.

In particular, the committee was interested in demand side management which, within the electricity supply industry, is defined as the actions taken by an electricity utility or other related industry organisations to influence how end use customers use electricity. The committee, in findings which were unanimous, believed that ETSA certainly was not the leader in demand side management in Australia. Victoria, and perhaps more particularly Queensland, had introduced very attractive demand side management techniques and packages.

For instance, the Queensland Labor Government earlier this year, in an energy efficiency and alternative energy policy statement, announced incentives which included grants of up to $500 for home owners to install solar hot water systems, a rebate of up to $80 for improvements undertaken to reduce electric hot water costs, and rebates of up to 50 per cent of the cost of energy efficient lighting and solar window film installed by commercial building owners. That was aimed at reducing inefficiencies in energy use. Of course, it also had a lot to do with encouraging better building practices, about which the committee had something to say. The committee also recognised that through energy education consumers, in both the domestic and the commercial arenas, could contribute to reducing their energy costs by using energy more efficiently. Therefore, it was a win-win situation in terms of smoothing the peaks for the energy utility and reducing the costs of energy for the end user.

I think the committee also recognised from the evidence that it took that there was a significant gap between the incentives given in Australia for demand side management and those of, say, America. We received evidence that in some States of America energy efficient refrigerators, washing machines and domestic appliances were given to householders because it was believed by the energy utility that it could save more money in this way than by allowing householders to retain inefficient and heavy energy-using appliances within the household.

The committee recommended that the Government should delegate the planning and coordination of demand side management activities and associated issues to a single organisation. The Office of Energy, as it was then styled when the committee took evidence, provided very useful backgrounding and educational information on demand side management through its office, as did ETSA. We believed that there was benefit in consolidating and funnelling the planning and coordination of demand side management activities through a single organisation.

To return to future demand forecasting, the committee noted that, unlike the Eastern States, the peak in demand in South Australia was in the summer months, as distinct from the other Australian States where the winter peak was the larger, because of the heavy use of electrical goods such as air-conditioners. In predicting peak demands to assist with maintenance planning and other aspects, we recognised that ETSA was doing quite a satisfactory job.

One of the witnesses—the ETSA Pricing and Customer Research Manager—in giving evidence to the committee, noted:

> . . . in order to meet that load on those few days of the year [that is, summer] it follows that we will have a lot of plant installed which will not be fully utilised for the rest of the year. It is really the main cause of South Australia's relatively poor overall system load factor, which is the ratio of the average load on the system to the peak load on the system over a year. That ratio is about 56 per cent compared to the other States where typically the load factor is higher. Another reason for that effect is that we do not have a very large industrial base in South Australia.

The committee recognised that some differences existed between South Australia and the Eastern States when it came to peak demand in electricity.

The committee recommended that ETSA should continue to improve its modelling for predicting the short and longer-term demands for electricity and to establish, maintain and improve the networks to ensure that it gets the best information available on the various independent variables that go to make up the level of demand for electricity in South Australia.

Returning to the demand side management strategies, overarching the debate about the corporatisation of ETSA, which is just taking place, is the formation of the National Grid Management Council and the resolve to move to a national grid in the near future. That will also result in new enhanced demand side management strategies being put in place, and hopefully this will lower costs to customers and the utilities.

The National Grid Management Council noted that demand management can result in the following effects: the alteration of time of use of power, that is, shifting energy use from peak times into non-peak times; an overall reduction in power used—this can assist in deferring future capital expenditure, which can be particularly important in South Australia where our reserve plant load factor is very low and major capital investment decisions in electricity have to be made shortly; and, finally, load building, that is, utilising electricity in place of alternative fuel sources.

The National Grid Management Council also noted that there are a number of benefits of implementing demand side management: a reduction in greenhouse emissions from generation, and lowering the cost of production and supply. The council echoed what the committee found in the evidence that it had received from a variety of sources: that demand side management strategies have been applied across Australia in a very uneven fashion, despite the benefit that the community could receive from its implementation.

The ETSA view of demand side management was provided by the Acting Market Segments and Demand Manager of ETSA, Mr Packer, who defined demand management as follows:

> . . . that the objective of demand management is to shape future demand for electricity in ways that are beneficial to both customers and utilities, and demand management is the planning, implementation and monitoring of utility activities designed to influence customer use of electricity in ways that will produce desired changes in customer purchasing or behaviour patterns.

Mr Packer indicated that, in terms of influencing the shape of the demand curve:

> The first approach . . . is what we call in-peak clipping, looking at programs aimed at taking the top off our load curve and simply reducing it. The second option is talking about value infilling, increasing the demand at times when there is spare capacity during the day. We are talking about load shifting, which is a variation on the peak load reduction. Instead of switching off completely, we are pushing it into other parts of the day, so improving the shape and efficiency of the load curve. There is conservation, which lowers the load curve across the board; and then there is a strategic load growth . . . to fill whatever spare capacity may be available.

That is a very succinct summary, members would agree, on demand side management. Mr Packer later also agreed that ETSA does not have as an aggressive scheme as that which exists in parts of the United States, where the utility will give large cash rebates, bonuses or appliances, and things such as that. ETSA argued that it had a demand side management program where it encouraged the efficient use of appliances because Australia has an energy labelling system involving the use of stars on an appliance. Certainly there is widespread agreement that that is a good way to go.

ETSA indicated to the committee that it had undertaken a range of demand side management initiatives over recent years, including domestic off-peak tariffs for water and storage heating; off-peak tariffs for general purpose, industrial and farm markets; and time-of-use demand tariff

for industrial customers. More recently, it looked at industrial load curtailment; direct load control of commercial air conditioning; the study of domestic energy efficiency at Mary Street, Unley; the demonstration of energy efficient technologies; the promotion of energy efficient homes and buildings; the provision of community education programs and energy advisory service; the provision of customer billing information; and a remote areas energy utilisation program.

The Office of Energy also provided information. Mr Haines, the Senior Energy Management Consultant, gave evidence to the committee, both as a representative of that office, which is now associated with the Department of Mines and Energy, and also as a private citizen. The Office of Energy provided policy advice to the Minister of Mines and Energy and also provided practical information, through the Energy Information Centre, by providing energy audits for individual businesses. It is true to say, the committee was impressed with the quality and appropriateness of the information provided to it by Mr Haines.

Mr Haines, in his information, noted that the Government energy program started in 1984 to assist the Government in reducing energy costs to Government facilities such as offices, schools and hospitals, predominantly, and it has been extended to provide information into the private sector. Mr Haines in his evidence said:

> The benefits of energy management are saving money and reducing business expenses. Fifty per cent is a realistic target for many businesses, although not all will hit it and some will surpass it. People think about their power and light bill and think, 'You have to pay it; there is nothing you can do about it.' That could not be further from the truth.

Again, just indicating the potential that exists for demand side management in industry, Mr Haines talked about strategies for altering lighting, usage of air conditioning, and the use of electric motors and cogeneration. In talking about the payback times for various efficiency strategies, he told the committee:

> For high efficiency motors, there is a payback of just under three years; for variable speed drives, they say four and a half [years]; for compressed air, just over two and a half [years]; for high efficiency lighting they have variable figures. So, here we have a series of payback periods in the two or three year bracket.

In response to a question from one of the members of the committee about assessing costs and whether business should look at the load factors as a matter of course, Mr Haines said:

> Most people would never have heard of it . . . unfortunately in South Australia it is not possible in most cases because the demand is not reported . . . I believe (in other States e.g. Victoria) they do.

As a result of the submission made by Mr Haines, the committee noted that the implementation of energy efficiency, which ultimately affects the level of demand, can be undertaken relatively easily, if resources are made available to inform users of energy how to do this and to help in assisting with the implementation of changes. As I noted previously, both ETSA and the Office of Energy provide demand side management advice; we believe that would be more efficiently provided by just one person.

We took advice and received information from all the major electricity authority providers around Australia. The South East Queensland Electricity Board (SEQEB), which has been regarded as probably the first electricity cab off the rank in terms of initiating improved productivity, effectiveness and efficiency in recent years, wrote to us in response to a request about its demand side management practices. It said that, although it did not have a formal written demand side management policy, demand side management strategies do support the corporate plan in the areas of customer and community satisfaction, and that in fact it provided off-peak tariffs to domestic users for the use of products such as dishwashers, driers, washing machines and pool filters. There was a distinct advantage in Queensland compared with South Australia. As I mentioned earlier, in February 1995 the Queensland Government announced what could only be described as a radical package of initiatives, which committed the Government to spend $35 million in three years on largely demand side management initiatives.

This detailed report is an important addition to public knowledge in this area. It certainly is a matter receiving a lot more attention from electricity authorities around Australia. Also, domestic users and industry are recognising the importance of taking demand side management more seriously. We accept that ETSA is also conscious of its role in demand side management, but nevertheless we recommend that the ETSA report could provide more information about demand side management projects, the amount of demand reduced as a result of these activities, and to provide generally more information about demand side activities, along with demand side management performance statistics. The committee recommended that additional resources should be made available to enable expansion of demand side activities.

Finally, the committee believed that it would be appropriate to conduct a review of electricity tariffs to take into account demand side management practices. On behalf of the committee, I record our thanks for the professionalism and enthusiasm of our two staff members, the Secretary to the committee (Ms Vicki Evans) and the Research Officer (Mr Mark Mackay). The parliamentary committee system has certainly been enhanced by the provision of adequate staff which, hopefully, will make a worthwhile contribution to ensuring that that system works well into the future.

The Hon. ANNE LEVY: I am happy to support the motion. As the Hon. Legh Davis has said, this is the second interim report on ETSA that has been presented by the committee. I am afraid that there are a number of others to come, but I hope that their production and presentation to Parliament will not be delayed for too long. The Hon. Legh Davis, the Chair of this committee, has given a good summary of many of the report's contents, and I do not wish to repeat a great deal of what he has said. The committee here was examining forecasting of demand and demand side management. We came to the conclusion that ETSA was efficient in its forecasts of demand as much as could be expected, given that the variables are not constants and will change with time due to circumstances quite beyond the control of ETSA. But the committee was less happy about the approach to demand side management, without denying the contribution that ETSA is making in that area.

As the Hon. Mr Davis has said, Victoria and Queensland are leading the way in this respect and we felt that South Australia should attempt to catch up with the other States. Demand side management has advantages for consumers as it has the potential to lower their electricity bills, and there would be no consumer who would not be interested in that. It also has great potential benefits for the State in two ways: at a philosophical level I am sure that we would all agree that the less we use up our non-renewable resources the better; and waste in production of energy is not desirable. If we are to achieve a sustainable energy balance in modern society, this will mean a reduction in total energy use. Demand side

management appeals to anyone who wishes to be as efficient as possible and not to waste resources.

Furthermore, of course, the big advantage to the State in demand side management is that, if total consumption can be decreased or the load spread so that the peaks are lower even if the total electricity used is not, the longer it will be before we have to undertake very heavy capital investment in further electricity generation. The thought of building another power plant must send shivers down the spine of those concerned with capital investment in this State, and it is obviously to our benefit to put it off as long as possible. Demand side management, which can both reduce total electricity consumption and particularly reduce the peak loads, will mean that the day when further power generation must be provided can be put off. The committee was unanimous in feeling that this would be highly desirable for the benefit of the State.

Evidence was presented to us that it is not necessarily in the interests of ETSA to undertake all types of demand side management. While it would be very interested in demand side management that spreads the load and reduces the peak consumption, it is less interested in measures that would reduce the total load, as this is likely to reduce its sales and, consequently, its income. It was because of this that the committee was conscious of a possible conflict of interest that can arise when demand side management application or furtherance is left entirely to the organisation that is the main electricity supplier, and that this conflict of interest is not necessarily desirable or in the best interests of the State as a whole. It was for this reason that the committee unanimously recommended that demand side management planning, organisation and coordination should be undertaken by a separate Government body.

We suggested that this body should be an existing organisation (such as the Office of Energy) but, if the Government felt it desirable to set up an alternative organisation, I am sure that members of the committee would have no argument. The essence of the recommendation is that coordination and planning of demand side management must be undertaken by an independent organisation, independent of electricity generation, distribution and transmission, and that this can be properly done only by a Government organisation and not be undertaken by private enterprise. It is perhaps surprising that on a committee on which a majority of members are not from the ALP there was unanimity that only a Government run organisation could take the holistic view of the energy requirements of the whole State, what was best for South Australia, and that market forces should in no way be part of determining its coordination and planning strategies.

In other words, there was a distrust of the private sector and market forces in planning something as fundamental as demand side management, which needs to be done for the benefit of the whole State and not for the benefit of particular individuals or organisations—which, of course, is what market forces tend to foster.

I very much support the committee's recommendations. Again, I point out the unanimity of the committee's conclusions that much greater demand side management is desirable for South Australia and that that cannot be achieved adequately by an organisation with a conflict of interest. We felt that a Government organisation that can take a whole-of-State view was the appropriate and best way of achieving that very important goal. I commend the report to honourable members who have the time and energy to read it.

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

SAGASCO

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

1. That the Legislative Council calls on the Minister for Mines and Energy to inquire into and report on the affairs of SAGASCO Limited and in particular:
   - (i) The desirability and appropriateness of Daniel Joseph Moriarty remaining the Minister's nominee as a Director on the Board of SAGASCO Limited.
   - (ii) Any conflict of interest that Mr Moriarty may have had or has as a Director of SAGASCO Limited and as the State Secretary of the Federated Gas Employees' Industrial Union.
   - (iii) What effect any agreement between the Federated Gas Employees' Industrial Union and SAGASCO Limited (or any other related company) has on the supply of gas to consumers within South Australia and in particular—
     - (a) the arrangement whereby the Federated Gas Employees' Industrial Union provides six backhoes and associated contractual services to SAGASCO Limited at an annual cost of approximately $340 000.
     - (b) the terms of the backhoe arrangement referred to above.
2. That the Legislative Council calls on Mr Moriarty to stand down as the Minister's representative on the board of SAGASCO Limited pending any inquiry under section 9 of the Gas Act called for by the Minister.

It is my duty to advise the Chamber of a number of deeply disturbing practices involving a Director of the South Australian Gas Company, Mr Dan Moriarty, his union the Federated Gas Employees' Industrial Union, and the ultimate effect that those practices potentially have on the ordinary gas consumers of South Australia. Those practices involve the siphoning of funds from the union and its members into the pockets of two union officials and a sad and sorry examination of the extraordinary perks and benefits that those two union officials receive as a consequence of their employment with that union.

A number of questions need to be answered, and those questions have been known to many people within the union movement for a number of years. To date, there has been a whitewash by Mr Moriarty. I believe that the time has come for the Minister for Mines and Energy to intervene and use his powers under section 9 of the Gas Act to inquire into these serious questions.

I have been provided with a substantial number of documents which disclose a *prima facie* case that those two union officials have acted in their own interests on every occasion where those interests might conflict with somebody else's. In particular, I draw members' attention to the fact that Mr Dan Moriarty and Mr Russell Wortley, on every occasion that their duty to their own self interest and their duty to anybody else for whom they are expected and trusted to act conflicted, have erred on the side of self interest.

The conflict of interest, the impropriety of Mr Moriarty's conduct and matters that need further scrutiny can be summarised as follows: he has a conflict of interest as a Director of SAGASCO Limited and as the State Secretary of the Federated Gas Employees' Industrial Union; the contract to supply six backhoes by the union to the gas company, costing the gas company some $340 000 per annum, has not been conducted at arm's length; the involvement of the Federal Member for Makin, Mr Peter Duncan MP, in an inter-union amalgamation dispute; the practice of the union in inflating membership numbers to the ALP ostensibly to maximise its voting power within the ALP generally; and the

impropriety of having someone who is in control of an insolvent union as the Government's representative on the board of a major utility.

Members interjecting:

The ACTING PRESIDENT (Hon. M.S. Feleppa): Order! I do not mind if interjections are made in a proper manner. The Hon. Mr Redford can reply in due course if he wishes.

The Hon. A.J. REDFORD: Thank you for your protection, Mr Acting President. This is a situation in which Mr Moriarty is clearly in a conflict of interest in his capacity as Secretary of the Federated Gas Employees' Industrial Union and his role as a Director of the South Australian Gas Company. It is a story of a conflict of interest and a saga of protection of self interest involving an amalgamation dispute between the union and other unions within the gas industry. It is a story of union officials putting their own personal interest before that of their members. It is a story of an employment contract negotiated between those two gentlemen and the union that would be the envy of every union member. It is a story of an involvement by a former Federal Minister Mr Peter Duncan in a power struggle to maintain numbers and to protect his factional position. It is a story of the propriety of a relationship between the gas company and the union and the extent to which the gas company is protecting the perks of the union officials concerned. It is a story of deals and double deals involving the same two members with the ultimate aim of setting up a smokescreen to hide their true intention of protecting the extraordinary benefits which they enjoy as paid union officials. It is the story of two union officials who are prepared to ignore the interests of the people whom they represent in order to maximise the power that they hold in the ALP.

The South Australian Gas Company, more formally known as SAGASCO Limited, is a wholly owned subsidiary of New South Wales based Boral Ltd. It is the sole supplier of reticulated gas to the consumers of Adelaide. As a consequence of previous Labor Governments' failures properly to supervise our State-owned financial institution, most notably the State Bank, the previous Government transformed the gas company from a substantially publicly and South Australian owned monopoly to an interstate and privately owned monopoly. The issue of privately owned monopolies is very important, particularly when they are responsible for an important aspect of our community's domestic power needs. The responsibility on Parliament and its members through the Minister is high as a consequence.

On 1 September 1993, Boral Holdings announced its intention to acquire 19.9 per cent of the shares in the gas company held by the South Australian Government. After a complex series of negotiations and strategies, the Government and Santos, which owned approximately 20 per cent of the gas company, resolved to accept the increased takeover offer, and on 3 December 1993 Boral effectively took over the gas company.

The gas company retained its separate corporate identity and its board. In the period between the announced takeover and 22 April 1995, four out of the five Directors changed, leaving only one who had been there for a considerable time. The only continuing Director is Daniel Joseph Moriarty, who, at all relevant times, has been the Secretary of the union. Mr Moriarty is an appointment to the board of the gas company pursuant to the articles of association of the gas company and section 27 of the Gas Act. The appointment is made by the Minister. Unfortunately, some important facts were not revealed to the Minister at the time of his reappointment. At the time of the appointment, I understand that it was welcomed by many, including the Hon. Terry Roberts. Mr Moriarty is and has been since 1983 the State Secretary of the Federated Gas Employees' Industrial Union. He has also been its Federal secretary since 11 March 1982.

The Federated Gas Employees' Industrial Union is literally a union monopoly. Only Federated Gas Employees' Industrial Union members are employed by the gas company, and that creates a situation in which one monopoly joins another monopoly. In this case, a deal has been done, and the South Australian consumers are fleeced in a manner that I am about to reveal in some detail.

First, I want to refer to the benefits that Messrs Moriarty and Wortley receive in their respective positions in the union. Mr Dan Moriarty is doing extraordinarily well out of the positions he currently holds as a Director of the gas company, and as State Secretary and Federal Secretary of the Federated Gas Employees' Industrial Union. The deal is good. I will take members through what Mr Moriarty was earning in March 1992. That was three years ago. I am sure that those benefits have improved somewhat since that time.

Mr Moriarty's benefits can be summarised as follows: wages $57 134.20 per annum; union-paid superannuation $6 300; gratuity—nine weeks per year of service to be paid when leaving the union regardless of reason—$9 400; private health cover—Blue Ribbon—$3 500; annual clothing allowance $728; motor vehicle—a VN Commodore fully maintained and renewed every two years—$10 000; telephone—full rental and all calls paid by the union—$500; annual leave—five weeks plus 20 per cent leave loading—$1 200; rostered days off—a 38-hour week, 19-day month and all rostered days off may be accumulated and taken at Christmas; sick leave—15 days per year, which can be taken without a medical certificate. (The beauty of that is that all unused sick leave can be accumulated or paid out each year. All sick leave will be paid out upon the termination of employment)—$3 500; living away from home allowance—$40 per day plus all meals, taxis and accommodation paid by the union; director's fees involving the gas company $11 000. The estimated value of the union salary package to Mr Moriarty in June 1993 was in the order of $93 000 per annum. If one adds the directors' fees, which I understand to be $11 000 per annum, Mr Moriarty, as Secretary of the union, was on a total package of $104 000 per annum in March 1992.

Members interjecting:

The Hon. A.J. REDFORD: Mr Moriarty's wages and perks are costing each and every member of that union nearly $200 per annum.

Members interjecting:

The ACTING PRESIDENT: Order! The Hon. Mr Redford will resume his seat for a moment. Members would appreciate the fact that the Chair has some difficulty in controlling this level of interjection, so I ask members to refrain a little. The Hon. Mr Redford.

The Hon. A.J. REDFORD: Mr Moriarty, as Secretary of the Federated Gas Employees' Industrial Union, was on a total package of $104 000 per annum in March 1992. Mr Moriarty's wages and perks are costing each and every member of that union nearly $200 per annum to support the lurks and perks of Mr Dan Moriarty and his activities in the gas industry. I understand that membership fees are normally calculated on individual members' gross income.

Mr Wortley is entitled to exactly the same benefits as Mr Moriarty except that he is on a lower wage rate. The estimated worth of his package is in the order of $74 000 per year. (Members might also recall that Mr Wortley was a prominent campaigner in the Duncan sponsored campaign for the seat of Torrens won by Ms Robyn Geraghty.) In any event, the net cost to each and every member of the union of these two fat cat union officials is of the order of $310 per year per member.

Of course, some of these benefits are not taken straightaway. Things such as accumulated sick leave, the gratuity and long service leave are accrued in the balance sheet of the union. I will turn to the balance sheet later in this speech to demonstrate to members the quite extraordinary financial effect the benefits to these two bloated union officials has on the balance sheet. I have also seen a memorandum distributed to all members of the union which says the following:

Why are we paying the highest union fees in the country?
Where is all our money going?
If you are interested . . . read on.

Almost 100 per cent of our money goes to pay two officials who are apparently entitled to:

Extremely high salaries	Paid by us
Excessive superannuation payments	Paid by us
Gratuity payments	Paid by us
Top level medical benefits	Paid by us
Clothing allowances	Paid by us
Five weeks' annual leave	Paid by us
Can you take all your RDOs at Christmas?	No
Can you get your sick leave paid out?	No

THESE ARE RORTS!!!
Our officials enjoy benefits way above anything
that they have ever argued for us.
It is time to lift the lid on these corrupt practices
at the expense of workers.
Fair go, Dan!!! What about the workers?
On behalf of rank and file members of the FGEIU.

The undated response does not refer at all to the salary packages of Moriarty and Wortley. This response was authorised by Alan Wright, the President of the union. It is quite clear that these perks have become a source of real concern to the ordinary rank and file members that Mr Moriarty purports to represent. It is also important to note that we are not dealing with a State politician who represents 20 000 voters and 40 000 people. We are dealing with a union official who represents some 600 members.

I have examined the Federated Gas Employees' Industrial Union's financial figures to 30 June 1994, and what interesting reading they make! The union employs Mr Moriarty, Mr Wortley and one other person. As at March 1992 that one other person was in receipt of a salary of $21 240 per annum for a 25 hour week and receives $1 500 per year from the union by way of a non-contributory superannuation scheme. That person was also entitled to a 20 per cent leave loading. I point out that that person did not get a gratuity payment; nor does that person get top level medical benefits, clothing allowances, RDOs taken at Christmas or fully paid out sick leave.

I mention this because when one looks at the balance sheet and the provisions made in relation to employment, the bulk of the amounts must be attributable to Messrs Moriarty and Wortley. Let us have a look at the balance sheet:

(a) There is provision for annual leave of $23 145.

(b) There is provision for officials' sick leave of $29 094.

(c) There is provision for long service leave of $30 610.

(d) The real beauty is that there is a provision for officials' retiring allowance of $198 000! In fact, to make sure that the union pays that amount, those funds have been transferred to AMP Society bonds.

(e) In addition, the Federal Council has also made a provision for long service leave and annual leave of $10 500, some of which one would assume would go to Mr Moriarty as its Federal Secretary.

(f) The current assets of the South Australian Branch show that there are current assets of $52 762 and current liabilities of $339 333. Therefore, the current assets are exceeded by current liabilities in the order of $286 571.

On a 'quick asset ratio' test, which is one means of determining the solvency of an enterprise, the union is quite clearly insolvent. If Messrs Moriarty and Wortley retired or resigned from the union next month, the union would be looking at a shortfall of nearly $35 000. When one looks at the income and expenditure statement of the union, it shows that members' contributions are $181 499. That approximates to union fees per member of about $300. So, how does the union manage to maintain these extraordinarily high salary and wage benefits to these fat cat union officials in the light of members' union dues?

The answer is simple. It does so through the operation of a sweetheart deal between the gas company and the union involving six backhoes. The union in its accounts presents some interesting figures in relation to its backhoe operation. The backhoe operations were worth $341 171 in the year ended 30 June 1994. That is some $30 000 less than the previous year. From that amount, fees paid to subcontractors, wages and other expenses associated with the operation of the backhoes are deducted. The financial statements indicate that the net profit from the backhoe operation is some $121 709. A note to the account says, and I quote:

> No provision has been made in the above statement for the costing of office administration. Officials' salaries should be charged against the backhoe operation.

I would assume that that does not happen. At the very least, the note does raise some unanswered questions. In the main accounts of the union, the backhoes show a net income of $121 709. That is the net profit to the union of the backhoe operation. Well, what capital is required to generate a net profit of $121 709, particularly when one takes into account that all expenses relating to wages and the like have been taken into account in coming to that figure.

The balance sheets show that the backhoes are worth $32 932. That is made up of the cost of acquiring the backhoes of $194 700 less a provision for depreciation of $161 768. The net effect is that, with a capital investment of approximately $33 000, the union can generate a net profit of $121 000. On any consideration of a return on capital, that is not a bad deal. The union is making an annual return of nearly 400 per cent on its capital so far as the backhoe operation is concerned.

I am told that a machine can be expected to generate between $65 000 and $80 000 per year per machine and that the expenses per machine are about $30 000 to $40 000 per annum. The machines owned by the union, I understand, were purchased for approximately $15 000 each. They have been described as the cheapest backhoe machines currently utilised within Gas Company operations. I also understand that the cost of replacement backhoes varies in price from between $35 000 and $100 000 per annum.

I have also been informed that notwithstanding the fact that contractors are not employees they are required by the Gas Company to join the union. Therefore, some of the 600 members are self-employed people. This throws up some

interesting conundrums. First, we have self-employed contractors who employ other people to operate their backhoes. The self-employed contractors have to join the union. The employees are also required to be members of the union. That, in itself, one should imagine, would involve the union in some conflict of interest. Not to put too fine a point on it, we have one union member negotiating with another union member over wages and conditions where their interests are different and conflict. It would seem to me that the only justification for insisting that self-employed contractors be members of the union would be that it would advantage the union in that it would get additional membership fees.

The conflict of interest is even more acute when one looks at the position of Mr Moriarty. Let us assume that Mr Moriarty embarks upon a round of wage negotiations, whether it be through the normal lodging of a log of claims or alternatively through the enterprise bargaining process. He would go to the contractor and commence those negotiations. In whose interests is he to act? Is he to act in the interests of the contractor or is he to act in the interests of the employees of that contractor? Which member does he look after? That is just another aspect of the conflict in which he finds himself.

Then one needs to consider his position as a director of the Gas Company. What if he goes to a contractor and says, 'I want to enter into an enterprise agreement.'? What if the contractor says, 'I will only enter into an enterprise agreement if I can secure a better deal out of the Gas Company so far as my contract is concerned.'? The contractor may suggest to Mr Moriarty that he, the contractor, would negotiate a reasonable deal only if the contract prices were increased or, alternatively, there was a guarantee of work or some other benefit flowing from the Gas Company to the contractor.

What if there is no merit or no commercial advantage in that request? Mr Moriarty would find himself fairly and squarely in a conflict of interest in that he could go to the company and, in his capacity as a director of the company, encourage the company to enter into a questionable commercial arrangement with the contractor. The net effect, of course, would be to increase the wages and conditions of the members of the union. Here the loser is the gas consuming public of South Australia.

On the other hand, he may go to the contractor and negotiate a poor deal for his members. That may satisfy the interests of the Gas Company but it would not satisfy the interests of his members in his capacity as union Secretary. A clearer conflict of interests I have never seen! Indeed, a long and careful examination of the minutes of directors' meetings needs to be undertaken by the Minister to ensure that this has not happened in the past. It is quite easy for a privately owned monopoly to cave in to Mr Moriarty, contrary to the interests of the gas consumers of Adelaide.

There is a further conflict that Mr Moriarty and Mr Wortley seem to have got themselves into. As members opposite would no doubt be aware, there have been moves over a number of years for union amalgamations. Many of the smaller unions have found themselves in a position where it is uneconomic to continue as a smaller union and have amalgamated with larger unions. This has been done to enhance the benefits and the services that the union movement can provide to its members.

The Federated Gas Employees' Industrial Union has 2 200 members in Australia. It is split into three branches. There is the New South Wales branch, the Victorian branch and the South Australian branch. As I said earlier, the South Australian branch has 600 members. As I understand it, the process of amalgamation has to go through a number of steps. Each committee of management of the State branches of the union passes a resolution supporting the amalgamation. The resolutions are then forwarded to the Federal council of the union, which is comprised of the State branches, for ratification. If the Federal councils of each of the unions involved approve the resolution, an application is then made to the Federal Arbitration Commission to have a ballot of members. A vote is then taken of the members.

In the case of this union, its management has had discussions with many unions on the topic of amalgamation. The AWU/FIME, Plumbers and Gasfitters, GISOF (the Gas Industry Salaried Officers Federation), the Miscellaneous Workers' Union, the Transport Workers' Union and the Metalworkers' Union have all been involved in discussions with the Federated Gas Employees' Industrial Union regarding a possible amalgamation.

When one examines the progress and the process of amalgamation so far as the Federated Gas Employees' Industrial Union is concerned, one would think that the proposed amalgamations and the discussions and activities associated with them have merely been a smokescreen to protect the extraordinary lurks and perks that Messrs Moriarty and Wortley currently enjoy. There have been a number of bitter disputes involved in a proposed amalgamation with AWU/FIME, and I will go through that in some detail.

One of the bitter disputes in relation to amalgamation led to last 30 June 1995 when the Gas Industry Salaried Officers' Federation (GISOF) amalgamated with AWU/FIME, which is a very substantial Australian union. It commenced in 1993, when the various State branches of the Federated Gas Employees' Industrial Union passed resolutions relating to amalgamation with AWU/FIME. Despite these resolutions, all sorts of machinations and manoeuvrings on the part of the Federated Gas Employees' Industrial Union to sabotage the process of amalgamation have occurred. This has brought in the involvement of other players who also have a vested interest that has nothing to do with the members' interests.

In that regard, I refer to the involvement of the former Federal Minister for Land Transport, Mr Peter Duncan, MP, in the Hawke Federal Government. He is also the notional leader of the Progressive Labor Alliance faction in the ALP. Some of the practices involved in ensuring Mr Duncan's power base in that regard can only be described as questionable. In any event, despite Mr Duncan's efforts, that amalgamation went ahead.

The saga regarding the proposed amalgamation has also prompted an unholy internal dispute in the Federated Gas Employees' Industrial Union. This led to the Victorian Secretary of Federated Gas Employees' Industrial Union, Mr O'Malley, making a number of serious allegations regarding Mr Moriarty in mid 1993.

He alleged that Mr Moriarty was acting contrary and in a manner prejudicial to the interests of the union. He alleged that Mr Moriarty received amounts by way of annual leave and was also paid his usual weekly salary during the same period. He alleged that Mr Moriarty paid himself a travel allowance of $50 per week while he was on annual leave. He also alleged that Mr Moriarty used frequent flier points accumulated in the course of union business for his own personal benefit, and that the arrangements between the Gas Company

and the union for the provision of backhoes had not been conducted on a strictly commercial basis.

Mr O'Malley further alleged that Mr Moriarty received substantial directors' fees from the Gas Company. He alleged that Mr Moriarty wrongfully kept those funds for his own benefit. He alleged, too, that Mr Moriarty was placed in a position of a serious conflict of interest in that he received fees from the company. He alleged that Mr Moriarty used for his personal benefit profits from a social club operated by the union.

The Victorian Secretary expressed his concern regarding Mr Moriarty's salary and other entitlements in August 1993. He identified the enormous accrued benefits attributable to Messrs Moriarty and Wortley. He expressed his concern that the backhoe arrangement provides the Gas Company with an extraordinary level of influence over the operations of the union.

Mr O'Malley also expressed his concern that the balance sheet of the SA branch of the union showed liabilities in the area of staff entitlements amounting to $201 897. He pointed out the fact that there were only two full-time employees (Mr Moriarty and Mr Wortley) and one other part time employee. He also pointed out that those figures did not include accrued sick leave.

He alleged that, on 14 November 1988, Mr Moriarty paid himself 28.75 weeks annual leave totalling $8 781.87 and at the same time remained at work and drew his usual weekly salary. He alleged also that Mr Moriarty paid himself 10 weeks' annual leave in 1991, even though he was absent from work for only six weeks, during which time he received his usual weekly salary.

He alleged that in late 1991 Mr Moriarty was absent from work for four weeks but paid himself a further seven weeks' annual leave as well as receiving his usual salary. He alleged that Mr Moriarty paid himself his travel allowance of $50 per week, even when he was on leave. He alleged that the arrangements between the South Australian Gas Company and the union for the provision of backhoes has not been conducted on a strictly commercial basis.

He went on and alleged that Mr Moriarty's sons worked at various times on the backhoes and that the arrangements for payment of backhoe operators was irregular. He alleged, too, that Mr Wortley had been paid by the Gas Company as an employee, even though he was working as full-time officer of the union.

In any event, on 6 April 1993 the Victorian branch passed a resolution to amalgamate with AWU/FIME. The South Australian and New South Wales branches then passed resolutions to amalgamate with the ETU/PGEU union. Some time after that the New South Wales Secretary, Mr Ken Howarth, sent a memorandum to all members. Without going into too much detail, Mr Howarth indicated that the New South Wales division was going out on its own and recommended that members vote to join AWU/FIME.

What is of importance is that Mr Howarth repeated the allegations regarding Mr Moriarty's role as a director and the details regarding the union backhoes. Indeed, he said this:

> Comfortable indeed; they have about 600 members in South Australia but they also have an arrangement with the employer where they lease half a dozen backhoes to the employer and they get more money from that than they do from union fees. This allows the two officials to have generous (very generous) salaries and benefits. In addition to those, the SA Secretary (Dan Moriarty) was also drawing a salary from the Federal body of the union as Federal Secretary and also draws an income to himself as director on the board of the SA Gas Company.

That was sent to all members of the union. In a rather strange response dated 16 February 1995, Mr Moriarty made a number of suggestions regarding the inter-union dispute. However, he did not in any way refute or deny the allegations regarding his involvement with the Gas Company or the backhoe arrangement. On 5 April Mr Howarth sent another note to members of the Federated Gas Employees' Industrial Union. At this stage one could only describe as somewhat heated the inter-union dispute regarding the amalgamation.

It was at this juncture that the Federal member for Makin, Peter Duncan, intervened. In stating that, I think it is important to note that the Federated Gas Employees' Industrial Union (SA Division) is a member of the Progressive Labor Alliance of which Mr Duncan is the leader. Obviously, the AWE/FIME union is not a member of Mr Duncan's faction. What Mr Duncan had to lose in this particular case was a number of votes on various electoral colleges pertaining to the South Australian Division of the ALP. Mr Duncan had a lot to lose.

The Hon. T.G. Roberts interjecting:

The Hon. A.J. REDFORD: We will get to that one in a minute, too. He was already confronted with a diminishing power base. Mr Duncan had faxed certain information through his electoral office regarding the GISOF and the AWU/FIME amalgamation. The information included a number of press releases regarding the financial position of AWU/FIME. I do not know that the financial position of AWU/FIME is all that relevant for the purposes of this speech, but what is relevant are the comments made on one of the sheets that were purportedly sent by Mr Duncan, who is the leader of the relevant faction. It states:

> What does GISOF have in common with AWU/FIME? AWU/FIME membership includes:
>
> Circus workers, garbage collectors, council workers, farm workers, factory workers, street cleaners, mushroom pickers, bitumen workers, bulk handlers, steel workers.
>
> GISOF has nothing in common with AWU/FIME. There is an alternative. There are a number of reputable unions with membership similar to GISOF. If you vote 'No' and the amalgamation does not proceed, GISOF officials will then be forced to negotiate with a more appropriate union.

I now turn to the hypocritical part of this, because Mr Duncan then states:

> Only the officials will gain from this amalgamation with high salaries, car, generous superannuation: vote 'No'.

What Mr Duncan was purporting to do was shift GISOF members into the arms of the Federated Gas Employees' Industrial Union. That may well have been legitimate in the context of inter-union and ALP factional fights and tactics. However, the hypocrisy is astounding when he, Mr Duncan, refers to the high salaries, car and generous superannuation of officials in relation to the AWU/FIME and GISOF amalgamation and says absolutely nothing about his own factional union, the Federated Gas Employees' Union and the high salaries, car and superannuation of officials, that is, Moriarty and Wortley, associated with that union.

An article in the *Sunday Mail* of 30 April 1995 referred to the impropriety of the use of the office of a member of Parliament for the purpose of sending out propaganda in relation to amalgamation issues between unions. The article referred to the fact that if it was found that the member, in this case, Mr Duncan, was tampering with the union ballot he could face expulsion by the national executive. In any event, he had his sticky fingers all over it.

The next piece of information I have is a memorandum sent from Mr Ken Howarth to the members of the Federated

Gas Employees' Industrial Union. In it, he refers again to the perks that Mr Moriarty received as a director of the Gas Company and also to the backhoes. I understand that Mr Moriarty then approached his solicitors regarding these memorandums. Of course, you guessed it: the solicitors were Duncan and Hannon, of whom the Hon. Peter Duncan is a principal. The firm of solicitors advised Mr Moriarty not to proceed with a defamation claim because of the defences of 'fair comment' and 'qualified privilege'. They also pointed out that it might not be productive for the union to become involved in time consuming and expensive legal proceedings.

The letter then attacked Mr Howarth in relation to some arrangement he had had with AGL and also attacked his conduct in relation to the South Australian branch. Mr Moriarty, who is a man not to let an opportunity or chance go by, distributed that letter as evidence or as a defence of his conduct so far in this matter.

It is important to note that Mr Moriarty has not at any stage directly answered the queries in relation to his position so far as his conflict of interest is concerned. He has never gone out and directly refuted the facts that have been put in various documents that I have in my possession. He has never answered the suggestion that there is an impropriety in his holding a position as a director of the Gas Company and also his position as a union official.

But this is not the only example of how this particular union operates. As I understand it, on the last reported figures to the ALP the Federated Gas Employees' Industrial Union claimed to have some 1 135 members. However, it reported to the industrial registry that it had only 600 members. As I understand it, it is normal for unions to understate the number of members they have to the ALP for affiliation and vote purposes. The reason they proffer is that a certain proportion of members object to their union dues being sent to the ALP, particularly if they personally support the Liberal Party. The normal practice of unions is to under-affiliate, and normally they under-affiliate by about 20 per cent to 40 per cent.

However, in the case of this union, it overstated its membership by nearly 100 per cent. The reason for this is so that the union could support its socialist left friend, Mr Duncan. I understand that he is going through a period of declining influence within the Labor Party. I only mention this because it indicates the sort of things these union officials are prepared to do to enhance their rorts, their power and their perks. They do so in the fact of any interest on the part of ordinary union members and, more importantly, they do so contrary to the interests of the Adelaide gas consuming public.

A number of practices involving Mr Moriarty and Mr Wortley are questionable. I do not know that I have all the information at my fingertips. However, the real question is that these allegations have been raised on numerous occasions, and on not one occasion has Mr Moriarty sought to address the numerous conflicts of interest in which he has found himself involved.

Members interjecting:

The Hon. A.J. REDFORD: What about to his members and the little guy who is paying $400 or $500 to support his salary of $120 000? What about the ordinary bloke whom you claim to support? On not one occasion has he endeavoured to justify his position to his members, to the Minister or to the gas consumers of Adelaide. We need a proper and appropriate inquiry under the Gas Act to ensure that sweetheart arrangements of this nature are not contrary to the interests of South Australian gas consumers.

In the light of the fact that the Gas Company is a privately operated monopoly, some very serious and important questions have been raised which must be investigated by the Minister. I am sure that, if Mr Moriarty has a reasonable explanation, the Minister will avail him the opportunity to provide that explanation and assure the South Australian gas consuming public that they are not being ripped off by sweetheart agreements involving the union and the Gas Company.

The Gas Company, on any commercial or moral basis, should not be involved in the rorts which Mr Moriarty, on the face of it, is receiving as a result of his involvement in this vital industry. I commend the motion.

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

SOUTH AUSTRALIAN HEALTH SERVICES BILL

In Committee.

(Continued from 5 July. Page 2214.)

Clause 2 passed.

Clause 3—'Object.'

The Hon. DIANA LAIDLAW: I move:

Page 1, lines 17 to 22—Leave out all words in these lines and insert the following:

(a) due recognition should be given to the rights and responsibilities of the people for whom health services are provided; and
(b) resources should be allocated and services provided on an equitable basis; and
(c) organisations providing health services should be accountable for their use of public funds, for demonstrating that their management and administration accords with recognised standards of best practice, and for justifying public expenditure by properly verified outcomes; and
(d) health services should be properly integrated or coordinated and, in particular, public health services should, wherever practicable, be properly coordinated with health services provided by the private sector; and
(e) health services should be effective, efficient and of high quality; and
(f) constructive diversity in the nature of health services should be encouraged; and
(g) expertise in the provision of health services should, wherever practicable, be commercially exploited for the benefit of the people of the State; and
(h) the participation of voluntary organisations and local government bodies in the provision of health services should be encouraged.

The amendment relates to the objects of the Bill and seeks to flesh them out. It embraces the four points in clause 3, but expresses them in a slightly different and more expansive manner. As I indicated in the second reading explanation, the overriding aim of the legislation is better health care for South Australians. Therefore, the amendment seeks to make clear that the object of the Bill is to establish a base for progressive improvement in the health of the people of this State. This object will be pursued by the creation of administrative and legal structures for the provision of health services based on various principles:

1. recognition of the rights and responsibilities of the consumers of health services;

2. equitable allocation of resources and service provisions;

3. accountability for use of public funds, best practice standards of management and administration and measurement of outcomes;

4. integration and coordination of health services, including, where practicable, those provided by the private sector;

5. effective, efficient and high quality health services;

6. constructive diversity in health services;

7. commercial exploitation of expertise in the provision of health services for the benefit of the people of this State; and

8. encouragement of participation by voluntary organisations and local government bodies in the provision of health services.

The Hon. BARBARA WIESE: I move:

Page 1, lines 18 to 22—Leave out paragraphs (a) (b) (c) and (d) and insert the following:

(a) recognises that health is not merely the absence of disease but is a state of complete physical, mental and social wellbeing; and

(b) establishes a proper basis for promotion of a healthy lifestyle and continuing improvement in the health of the people of the State; and

(c) is directed at achieving the highest standard of care; and

(d) delivers health services in accordance with principles of social justice and equity so that high quality services are accessible to all persons; and

(e) is responsive to community needs by allowing for community participation in the planning and development of health services; and

(f) develops policies and allocates resources on the basis of properly identified community needs; and

(g) provides for the development of accountable and efficient management structures and integrated health services; and

(h) allows for flexibility and innovation.

Although I do not find the Government's amended objectives satisfactory—and I hope that the Committee will support the Opposition's amendment—nevertheless I view it as a victory that we have been able to move the Government to revise the rather paltry set of objectives that were included in the original Bill and to encourage the Government to think more deeply about what the health system should be trying to achieve.

I think that my amendment is more comprehensive than that proposed by the Government. It commences with a definition of health, which is the World Health Organisation's definition of what we should be aiming for in the provision of health care. The amendment goes on to address questions about a healthy lifestyle, standards of care, concepts such as social justice and equity, which I note are missing from the Government's proposal, and community participation, which certainly has been one of the aspects missing from the Minister's way of handling his responsibilities in a whole range of areas. It is important to the Opposition that some of these concepts should be built into the legislation so that the Minister for Health is aware of the sorts of responsibilities that this Parliament believes he should be fulfilling. I understand that the Australian Democrats feel similarly about some of these points. As far as I can see, the amendment which is to be moved by the Hon. Ms Kanck is identical to the one that I have on file. I commend this amendment to the Committee.

The Hon. SANDRA KANCK: As my amendment is the same as the Opposition's, there is no point in my moving it.

The CHAIRMAN: Does the honourable member wish to speak to it?

The Hon. SANDRA KANCK: Yes, I will speak to it. I am pleased that the Government has seen the light on this set of objects as it has them in the Bill. Most people who are involved in the delivery of health services saw them as being very corporate 1990s-style objects as there was little substance to them and they did not seem to relate to health at all. The South Australian Community Health Association issued an information sheet which discussed the Bill and which highlighted five points: a Bill that is set explicitly within the framework and objectives of improving the health of South Australians; enshrines the principles and practices of community participation within legislation; requires the health system to adopt a needs-based approach to planning service; gives priority to prevention of ill-health and primary health care; and makes provision for proper democratic processes to be followed regarding any future changes.

I believe that the objectives, as moved by the Hon. Ms Wiese, encompass those requests of the South Australian Community Health Association. I will support those objectives rather than the Government's, although I am happy to see that the Government has made some progress in its thinking on this issue.

The Hon. DIANA LAIDLAW: I recognise that there is not majority support for the amendment I have moved. I will not take issue with it further. I recognise that the Labor Party and the Democrats have taken issue with the manner in which the objects of this Act have been spelt out in the Bill. Before they even spoke in this place on this matter discussions had taken place between the Minister, the department and the health field. Those discussions prompted the Minister some time ago—about the time the Bill was in the other place—to expand the objects. I want to acknowledge those discussions between the Minister, the health field and the Health Commission.

The Hon. Diana Laidlaw's amendment negatived; the Hon. Barbara Wiese's amendment carried; clause as amended passed.

Clause 4—'Medicare principles.'

The Hon. BARBARA WIESE: I move:

Page 1, line 24—Leave out 'to be observed by' and insert 'binding on'.

This amendment relates to the application of Medicare principles to the service units covered by the Bill. Essentially, my amendment strengthens the concept that Medicare principles must apply. The Government has indicated in the Bill that Medicare principles are to be observed by all service units. My amendment requires that they be binding on service units, and I commend the amendment.

The Hon. DIANA LAIDLAW: The Government is opposed to this amendment. I point out to all members that the Medicare Act simply asks the Health Commission to observe these principles. It does not make it binding on the Health Commission; that is the Federal Government's legislation. In turn, the Health Commission asks health units to observe these principles. Observation of the principles by the Health Commission and the health units is standard practice. The word 'observed' used in this Bill is the word also used in the Medicare Act, and that is the standard form. This Parliament would be taking it one step further, and that would be to a much higher level of constriction by law than is necessary and that the Federal Government even requires under the Medicare agreement. We consider it unnecessary.

The Hon. SANDRA KANCK: The Democrats will support this amendment. As a Party at a Federal level we are very supportive of Medicare. I do not like to see anything that allows State Governments to squirm out of what are obviously some sort of moral obligations, and I think it is better to say 'binding on'.

The Hon. DIANA LAIDLAW: The Health Commission has never abrogated its responsibilities to the Medicare agreement, as the Hon. Sandra Kanck suggests it may wish to do, by squirming out of them. It is an agreement that has been signed by all the States together with the Federal Government. The Federal Government requires observation only of the principles, and that has been observed. If it did not honour that aspect of the agreement there would be considerable trouble in respect of all other aspects of the arrangements jointly agreed to. The Minister, and in particular the Health Commission, here would take some offence to the fact that there is an inference that they would seek to squirm out of the agreements. It is interesting that, in this State as in no other State, those opposite require that the Medicare agreement be binding. I repeat: it is unnecessary and it is a sad inference.

The Hon. SANDRA KANCK: I point to one of the commitments in the Federal Medicare Agreements Act 1992. It is now three years down the track but one commitment was to establish a Patients' Complaints Authority. Three years down the track we do not have it. Our willingness to follow through on the commitments we have made is somewhat in doubt; therefore it is important that it is binding.

The Hon. DIANA LAIDLAW: The customer complaint issue just raised by the honourable member is being processed, but it has never been seen at Federal level or here as something that should be binding on health units. There is a distinction between the Health Commission and health units, and it is an important one in respect of customer complaints and the agreement as a whole.

Amendment carried; clause as amended passed.

Clause 5—'Interpretation.'

The Hon. SANDRA KANCK: I have a question about one particular aspect of this clause. I am interested in the fact that the board of trustees has a definition but that there is no definition for the board of directors. I found that a little perplexing, since a board of directors will actually be responsible for the service units and the board of trustees is responsible merely for property. Why is there no definition for board of directors?

The Hon. DIANA LAIDLAW: The board of trustees is a totally new concept, which is why it has been defined in this legislation. The board of directors is, according to our advice, an understood legal term and entity and, for that reason, it was not seen as necessary to define it in this Bill.

The Hon. SANDRA KANCK: I move:

Page 2, after line 7—Insert new definition as follows:

'Council' means the South Australian Health Services Council established under this Act—*See section 5A;*.

I will talk at some length about this, because the council is an important body and I am moving for its establishment because of the question of accountability that has been raised by me with all groups that have lobbied me about this legislation. Over and again lobby groups said to me that under this Bill the Chief Executive has too much power, and it was suggested by I think the first group that met with me that the Chief Executive needed a board, or something like that, to give him guidance. So that there is no confusion with boards of trustees and boards of directors, I came up with the concept of the South Australian Health Council.

That council would be composed of the Chief Executive and seven other members who would be representing the AMA, the Doctors Reform Society, the South Australian Community Health Association, the Hospitals and Health Services Association, the Rural and Remote Consumers Association, the UTLC and SACOSS. That means that consumers and providers of health services would be represented; city and country needs would be represented instead of its all being Adelaide based; and the management and floor levels of the operation of the health services and the social justice aspects would all be able to be heard. There is great fear in the community that, under this Bill, most of these groups would not be able to be heard except in a tokenistic way. This council addresses questions of accountability, accessibility and consultation, because the Chief Executive would be one of eight people in the group and would have to listen to the many views of the groups represented.

Instead of the Chief Executive on his or her own preparing the policies, strategies and guidelines as per this Bill, the council would prepare them and keep them under review as well as having the task of maintaining a critical overview of the Act and recommending necessary changes. Every person or group that has lobbied me about this Bill has expressed its concerns to me about the excessive powers that have been granted in this Bill to one person, namely, the Chief Executive. These amendments have a most important role in reining-in that power. To give some examples, if we look later in the Bill at clause 19, as currently worded the amalgamation of service units can be done simply by proclamation, but my amendments will ensure that the Chief Executive would have to at least discuss the matter with the council before such proclamation were made.

If we look at clause 21, the Chief Executive will be given power to direct service units as to what services they can provide and to prioritise whichever services he or she permits. He or she will be able to give directions regarding the transfer of resources (which include staff) between service units or the conditions of employment of staff and how many patients they are allowed to accept for treatment in that service unit, and there is actually a list of A to L. They are all quite draconian and over the top, according to the people who have met with me about this Bill but, with the setting up of this council and the subsequent amendments, the Chief Executive would at least have to consult with the council about it.

Clause 45, which is about the removal of all the members of the board of directors of an incorporated service unit or members of a board of trustees, has many service units upset. My amendment would require the Chief Executive to consult first with the council before the proclamation is made. Without setting up a council or something of that nature, those checks and balances will not exist. My amendments will also set up at least four committees to assist the council: a hospitals committee; a community health committee; a women's health committee; and a rural health committee. It is very important that we have a structure here that ensures that at least some form of consultation is taking place and that there is some sort of accountability built in.

The Hon. DIANA LAIDLAW: The Government does not support this amendment and, like the honourable member, I will speak to the whole issue of the South Australian Health Services Council. The honourable member may not be aware, although I believe the Hon. Barbara Wiese may have been in Cabinet at the time—

The Hon. Barbara Wiese: Not if it goes back to Peter Duncan.

The Hon. DIANA LAIDLAW: No, Peter Duncan established the Health Commission itself, as I recall, and at that time included a very large advisory committee within the

ambit of the Act, but it was the Hon. John Cornwall as Minister—

The Hon. Barbara Wiese: I replaced him.

The Hon. DIANA LAIDLAW: I respected his decision as Minister to discontinue this large advisory committee modelled very much along the lines but not as broad as that proposed by the Hon. Sandra Kanck in her amendment to establish the South Australian Health Services Council. The Labor Government of the day decided that such a large advisory committee had failed to be effective; that it was slow in making decisions; and that the time taken by the advisory committee meant that many of the decisions that had to be made became stalled or frustrated in the process. We would be repeating that history, and one should learn from history.

The honourable member is proposing not only a council but a whole series of advisory panels, and we believe that this would be a cumbersome mechanism. Under the scheme we would also argue that the Minister has responsibility for policy and strategy, and that these responsibilities have been passed on to a committee. I have indicated that that has been tried and tested, but it has been found wanting in the past. We do not believe that we should again seek to usurp the Minister's functions in the sense proposed by the Hon. Sandra Kanck.

The Hon. BARBARA WIESE: The Opposition opposes this amendment also. I can fully appreciate the Hon. Ms Kanck's objectives in moving the amendment and the concerns that she has expressed about so much power being accumulated by the Chief Executive Officer and the lack of accountability and checks and balances in the legislation as proposed by the Minister. The Opposition shares that concern. However, the Opposition does not believe that the establishment of a council as proposed by the Hon. Ms Kanck will address the problems that she has outlined and will not provide the necessary checks and balances.

I hope that some other amendments that are to be moved either by the Australian Democrats or by the Opposition will provide some balance, but an advisory body such as that which is proposed will not achieve that aim. In fact, it will almost provide a parallel bureaucracy in a sense, and it will have some of the problems that the Minister has outlined. That is likely to mean that decision making will be much slower and might not necessarily achieve the objective, anyway. Being an advisory body, it will not necessarily have any teeth. It cannot insist that its view is taken into account by the Government. I suspect that it will also be quite costly to establish.

The Opposition has consulted fairly widely in the health sector about the proposal and it has found that most people were opposed to it. At best, people have been lukewarm towards the idea. That has strengthened the Opposition's view that this amendment is not the way to go. Also, it could mean that, because of the representative nature of the membership of the council as proposed by the Democrats, individuals who sit on the council may find that they have a conflict of interest in that they represent certain health sectors. Those sectors will have particular views about certain matters, but the individuals who will sit on the council presumably will be required to take a slightly different approach and a broader view, which will bring them into potential conflict on occasions.

To some extent, the health advisory panels which are proposed by the Hon. Ms Kanck and which will be supported by the Opposition will provide at least some input by the health community into decision making. Those bodies will be regionally focused, will have an opportunity to concentrate very specifically on matters relating to their regions, and will have the opportunity to feed views from the health sector into the Health Commission and ultimately to the Minister. There is considerable scope, through those panels, for community participation, but there will also be much strengthened community participation if other Opposition and Democrat amendments are carried.

The Hon. SANDRA KANCK: I am disappointed that there is no support for the amendment. The main argument appears to be about slowness in making decisions. I wonder whether slowness is a great sin. The Minister said that one should learn from history, and I tend to agree with that. The history of the past 18 months has shown that some of the decisions that have been made about our health system have been made very quickly with minimal consultation. Most providers of health services in this State are saying, for instance, that casemix has been introduced far too quickly, that, on top of that, other changes are occurring, and that within 18 months of casemix being introduced we will face the advent of the purchaser-provider model, for instance. Many providers of health services think that that has been occurring very fast. Slowness is not necessarily a disadvantage. As the Hon. Ms Wiese said, other amendments will improve the Bill, but none of them will have quite the strength and the direct influence on the Chief Executive that the health services council would have been able to have. Nevertheless, I accept that I am outnumbered on this matter, and I will just have to accept my losses.

The Hon. DIANA LAIDLAW: The Hon. Sandra Kanck is always very pleasant to deal with, whether in a loss situation or otherwise. I agree that speed is not always the essence; matters must be fully considered. It is more difficult, however, in relation to a council such as that which is proposed and in which there is such complex human service delivery. In addition to all the issues that have been outlined in the functions for health services, the health sector faces rapidly changing technologies, globalisation, new accounting procedures, the Hilmer report, and a range of intricate decision making. There must be flexibility. People must have the capacity to respond in a complex and often flexible way. That is not easy to achieve in an advisory committee in which all the complexities are not appreciated, not because of the skill of the people on the panel or because of their commitment to an area but rather the fact that they are not involved on a daily basis with other factors that are causing pressure on the Health Commission. As for the CEO and all the powers that are proposed in the Bill, the Minister and the Government have received many representations about the breadth of powers. I will move amendments to restrict some of those powers.

Amendment negatived; clause passed.

New Division.

The Hon. DIANA LAIDLAW: I move:

New Division, page 4, after line 2—Insert new Division as follows:

DIVISION 1—THE MINISTER

Administrative responsibility of the Minister

5A. The Minister is responsible for the general administration of this Act in accordance with its objects.

Delegation

5B. (1) The Minister may delegate powers or functions (other than the power under section 9 to approve a statement, or revised statement, of policies, strategies and guidelines) to the Chief Executive.

(2) A delegation—

(a) is revocable at will; and

(b) does not prevent the Minister from acting personally in a matter.

This amendment, which would insert new Division 1 in relation to the Minister, seeks to clarify the respective roles of the Minister and the Chief Executive Officer. Comments from the field over the past few weeks have indicated a wish for the Minister to be more visible in the Act. The Minister is quite relaxed about that and, accordingly, this amendment provides for the insertion of a provision that deals with the Minister's overall responsibility for the general administration of the Act. The power of delegation is included in new section 5B, except in the areas of approving statements of policy, strategies and guidelines. Obviously, it is good management that matters of day-to-day administration be delegated.

The Hon. BARBARA WIESE: The Opposition is very pleased that the Government has now recognised that the Minister's responsibilities should be included in this legislation. This matter was raised by the Opposition in another place and was certainly a view expressed to us by people in the health field. As a result, the amendment that I have on file was moved in another place but at that time was not supported by the Minister. In the meantime, he has received his own representations from people in the field and has seen the error of his ways and wishes to incorporate a provision which outlines the Minister's responsibilities.

My amendment is slightly different from that proposed by the Government. There are aspects of the Minister's amendment which we find desirable and aspects of ours which we think are preferable to that proposed by the Minister. Mr Chairman, I wonder whether, when this matter is put to the vote, you would agree to separate new sections 5A and 5B so that these issues can be highlighted even further. Perhaps I will explain that a little.

The Government's amendment indicates that the Minister is responsible for the general administration of the Act in accordance with its objectives. The Opposition believes that the Minister's responsibilities are rather broader than that. Therefore, we have suggested that he is responsible for planning the proper development, consistent with the objects of this Act, of the publicly funded health system, and ensuring proper distribution and coordination of health services to achieve the best possible return from the resources available for health services and supervising the administration of this Act. In other words, we are saying that the Minister is responsible not only for the administration of the Act but also for overall planning of the health system and for showing leadership within the health field. Therefore, we would prefer to see the Opposition's new section 5A made part of the Bill, along with the Government's 5B, which relates to delegation and which we certainly agree is a welcome addition to the legislation.

The Hon. SANDRA KANCK: I support the Hon. Ms Wiese's request. I find that the Opposition's new section 5A is far more preferable to the Government's provision because it is more specific. However, I would like to be able to support the Government's new section 5B, so I indicate that if it could be split I would certainly support the second half of the Government's amendment.

The Hon. DIANA LAIDLAW: The Government would be pleased if the Chair was prepared to split the vote on this. We have difficulty with proposed new section 5A(a) of the Opposition's proposed amendment, only with respect to the term 'planning the proper development'. That is a very detailed exercise that is essentially like the administration of the Act. If this Bill goes to conference, this matter could be looked at then. Essentially, the Opposition and the Democrats are seeking the oversight of the planning and not specifically the responsibility for all the planning. So, it is a technical issue but an important one for a Minister for Health who is still human in capacity. Without its being amended at this stage, the Government would have to oppose proposed new section 5A, although it is more technical than outright opposition.

The Hon. BARBARA WIESE: I do not think I have actually formally moved my amendment, so I will do so now. I move:

New Division, page 4, after line 2—Insert new Division as follows:

DIVISION 1—THE MINISTER

Functions of the Minister

5A. The Minister is responsible for—

(a) planning the proper development, consistent with the objects of this Act, of the publicly funded health system; and

(b) ensuring proper distribution and coordination of health services to achieve the best possible return from the resources available for health services; and

(c) supervising the administration of this Act.

In response to the Minister's most recent contribution concerning the wording of proposed new section 5A(a), speaking on behalf of the Opposition, I am sure that we would be prepared to look at options, if there is a technical difficulty with the phraseology which we have used in our amendment. Our aim is to ensure that the Minister is involved with the overall planning arrangements. The Minister does not necessarily have to undertake every last aspect of it personally. Certainly, we would be prepared in conference to look at another form of words.

Hon. Diana Laidlaw's new section 5A negatived; Hon. Barbara Wiese's new section 5A inserted; Hon. Diana Laidlaw's new section 5B inserted.

New clause 5A—'Panels.'

The Hon. SANDRA KANCK: I move to insert the following new clause:

5A (1) The Minister must establish health advisory panels to provide the Minister and the Chief Executive with community and health profession views on the allocation of resources for health services within the regions in respect of which the panels are established.

(2) A number of health advisory panels must be established for the metropolitan area of Adelaide and for the various rural areas of the State.

(3) The membership, terms and conditions of membership and procedures of a health advisory panel will be determined by the Minister.

(4) However, the membership of a health advisory panel must consist of—

(a) a number of persons who are involved in the delivery of health services within the panel's region; and

(b) a number (being not less than 50 per cent of the total membership) of persons who reside within the panel's region and are not involved in the delivery of health services.

(5) A health advisory panel should be representative of the various health services within its region (for example, hospital services, community health services, women's health services and mental health services).

(6) In allocating resources for health services, the Minister and the Chief Executive must have regard to the views expressed by health advisory panels.

The Government is in the process of setting up health advisory panels. I refer to a document which was distributed at a seminar held about two months ago in Adelaide called 'The Health Dollar Seminar' and which states:

> The South Australian Health Commission is setting up four metropolitan health advisory panels. The Southern Metropolitan Health Advisory Panel is a local advisory group assisting the South Australian Health Commission to decide where 'health dollars' are spent. This panel will be one of the main groups giving advice to the South Australian Health Commission. . . The panel will have 60 per cent local residents and 40 per cent service provider members with a total of 20 members. The South Australian Health Commission plans to establish the panels by September 1995.

There is great support for this concept within the community health movement at large and it is something that I, too, applaud. Because it is so good, I want to see it in the Bill. I do not want to have it held as a carrot to health consumers at the present time and then for it to disappear. Not only do I want it to happen in the four areas where the Health Commission is currently setting it up, but also I would like to see it across the State; hence my amendment. I have kept it fairly wide to give flexibility, which is what the Government asks for all the time. I have simply said that a number of health advisory panels must be established for the metropolitan area and for the various rural areas of the State. I am not setting in concrete how many there should be.

I also say that the terms and conditions of membership and procedures of the panel will be determined by the Minister. I have not specified the number of people, although the document from which I quoted gave a total of 20 members. I have left that flexible according to how well the panels work. I have however said that at least 50 per cent of the membership must be health consumers or, as the wording says, 'not involved in the delivery of health services', which is lower than the 60 per cent currently being targeted by the Health Commission.

I also tried to ensure that it encompasses the types of services that exist in the area. I have given examples of hospital services, community health services, women's health services and mental health services, but that is not the be all and end all of the matter. For instance, if we were setting up a health advisory panel in Port Augusta we would have Aboriginal health services. There may be some areas where a community health centre does not exist, so it would not be appropriate to have the community health services on that advisory panel. Again, I state that the amendment allows greater flexibility on the Government's part in setting up these panels, but at least it gives it an obligation to set them up.

Finally, proposed new subclause (6) provides that the Minister and the Chief Executive must have regard to the views expressed by health advisory panels, because it is no good having such a panel if it is not listened to. As I said, the Health Commission has shown some vision in beginning this process of setting up the four panels in the metropolitan area and, as it is so good, it should apply elsewhere in the State.

The Hon. DIANA LAIDLAW: The Government opposes this amendment. It is true that the Minister proposes to establish advisory panels which, initially, will be located in the metropolitan area. In a health sense, the metropolitan area services approximately one million people.

It is proposed to have four panels. There will be a different mechanism in country communities, where the community is much smaller in size, and that is appropriate. The panels are different—and not only in the fact that there will be four. If I read the honourable member's amendment correctly, she proposes to have only one in the metropolitan area, and I will deal with that in a moment. They would also have a different reporting function. The Minister's proposal with respect to the metropolitan area is that they report to the Metropolitan Health Services Division within the Health Commission. It is this division that is responsible for resource allocation, so they would speak directly to the people who advise the Minister on resource allocation for the metropolitan health services generally. We believe that that is the most effective and direct way for the recommendations to be made from that area through the Health Commission to the Minister or, as proposed in this Bill, through a department to the Minister. In that way the regions will reflect the health needs and priorities in respect of resource allocation. It is proposed that there be a different mechanism for the country areas. That has not yet been confirmed, but it is certainly on the agenda.

I refer to the honourable member's amendment and the one panel for the metropolitan area because it is proposed that the health panels reside within a region. The amendment provides for only one region for the metropolitan area, so this panel in the metropolitan area would represent about 1 million people. Because of the far-flung nature of country areas, it is also planned that they have seven panels. So, taking this amendment further, we would have one panel representing 1 million people in the metropolitan area and then we would have seven small advisory panels. The Government thinks that it is not only disproportionate but also a little illogical to work that way, and that is why we have indicated that we wish to have four panels in the metropolitan area and we wish to have them report to the Metropolitan Health Services Division; and we are working on a mechanism that is the most appropriate for country input into health decision making in country areas.

The Hon. BARBARA WIESE: The Opposition supports the amendment moved by the Hon. Ms Kanck. I believe that the Minister has misunderstood the concept outlined by the honourable member in her amendment, and I hope that when I resume my seat the Hon. Ms Kanck might have the opportunity to explain her idea more fully. I do not see anything in the amendment which would limit the representation to one panel only in the metropolitan area. On the contrary, the amendment provides for a number of health advisory panels to be established for the metropolitan area of Adelaide and in the various rural areas of the State. How many, the sort of membership and the terms and conditions and so on are left to the Minister to decide. So, I would have thought that this was exactly the sort of thing that the Minister would agree to, because it is very much in line with the steps that have already been taken by the Government in this area. We applaud those steps, because we would certainly like to see some mechanism for people in regional areas of the State to have some input into the development of health services.

It seems to me that the only thing that is particularly different from the Government's proposals is that the Hon. Ms Kanck wants the advisory panels to be enshrined in legislation rather than to be established by administrative edict. I agree with her that it is desirable to have reference to the advisory panels in the legislation, and I think that it is quite remarkable how much flexibility this amendment allows the Government to make decisions as to how it ought to be structured and what the mechanisms should be, so I see absolutely no problem with this proposal from the Government's perspective. It does not seem to cross over any of the plans that have just been outlined by the Minister. In fact, it is consistent with them, so the Government should reconsider its objection to this amendment and join us in supporting it.

The Hon. DIANA LAIDLAW: I need to put on the record that I have misrepresented the amendment to proposed new clause 5I(2). It provides that a number of health advisory

panels must be established for the metropolitan area of Adelaide and for various regional areas of the State. I did not read that correctly and my remarks were focused on proposed new clause 5I(4)(b) which talks about a panel's region. My objection remains, notwithstanding the qualification that I must make and my apology to the honourable member for misrepresenting her amendment. The Government does not believe that this is necessary as a statutory obligation, because the work is being undertaken now. We believe that it is most effective in reporting to the Metropolitan Health Services Division.

The Hon. SANDRA KANCK: I want to clarify with the Minister whether the word 'region' is causing problems. That word appears in proposed new clauses 5I(1), 5I(4)(a) and 5I(4)(b). Is that where there is a specific problem? Perhaps it would solve the problem if we used the word 'area' rather than 'region'.

The Hon. DIANA LAIDLAW: It may be something that the honourable member can explore at a later stage with the Minister or at the conference, but there are two objections. First, it causes some administrative difficulties. Secondly, as a matter of principle, the Government does not believe that it is necessary to have these committees reflected as a statutory obligation, and our preference is for the path that the Minister and the Health Commission are undertaking, namely, to have four such panels in the metropolitan area and to continue the work that has commenced on determining the mechanism for such panels in country areas. It is an objection in principle that this imposes a statutory obligation when the advisory panel work is already being undertaken, and that is proving to be effective.

The Hon. SANDRA KANCK: I will proceed with the current wording, but since we will probably end up in a deadlock conference we can address the issue of that particular wording at that time.

New clause inserted.

[Sitting suspended from 6.6 to 7.45 p.m.]

Clause 6—'Administrative responsibility.'

The Hon. DIANA LAIDLAW: I move:

Page 4, lines 5 and 6—Leave out 'responsible, subject to the control and direction by the Minister, for the administration of this Act' and insert 'subject to direction and control by the Minister in carrying out his or her functions under this Act'.

This amendment is consequential on the previous amendments which inserted the 'heads of power' in relation to the Minister.

The Hon. BARBARA WIESE: The Opposition supports the amendment.

Amendment carried; clause as amended passed.

Clause 7—'Functions of the Chief Executive.'

The Hon. DIANA LAIDLAW: I move:

Page 4, line 12—Leave out 'establish' and insert 'prepare, for the Minister's approval,'.

This amendment is also consequential on previous amendments in relation to inserting the 'heads of power' for the Minister.

The Hon. BARBARA WIESE: The Opposition supports this amendment.

Amendment carried.

The Hon. BARBARA WIESE: I move:

Page 4, line 18—Leave out 'medicine' and insert 'health strategies'.

This amendment seeks to make the meaning of the clause clearer. The Bill talks about the concept of preventive medicine. The Opposition would prefer to broaden that idea to include preventive health strategies more generally. Our objective is to make that a broader responsibility. We think that it also makes the message clearer.

The Hon. DIANA LAIDLAW: The Government supports the amendment.

Amendment carried.

The Hon. BARBARA WIESE: I move:

Page 4, line 27—Leave out paragraph (i).

The Opposition seeks to leave out this paragraph, which would have the Health Department, as it will become, encourage private participation in the provision of health services. Whilst we accept that it is Government policy to encourage the private sector to be involved in health services, we do not believe that it is the role or function of the public health authority in this State to have as one of its objects the pursuit of this policy. Essentially, we are making a philosophical point. The Government might want to move in that direction, but it should not be the role or function of the department to pursue that objective when its prime function is to provide health facilities and policy within South Australia. I note that the Australian Democrats have the same amendment on file.

The Hon. DIANA LAIDLAW: The Government strongly opposes this amendment, which proposes to remove from the functions of the CEO the encouragement of private participation in the provision of health services. The Democrats are seeking to do the same. As the Hon. Barbara Wiese indicated, it is more a philosophical than a practical response to circumstances within health services today. I find it confusing and contradictory that they should argue in such a way when both have supported objects that encourage flexibility and innovation. If you encourage flexibility and innovation, you do not assume that it will happen within the public sector.

The Hon. Barbara Wiese: It can.

The Hon. DIANA LAIDLAW: It can, but, as the honourable member would know from debate on the Passenger Transport Bill, often there is the need for some external pressure to encourage innovation and flexibility. It does not mean that the service is not provided by the public sector, but often encouragement and pressure from external forces are required to keep the public sector confident in its own mind that it is providing the highest quality of service—and we have made that an object of this legislation—and being innovative in the way that it approaches such service delivery. There are many demonstrated opportunities of how health services for the public can be delivered more cost effectively through participation of the private sector. So it is a matter not only of innovation and competition but also of cost effectiveness. We all want to see the best value for the dollar in the public interests of both the taxpayer and the patient. Members would be aware that the new arrangement for the management of the Modbury Hospital has demonstrated an approximately 15 per cent increase in cost effectiveness compared with the previous public operation of that hospital.

Private sector participation in the provision of public health services is, we would argue, not a matter of ideology but of commonsense management. It is certainly compatible with the objects in terms of both flexibility and innovative service. It is sensible to encourage private sector participation in health services. I wonder whether in this regard either the Hon. Barbara Wiese or the Hon. Sandra Kanck are more

concerned about the wording in subparagraph (i) 'to encourage private participation', whether the emphasis is on the word 'encourage' or whether 'private participation' in any sense is causing the difficulty. I ask both members whether their problem is with the word 'encourage'—if so, we would look at addressing that—or whether they are not prepared to consider on any terms private participation in the provision of health services.

The Hon. SANDRA KANCK: Just as the Government has indicated that it strongly opposes this amendment, the Democrats strongly support it. The Democrats have a health policy that starts from a fundamental base, that is, that the health system is not something in which the motive should be the making of profit. So, I object to the word 'encourage'; I do not think that should be a function of the Chief Executive. If we have to have some forms of private health services, I will have to live with that, but I do not think this needs to be included in this Bill to allow the Chief Executive to carry out his tasks and functions. I have a fundamental objection to what is happening in our health system where private health is operating with huge amounts of money going into the whiz bang techno-fixes that are available when basic health care suffers.

As a further example of the public versus the private debate, one only has to go back to the beginning of this year to look at what happened with HUS. The IMVS did all the work. The private laboratories were not able to do the work: it was not in their commercial interests. If we go down the line of encouraging private participation, what we are doing is encouraging organisations which are working for profit. They will not be interested in non-profitable activities, and in the longer term we will lose expertise in this State and, ultimately, health will be at risk.

Amendment carried.

The Hon. BARBARA WIESE: I move:

Page 4, after line 33—Insert new paragraph as follows:

(la) to provide the Minister, for dissemination to incorporated service units and other relevant bodies or persons, with monthly reports on the financial activity, service delivery, surgical waiting list movements and work force statistics during the month in respect of each incorporated service unit; and.

This is one of a number of amendments which I will move and which I put broadly under the banner of the theme that the Opposition has been pursuing since this legislation was first introduced in another place, namely, the theme of accountability. It is the strong view of the Opposition that this Bill is light on in the area of Government accountability for the provision of health services.

It is also light on in terms of provisions which would provide for openness with the public and transparency of information, etc. This amendment seeks to ensure that relevant monthly reports are provided on financial activity, service delivery, surgical waiting list movements and work force statistics, so that all of us can know where the health system is going. As I understand it, in the past when this matter was addressed, the Minister has suggested that this sort of information is already collected, and I understand it is contained in something called the gold book. If that is so, then there should certainly be no objection to such a clause being part of the legislation, and the provision of this sort of information becomes one of the functions that must be performed by the Chief Executive.

I commend this amendment to the Committee, and I would hope that once such a provision is included as part of the function not only will this information be made available but that it is made available sooner than is currently the position. I understand that these reports very often are some months late. For the information to be useful to those who need it, it needs to be provided as soon as possible after it is collected.

The Hon. DIANA LAIDLAW: The Government strongly opposes this amendment. The Government collects this information on a monthly basis now. The information is available to every health unit that indicates it would like to receive it. The health unit can then read and digest it and possibly act on it. We would be prepared to indicate and remind each health unit that all that information is available. There is enough work, as all members would know, within health units today without forwarding to them information which they may not deem as relevant and which they certainly have not requested. A cost factor is also involved.

I suppose I could ask the honourable member whether she is aware how many health units would require this information plus other relevant persons, but the Health Commission would be required by this amendment to provide 200 health units with monthly material relating to financial activity, service delivery, surgical waiting list movements and work force statistics. Not all 200 health units will be, by any means, interested in all the information from all other units. As I say, it is collected now. The commission would be more than happy to remind every health unit that the information is available. It possibly could be forwarded free of charge or at some cost, but that is an administrative decision. To suggest that the information be distributed every month to every unit whether or not they want it seems to be an extravagant provision and totally unwarranted.

Health units make their own decisions about the information that they require for their own management and, if they wish to compare themselves with others, they can, as I have indicated, seek such comparative information on an as-required basis. This amendment would require a significant increase in the administrative resources of the department, so it could churn out loads and loads of paper. We do not see this as a priority for the administration of the Health Commission or department, rather we would send out advice indicating that it is available on a needs basis, and they could seek it. That would be a much better use of resources, time and information.

The Hon. SANDRA KANCK: The Democrats will be supporting this measure. It seems to me that, given the photocopying and printing machines available these days, it really would not be a great inconvenience to do something like this. I would see it as being quite valuable for different service units to be able to compare their activities with others.

The Hon. Diana Laidlaw: They can if they wish to; they can request the information from them.

The Hon. SANDRA KANCK: Then there is no problem with this amendment, if they can today. It does not really alter anything. As I read it, it does not say that every incorporated service unit has to receive it.

The Hon. Diana Laidlaw: Well, read it again. The amendment provides that the functions of the Chief Executive are 'to provide the Minister, for dissemination to incorporated service units and other relevant bodies or persons. . . ' That is at least 200 on a monthly basis—unless you want the Minister to defy Parliament.

The Hon. SANDRA KANCK: Does the mover intend that all 200 should get them every week? I had not read it that way.

The Hon. BARBARA WIESE: The idea is that relevant service units would receive this information on a monthly basis, with the emphasis on 'relevant'. There may well be some health units—and I am not familiar with all the health units that are incorporated under the Health Commission's legislation—for whom this information would not be relevant and not be helpful, in which case one assumes they would not want to receive it. But for those for whom it is helpful, I would envisage that this information should be made available. Certainly, my understanding is that health bodies in the field have indicated to our shadow Minister that this information would be of assistance to them.

The Hon. DIANA LAIDLAW: We are aware that it would be of assistance to some, and that is why it is available to those who wish to have that information provided for them. It is not held in confidence within the commission or, in future, the department. If it is deemed to be helpful, they can request it and they can receive it today. That is the practice. If they do not want it, why should the commission be required to send it out? I remind the Hon. Sandra Kanck that the amendment provides that the functions of the Chief Executive are 'to provide the Minister, for dissemination to incorporated service units and other relevant bodies. . . '. It is not saying a 'relevant incorporated service unit'. It must go to all incorporated service units, and the discretionary part is 'other relevant bodies'. So there would be at least 200 on a monthly basis. We see it as absolutely unnecessary to be doing the work for people who do not want the paper, who are merely going to put it in the bin, when those papers are available upon request. The commission would be more than happy—so would the Minister—to remind all incorporated bodies and others that those papers are available upon request and then to provide them.

The Hon. SANDRA KANCK: I like the idea of having something in the Bill which says that this is available. If this is indeed saying that all service units have to get it, then I will continue to support the amendment but it will be a matter for discussion at the conference.

Amendment carried.

The Hon. BARBARA WIESE: I move:

Page 4, after line 37—Insert new subclause as follows:

(2) Particulars of the assignment of functions to the Chief Executive by the Minister must be included in the department's annual report.[1]

[1] See s.8 of the *Government Management and Employment Act 1985*.

This amendment relates to the functions of the Chief Executive, as outlined in paragraphs (a) to (n) of the Bill. It seeks to provide for the particulars of the assignment of these and any other functions to the Chief Executive to be included in the department's annual report. The idea behind the amendment is that we want the public and people working in the health sector to have full information about the functions of the Chief Executive and about who is responsible for certain matters. As well as the functions that have been listed in the Bill, there is a provision for other functions to be assigned to the Chief Executive by the Minister, and there is also power to carry out incidental or ancillary functions. Those matters should be made publicly known, and the way to do that is through publishing such information in the annual report.

The Hon. DIANA LAIDLAW: The Government supports the amendment.

Amendment carried; clause as amended passed.

Clause 8 passed.

Clause 9—'Statement of policies and strategies.'

The Hon. DIANA LAIDLAW: I move:

Page 5, after line 30—Insert new subclause as follows:

(5) The approved statement of policies and strategies (but not guidelines) as in force at the end of the financial year must be included in the annual report of the department.

The amendment refers to a statement of policies and strategies and makes it clear that the approved statement must be included in the annual report. As a matter of good reporting, that would occur in any event, but the Government is prepared to be quite specific about the matter. Members will note that 'guidelines' are not required to be included in the annual report. That is a matter of practicality. The commission or the department, as it is proposed to become under the Bill, will issue guidelines from time to time to assist in interpreting, for example, public health matters and in achieving best practice. Those guidelines are now readily available and would make the annual report unnecessarily bulky. That is why they are excluded from the clause, but the Government is certainly keen to report in relation to the statements of policies and strategies.

The Hon. BARBARA WIESE: The Opposition has on file an amendment dealing with this matter. Our amendment would include not only statements of policies and strategies but also the guidelines to be published in the *Gazette* and laid before both Houses of Parliament and to be published in the annual report. The amendment is also related to the Opposition's accountability argument. It would provide for fuller information for those who might be interested in knowing about it.

I acknowledge that, by moving her amendment, the Minister is indicating that the Government is at least going part way towards meeting the objectives that the Opposition pursued in another place (and is pursuing again in this House) and is acknowledging the requests which have been made by people in the health sector for accountability along these lines.

It is not clear to me how administratively burdensome the inclusion of guidelines in these publications would be. It may well be that this is a matter which should be discussed further in a conference. At least, at this stage, I would like to pursue the amendments that we have on file which would require statements of policies and strategies as well as guidelines to be included for publication. If the Minister can convince the Opposition in the conference that excluding guidelines is a good thing, we might be able to talk about it then.

The Hon. DIANA LAIDLAW: I may be able to persuade the Democrats now and we may not even get to conference on this matter. Members may not be aware that printing the guidelines for obstetric services this year amounted to 50 pages. The amendment requires not only 50 pages in the *Gazette*, but 50 pages of the obstetric guidelines into the annual report and then 50-plus pages of day surgery information; so the annual report for the Health Commission or department will be enormous.

The details are available. I cannot answer for the Health Commission, but people may not be aware of the material that is available in the Health Commission, and perhaps the Health Commission and the Minister should be doing some work to alert people to the available material. There seems to be some anxiety which I believe is unreasonable when we consider what material is available within the department.

If we were to alert people to the fact that the information was available, it would not need to be included in the *Gazette*, and it would certainly not need to be included in the annual

report. Circulating the annual report of the Health Commission as widely as anyone would wish in terms of accountability would be like producing the worst kind of doorstop that we have ever seen as the document would be so bulky as to be impossible to deliver.

We can certainly list the guidelines available in the annual report, and members may be willing to accept that issue. Those guidelines could be listed in the annual report and people could use that as a basis for information instead of our incorporating all the guidelines in the annual report. Even diligent members like the Hon. Barbara Wiese are unlikely to read all those guidelines, whether they are in the annual report or anywhere else. However, she might like to see a list of the guidelines and pick out those she wishes to read.

The Hon. SANDRA KANCK: I think that the Minister has convinced me. However, what status do the guidelines have? How enforceable are they? Do they have the status of rules? What is their status within the health system?

The Hon. DIANA LAIDLAW: I am advised that they do not have the status of policy but that it is best practice.

The Hon. BARBARA WIESE: The Minister has presented a very good argument on this matter. I can indicate that the Opposition would be happy with the Minister's last suggestion which was to list the guidelines which are available in the publications. This is a matter which will probably still have to go to conference for something to be drafted along those lines, but that would form the basis of a reasonable compromise.

The Hon. DIANA LAIDLAW: Perhaps I could move to amend my amendment in order to sort this matter out on the floor.

The CHAIRMAN: We have two amendments. To make it clear perhaps the Hon. Wiese could indicate whether she would withdraw her amendment if the Minister were to amend hers.

The Hon. BARBARA WIESE: I ask the Minister whether, instead of amending her amendment, she would be prepared to make an amendment to the one that I have on file, as my amendment is asking for publication in the *Gazette* as well as in the annual report, which is an idea that the Opposition would prefer.

The Hon. DIANA LAIDLAW: No; in terms of practical operation, rather than sprinkling all these statements and policies through gazettes (which, unless they are diligent members of Parliament, people do not really spend time looking up), we feel that they should be collected in the one volume—the annual report—where they are all set out for anyone who is interested to see, together with the list of guidelines. So if people have an interest in this Bill, they go to one volume only and do not have to search through all the annual reports to find them.

I know that the previous Government was going down the same path in the health field and others. We do not want to focus more and more resources on administration: they should be in service delivery, and we must be very careful in this argument in terms of accountability that we do not find that we have more and more of the health dollar focused back into the commission when we should and can find ways both to streamline the commission's administrative arrangements and provide the information that she is seeking to provide for the wider community.

So we would argue not to support the *Gazette* proposal but indicate that the commission is keen to make people more alert about the range of information that it has available and that, at one time in the year, it would in addition to that print all this information together with the list of guidelines in the annual report. So, the Government would not wish to support the two parts of the honourable member's amendment.

The Hon. BARBARA WIESE: I do not want to prolong this point, but the Opposition's view is that as soon as policies, strategies and guidelines are developed and approved by the Minister they ought to be made publicly available so that those who need to know about these issues will have that information as soon as possible. That is the reason for gazetting that information and laying it before both Houses of Parliament. It means that in some cases information will be available to people almost 12 months earlier than they otherwise would receive it under the proposal that is being put forward by the Minister. I think that is an important difference between the proposition being put by the Government and that being put by the Opposition, and I therefore recommend that we stick with the proposition put by the Opposition with the alteration relating to guidelines that the Minister suggested earlier.

The Hon. SANDRA KANCK: If at present somebody wants to know what are the policy strategies and guidelines under which the Health Commission is operating, how do they, first, get hold of the information and, secondly, become aware whether there has been a change?

The Hon. DIANA LAIDLAW: All the health service agreements have a list of the policies and statements available. It is also possible to ring you, me, the Minister's office or the Health Commission and we can easily find out. If they rang the Health Commission, they would be advised. There is nothing secret about this information. What the commission is doing now is better than what is proposed. It may be able to improve on current practice. Once the commission has approved these strategies and policies, it is in its interests to send them out, so that people are aware of them, and it does that now. If the honourable member thinks they should be sent to a wider range of people, that can be arranged. It could be put on internet or something clever. The commission is more than prepared to do that.

The current practice would be a better approach—as they would be sent to the people who wanted them—than to put this in the *Gazette*, the readership of which is not great and is not targeted. That is why the current practice is to send them. If the honourable member thinks it should go further, it is in the commission's interests to make sure that people are aware of the commission's policies and statements. There is no reason to sit on them, hide them and keep them under cover to themselves. It is just not necessary at all. If it is a reflection that the commission is not doing as well as it should be, it is in its interests to do better, and it will. I just argue that the annual report is an appropriate place for the official recording of these documents.

The Hon. SANDRA KANCK: I am still not certain about this. In my capacity as a politician, I regularly check out the Government *Gazette*, particularly when Parliament is not sitting. When regulations are tabled at the beginning of a day, obviously I have some idea what is happening, but when Parliament is not sitting I do not have a clue what is happening. In many cases, this is the only way in all sorts of areas that I get to find out what are the changes of policies of the Government in the form of regulations in the Government *Gazette*. For anyone who is not actually a health service unit but who has a general interest in this issue, the Government *Gazette* may be the only way they would be aware that changes have occurred.

The Hon. BARBARA WIESE: May I clarify the situation? I would like to proceed in an amended form. I would like to amend my proposed amendment in a similar way to that which has been proposed by the Minister as regards her amendment.

The CHAIRMAN: The honourable member will need to seek leave to do that.

The Hon. BARBARA WIESE: I so do.

Leave granted.

The Hon. BARBARA WIESE: I move:

Page 5, after line 30—Insert new subclauses as follows:

(5) The Minister must cause an approved (or revised) statement of policies, strategies and a list of guidelines to be published in the *Gazette* and laid before both Houses of Parliament as soon as practicable after it is approved.

(6) The department's annual report must include the approved statement of policies, strategies and guidelines as in force at the end of the financial year to which the annual report relates.

The Hon. DIANA LAIDLAW: I seek leave to amend my amendment, as follows:

By deleting '(but not guidelines)' and inserting in its place '(and a list of guidelines)'.

Leave granted; amendment amended.

The Hon. Diana's Laidlaw's amendment as amended negatived; the Hon. Barbara Wiese's amendment carried.

Progress reported; Committee to sit again.

REFERENDUM (WATER SUPPLY AND SEWERAGE SYSTEMS) BILL

Adjourned debate on second reading.

(Continued from 5 July. Page 2217.)

The Hon. R.I. LUCAS (Minister for Education and Children's Services): On behalf of Government members, I rise to oppose the second reading of the Referendum (Water Supply and Sewerage Systems) Bill introduced into this Chamber by the Hon. Sandra Kanck a few weeks ago. I intend to refer to a number of aspects of the honourable member's contribution. The Minister and his advisers have provided me with some advice and, where the Government disagrees with aspects of the honourable member's contribution, I seek to place the Government's position on the record. In her second reading contribution the honourable member asserted, as she has on previous occasions, that the management of the entire metropolitan water system is being handed over to foreigners in order to improve water quality.

She also implied strongly that the Adelaide Hills catchment and the Murray-Darling river system were also to be included in this. As I have indicated before, the Minister has said that nothing is being handed over. What is happening is that a number of major metropolitan area activities will be provided under contract to SA Water, which will remain accountable to the Government for the provision of all services at approved standards. It has been made clear many times that what is being contracted out is limited to the management, operations and maintenance of water and waste water treatment plants and related water distribution and sewerage collection mains within the metropolitan area. For water, SA Water will supply the contractor with untreated water at the treatment plant. The contractor will treat the water to the contractor's specifications and supply this water to SA Water's customers. SA Water will bill its customers.

For waste water, the contractor will collect raw sewage from customers' premises and transport it to waste water treatment plants for treatment and disposal in accordance with the requirements of the Environment Protection Authority. The purpose of contracting out is to achieve substantial reductions in the costs of providing existing standards of service. The prime contractor is not being required to improve water quality. The honourable member also suggested that the contract will not save money, because under private management the savings achieved in recent years and further savings planned by management will be lost, and also that consumers can expect much higher water tariffs. The Government's financial statement of May 1994 stated clearly that contracting out would occur subject to favourable tender prices. That is still the case. It will be a condition of accepting any offer that costs of management operations and maintenance will be less than they would otherwise have been during the period of the contract.

The Minister is making an important point in relation to the contract. The Government is not blindly going into outsourcing under any conditions or at any cost. The Government and the Minister are saying that it is a question of considering the tenders. The tender will have to be attractive from the viewpoint of the taxpayers of South Australia for the South Australian Government and the Minister to undertake this outsourcing option. It makes no sense at all for the South Australian Government and the Minister to go through the considerable workload of managing a major outsourcing project like this if there is not to be any advantage to the taxpayers of South Australia from such a contract. Why would any Minister or Government go through the processes that one has to go through for such a major outsourcing contract if it cost taxpayers much more than the other option? If it delivered a lower quality of service, why would any Government knowingly and willingly enter into such an arrangement if all these dastardly things were going happen to the consumers of South Australia? Whatever the Hon. Sandra Kanck and other members might think of the Hon. John Olsen, he is no fool.

The Hon. T. Crothers: Exactly; I agree.

The Hon. R.I. LUCAS: The Hon. Trevor Crothers says that he agrees. Whatever one thinks of the Minister, he is no fool. He is a person who has had great experience in management, he has run his own small business, he has had experience as a Minister and he was Leader of the Opposition—the world's worst job—for the interminable period of seven or eight years. He has had considerable experience.

The Hon. L.H. Davis: He barracks for West Adelaide.

The Hon. R.I. LUCAS: He barracks for West Adelaide, as my colleague says. He has known pain for some time, having barracked for West Adelaide for so many years. Why would a person with the capacity of the Hon. John Olsen as Minister for Infrastructure knowingly enter into a project which would have all the down sides that the Hon. Sandra Kanck is talking about, such as massive increases in prices, terrible things happening to the quality of our water, the service being awful and the world ending and the sky falling in as a result of the Minister engaging in this outsourcing project?

It does not make sense to see a conspiracy behind every project that the Minister and the Government contemplate in relation to outsourcing. The Government has indicated that, in relation to outsourcing, it is a question of considering all options and then making a considered judgment as to whether or not it is in the best interests of the taxpayers and consumers of water in South Australia to go down that path. The Minister also advises that it should also be noted that section 9 of the South Australian Water Corporation Act requires that

'contracting out can occur only if the corporation cannot provide or operate the same services or facilities competitively'. I have not had the chance to go back through the debate on that legislation, but my recollection is that the Australian Democrats and the Labor Party supported that piece of legislation which envisaged exactly what we are looking at in relation to—

The Hon. Sandra Kanck: They didn't get a chance to competitively tender for it. The Minister decided for them.

The Hon. R.I. LUCAS: The Minister is there to make those judgments. He is the Minister. I must confess that I have not gone through the debate again, and perhaps I will need to do that in the next 24 hours, but my recollection is that the Australian Democrats and the Labor Party supported the legislation which made provision for the contracting out that was being envisaged.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: It is not as if the legislation was snuck through late at night without the Australian Democrats or the Labor Party knowing that the South Australian Government and the Minister were—

The Hon. T. Crothers interjecting:

The Hon. R.I. LUCAS: The Hon. Sandra Kanck has another motion on the Notice Paper to ban anything French in this State, so we can discuss the nature of the tenderers or the contractors on that other motion. It is not as if this is something secretive that has occurred since the legislation passed some months ago.

The Hon. Sandra Kanck: There was no indication at the time that this is what was going to occur—none at all.

The Hon. R.I. LUCAS: I think that the Hon. Sandra Kanck was poorly advised, if the position she now adopts—

The Hon. Sandra Kanck: I was advised by the Minister's officers. They gave no indication. I can even show you the notes.

The Hon. R.I. LUCAS: Is the honourable member saying that the Minister's officers told her that there would be no outsourcing?

The Hon. Sandra Kanck: That is not what they said, but they did not say that Adelaide's water supply was up for grabs. That was never said.

The Hon. R.I. LUCAS: It is not up for grabs. It is being outsourced, if the tender meets the specifications. I think the honourable member was poorly advised or misunderstood the situation if she believed when she was passing the legislation that she was not providing the framework for outsourcing of this nature within South Australia. That is one of the reasons for the legislation. As I said, section 9 provides that 'contracting out can occur only if the corporation cannot provide or operate the same services or facilities competitively'. I assume the honourable member supported that section of the legislation which refers specifically to contracting out these sort of water supply services.

The Minister indicates that the Government has repeatedly stated that it will continue to be responsible for setting customer prices. As the contract will be let subject to cost savings being achieved, it follows that there will be no price increases resulting solely from the particular contract being entered into. The honourable member also suggests that it would be in the interests of the private company to ensure that we use as much water as possible and that we not go out of our way to conserve it. On behalf of the Minister I have responded to this claim from the honourable member before. Again, the Minister advises that the contractor will have no influence on water conservation. It will do no more than treat the quantity of water that South Australian Water requires it to treat. It will not be setting prices and, therefore, it will be unable to influence consumption by this means.

I know I have referred to that before, and I have to do so again on behalf of the Minister to indicate that the honourable member has not fully appreciated the role of the potential private company or contractor in relation to this particular outsourcing project. The honourable member in her contribution went on to question whether the proposed monopoly management will be any more beneficial than the current public monopoly. The Minister advises that the present public monopoly will continue. SA Water will continue to be responsible for the provision of services to the metropolitan area. The only change is that it will not physically conduct the activities required to provide those services. These will be conducted under contract with a single private sector supplier. This supplier will be managed and controlled by SA Water under a very tightly written contract.

The contractor will have won the contract as a result of a very competitive bidding process that is consistent with the Hilmer principle of opening up the public sector to competition. Because SA Water has not been privatised, the reference to the Hilmer recommendation of not replacing public monopoly with private monopoly is irrelevant. The honourable member also suggests that there are no guarantees that the prime contractor will not shift its head office to another State and that there could be a disaster with our water supply akin to that of the State Bank. The establishment of the prime contractor's Asian headquarters in Adelaide is a condition of the contract, which will include not only economic development commitments but also the management operations and maintenance of metropolitan water and waste water services. Therefore, it would not be in the interests of the contractor to breach a contractor by walking away from this requirement.

The risk of a water supply disaster under the prime contract is no more nor less than under existing arrangements. The contractor will be a very experienced operator and will not jeopardise its international reputation and future business prospects by inappropriate conduct in Adelaide. Indeed, technical competence and experience is a key part of the selection process. In addition, the contract will be managed in such a way as to minimise any risks to service provision. Finally, the contract will provide for severe penalties to be paid by the contractor in the event of any poor performance from time to time.

The honourable member also went on to refer to potential economic development assistance from the Economic Development Authority. I am told it is possible that the successful prime contractor could be eligible for some forms of assistance from the authority. However, I am advised that no decisions have been taken on this, and this would be on the same basis as for any other organisations. The honourable member also went on to suggest that South Australian Water should be the prime contractor, and this would be a better way of developing export markets without putting local water supplies and sewerage systems at risk. It was also suggested that a modest application of taxpayers' funds should be applied to developing a water industry policy. As previously stated, local water supply and waste water systems will not be at risk because of the very thorough vetting process that the Government has conducted and because of the demonstrated competence and experience of the competing companies. The Government has repeatedly said that it would not put taxpayers' funds at risk in business ventures. Again, I do not intend to go over all the detail of this debate, but I accept

that the Australian Democrats in South Australia—I am not sure what their position is federally—and the Labor Party do have a different philosophical position in relation to risking public moneys on entrepreneurial activities. The South Australian Government was elected on a clear platform of trying to clear up the financial mess left to it by the previous Government.

A large part of that occurred because Government and semi-Government instrumentalities risked millions of dollars in business, commercial or entrepreneurial activities that they were ill suited to conduct. We acknowledge that the Australian Democrats do not accept that position and believe that we ought to continue with such entrepreneurial-commercial type activity on behalf of Government and semi-Government authorities propped up by large dollops of taxpayer funds to undertake that activity.

The Hon. Sandra Kanck: Who says you have to undertake entrepreneurial activity?

The Hon. R.I. LUCAS: That is what you are suggesting. You are saying that SA Water should be engaged in this rather than using another company to pitch the economic development of this contract and project into the South-East Asian arena. The honourable member's second reading contribution suggested that that activity not be conducted by a third party but by the public sector in South Australia through SA Water. The honourable member also suggested that that should be topped by what she termed 'a modest application of taxpayer funds' to assist that process. We understand that that is the position of the Australian Democrats. The South Australian Government does not accept that, and the honourable member would at least be prepared to accept that the Government was elected on a clear platform of not wanting to continue that sort of emphasis—that sort of approach—by public sector agencies whilst we are in Government. It is for that reason that the Government cannot accept the honourable member's suggestions.

The Minister advises me that we must learn the lessons of the past and that the public sector in this area does not have the depth of commercial skills fundamental to securing export markets; nor does it have the ability to provide the quantity of equity funding needed to be a primary participant in these markets. These are the reasons for its being essential for the private sector to have the dominant role in the development of the South Australian water industry. The public sector, of course, has strong technical skills which will be a major contribution to this industry as it develops over time.

The honourable member went on to suggest that breaking into Asian markets was a pipe dream because the Snowy Mountains Engineering Corporation had been unsuccessful. The three potential prime contractors are all active and very successful participants in the Asian water services market. Unlike the Snowy Mountains Engineering Corporation, these companies have been successful not just with construction projects but with operating projects such as water distribution and waste water collection and treatment. It is precisely because of their track record and current plans that all these companies will be well equipped to lead the development of the South Australian water industry and its participation in Asian markets. This was a key element of the potential prime contractor qualification process.

I am told that the Government's approach will be further strengthened because winning a prestigious contract such as this will enhance the successful company's credibility and competitiveness in Asia. As the South Australian prime contractor wins contracts from Asian Governments, it will then perform its contractual role of connecting local South Australian companies to these opportunities. There will not be a question of Asian Governments dealing with unknown South Australian companies. The South Australian Government strategy is to use the market power of the major international company which wins the Adelaide contract to leverage its own economic development into the Asian region. As stated earlier, this company will already have established its credibility in the Asian region.

The honourable member also suggested that BOO schemes might favour the private sector by stacking the risk on the side of the taxpayer while a private developer is able to cream off higher returns at little or no risk to its profits.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: This is a direct quote.

The Hon. Sandra Kanck: I was quoting from EPAC.

The Hon. R.I. LUCAS: The honourable member indicates that this was a quote from EPAC. Was the honourable member quoting it and saying that she did or did not support it?

The Hon. Sandra Kanck: I was simply quoting it and saying that EPAC says that sometimes private industry is overly favoured.

The Hon. R.I. LUCAS: Do you accept that?

The Hon. Sandra Kanck: Yes, I do.

The Hon. R.I. LUCAS: I guess that is what I am saying. The honourable member indicates that she is quoting that from another source but that she accepts the argument that BOO (build, own, operate) schemes might overly favour the private sector by stacking 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 and contain Government guarantees of assistance in case the asset fails to perform to expectations. The Minister advises that a fundamental consideration by a private company tendering for a venture capital project, such as BOO, is to structure its rate of return having regard to the risk profile of the project. It is a commercial reality that the rate of return will have to be high if it has to bear all the risks. Conversely, it will accept a lower rate of return—

The Hon. T.G. Roberts: Unless you have tolls.

The Hon. R.I. LUCAS: Or tolls, or backhoes to offset costs. Conversely, it will accept a lower rate of return if it has to bear only the risks that it is best able to manage. It is this approach to predetermined risk allocation that will apply in the case of the SA Water BOO water treatment project. Under the proposed BOO project, the majority of risks that would otherwise have been borne by SA Water will be carried by the private sector. Given that competitive tendering will apply in the selection of the BOO contractor, each tenderer will be competitively pricing the risk profile, and there is little prospect that excessive rates of return will be generated.

It is generally accepted that the private sector is better able to deliver major capital projects more efficiently than Government, even allowing for the element of profit. In BOO this advantage is even more fully realised because of the opportunity to integrate the design, construction and operational phases in an optimal way to produce a lower project life cycle cost. In the case of SA Water, it is a fundamental prerequisite to the BOO project proceeding that the whole of life cost be less than if SA Water were to undertake the project by conventional public funding means.

Concerning the point made by Mr Robinson, quoted by the honourable member, the proposition appears to rely mainly on the Sydney Harbor tunnel project, which was an exclusive

arrangement proposed by a private consortium, not subject to a public tender process, which incidentally was constructed for considerably less than the relevant public authority had estimated. I am told that generally, however, the risk of non-performance in relation to all facets of BOO projects falls on the private operator. For the BOO water treatment project, the major risks of demand, works delivery and water quality performance will be contracted substantially to the private sector operator.

The only guarantee by Government in relation to the project is to give the BOO operator exclusive rights to sell treated water to SA Water in order for SA Water then to supply the water to customers. Not to give this undertaking would impose such a commercial risk on tenderers that the BOO operator's price would be forced to an unnecessarily high level for no additional benefit to the State.

Clearly, the advice provided to me by the Minister for Infrastructure strongly disputes much of the reasoning put forward by the honourable member in support of her Bill for a referendum on this issue. Irrespective of one's attitude, there are powerful reasons for making a decision on the basis of a referendum to oppose the prospect that the honourable member contemplates. The second broad area is that we have to look at the total cost of a referendum. I think I heard the Attorney-General, or someone, pluck a figure of $3 million out of the air as being the cost of a referendum. I guess that is if it is conducted separately from an election.

We are talking about $3 million for a stand-alone referendum and an extra $1 million or so if it were conducted in conjunction with the next State election. The honourable member would need to make her position clear. Should the Bill be successful, I am not sure whether she has stated whether she believes the referendum ought to be conducted separately at a cost of $3 million. If the honourable member believes that it should be delayed until the next election, in effect, this would mean that the Government, while wanting to implement substantial reform, would be prevented, for the whole of the first term for which it had been elected to govern, from implementing this much needed reform in relation to the delivery of water services. So the referendum could not be conducted until the next State election, which is scheduled to be at the end of 1997, 2¼ years from now.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: It might focus the attention of the people. Conversely, if the honourable member's position is that there ought to be a stand-alone referendum at a cost of $3 million, the Government's position is that it could do a lot for hospitals, schools and the needy families of South Australia with that money. Certainly, the view of the South Australian Government is that it would be a foolish waste of taxpayers' money, whether it be $1 million or $3 million, on a referendum to ask people whether or not they want to contract out the water supply and sewage systems of South Australia. At a time when we are hard up against it financially, we need every last dollar that we can get. We certainly do not want to spend less money on schools, teachers, hospitals and social workers by diverting money to a referendum which might cost $3 million for no good purpose. The South Australian Government would not accept—

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: It is certainly not going to cost $3 million—the Attorney-General has reliably informed me of that. The final point that I make is that governments are elected to govern.

The Hon. R.R. Roberts: Within their mandate.

The Hon. R.I. LUCAS: Is that like voluntary voting?

The Hon. R.R. Roberts: We are sticking to our mandate.

The Hon. R.I. LUCAS: You didn't get much of a mandate. I think that 39.8 per cent of the vote following the last State election does not give you much of a claim for a mandate in South Australia. That is a very interesting version.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: I assure the honourable member that his Party did not get much more than 39 per cent in the Legislative Council also.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: I assure the honourable member that, straight out of the handbook, his Party's percentage of the Legislative Council vote was not much higher than 39 per cent.

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: Are we having two mandates now? I see. Why do we not go back to three or four?

The ACTING PRESIDENT (Hon. M.S. Feleppa): Order! Can we come back to the debate?

The Hon. R.I. LUCAS: There are 22 members in the Chamber—11 and nine is 20. If you add the President, that is 21—you are still one short. The Hon. Mr Roberts ought not talk about internal competition within Parties, because the Hon. T. Cameron has his eyes on the honourable member's particular slot on the next Council ticket, and a few others as well. So, look out!

The Hon. R.R. Roberts interjecting:

The Hon. R.I. LUCAS: We do not dwell in the past; we look to the future, and the Hon. T. Cameron is very much looking to the future, I can assure members.

The Hon. Sandra Kanck interjecting:

The Hon. R.I. LUCAS: The honourable member has to learn the lessons.

The Hon. Sandra Kanck: You don't have to?

The Hon. R.I. LUCAS: No, we have learnt them. We understand them. I am suggesting that the Hon. Sandra Kanck and the members of the Labor Party need to look to the lessons of the past because this Government has learnt the lessons of the past and it is looking to the future. Governments are elected to govern and one cannot always hide behind these notions of running off to a referendum when things get too hard in terms of making a decision. The Government has been elected. It has a clear mandate for change. It passed legislation in this Chamber, supported by the Hons Sandra Kanck and Terry Roberts, which clearly refers to the whole issue of contracting out of water services.

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: The honourable member didn't read his briefing.

The Hon. T.G. Roberts interjecting:

The Hon. R.I. LUCAS: The Hon. Terry Roberts proclaims ignorance because he was not briefed on the issue from the Minister's office. The Hon. Sandra Kanck says she was briefed, and the legislation is quite clear. We cannot run a referendum in South Australia every time there is a difficult decision. We cannot say, 'Let us wait until the next election and spend another $1 million on another referendum', or 'Let us have a referendum at a cost of $3 million.' These decisions must be taken. The Minister and the Government are taking these decisions, and they are taking this decision, therefore the Government strongly rejects this proposition. Should it be successful in this Council I place on the public record that it will be comprehensively defeated should it ever get to another Chamber.

The Hon. A.J. REDFORD: I will endeavour to be as brief as I can be on this topic. I begin by taking members to the Bill and point to a major deficiency in the Bill which highlights a major deficiency in Australian Democrat logic. If one looks at the Bill, it requires the Government only to have a referendum. It sets out the question and it sets out how the referendum is to be conducted, and that is it. It does not say what the Government should do in response to that referendum; it does not say that the Government should adopt a certain course of action if that referendum is successful. It is amazing what this Bill does not cover.

One would suspect, and I would have to say I have come to this conclusion, that this is just another stunt. I would go so far as to say that the sorts of stunts perpetrated on this place does the reputation of this place no good at all. In any event, my point is that this referendum is not binding; this piece of legislation is farcical and does nothing to advance the position of the Government or the people of South Australia at all. The Hon. Sandra Kanck said that effectively Parliament was tricked when it passed the legislation relating to the formation of the South Australian Water Corporation. Quite frankly, that is just poppycock.

The legislation was there for everyone to see. As the Hon. Sandra Kanck said, she received a briefing. I am not sure what questions she asked but she certainly did not indicate in her speech or in her interjections that she was told any lies or any falsehoods, but that she was not fully informed about what could happen in relation to the legislation that was then before the Parliament.

Quite frankly, that is a ridiculous argument. The legislation was clear. It was easy for everybody to understand. The honourable member had the opportunity of not only a briefing but also asking questions on the Bill during Committee and, if she felt that there was a risk of its going too far, getting assurances from the Government before making up her mind as to how she voted on the third reading. So at the end of the day that argument just does not wash. One could be forgiven for coming to the assumption that perhaps the Democrats are not up to it, if they feel that this legislation does not signal the sorts of things the Government had in mind in relation to our water.

I wish to raise a second point with the Hon. Sandra Kanck. This probably indicates to me why the Democrats really have not come to any understanding of the lessons to be learnt from the previous Labor Government's entrepreneurial activities in the area of the State Bank, SGIC and the many other financial disasters that were inflicted upon the poor South Australian tax-paying public. In her speech, she said:

> 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.

It is clear that the Australian Democrats have learnt absolutely nothing from the disasters that were inflicted upon this State by the State-owned enterprise—or the then State-owned enterprise—the State Bank. The fact of the matter is that—

The Hon. M.J. Elliott interjecting:

The Hon. A.J. REDFORD: Yes, BankSA. That cost taxpayers an absolute bucket. I will come to that point.

The Hon. M.J. Elliott interjecting:

The Hon. A.J. REDFORD: Yes, SGIC. It just goes on and on. We even had the Africar; that was a little marketing enterprise of the previous Government. I remind the Hon. Mr Elliott that that was a research project on a plywood car. That is the sort of marketing exercise that the previous Government got itself into. To show just how much you have learnt, you want to go down the same path with water. Further, the honourable member said:

> 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.

The fact of the matter is that South Australia does not have to do what every other State does. It does not have to follow blindly what other States do. In this case, the Minister—and he is to be commended—is endeavouring to set up a major industry in this State. I know that, when anybody does anything innovative and new, we get knockers. Unfortunately, I am afraid in this case that the Australian Democrats have joined in that process. The other point the honourable member makes is that this Government has no mandate to do what it is doing. This Government does have a mandate, and its principal mandate is to govern this State.

The Hon. Sandra Kanck: This Government is trying to be entrepreneurial.

The Hon. A.J. REDFORD: It is not trying to be an entrepreneur. The Government is saying that it will get someone else to manage something on our behalf. That is not the Government being entrepreneurial; in fact, it is quite the opposite. Again, the Democrat logic comes to the fore, and it is exposed again as being completely illogical. If you have a look at the deal, you will see that we are not involved in any entrepreneurial activity; in fact, we are getting out of it.

The Hon. Sandra Kanck said that the cost of the exercise is irrelevant. We have heard the Leader of the Government say that the cost is $3 million. When the time comes for the Hon. Sandra Kanck to sum up, I will invite her to identify the specific area in which she would cut that $3 million expenditure. Will it be a teacher, a nurse, or what? I am sure that, over the next few days when she puts her mind to the issue, she will find something that does not affect her small constituency, which I remind her is less than 8 per cent. It is silly and irresponsible to say that $3 million is not important, and it is ridiculous to waste it on a referendum that does not bind the Government.

I refute some of the comments of the Hon. Sandra Kanck regarding the Minister's failure to allow locals to tender. It would be better to discuss those issues under the nuclear testing motion to which she has referred, and I propose to do so at that time.

This is an absurd piece of legislation and it is a waste of everybody's time. One hopes that, during the break, the Democrats will regroup and perhaps approach the legislation in a way that extends beyond the grandstanding and stunt-performing that we have witnessed over the past 18 months.

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

PATAWALONGA

The Hon. M.J. ELLIOTT: I move:

> That the Legislative Council calls on the Premier to sack John Oswald as Housing and Urban Development Minister over his negligent handling of the Patawalonga development.

The Glenelg development project has been around for a long time. In fact, when I first came to this place a little more than nine and a half years ago, the Jubilee Point project was already attracting great public attention. Almost 10 years down the track, I find it very distressing to see exactly the same mistakes that were made in connection with that project being repeated.

It is the same mistake that I have seen repeated in relation to a series of projects in South Australia ranging from Wilpena, the Tandanya development on Kangaroo Island and the development on the summit of Mount Lofty. In their keenness to take up projects, Governments have failed to take due care of environmental, social and other impacts. I have been a long-time critic in this place of the handling of major projects and the Glenelg project is just one of many of which I have been critical for some time.

To be certain, in terms of the Patawalonga project, the Minister has inherited several problems, but at the same time he has failed to do anything adequate about them. When the Minister was being questioned in the Estimates Committee on matters about the development at Glenelg, he said:

> We are planners and are not involved in environmental approvals. We are planners and agents for getting development going.

I am sure the Minister knows that he is responsible for environmental impact assessments. For a long time, I have said that I do not believe that his department should be responsible for them, but at present it is responsible. The Minister's failure to recognise that there are significant environmental issues which should be subject to an EIS has led to the motion before this place.

No-one questions the need for redevelopment of the Glenelg foreshore and environs. No-one questions the need to clean up the Patawalonga. No-one questions the need to clean up the whole catchment area of the Sturt Creek down to the Patawalonga. However, the way in which the Government has handled the project is, in my view, bizarre to say the least.

I want now to consider a little of the recent history. In December 1994, the State Government announced a $4 million clean-up of the Patawalonga, with dredging of the waterway expected to begin in April 1995. An additional $11 million of Better Cities money was earmarked for the project by the State Government. I understand that that money was originally to be spent in relation to the MFP project in the Wingfield area. That was another of the previous Government's blunders and, to some extent, it is a real possibility that that blunder has simply been transferred.

In January 1995, the Minister for Housing, Urban Development and Local Government Relations announced that the State Government was calling for tenders from contractors to carry out excavation and associated works in the Patawalonga Basin. In a public statement, he pledged that by the 1995-96 end of year holiday period works would be nearing completion to enable swimming and recreational use of the Patawalonga. At that time, he also said that the silts and sands excavated from the basin would 'be placed in separate disposal areas at West Beach'. He continued:

> After drying, the silts will be spread over land within West Beach recreation reserve and then covered with sand and then top soil. This process will enable previously unusable land within the recreation reserve to be rehabilitated and prepared as part of a likely redevelopment and upgrade of the Patawalonga golf course.

The successful tenderer was likely to be appointed around the end of February, allowing for the contractor to commence works on site during April 1995. The preferred developer for the Glenelg/West Beach area was not expected to be announced by the Government until February 1995.

On 5 April 1995, Mr Oswald announced the successful tenderer for the clean-up of the Patawalonga. At that time he announced that the excavated silt would be pumped to stockpile areas to be formed on land owned by the Federal Airports Corporation. He said that, once dried, the sediments would be used to rehabilitate a former waste disposal site at West Beach recreational reserve. Mr Oswald also announced that the environmental issues would be addressed in detail. On 16 May the *Advertiser* newspaper announced that the dredging had been delayed by about a month because of confusion over the sludge dumping site. The article said:

> Hundreds of tonnes of heavy machinery has been idle at West Beach while the Queensland based crew contracted to do the dredging work have gone home. Work was stalled because the Federal Government did not officially approve the dumping of the toxic sludge on Federal Airports Corporation land at West Beach until this week. It was believed the delay was costing the Queensland dredging company, Hall Contracting, about $1 000 a day. On Thursday, the Urban Development Minister, Mr Oswald, signed the agreement with the FAC to enable work to proceed. He said work would begin immediately to excavate the giant ponds, which would accommodate 300 000 cubic metres of toxic sludge from the Patawalonga basin.

The State Government was criticised in the article for announcing the dumping site before approval for the site had been received. The State Government also came under fire over its plans to cut a trench from the Patawalonga through the West Beach sandhills to handle the run-off from the Sturt Creek. I have been told that each day the dredge has been sitting idle has a potential cost of $4 000. Also of vital concern is the fact that the Minister was allowing the Patawalonga development to proceed without formalising what would happen to the Sturt Creek waters.

On 20 May this year, Mr Oswald announced that all parties involved in the first stage of the Patawalonga clean-up had agreed on common objectives for the project. These were to include completing the project within budget, within schedule, without compromising the health and safety of constructors and the community, without litigation or protracted dispute, as well as other objectives. These included ensuring minimal impact on the local environment and establishing and maintaining open lines of communication with the community and team members. The Minister's media release did not include what penalties, if any, there would be if any party did not abide by the agreement. This leaves open the question of whether the Government is liable for any extra penalties for causing delays to the project, and I will return to that later.

On 30 May, the Minister announced that dredging work on the Patawalonga would be further delayed by the cost of a bird management strategy. He said that this was caused by a possible bill for almost $1 million of shade cloth to cover Federal Airports Corporation land. So, whilst originally there was supposed to be some $200 000 spent, suddenly there was the suggestion of a bill of $1 million for shade cloth.

According to the *Advertiser* the following day, the fear was that birds could cause an aircraft disaster because they would be attracted to the sludge to feed and could get sucked into the planes' engines. The failure of the South Australian Urban Land Trust to finalise a plan for managing bird life in the area had been blamed for the delay of the project which at that stage was already almost a month behind schedule. The Minister said that he was still to be advised if any claims were to be made as a result of the delays and that he expected the issue to be resolved within a couple of weeks.

On 2 June the *Advertiser* also reported that urgent talks were being held that day between the Minister and the Federal Airports Corporation to find a solution to the clean-up. On 5 June the Minister announced that there had been progress in negotiations with regard to the bird management problem with a less costly alternative to the $1 million shade

cloth covering, and he said that earthworks were due to start the following week. We now know that the solution will still cost $500 000, some $300 000 more than the original solution.

On 19 June, the West Beach residents living alongside the proposed dump site for the toxic waste protested against the move. Information which I have received under freedom of information reveals that some 240 000 cubic metres of sediment are to be removed from the Patawalonga and that this will include more than 100 tonnes of lead, 100 tonnes of zinc and quite large quantities of a number of other contaminants. An article published in the *Advertiser* the following day said that the group felt that it had not been informed adequately about the State Government's intentions to dispose of the sludge near their homes. They demanded that the Government stop earthworks on the site until written guarantees were given that toxins would not leach through the clay line pit near West Beach Road into ground water.

A local resident, Tony Carapetis, was reported as saying that the Government planned five test holes to see whether contaminants escaped from the site, suggesting that even the Government was not convinced that these toxins would not contaminate ground water. He said that the residents were outraged that they had not been told they would be living next to a toxic dump. The article states:

> The Government has taken the quick fix approach and tried to get it done before people knew what was going on,' Mr Carapetis said.

The article also states that fence construction and earthworks were under way on the Federal Airports Corporation site in anticipation of the sludge being pumped there when dredging starts next month, namely July. Three days later, on 23 June, Minister Oswald told Parliament's Estimates Committee hearing that the Patawalonga clean-up was expected to begin late July, early August. He told the hearing that the clean-up was on schedule, except for five days of negotiations with the Federal Airports Corporation in respect of covering the sludge ponds.

I have asked the Minister representing the Minister for Housing, Urban Department and Local Government Relations several questions on this issue, most recently on 22 February and 31 May. I have received an answer to the question I asked in May, but the issues I raised in February remain unanswered. In the question I asked in February, I raised concerns about the letting of contracts for the proposal before public consultation had taken place. As I stated in *Hansard* at the time:

> Why in this case is public consultation not occurring before developers come in again? The cynics are suggesting to me that the decisions have already been made.

In fact, the same bureaucrats who were working on Jubilee Point are working on this project as well. I repeat: many of the same faces who were around 10 years ago are still driving the project today.

The Hon. R.D. Lawson: They are more experienced now.

The Hon. M.J. ELLIOTT: They are making exactly the same mistakes. They have not learnt a damn thing! I have cited letters written by Federal Minister Howe, the Minister responsible for the Better Cities Program, making it quite plain that, if environmental issues are not fully confronted and are not cleaned up, the $11 million of Better Cities money will not come to South Australia. I find it quite amazing that the Government appears to be so blase about risking those moneys.

One of the excuses used by the Minister for not carrying out an EIS in relation to this development is that there have already been five studies. In fact, that is not the case. Two separate environmental assessment programs have been carried out. The first, which was in relation to Jubilee Point, largely concentrated on the aspects of the external marina and questions of sand movement in relation to that marina. A second EIS process was carried out in 1991 which looked at four alternative proposals. I have taken the time to re-read those environmental impact statements, and I can tell members that in relation to key matters, matters which could be fatal to this development, the statements are of no value whatsoever.

A number of issues could be raised, but I will focus on two of them. The first is the dumping of sludge on Federal Airports Corporation land. Nothing in either the EIS draft or the supplement addresses the question of sludge disposal. Mention is made in the EIS of the possibility of creating a new mouth for Sturt Creek. I repeat: if members read through the environmental impact statements, they will notice that they touch on them in a matter of about two or three paragraphs, and that is it. There is no way known that Mr Oswald can get away with the claim that the EIS carried out in 1991 addressed those two fundamental issues. Both issues are potentially fatal to the development. I cannot believe that Mr Oswald has failed to see that. I met with his senior officers earlier in the year and pointed out to them that these issues could prove fatal to the project and fatal to the Better Cities money later on, but they continue on exactly the same path they were taking before.

Whilst the environmental impact statements compiled in the past are not of great value in terms of assessment of the potential risks in relation to the sludge or in relation to a new mouth for the Sturt Creek, some other information which highlights why that other work should have been done is worth noting. I will comment upon issues that I have picked out, and they are in no particular order. One of the economic objectives of the development was that the proposal should reduce State and local government costs in respect of coast protection, sand and beach management and management of the Patawalonga as a stormwater ponding basin. The Government needs to realise that, in proposing to put a second opening to the sea, not only will we have an opening to the Patawalonga but a new opening for the Sturt Creek. Therefore, we will have to look at the question of sand management not only around the mouth of the Patawalonga but also around the new mouth of the Sturt Creek.

We are creating a second area which will have to be maintained. Potentially the costs can double because we are now looking at an extra outlet that will need to be maintained. I note that that outlet, quite possibly, will be used as a launching place for boats. Consequently, we will have a second place which may have the same sorts of problems that we already have with the Patawalonga in terms of boats entering and leaving the coast. To my knowledge, that issue has not been addressed at all.

It is interesting that within the EIS, at the end of its introduction on page 4, the last paragraph states:

> Finally, as substantial existing data and research is available for the Glenelg foreshore and environs, and the need/desire to minimise the time frame for Draft EIS preparation, limited additional new work has been undertaken. Where insufficient detail was available with respect to aspects of each proposal then practical judgments and assessments have been made, or alternatively statements are provided as to the uncertainty of intent or impact.

In other words, this EIS was a sham and that paragraph in itself admits that it was a sham. It was done in a hurry. It refers to making practical judgments and assessments. No new scientific work was carried out.

As I said, although the question of sludge disposal was an obvious issue to come out of this EIS, it was not addressed. Although the question of a new mouth for the Sturt Creek is raised, it is simply not addressed. This is the EIS upon which the Minister is saying that we now have enough information and we do not need to carry out further environmental assessment. It seems the Government intends that the Patawalonga will not act as a retention basin, but the importance of the Patawalonga currently as a retention basin should not be forgotten. According to the previous EIS, the Patawalonga could remove up to 40 per cent of suspended material and its associated load of pollutants before the water is discharged to sea. The Patawalonga will not be available for that use, but at this stage the Government is talking, in general terms, about wanting to put in wetlands and so on. At the moment I can tell members that not a single wetland is planned anywhere.

The Government has already decided that it will not use the Patawalonga. I do not have any problems with that, but it is now proceeding with the clean-up of the Patawalonga without knowing what the alternative will be. It is like jumping out of an aeroplane and hoping they invent the parachute before you hit the ground. That is precisely the way it is working. The Government has gone to the bottom end of the Sturt Creek to start cleaning up the pollution that has been left there over decades of abuse and, while it is cleaning that up, it does not know what it will do with the rest of the system, other than diverting it past the end of the Patawalonga so the Patawalonga remains clean. It does not know where the water and the pollutants will go. The notion is that it will create this new mouth for the whole system to take it out to sea. It is really bizarre stuff.

What are the risks? It is worth looking at what has happened to seagrasses in the area around the Adelaide shoreline. Since 1935, Adelaide has lost 4 000 hectares of seagrasses; 22 per cent of the seagrasses off the Adelaide coast have been lost since 1935. Immediately after page 36 the EIS shows a map which illustrates the seagrass recession. As I understand it now, the seagrass has been pushed back virtually a kilometre offshore, yet the seagrass in 1935 was within 50 metres of the shoreline. We can see that from 1935 to 1949 the distance from the shoreline had virtually tripled; by 1972 it had gone out an extra couple of hundred metres and by 1981 a further couple of hundred metres. In fact, the recession has been accelerating over recent times. There are not only environmental impacts in terms of obvious loss of seagrasses and the consequences for fisheries—which also have an economic effect—but there are other economic effects because, once the seagrasses were removed, much of the sand started to move and exposed bare clay underlayers; the water is now deeper and the waves are hitting the shore with greater strength; and the cost of maintaining the shoreline and repair bills for jetties and so on are going up.

What is the reason for the seagrass recession? The EIS makes quite plain that there is a mixture of causes, but the finger is clearly being pointed at sewage effluent, sewage sludge and stormwater. It is a combination of the impact of both nutrients, which encourage small algae to grow over and smother the seagrass, and suspended solids, which increase the turbidity and reduce light. It appears that the cutting off of light by those two mechanisms are the major reasons for the seagrass dying off. Certainly, the map shows that there was a very rapid recession of seagrass in the area of the mouth of the Patawalonga, and clearly it has played a significant role in the loss of seagrasses over time. If the Government simply diverts dirty water out of the Patawalonga and sends it into the sea farther north, it has only shifted the problem, not solved it.

Whilst the EIS failed to address the issue of the mouth and of the disposal of sludge, it clearly raises some problems which need addressing but which in itself it fails to address in any way whatsoever. It was indeed interesting to read through the supplement of the draft, and a couple of interesting comments were made in it. Four proponents were covered by this EIS. It was one of the most curious EISes I have ever seen; four proposals went through the one EIS process. One proponent took a bit of a sideways shot at another one and I will quote what it said when talking about running the water out to sea through a new mouth, as follows:

> The solution to this problem will always be one of compromise, and no system will give the ideal flood control arrangement together with a visually attractive outlet. One only has to observe the present temporary cut in the sandhills at West Beach to appreciate the impact of a drainage channel, as proposed by Holdfast Quays.

The drainage channel is the one which most closely approximates the current proposal, as I understand it. The report continues:

> Estimates by the EWS Department indicate a base width of some 40 metres!

This new channel will be one of great width, carrying equal volumes of water out to sea that the current Patawalonga mouth discharges. The EIS supplement also notes:

> Additional stormwater impact on marine water quality will be minimised with stormwater retention ponds. There should not be any increased long-term effect on seagrasses as the development itself does not add substantially to the amount of stormwater discharge.

Not a single retention pond is designed anywhere within the catchment. The EIS supplement to the Holdfast Quays submission states on page 21:

> The details of the discharge pipe, its location and outflow will be determined during design and by negotiation with the Coastal Management Branch. The frequency of maintenance dredging and the dredge requirements will be determined during the design phase.

That comment was made during the final stages of the EIS, but they are still saying that they do not have the vaguest idea how often the discharge pipes will need to be dredged, what the dredging requirements will be or what the design, location, etc., will be of the discharge pipe which they are proposing for the northern end of the Patawalonga to aid circulation. That is not the sort of statement that one expects to find in the supplement, which is supposed to be the final stage of the environmental assessment. That is what the Minister is relying upon in saying that we do not need a further environmental impact assessment. That is clearly a nonsense.

I repeat that I am not saying that there should not be a development at Glenelg, but my comments are similar to those that I have made on many occasions in this place, namely, that we should make sure when entering into a development that we identify all the problems at the beginning rather than halfway through or, in this case, towards the end. It has already been found that there is a problem in relation to the disposal of the sludge. It has already cost several hundred thousand dollars extra, which was unplanned. I have not been able to get an exact figure on the cost, but I

do know that the extra cover that was required to put over the sludge has added a cost of about $300 000.

One report I saw suggested that there appears to be a need for a sewerage outlet to be moved at a cost of another $270 000. I believe that earthworks are going on at the site to build the levee banks higher than was originally planned, and that may cost several hundred thousand dollars. Another problem is the dredge itself, which has been sitting in the Patawalonga for some months. When asked in the Estimates Committee what that would cost, the Minister said:

> The contractors have not approached us to talk about additional penalties. As far as the holding costs are concerned, these are matters for negotiation.

I would have thought they were a bit more than a matter for negotiation. A dredge sitting idle in the Patawalonga would cost at least $1 000 a day and, when it operates, the turnover associated with it is about $4 000 a day, so I would not have thought it a simple matter of negotiation, although that is what the Minister said. He said:

> We have to appreciate that as part of a total project, between its arrival time next June when the final price is negotiated. . .

The Minister cannot tell us how much this delay is costing. Certainly, it has been suggested to me that there will be a few hundred thousand dollars involved in that as well. If questions surrounding sludge disposal had been adequately handled the first time, we would not be up for a whole series of costs. There are several costs, each of which run to the tune of several hundred thousand dollars, all because the homework was not done properly beforehand. That is before one even acknowledges, or does not acknowledge, that the conclusion reached, that the dumping of sludge on that site, was acceptable. It is fair to say that many people in the community still have grave doubts about the proposed dumping of that sludge, which is heavily contaminated, particularly with heavy metals.

Also, the Government has failed to consider the putting through of a new mouth, and the resulting potential damage also means that the project may hit a fairly fatal problem later. Logic dictates that, if we successfully clean up the Sturt River, if we do get wetlands and change practices upstream in a number of ways—if the water is cleaned up—there is no valid reason why it should not run through the Patawalonga. On the other hand, if it is not cleaned up, why are we running it out to sea? In either case one cannot sustain a case for putting a new mouth into Sturt Creek, and that is before we start asking questions about sand movement and problems created around the establishment of a new mouth, the cost of handling the sand problems that will be created and the dredging that will be required.

Again, a proper environmental impact assessment would have looked at those questions and answered them. The Democrats have been very supportive of the Government's move to set up catchment management programs. We supported that legislation. We amended it, we hope to make better legislation but, nevertheless, as I said before, I find it bizarre that we should already be spending and committing millions of dollars in cleaning up the Patawalonga and clearing it of contamination when as yet we have not done anything of substance about cleaning up the source of the contamination. In fact, it means for some years to come contamination will continue to come down the Sturt Creek and will go either into the Patawalonga or out to sea. As I said, as yet no wetlands have been designed. For a long time the Government talked about putting wetlands at the end of the airport—

The Hon. T.G. Roberts: A racecourse?

The Hon. M.J. ELLIOTT: It talked about a racecourse, too. So far it has been talk. Certainly, the airport is not interested in wetlands located near it. They were just as nervous about wetlands as they are about the sludge. The answers at this stage simply are not there. As I said, it is like jumping out of a plane and hoping you can open the parachute before you hit the ground: it is not the way to go. Tomorrow, or certainly next week, we will be debating the Development Act and I will be going into a lot of the more general issues about the proper way of handling developments. I would have hoped that we had learned our lesson by now. Certainly, I would have thought that Mr Oswald, who saw the Jubilee project fail when he was the local member and who was fairly closely involved, would realise why it failed and what were the mistakes so that, when he became Minister with important responsibilities, he would not allow the same mistakes to be repeated.

We need a process that identifies the problems rather than simply skirts them. The process needs to be independent and have public confidence. We can see from the protests of people at West Beach that there is not public confidence. They understand it. The Government is saying, 'Don't worry about it; we have done our studies.' However, I can say that those studies are not seeing the light of day and are not being made available for full public scrutiny or, in fact, to enable the public to play a constructive role in finding solutions.

I have heard West Beach people say, 'We want to see the Patawalonga cleaned up.' I hear Glenelg residents say, 'We want to see the Patawalonga cleaned up.' Everyone agrees with that: everyone agrees with the need for catchment management to occur. It should not be occurring in the *ad hoc* fashion taking place under this Minister. To me, this was the last straw. The moving of this motion was really in exasperation that the Minister has already, in my view, made mistakes in relation to Collex—

The Hon. A.J. Redford interjecting:

The Hon. M.J. ELLIOTT: Actually, you should be very careful; our Party did a great deal until the State Bank sued him and we had raised—

Members interjecting:

The Hon. M.J. ELLIOTT: I am quite prepared to debate that issue another time but I will not be distracted right now. The fact is that the Minister poorly handled a whole series of issues: the Highbury dump, Collex Waste and the Wirrina development, among others. In each case there have been quite common factors: an inability to face up to the problems and to address them rather than trying to avoid them through the bureaucracy. That is a repeat of mistakes that have been made for the best part of a decade in South Australia.

The Hon. T.G. ROBERTS: I move to amend the motion as follows:

> Leave out all words after 'Premier' and insert the following: 'to apologise to the people of South Australia for the inappropriate handling of the environmental issues associated with the Patawalonga development'.

I congratulate the previous speaker for his chronologically based argument, which, in a succinct manner, described the process by which the Patawalonga project has reached the present stage. The dissatisfaction of those people who will be affected by the project being shifted to the West Beach site, of the people in the Glenelg area who are not happy with the

way in which the project is proceeding and of the people who live by West Beach Road and who are now starting to understand the size and nature of the project, given the way in which the ponds have been built—

The Hon. L.H. Davis: Will you tell us what your Government did in 11 years?

The Hon. T.G. ROBERTS: I can do that if the honourable member wants me to go back further in history, but I do not think a lot will be gained by our looking at the inactivities of a previous Government. It is quite clear from my contribution in the grievance debate that the way in which departments, particularly those responsible for the movement of stormwater from the 1950s to the 1980s, regarded the total environment was totally inadequate. All members on this side of the Council would agree that mistakes were made during those years in preventing flooding. The moving of stormwater out into the gulf was a totally inappropriate way to deal with those problems.

It is quite clear that the Adelaide metropolitan area has a particular problem with its high density housing in the foothills and on the plains and there is a short distance between the Hills, the foothills, the plains and the sea. Consequently, when storms and heavy winter rains arrive, the movement of water is swift over short distances, and that presents problems in that many pollutants are picked up over short periods and rushed into the Gulf. It is clear that Ministers in other portfolios and people in other departments have problems associated with many of the difficulties that have occurred over the past 25 years. However, it is our responsibility as legislators to come to terms with that and make sure that the taxpayers' dollars are spent in the most adequate and appropriate manner.

The Hon. Ron Roberts, who has shadow responsibility for the fishing industry, and who eloquently supports and protects his fisheries portfolio, would be getting information supplied to him showing that the Gulf is no longer the breeding ground for a number of species of fish and prawns that it used to be. It is not only a land-based problem; if it is not handled adequately, it becomes a marine-based problem.

When the options presented by the Government to the public were displayed or advertised through the media, a number of groups and organisations expressed concern. Early concerns were raised by the council of the City of Henley and Grange, which was disturbed that if the stormwater were not of a significant quality it would add to the pollution within that area. The council did not want a channel to be cut through the sandhills to shift the problem from the Glenelg Patawalonga outlet to the West Beach outlet, thereby moving the problem further along the northern metropolitan beaches.

Concerns were raised by the Federal Airports Corporation, as the honourable member indicated. It felt that the sludge and the toxins and the problems that they posed, plus the additional bird life that would be attracted to those ponds, would present difficulties and dangers for incoming and outgoing flights. People in the immediate area were upset that they had not been contacted or had enough information on which to base an opinion whether to support or oppose the project, but, as the project unfolded, it was clear that they were not in general agreement with the preferred option that the Government had adopted.

I am sure that the Minister who is at the base of this motion will not be resting too easily, because it is not often that the Council moves motions of no confidence in Ministers and it is not often that this Chamber has viewed the problems associated with the Minister's actions in such a way as to give rise to a motion as serious as this one. I am sure that the Hon. Mr Oswald will not be resting too easily given that the motion is on the Notice Paper and is being debated.

The way in which total environmental management programs should be treated—and the Patawalonga project should be seen in the light of a total environmental management program—is for the best and most accurate technical detail to be gathered. The problem should be evaluated as a total environmental management program and the solution should come from the application of the best minds available to advise the Government on the best way for such projects to be put together.

Engineering solutions have now had to be put in place to correct many of the environmental problems that have developed because programs have allowed stormwater to flow into the Patawalonga and cause all these problems. As these programs have been put in place and engineering solutions have had to be applied, the responsibility is put back on the Minister in charge of that department and those projects (in this case, Mr Oswald), but there is also a corresponding responsibility on the Leader of the Government to make sure that the Minister gets it right in relation to his portfolio. Mr Brown was quick to join with the Hon. Mr Wotton in saying that they would be swimming in the Patawalonga in 1996. For that reason, we have moved this motion in this Council. If the Premier wants to take some of the glory for that announcement, he should take more of the responsibility for the failure of the project to gain the confidence of the community and the Opposition.

As the Hon. Mr Elliott said, we all want to get a project up and running; we all want to see the Patawalonga clean; we all want to see a development project that brings investment into the area, as long as that project is of a nature and quality that suits the area. In the case of the Patawalonga, it is quite clear that, before any project could be put together for either the residents who are already there or to attract new residents, the Patawalonga had to be cleaned up. That is where the Government failed to do its homework. It failed to put in place an EIS or an environment assessment program so that the project that it put in place would match the problems that it had to face. That is where the first mistake occurred, and that is why the residents do not have confidence in the Government to be able to address some of their problems.

An EIS would have included, hopefully, a microbiological assessment, which would have tested for potential health problems and risks that may be experienced by contact with either the dust and/or the water or airborne pollutants that may come out of the ponding process that has been put in place. There is some evidence to suggest that, if a microbiological test had been done, the results would have indicated that a different engineering solution and process may have had to be put in place initially after the testing had been done to clean up the polluted sludge that was to be drawn from the bottom of the Patawalonga.

The Hon. M.J. Elliott interjecting:

The Hon. T.G. ROBERTS: Some of the evidence that has been provided is that the carcinogens that will be created will be dangerous to people who come in contact with them. There is already evidence from boaties in the area and some individuals who have swum in the toxic sludge that has been released from the Patawalonga from time to time that they have picked up a nasty skin rash and, in one case, a disease called Grover's disease, which is a treatable skin complaint that is quite uncomfortable.

It is quite clear that the toxins in the Patawalonga are dangerous. No-one is blaming the Government for this; there was, as I said, inaction by the previous Government, but we are saying that the solution being applied at this time is not the correct solution. I understand a public meeting was held with Henley and Grange and West Beach residents. The Government has indicated that it might be prepared to look at a previous environmental impact statement and perhaps make an amendment to that statement to take into account the new circumstances, but I am not sure whether any public pronouncements have been made on that.

There seems to have been some shifting of ground by the Government to accommodate some of the criticisms, but it has taken a lot of time, energy and effort by many people for the Government to make that decision. If there is no action at all by the Government, and if it has decided to move ahead with project No. 3—that is, to move sludge into the treatment ponds and to make the cut back out through the West Beach sandhills—then I am sure that the protest will continue and that the Government will be dogged by a lot of activity from residents in the West Beach and Patawalonga areas.

The Government is spending $11 million on the program. It would be a pity if that money were spent for only a partial solution, and that is why the early assessment needed to take into account whether or not the engineering solution being applied would be adequate. Commonwealth money is being spent and there is a responsibility on States to administer Commonwealth moneys in a way in which they get best value for that money.

The Hon. M.J. Elliott interjecting:

The Hon. T.G. ROBERTS: That is one of the criticisms local residents have: they believe that much of the money is being spent to enhance the area for developers and not to advance the environmental health of the area, in particular for all residents. They believe that the total environmental health of the area is not being looked at in terms of a total management plan but that the area is being made more attractive for developers—that the infrastructure money spent from the Better Cities money is going not into Better Cities planning but into development infrastructure to make it more attractive for developers to start their programs.

I am not in a position to make that accusation because, as I say, I am critical of the stage planning and the gaps in the assurances being given by the Government, that is, no EIS, no microbiological testing, and therefore no assurances about final outcomes. The other inconvenience in the area about which residents are kicking up relates to the removal of two golf greens at the end of the Westward Ho golf course.

The Hon. M.J. Elliott: It's got the greenies upset.

The Hon. T.G. ROBERTS: It has certainly upset the greenies and all those people who enjoy their game of golf. Many people would be prepared to make those sacrifices short term if they felt that a solution to the project were possible in the long term. I have some concerns about the bravado of the promise made by the Premier and the Minister for the Environment and Natural Resources to swim in the Pat in 1996. Some information has been passed on to me, and the Premier and the Hon. Mr Wotton might be interested in this letter, which states:

> Dear Terry,
>
> Thanks for coming to see CCSA on Friday. I thought it was a good meeting. Here are the figures on the number of dogs in the Patawalonga . . . My source is a hydrologist—

The Hon. M.J. Elliott: Live dogs or dead dogs?

The Hon. T.G. ROBERTS: No, these are live dogs. Questions were asked about the amount of dog pollutant that would end up in the Patawalonga given the finalisation and the nature of the project. I quote the following figures from the letter:

- Accepted guideline for hygienic swimming: 150 faecal coliforms per 100 millilitres.
- volume of Pat 416 megalitres
- faecal coliforms in dog excrement 23 million per gram
- assume excrement 300 grams per dog per day
- number of dogs which would make Patawalonga unswimmable: 90.

The Hon. M.J. Elliott: Are these border collies?

The Hon. T.G. ROBERTS: This is just a medium size dog. It continues:

- estimated number of dogs in Patawalonga catchment (based on records of registered dogs from Local Government Association): 35 000

So, in the light of this information it looks as though the demonstration swim will be a swim of folly, and perhaps the Premier will be swimming unaccompanied or, if he is accompanied, whoever goes with him ought to have their shots. The Premier has made the statement, but somebody ought to pass the warning on to him. The motion that we have before us—

The Hon. M.J. Elliott: If 35 000 dogs eat 35 tonnes of dog food a day, do you know what that means?

The Hon. T.G. ROBERTS: Yes. The project itself has attracted an unusual amount of opposition. The Minister has made attempts to bring together those parties to make sure that the information flow they have is up to date, but he still has not been able to satisfy people in that area that the project is on track and has the merits the Minister thinks it has, and that the entire solution may not be inherent in the solution provided. The Government needs to look at the way in which it has handled the whole program and, in the words of the residents, a further assessment needs to be made in order to provide a better solution to the problem. The program started off with bipartisan and community support, and everybody was quite excited that there was a solution to clean up the Patawalonga and the environs. Unfortunately, people now feel that they have been let down. The Government's solution of letting out the Patawalonga on a tidal flow basis approximately every fortnight still involves a major problem. The beach has to be closed, so there needs to be a solution as soon as possible.

Adelaide's beachside suburbs are getting a bad name as destinations for interstate tourists. It mainly involves the area of the Patawalonga: the rest of our beaches are as good as any suburban beach in any of the other metropolitan areas, with the exception of Sydney and Perth. The name our metropolitan beaches is getting is so bad that it is starting to tell on the number of interstate people visiting our beachside suburbs. The sooner we put in place a comprehensive program that will produce a real solution—not just a partial one—that does not create other problems further along the beach the better for all concerned. As my amendment indicates, the Premier should, in addressing the problem, take the running from the Minister, apologise to the people of South Australia for the carriage of the project thus far, and then succinctly spell out in detail a real solution. He should get to work and ensure that the reputation of our metropolitan beaches is returned to the one they deserve.

The Hon. J.C. IRWIN secured the adjournment of the debate.

MOUNT GAMBIER PRISON

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

1. That a select committee of the Legislative Council be established to inquire into and report on the tender process and contractual arrangements for the operation of the new Mount Gambier Prison with particular reference to:

(a) the forward program for rehabilitation through education, training, work, psychiatric support and counselling;
(b) costs and benefits to the people of South Australia resulting from any transfer to the private sector;
(c) the criteria upon which the tender was assessed;
(d) the recommendations of the tender assessors;
(e) whether or not the tendering process was genuinely competitive;
(f) the role and conduct of the Minister for Correctional Services;
(g) the legality, or otherwise, of the contract;
(h) public standards of accountability as embodied in the terms of the contract;
(i) methods by which Parliament can ensure scrutiny of expenditure of public funds in the provision of correctional services by organisations other than the Department of Correctional Services;
(j) methodology for evaluating contract management of the new Mount Gambier Prison, which includes:
(i) the basis on which costs should be compared;
(ii) the basis on which quality of service can be assessed;
(iii) the overall financial and other impacts on the State and State's corrections system of contract managed centres;
(k) any other related matters.

2. That Standing Order 389 be suspended as 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 7 June. Page 2111.)

The Hon. K.T. GRIFFIN (Attorney-General): The Government opposes the establishment of a select committee, and I move the following amendment:

After paragraph 1, insert new paragraph 1A, as follows:—
'1A. That the committee consist of six members and that the quorum of members necessary to be present at all meetings of the committee be fixed at four members.'

If members opposite and on the crossbenches hope that they will get a trip to the United Kingdom to examine the performance of Group 4 there, I suggest that they will have a long wait if this select committee is established.

The Hon. T. Crothers interjecting:

The Hon. K.T. GRIFFIN: I will deal with that later. We now have 11 members in this Council. There are 11 members: nine Opposition, two Australian Democrats, which is a different format than in the previous Parliament. It is simple.

The Hon. T. Crothers interjecting:

The Hon. K.T. GRIFFIN: No, it is not bad mathematics. We will get back to that later. This motion raises a number of issues. I am rather tempted to explore them at significant length, but I will content myself with dealing with some of the issues raised by the Hon. Terry Roberts and the Hon. Sandra Kanck, leaving a detailed exploration of the terms of reference to others who may wish to speak.

The Hon. Terry Roberts has raised a number of issues concerning the Mount Gambier Prison, some of which were risk; recidivism; staff and prisoner safety; overcrowding and incidents; whether the private sector can provide a better service; achievement of reforms by negotiating with the unions; an empty prison; matters raised by the PSA; and whether Group 4 will get all the easy prisoners.

The matter of risk has been raised with specific references to the State's capital, standards and employment. The Government has given a great deal of thought to this issue. First, capital risk has been minimised as a result of pre-contract checks of Group 4 and through contractual arrangements. In an endeavour to reduce risk, the Department for Correctional Services conducted a creditworthiness and insurance check of the company and obtained a bank guarantee as well as a parent company guarantee of performance. Contract arrangements also include an indemnity against any negligent acts or omissions by the contractor.

The Government will continue to maintain ownership of the prison and will insure it through the Government Captive Insurance Organisation. The contractor will be required to pay for any increases in premiums as a result of negligent actions. A risk management review will also be conducted annually.

Secondly, standards of services will not be at risk. The contract provides for the prison to be managed in accordance with legislative and contractual requirements. The contract contains detailed specifications regarding the operations of the prison and services to prisoners covering such issues as prisoner management, special needs, religious requirements, visits, regimes, hygiene, security and control, health services programs, education, recreation, accommodation services, prisoner employment, staffing emergency procedures, asset management, etc. The public prison system does not describe or guarantee these services. The contract with Group 4 contains a warranty clause concerning services.

Thirdly, employment opportunities are not at risk. As members will be aware, the new Mount Gambier prison will employ some 22 more staff than the old prison. This will be particularly beneficial to the local Mount Gambier community.

The issue of recidivism has always been important to the Government. In fact, this Government is the first for many years with a commitment to reducing it. The Department for Correctional Services conducted a study of the return-to-prison rate over a 10 year period. The study revealed that some 60 per cent of prisoners returned to prison within five years of their release.

The Government is conscious of the need to rehabilitate prisoners, and truth in sentencing legislation introduced by the Government shows a commitment in this area. Under this legislation, prisoners are required to address their offending behaviour. Particular emphasis was given to rehabilitating prisoners when drafting the Mount Gambier contract. Prisoners will receive a range of educational training by the South-East Institute of TAFE. All prisoners will be provided with 30 hours of work per week in a number of industry segments, such as industrial, horticultural and domestic, as well as access to an in-house fully qualified psychologist and social worker.

A number of staff at the prison will also be given training in the delivery of personal development courses to prisoners, focusing on preventing reoffending. This is just a sample of the Government's commitment in terms of prisoners sent to

Mount Gambier and the strategy of increasing value for money in providing custodial correctional services.

The matter of safety to both prisoners and staff is of paramount concern to the Government, regardless of whether they are in the public or private sector. I think it is important to recognise that both the contractor and particularly the State have obligations under the occupational health, safety and welfare legislation with significant adverse consequences if the State does not address those issues.

With respect to the new Mount Gambier prison, the men and women on the staff will wear non-militaristic uniforms with name badges and will be well trained. All these staff will receive a written annual appraisal on their performance, and this is oriented towards an improvement of individual competencies in dealing with prisoners. Custodial staff initially will be trained for 230 hours, with further ongoing training. The training has a heavy emphasis on a broad-based preventive approach to correctional management.

As a means of further improving the safety of staff and prisoners, the contractor will be adopting a well-developed system for testing and assessing all prisoners during reception and induction subsequently to determine accommodation placement. Those prisoners more prone to bully other prisoners will be placed into special programs, as will those more vulnerable to bullying. Prisoners will flow from reception, through a structured induction course, to the cell block and ultimately to the cottages. The system is designed to ensure a lower level of conflict in accommodation areas as well as providing management plans for individuals.

The prison system is not overcrowded. In fact, it is running at 95 per cent of bed capacity. For instance, the larger institutions, such as the Adelaide Remand Centre, Yatala and Port Augusta, are currently operating to 94 per cent, 96 per cent and 93 per cent respectively of capacity for male prisoners. The prison system has been increased in capacity by a further 80 beds following the opening of the new Mount Gambier prison in late June 1995. These additional beds are not yet included in the capacity statistics. The overall capacity of the prison system will be adjusted over the next few weeks to reflect the gradual transition of prisoners to Mount Gambier. If all the beds for Mount Gambier were included today, the system would be running at 88 per cent capacity.

In terms of personal security for both staff and prisoners for specific institutions mentioned by the Hon. Terry Roberts—that is, the Adelaide Remand Centre and Yatala—the following statistics reflect the number of incidents of assault. In the Adelaide Remand Centre assaults on staff in the 1992-93 year were two; 1993-94, six; and 1994-95, eight. Offender assaults comprised 17 in 1992-93; 12 in 1993-94; and 11 in 1994-95.

At Yatala, there were eight assaults on staff in 1992-93, 20 in 1993-94 and five in 1994-95. There were 14 offender-offender assaults in 1992-93, 18 in 1993-94 and nine in 1994-95. Although an assault on a member of staff by a prisoner or between prisoners themselves is regrettable, in most cases the number of incidents has decreased since July 1992. This is despite an increase in average prisoner numbers of 20 per cent during this time.

Opponents of outsourcing will always question whether the private sector can provide a better service. The Mount Gambier tender was offered to both the public and private sector on a competitive basis in order to attract the best possible service. The preferred tenderer from the private sector was successful due to the provision of superior value for money services. The contract for Mount Gambier will not only increase the level of services to prisoners but will also guarantee them. Furthermore, it will provide these services at a cost lower than the current State-wide cost in a safe and humane manner. For instance, educational needs—basic, vocational and academic—will be provided on a subcontract by the South-East Institute of TAFE: 50 hours of lecture time per week minimum.

All prisoners, except remand prisoners, will be provided with 30 hours of work per week. The current prison system cannot match this. Group 4, in an endeavour to show its commitment, has in fact underwritten industries. A significant portion of any profits from prison industries will be diverted to prisoner and community service groups. In-house fully qualified psychologists and social workers will be provided. Medical services will be provided on a subcontract by Mount Gambier Community Health to community standards. The cost per prisoner for Mount Gambier will be more than 25 per cent less than the current 1994-95 State-wide cost per prisoner. To show its commitment to maintaining a secure prison, Group 4 has accepted contract clauses that provide for substantial penalties for escapes. No prison in the current system pays for escapes.

The issue that the Government should always negotiate with unions first to achieve reform has been raised previously. The unions have always been given the opportunity to contribute to the improved delivery of value for money correctional services, remembering, of course, that unions do not represent all employees but only some of them. All changes to unit management were done in conjunction with consultation at the local institutional level. However, progress on many issues is both slow and difficult to achieve.

Other governments have gone down the road towards privatisation in an endeavour to draw the unions to the negotiating table, with no success; for example, Mobilong and Port Augusta prisons were earmarked by the previous Government for privatisation some years ago. The Mount Gambier prison was also considered for private management by the previous Government, and that ought to be recognised. The previous Government had in fact earmarked two prisons for privatisation and also Mount Gambier prison for private management, which is what the present Liberal Government is doing in Mount Gambier. Incidentally, I might say that, having gone down that track, the previous Government must surely have recognised that the existing Act could be used for that purpose, although it would facilitate the process if amendments had been made.

The Hon. T.G. Roberts: It considered it but did not adopt it.

The Hon. K.T. GRIFFIN: It earmarked two prisons: Mobilong and Port Augusta. That is not considering; that is earmarking. That is saying, 'It will happen.' It considered Mount Gambier for private management.

The Hon. T.G. Roberts: Nothing went through Caucus.

The Hon. K.T. GRIFFIN: You would have to look at your own Cabinet in those days. If it did not go through Caucus, you cannot blame Parliament, nor can you blame the present Government. You can only blame your own processes. For many years the South Australian prison system has been resistant to reform. It had a very poor industrial relations track record. It continued escalating costs with little improvement in the quality of services. The existence last year of the private management agreements Bill was a catalyst for a great number of changes that have taken place in the existing prison system. The outsourcing of prison management will now give rise to competition for services based on both

quality and price. It will also continue to expose restrictive work practices, excessive staffing levels and poor levels of service that have occurred within the State's prison system.

States like Western Australia were in a position to negotiate with unions to reduce costs due principally to their better starting point. In terms of data from the Grants Commission, the cost per prisoner in Western Australia was some $43 000 compared with over $56 000 in South Australia. The 1991-1992 comparison is the latest available. South Australia started at a much—

The Hon. T.G. Roberts: There are figures that are released that are far less than that—through negotiation.

The Hon. K.T. GRIFFIN: Yes, but do not forget that the current figures for Western Australia would reflect at least two years of activity where costs have been significantly reduced.

The Hon. T.G. Roberts interjecting:

The Hon. K.T. GRIFFIN: They may well do. The fact is that, in 1991-92, $43 000 was the cost per prisoner, and at that time it was $56 000 in South Australia. Western Australia has always started with a lower base. South Australia started at a much higher cost base and an alternative approach was required. The *Yes Minister* inference about Mount Gambier prison being idle for 12 months cannot be allowed to pass without response. The new Mount Gambier prison has not been idle for 12 months. The Government conducted an investigation into the size of the new, uncompleted Mount Gambier prison in May 1994 and found that it was not cost-effective at its then designed capacity of 56 beds. It escapes me as to why the previous Government would have sought to build such a small prison with such heavy overhead, infrastructure and management costs.

A cell block with a further 54 beds has since been added. Construction commenced in August 1994 and was completed in late December 1994 at a cost of $2.5 million. That compares favourably with the cost of the initial 56 beds at some $8.25 million, although this cost includes a secure perimeter. The Hon. Terry Roberts will acknowledge—at least I would suggest that commonsense should require him to acknowledge—that when you are building an extra block within the perimeter you do not want to have prisoners mingling with the workers. In fact, you cannot adequately manage a prison when that sort of major construction work is occurring. In essence, the prison has been vacant only since January 1995. This has largely been due to the thorough and extensive tendering and contract negotiation process. The tender process included bids from both external tenderers and the staff. An initial 30 prisoners moved into the prison on 27 June 1995.

During the debate the Hon. Terry Roberts also referred to some criticisms raised by the PSA concerning the successful tenderer. Group 4 is one of the largest security organisations in the world. It operates in approximately 30 countries and employs some 32 000 staff. Current turnover is approximately $A1 billion. Many of the criticisms levelled at the successful tenderer by the PSA are untrue and apparently have been spread mischievously in an endeavour to discredit the company. Group 4 successfully operates two prisons with a total capacity of 670 beds and has a number of prisoner transport contracts involving some 100 000 movements *per annum* in the United Kingdom. A recent report by the Deputy Controller from the Home Office Prison Service stated that Group 4 maintained the highest standard of any remand prison in the United Kingdom. Furthermore, the area manager from Her Majesty's Prison Service also advised that Group 4 was now the highest quality supplier of correctional services in that country.

Criticism levelled at Group 4 by the media in terms of escapes from prisons has been either inaccurate or poorly researched. Group 4 has operated a 320 bed prison in the United Kingdom since 1992. In that time it has had two escapes from that institution—a ratio of approximately one escape per 160 inmates. It commenced operations for a new prison in the United Kingdom in November 1994 from which there has been no escape. The South Australian prison system had 63 escapes, excluding fine defaulters, in the same period for an average of 1 218 prisoners—a ratio of one escape per 19 prisoners.

To present an argument that the Government would send Group 4 all the easy prisoners is completely without foundation. Mount Gambier prison will be part of the integrated prison system. Prisons and prisoners are classified by the department, and it will be the intention of the department to transfer prisoners to a prison, including Mount Gambier, that is commensurate with the classification of that prisoner. The Prisoner Assessment Committee is currently compiling a list of prisoners who will be transferred to Mount Gambier. Group 4 has no role in that committee, nor any role in vetoing its decisions. Should a prisoner's behaviour warrant a change in security rating, that prisoner will be transferred to an institution with a classification commensurate with the new rating. This decision will be made by the Prisoner Assessment Committee. It is not an uncommon practice to transfer prisoners from one institution to another for management and safety reasons. Prisoners with specific problems, particularly medical, will be stationed at an institution that best services their needs.

I will leave my colleagues to deal with aspects of the Hon. Mr Roberts's observations about the particular terms of reference, but there is one in particular which I want to address, and that is the role and conduct of the Minister for Correctional Services (term of reference (f)). Neither the tender responses nor the evaluation reports were ever given to the Minister for Correctional Services. No influence or pressure was exerted on the evaluation team by the Minister. An arms length approach was adopted at all times. All discussions with the Minister for Correctional Services regarding the evaluation were carried out in the presence of senior staff from the independent consultants, Coopers and Lybrand. The role and conduct of the Minister was both professional and exemplary. The evaluation team also prepared the draft Cabinet submissions, including recommendations during the evaluation of tenders. Only areas of fine detail were changed.

The legality or otherwise of the contract is another term of reference, and I do not intend to deal with that, but again my colleagues may address that issue. I know from my personal involvement with the Minister that he sought at all times to ensure that the integrity of the process was maintained and that no-one could cast any reflection upon his own position as Minister for Correctional Services as part of the whole process. The primary reason why Coopers and Lybrand were engaged as independent consultants was really to ensure that there was integrity in the process, and I have no difficulty in asserting absolutely that that was the case.

The Hon. Sandra Kanck made a number of observations about the way in which the Mount Gambier Prison private management process was conducted, and I will deal with those briefly. She has made at least an inference of privatisation by stealth, and that really is baseless. The previous Labor

Government had and the present Government already has the power to issue private sector contracts for services to Government through existing legislation passed by earlier Parliaments. The Bill which we introduced last year—the Private Management Agreements Bill—was about simplifying the administrative process to outsource correctional services, including prison management, to the private sector. I think it would also have raised the level of accountability for outsourcing to the Parliament by enabling it to set the contractual monitoring and reporting conditions. So, in some respects, both the Opposition and the Australian Democrats have shot themselves in the foot. There has always been legal power to contract out in relation to prisons; there are some functions which cannot be, but there are ways of overcoming those and we have overcome them. In fact, there is a reduced level of accountability to the Parliament and a reduced level of likely involvement by the Opposition and Democrats in the whole process.

If the Bill had passed, there would have been a much more transparent, accountable process and Parliament would have been much more involved in it. So, they have shot themselves in the foot. Now, by seeking to disallow some regulations, which I will address later, they are only seeking to compound the problem and they are not really acting in the interests of good government in this State: they are acting in a purely partisan, politically motivated way to try to make it more difficult for the Government to fulfil its duty to the public of South Australia. It is a political decision that both the Labor Party and the Australian Democrats have embarked upon. It means that the administrative process becomes a bit more complex. The contractual conditions are not determined by Parliament, although without any doubt we could do what we would otherwise have sought to do by a specific piece of legislation to bring it all out into the open.

The process to outsource the management of the new Mount Gambier Prison was a very visible and transparent process. There were advertisements and there was no attempt to hide behind any cover-up of the calling for expressions of interest. Advertisements were placed in local and interstate media and the tender was open and competitive. As I said earlier, it was overseen by a task force of senior persons from key central agencies as well as the independent consultants. The Crown Solicitor's Office assisted on contractual and probity issues and officers from the Auditor-General were kept informed as to the process. That is appropriate.

The Auditor-General, who is independent of Government, had a watchdog responsibility; an independent consultant, Coopers and Lybrand, was involved; the Crown Solicitor's Office advised independently on legal issues, probity issues and dealt with contractual matters; and senior officers from key central agencies were also involved in the process. One could not ask for any higher level of accountability and for any more provisions to ensure the probity of the process. There will be departmental management of the prison. A number of departmental staff remain to monitor the operations of the prison. Prisons are still to be accountable—

The Hon. A.J. Redford interjecting:

The Hon. K.T. GRIFFIN: They are. The whole operation will be very stimulating and challenging for employees. So many innovations are being introduced. There is a significantly improved relationship with prisoners and, for the first time, prisoners are being given opportunities which previously have been denied by the publicly managed prison system. There are a number of pluses. The Ombudsman will still be involved and there will still be visiting tribunals and inspectors. All the safeguards that have been put in place over a number of years to ensure that the prison service does not deny the rights of prisoners and does not treat inhumanely the prisoners within the walls of the prison system will remain. As a last resort, prisoners will continue to be able to write on a confidential basis to members of Parliament and, if there are really serious issues, members of Parliament will be able to raise the issues publicly if they cannot be resolved any other way. A number of safeguards are in place.

As I indicated in passing, rehabilitation has always been an object of the Government, and I have already said in answer to the issues raised by the Hon. Terry Roberts that Group 4 has particular performance measures included in its contract, as well as requirements about education, training, counselling, and medical and other services.

The Hon. T.G. Roberts: It's only Group 3 now—one escaped.

The Hon. K.T. GRIFFIN: No-one has escaped yet. I would not go back too far because the previous Labor Government's record in relation to escapes was not particularly good, nor was it particularly good in relation to prison unrest. In fact, I remember one matter, and I think I mentioned it the week before last, when one of the heritage prison blocks at Yatala was demolished—Block A—without consultation. It was demolished because it was in the way of security arrangements that created problems for the management of the prison.

The Hon. A.J. Redford interjecting:

The Hon. K.T. GRIFFIN: The contractor at Mount Gambier has the impetus and incentive to raise standards. There is a focus upon lowering the recidivism rate. The 10-year study concerning the South Australian return to prison rate indicated that some 60 per cent of prisoners returned to prison within five years. The specification of services to prisoners and guaranteeing them work, education and programs will significantly aid prisoners in their rehabilitation and contribute to a reduction in return to prison rate. It is important to stress that no other prison in South Australia is required to meet those standards.

The Hon. Sandra Kanck made some reference to profit. To the Labor Party and perhaps the Democrats, profit is a dirty word. It is a source of some dismay that that is certainly the perception that they are creating. The fact is that, although it is always presented by opponents of outsourcing as an argument against private sector involvement, it does not really have any substance. Profit encourages people to be efficient. It does not deny standards, but it encourages people to be efficient because they know they have got some goals to meet. Of course, the profit motive is not available in the public sector. The delivery of services is to be monitored and, as I say, non-performance will be measured and can ultimately lead to the termination of the contract.

The other issue is that if the contractor does not perform it will become readily and easily known to the public and the Government. They will not get any more work. The whole object of private sector involvement in enterprise is to provide a service. They are not going to cut off their nose to spite their face by declining to provide service. In the area of consumer affairs I keep saying that, in resolution of complaints and the provision of service, the private sector, notwithstanding all of the garbage that is thrown at the private sector, is on about service. If it does not provide service, it does not get a contract, it does not get work and it fails. That is what it is all about.

The Hon. T. Crothers interjecting:

The Hon. K.T. GRIFFIN: We are not going too badly. Unemployment at the Federal level is a sad commentary on management by the Federal Labor Government. Group 4 has put up with a lot of innuendo concerning its performance. Articles and arguments often presented lack substance or misrepresent the truth. The unfair criticism is best summarised by the independent Official Board of Visitors to The Wolds in 1993, as follows:

> The board reiterates its condemnation of those whom they claim have sought to discredit Wolds. We have been disgusted at the depths to which some people and organisations have sunk in their spreading of false and malicious rumours and in their unwarranted attacks on a group of men and women who in our experience have striven in a highly professional manner to work for the best interests of those in their care.

They conclude:

> The staff at Wolds have remained faithful to the contract, have fulfilled their duties to prisoners with unremitting courtesy, respect and care and have won the appreciation of prisoners. On this we congratulate them.

The matters raised by the Hon. Sandra Kanck in regard to Group 4 cannot go unanswered. In relation to the death of Darryl Barson at the Wolds prison in Humberside, it is pointed out that there was a full examination of the facts and an unqualified verdict of suicide by the coroner; in fact, the coroner said that he was impressed by the concern staff showed to Barson at the time leading up to his death. In other words, no blame was attached to Group 4.

There was the question of using inexperienced staff at Mount Gambier. Group 4 operations at Mount Gambier will not be staffed by inexperienced persons. Its Operations Director in Australia, who is responsible for developing many of the operational features for Mount Gambier, has some 28 years experience in prisons in both the public and private sectors in the United Kingdom. The manager of the prison has some 18 years correctional experience in Australia and the unit manager has 15 years experience. In addition to these persons, there are two experienced operators from the United Kingdom, five ex-Department for Correctional Services employees and three correctional officers from other Australasian jurisdictions as well as three officers from the department to work in partnership with Group 4 and monitor operations.

I have already indicated that all new staff will receive a minimum of 230 hours of training. That will be provided mainly by accredited educational sources. If the previous Mount Gambier staff had run the prison, at least 50 per cent of the staff would be new, inexperienced and would have required training. One can assess from that that the argument that Group 4 will be using inexperienced staff has no basis or validity.

I have already touched on the level of escapes in some respects. Group 4 has a very good record in respect of the escape ratio. There are no penalties for escapes within the existing prison system. For the first time the Mount Gambier contract provides cost penalties in regard to escapes in order to address the concern which the Government has that costs for escapes are currently borne by the South Australian Police Department and, ultimately, the taxpayer.

The National Audit Office in the United Kingdom in a recent report stated that the services provided by Group 4 were good value for money. In fact, the report was quite complimentary. A 1994 National Audit Office report stated that, overall, the National Audit Office examination confirmed that there have been significant successes in the placing and operation of the contract at Wolds with Group 4.

I suppose the notion that Government must always accept the lowest bid is difficult to comprehend. Any sensible Government when evaluating tenders looks for good value for money—not a gold plated service and not a cheap and nasty service. Similarly, any sensible person when purchasing an item or asset looks for value for money and not necessarily at the lowest price. Many factors need to be considered in determining good value for money: it is a mixture of both price and quality.

In relation to the Mount Gambier tender, some 20 criteria were used to evaluate. In those circumstances one can say that Group 4 came up particularly well. At the conclusion of the tendering process and the final signing of the contract for Mount Gambier, offers were made to debrief unsuccessful tenders as to why they failed to win the contract. Mount Gambier staff declined the offer. There are a number of other issues that the Hon. Sandra Kanck raised but I think I have dealt with the major issues, I hope demonstrating that the Government adopted a commonsense approach to this project. Group 4 fairly won the tender and, on all the contractual arrangements entered into by the Government, will have to perform against established performance measures and will be held accountable if it does not.

The Government is anxious to provide the best value for money for South Australian taxpayers, for workers and for inmates in the prison system. The Government's view, being concerned about recidivism, is that Group 4 has the best prospect of any institution in this State to lower the recidivism rate, but that can only be determined in the longer term. Recognising that recidivism is a high cost occurrence to the taxpayers of South Australia, it is more advantageous to the community to ensure that those who come out of prison, as much as can be assured, do not reoffend.

In all the circumstances, the Government sees this proposal for a select committee as a waste of time and energy. Of course, it will bring into sharp focus important constitutional issues about the extent to which the Parliament can demand the production of documents and papers and require information from the executive arm of Government. There has always been a general understanding about those sorts of issues in the past, but this will bring them into sharper focus. Above all, I suggest it is unlikely to throw any light upon the sorts of problems which Opposition members and the Australian Democrats have raised but which are without foundation.

It is the Government's wish that the committee should consist of six members. The Government has 11 members in the Council and a huge majority in the House of Assembly, although that does not seem to bear any weight in this place with the Opposition and the Australian Democrats in relation to policy or other issues.

The Hon. T. Crothers: It never did before.

The Hon. K.T. GRIFFIN: The Bannon Government did not have a particularly large majority, did it? In its last term of office it was particularly incompetent, and it did not have a majority in this place. It seems to the Government that there ought to be three Government members and three members representing the Opposition and the Australian Democrats on the select committee. If there were to be five members, then the Government should have three and the Opposition and the Democrats should have two. However, we are prepared to acknowledge that if this select committee is established there should be an equality of numbers representing the Govern-

ment and the combined forces of the ALP and the Australian Democrats. Nevertheless, I oppose the establishment of the select committee.

The Hon. R.D. LAWSON: I also oppose this motion. It will be recalled that last year the Labor Party and the Australian Democrats opposed the passage of the Correctional Services (Private Management Agreements) Amendment Bill. Their opposition was implacable and, in my view, irrational. It is extraordinary that, having opposed that Bill so implacably last year, they should now seek to set up this select committee. As the Attorney has said, although perhaps not in these words, it is a cynical Party political exercise and it will achieve nothing.

The Hon. Terry Roberts, when moving the motion, referred to 'the Government's intention to privatise the Mount Gambier Prison.' The use of that language and his insistence upon the emotive term 'privatise' betrays his political motivation. The Mount Gambier Prison is not to be privatised. The ownership of the prison will remain in the hands of the Government. A private management agreement has been entered into, and that agreement is within the existing legislation. The existing Correctional Services Act will continue to govern the operations of the prison, and officers involved in the management of the prison will continue to be appointed under that legislation.

However, as I say, the political partisan nature of the exercise is illustrated by the honourable member's insistence upon this term 'privatisation', which is inappropriate in the circumstances. On that occasion, the Hon. Terry Roberts went on to allege that 'this management agreement was in the pursuance of a philosophical program relating to privatisation.' This process has not been driven at all by ideology; it has been driven, first, by the notorious fact that the per hour cost of operating our prisons was out of line with the rest of the country. The Correctional Services Department's $89 million budget—

The Hon. T. Crothers interjecting:

The Hon. R.D. LAWSON: After you have heard my advocacy, you will not support the establishment of a select committee. If you are prepared to listen to reason, you will not support it. The $89 million budget funded the most expensive prison system in Australia. It then cost 25 per cent more to provide correctional services in South Australia than for comparable services in other States. This Government has insisted that those costs be driven down. That process is progressing, and the private management of the Mount Gambier Prison is one step in that exercise. This is the private management of one small establishment within the correctional services empire. It is a small facility of only 110 prisoners. To describe this as privatisation of a prison system is extravagant in the extreme. I suggest that it is the Labor Party which is opposed to private management on ideological grounds.

The Hon. T. Crothers: That's not true.

The Hon. R.D. LAWSON: That is undoubtedly true. Why does the Labor Party oppose the trial of a modest proposal? No-one, least of all the Minister or the Government, has suggested that private management is the answer to all the ills of the prison system. However, the private management of prisons has been successfully trialled elsewhere and it ought to be trialled in this State. Clearly, it will provide some efficiencies, and the introduction of some measure of competition into the correctional services area will be of benefit.

The difficulties in the management of prisons have been acknowledged by all, not only in South Australia but elsewhere. I do not suggest that it is merely labour within the prison system that has caused the problems, although the labour relations in the prison system have been stigmatised by a good deal of bloody-mindedness, as the Hon. Frank Blevins often mentioned when he was Minister. Clearly, the management of the prison system must take some share of blame for the inefficiencies which have occurred. So, both management and labour reforms are required. I happen to favour, as does the Government, competition in correctional services prisons. By way of this measure, we are not handing over the whole of the prison system to private management. That may well happen in the future, but the private management of a small facility with 110 beds is a long way from that.

As the Attorney-General mentioned a moment ago, training and education in the existing prison establishments has been unimpressive to say the least, and the high rate of recidivism under the existing system (some 60 per cent after five years) is an alarming figure and one which calls for action. The Government and the Minister are to be congratulated for the experiment inherent in this particular management agreement. It is clear that performance has not been good and the opposition to experimentation and some innovation stems, in my view, from an ideological drive.

This contract has already been concluded: the new manager, Group 4, is in place, staff have been engaged and the new arrangements are up and running. It is my view that it would be unnecessary and fruitless to embark upon this select committee at this stage. If the Hon. Terry Roberts were interested in assessing the performance of Group 4 and the wisdom of the Minister's administration he would be deferring his examination of this contract until it has been operating for at least a year, possibly a couple of years, and there may then be some reason to undertake an examination.

The examination of the process of tendering and contracting at this stage is not warranted. No evidence at all has been produced to suggest any impropriety or any want of proper business prudence. The Minister, in his ministerial statement announcing the private management agreement to Group 4, outlined the process in some detail. The Attorney-General has this evening again outlined that process in some detail. The process was transparent; it was one that involved a large number and a diverse range of persons in the public sector. It also involved Coopers and Lybrand performing an oversight role, and there has been no suggestion of any impropriety or want of good management in that exercise. There is no reason for this examination.

I will deal in a little detail with some of the terms of reference not mentioned by the Attorney. Proposed term of reference (b) of the proposed select committee relates to the benefits and costs to the people of South Australia. It is transparently clear that the private management will include a number of benefits to the community, for example, the presence of an alternate supplier and the competition this will bring. There will be the provision of a different culture in the management of prisons and a different industrial relations regime.

The contract provides for the specification of standards of services for the first time. There is real and measurable potential for improved value for money to the community. The contract provides for the proper evaluation of the performance of the manager—something that does not presently exist. The contract provides that costs will be more

than 25 per cent less than the current statewide costs. The contract is a fixed-price contract with increases restricted to consumer price index and to wage movements. There will be, as the Attorney-General has mentioned, penalties on the manager for escapes—something that does not currently apply. There will be the opportunity for secondment of employees to work with Group 4, and *vice versa*, if agreement is reached, and this will enable the transfer of ideas.

The honourable member's proposed term of reference (e) queries whether or not the tendering process was genuinely competitive. The Attorney has already mentioned some of the outside involvement in that process, but I should say that South Australia was the first State to allow an in-house bid for the management of a prison; that was the in-house bid by Correctional Services officers. The tendering process was genuinely competitive. All tenderers received the same documentation, were given the same time for presentations, were evaluated using the same criteria and evaluation team, and all were measured against the internal financial analysis. All were briefed at various stages for the same length of time and were responded to without delay concerning any matters upon which clarification was sought.

The tendering process was overseen by a number of credible bodies and organisations to ensure probity, fairness and impartiality. That probity included a task force comprising members of a number of agencies that I have already mentioned, including the independent consultants, Coopers and Lybrand. The Crown Solicitor's Office examined the legal issues, such as matters of the legality of the contract, and the Auditor-General's representatives were involved in the process at a number of stages.

These layers of probity were agreed and set in place well before the tendering process commenced to ensure fairness to all tenderers. There were robust commercial discussions, as one would have expected in a contract of this kind. They ensured that the best value for money was received on behalf of taxpayers. No evidence has been produced, as I said; nor has there been any suspicion of any collusion by tenderers or any other improper practices in the tendering process. In my view, it is unnecessary to examine this term of reference.

Likewise, in relation to the role and conduct of the Minister for Correctional Services, term of reference (f), there has not been one scintilla of evidence or suggestion of any impropriety or inefficiency on the part of the Minister in this matter. Why, in the absence of any such information or even suspicion of it, we ought to have a select committee established to inquire into the matter is, frankly, beyond reason. No-one has suggested that any improper influence or pressure was exerted by the Minister on the evaluation team. Clearly, all the evidence points to an arm's length transaction. The existence of independent consultants, Coopers and Lybrand, should be sufficient reassurance. Term of reference (g) seeks to examine the legality or otherwise of the contract.

The Hon. A.J. Redford: A considerable array of legal talent would have been available.

The Hon. R.D. LAWSON: Yes.

An honourable member: I never lost as many cases in the commission as you did.

The Hon. R.D. LAWSON: Nor did you win as many. In the light of the existing legislation, the contract was examined by the Crown Solicitor. As the Attorney-General has mentioned, the Crown Solicitor was of the view that, a legally binding contract having been formed, neither the contract nor its execution was in any way illegal.

The Correctional Services Act clearly does refer to the requirement to use, in certain circumstances, Department of Correctional Services employees. But three departmental staff have been appointed to the prison, and those employees will fulfil the statutory requirements and the role of contract monitoring.

The honourable member seeks to have his proposed select committee examine the public standards of accountability as embodied in the terms of reference. This is a bit rich, having regard to the fact that the Opposition so strenuously opposed the private management agreements Bill last year.

That Bill had provided for a number of areas of accountability, including the requirement for a monitor, who was required to submit an annual report concerning the operations of the prison to Parliament. Of course, that was opposed by those opposite. The Parliament rejected that opportunity, but the contractor will still be accountable to the Government and to the department by virtue of the contract, rather than accountable to this Parliament.

Many levels of accountability for performance are embodied in this contract. They include an assurance that the prison will be managed in a professional manner in accordance with the legislative and contractual requirements. There is a requirement for the establishment and maintenance of a joint communication and management forum whereby the department and the contractor will work jointly to ensure long-term delivery of the contract, and there is a transitional plan embodied in the contract.

The contractor and individual staff employed at the prison must pass a rigorous check of their background to ensure that they are fit and proper to manage prisons. The provision of comprehensive services to prisoners in accordance with specified arrangements is enforced by the contract, which contains warranty clauses to that effect. The preparation of regular performance reports by the contractor, which will be audited by the department, is also a term of the contract. Satisfactory performance is linked to the payment of invoices. The contract contains termination clauses in the event of poor performance. A comprehensive suite of performance indicators has been developed routinely to monitor performance against clearly established criteria. The contract provides for a detailed disengagement plan.

There is a requirement that the contractor ensure that the prison is maintained in a good condition through a comprehensive maintenance schedule. A number of specific clauses relate to default and rectification as well as to remedies and the resolution of disputes. The contract can be terminated for a number of reasons, including insolvency, change of control in the company, a material breach and termination of convenience. There are costs for termination of convenience.

The Minister has the right to audit the contractor, and the contractor is also required to disclose to the Minister the results of any internal audits that are relevant to the contract. The contractor is required to provide both a financial guarantee and a parent company guarantee to assure ongoing performance against the contract.

The contract contains detailed specifications regarding the operations of the prison and services to prisoners, and those specifications are results oriented. There are a number of explicit penalties including those for escapes, a point which the Attorney-General made and which I have also made. The ultimate responsibility for the duty and care of prisoners still rests with the Chief Executive Officer. In addition to all the foregoing, there will be a departmental manager at the prison as well as a number of departmental staff to monitor the

operations of the prison. The prison will be accountable in the same manner as other prisons to the Ombudsman, to visiting tribunals and to inspectors. The contract will be administered by a contract administrator and the management of the prison will report to the director of operations like any other prison.

The contract is clearly a most exhaustive one, as the Minister has said on a number of occasions. It is unnecessary for any committee of this Parliament to examine it further, especially at this stage when there has been no evidence of impropriety or mismanagement alleged and the contractor has hardly started to perform. It is premature.

Term of reference (i) relates to methods by which the Parliament can ensure scrutiny of expenditure of public funds in the provision of correctional services.

The expenditure of the department will be monitored each year by the Auditor-General, as is the case at present. There is no change in this regard. The Auditor-General also will audit the accounts and performance reports submitted by the contractor. The Auditor-General will make his annual report to Parliament concerning the operations and expenditure of the Department for Correctional Services. The costs and efficiency of running the Mount Gambier prison obviously will form part of that report.

I think it is unnecessary to go further in describing the unnecessary nature of the proposed terms of reference for this ill-advised select committee. I oppose it because it is futile, it is unnecessary, it is premature and it is a waste of time and effort at this stage.

The Hon. A.J. REDFORD: I oppose this motion. If it is successful—and it appears that it may well be from my count—I would be one of the nominees to be a member of this committee, so I will not go into anything in too much detail at the risk of being accused of prejudging certain issues. However, there are a couple of issues that I think I should raise.

First, it is important that I go on the public record in congratulating Sue Vardon on the manner in which she has conducted the Department for Correctional Services and also on her recent win as the Australian Businesswoman of the Year. Obviously, she was integrally involved in this whole process and was responsible for the very smooth process that led to the end result that we currently have.

Obviously, members opposite do not have the same confidence in Sue Vardon, the role that she played and the outcomes that she has assisted in bringing about, and it is disappointing to see that, although a certain element of South Australia is very proud of what Sue has done and what she has achieved, members opposite are knocking, pulling down and kicking her achievements. I go on record to congratulate Sue Vardon on her leadership and vision. She has been on record as saying that she has a good working relationship with the Minister. Indeed, she has told me that it is a pleasure to work for a Minister who has vision, who has leadership qualities and who has direction, and I am sure that those qualities in the Minister have enabled her to get on and win this magnificent award.

The Hon. T.G. Cameron interjecting:

The Hon. A.J. REDFORD: If the honourable member thinks that the award was wrongly given, let him come out and say so.

The Hon. Sandra Kanck interjecting:

The Hon. A.J. REDFORD: The Hon. Sandra Kanck may disagree, as she interjects, with the award, and obviously that is her prerogative. I happen to think that a South Australian who is doing a good job and who is recognised nationally ought to be rewarded, ought to be acknowledged and should not be kicked in the guts with the sort of motion that is currently before this place.

The second issue I want to raise is the Attorney-General's amendment, which I support, that there be three Government members on the committee. If this Council is to have any credibility, it ought to think in a constructive and bipartisan way as much as can possibly be done. However, I acknowledge that the Opposition has the numbers in this Chamber, and this place is now being used to set up inquiries quickly to delve into things that have happened in the past in the forlorn hope that the Opposition might grab a bit of political mileage out of it. At the end of the day, I am not sure what this inquiry will achieve other than some sort of political point-scoring exercise.

The third point I wish to make is in relation to Group 4. I think the employees have been given great career opportunities. I understand that it is the biggest company in this area in the world, and I understand from the Minister that the bulk of the staff are quite excited, first, with some of the changes that have been promulgated and, secondly, and very importantly, with the sorts of career opportunities that will now be available to those prison officers. I would have to say, particularly from my experience in visiting gaols from time to time—not for any reason other than to see clients—that the morale of prison officers is low. I think it was just an awful job. A prisoner is let out of gaol after a certain period, whereas some of the prison officers are stuck in that sort of environment for the whole of their working lives.

From the sorts of things that Group 4 has indicated will occur, and from the reports I have had to date from the Minister, the morale and attitude of the work force in Mount Gambier in particular has improved out of sight. I think that is something to be commended although, when one looks at the terms of reference, I note that the honourable member has covered absolutely everything except perhaps staff morale, because the committee might come up with the conclusion that the staff are actually happy with this arrangement.

The other point I make is with respect to paragraph (g) of the terms of reference. The Opposition wants a committee, comprised potentially of members who have no legal qualifications, to determine the legality or otherwise of the contract. If you have a problem with the legality or otherwise of a contract, you can go to one of your union mates down on South Terrace and say, 'Give us a few bob, and we will pop down to the Supreme Court and test it.' That is where you test the legality of a contract. This is not the place to test the legality of a contract. It is an entirely inappropriate place.

The Hon. T.G. Cameron: Scrutinise it.

The Hon. A.J. REDFORD: That is not what it says. He wants to test the legality or otherwise of the contract. I am sure that, if he is appointed to the committee, he will bring to bear his considerable legal experience and qualifications in this area. I am sure the public will stand up and say, 'Oh, the Hon. Terry Cameron says there might be some questions in regard to the legality of the contract.' I think it is entirely inappropriate for the Leader of the Opposition to hold up a sign of that nature, and I will not mention what it is. It is entirely inappropriate for her to do that, and I would ask for a direction from you, Sir, about the holding up of that sign. It is childish. If she wants to contribute to the debate, she can stand up.

The ACTING PRESIDENT (Hon. T. Crothers): I did not observe the sign.

The Hon. A.J. REDFORD: Well, I did, Mr Acting President, and it is not the first time that she has held up that offensive sign, and I object to it.

Members interjecting:

The ACTING PRESIDENT: Order! I did not observe the Leader of the Opposition doing that which is alleged by the honourable member, so I cannot do anything. If that act occurred, and it is offending him, I would ask, given the general decorum of the Council, that the Leader of the Opposition desist.

The Hon. A.J. REDFORD: Mr Acting President, quite frankly, it was a ridiculously childish thing. If the Leader of the Opposition wants to contribute to the debate, she can get on her feet and do so, but waving ridiculous signs about does nothing for the decorum of this place.

The Hon. Carolyn Pickles interjecting:

The ACTING PRESIDENT: I would ask both members to observe Standing Orders and not engage in name calling across the floor of the Council.

The Hon. A.J. REDFORD: In reiterating that point, I am astonished that members opposite would come up with that sort of garbage. We have courts to deal with the question of the legality or otherwise of the contract. There are many people who have a legitimate interest in this area and who would get standing in the court to challenge the contract. The other point is that the Opposition is seeking to mount a direct challenge to the executive on an issue, and that should not be done. I draw member's attention to the question of legal professional privilege. How on earth are we to test the legality of the contract without embarking on some inquiry in relation to issues that may relate to legal professional privilege? And do members opposite—

The Hon. Carolyn Pickles: That's rubbish!

The Hon. A.J. REDFORD: If the Leader of the Opposition thinks it is rubbish, she can stand up on her two feet and make a contribution to the debate. In my view, there are problems with the question of legal professional privilege, and that is a good example of how ill thought out this motion is. I draw members' attention to the record of the previous Government as it is important that it goes on the record. In South Australia the prison system had 63 escapes—and that included fine defaulters—in the period since 1992 for an average of 1 218 prisoners. That is a ratio of one escape per 19 prisoners. At the same time Group 4 in its operations in the United Kingdom since 1992 has had two escapes from an institution with 320 prisoners—a ratio of approximately one escape per 160 inmates. When one compares the record of Group 4 with the record of the previous Government and its management, particularly in the area of escapes, the previous Government is found wanting. This Government has an open policy—it is an open Government. In closing, I contrast that with the previous Government's prison policy which one could only describe as an open door policy.

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

COLLECTIONS FOR CHARITABLE PURPOSES (LICENSING AND MISCELLANEOUS) AMENDMENT 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.

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

Leave granted.

The Bill provides primarily for the licensing of commercial agents who are engaged by charitable organisations to solicit donations for a fee. Soliciting occurs via a variety of methods, including door to door collecting and by telephone contact (telemarketing). Both these activities have been a source of many complaints from the public. The complaints regarding door to door collectors relate primarily to the poor standards of presentation displayed by some paid collectors and to concern regarding the security of donations. Poor presentation, a lack of clear identification and poor receipting arrangements by door to door collectors all have contributed to a lack of confidence by potential donors. Unless action is taken to restore this confidence, the charitable sector as a whole will be affected by public reluctance to contribute to charitable causes. Licensing will define the extent of commercial agent operations, facilitate closer scrutiny of those operations and most importantly enable access to the industry to be controlled.

Complaints regarding telemarketing generally relate to the intrusive nature (ie the timing) of the approach and a tendency for the telemarketer to be overly persistent and aggressive. A more serious concern relates to the cost of some telemarketing campaigns which can erode donations to an unacceptable level.

Licensing of commercial agents will be complemented by the application of a Code of Practice relating the charitable collections in an effort to maintain collection standards at an acceptable level across the sector.

The Bill also provides for the Act to contain a specific Regulation making power relating to the operation of commercial clothes and other goods recycling bins. The objective is to prescribe standards for the marking of commercial bins to maintain a clear distinction, in the public interest, between those bins and bins operated by non profit organisations. Some commercial bin operators nominate charities to receive royalties from bin proceeds, but give the name of the charity undue prominence on the bin so that the donating public is led to believe that the bin is being operated by the charity.

Other proposed amendments relate to the removal of provisions under the definition of 'charitable purpose' which no longer have any relevance, adjustment to the penalty provisions in the Act in line with contemporary values and the inclusion of provisions which clarify auditing and accounting requirements.

The Bill replaces section 16 of the principal Act. At the moment section 16 enables money collected for a charitable purpose that is not required for that purpose to be used for some other purpose subject to approval by both Houses of Parliament. The new section deals with the same problem but provides that the money or goods concerned can only be used for a similar charitable purpose. Because of this restriction the requirement for Parliamentary approval has been omitted. Section 69B of the *Trustee Act 1936*, which deals with the same problem in relation to charitable trusts, requires supervision by the Supreme Court. There is a problem with supervision by the Court in the case of small amounts of trust money because the costs of the application may be greater than the amount involved. The Government intends addressing this problem in relation to section 69B of the *Trustee Act 1936* in the future and at that time will give further consideration to the mechanism for changing charitable trusts under section 16.

Explanation of Clauses

Clauses 1 and 2:

These clauses are formal.

Clause 3: Amendment of s. 4—Interpretation

Clause 3 amends section 4 which is the definition section of the principal Act. The definition of 'body' is included to make it clear that the term includes both corporate and unincorporate bodies. Paragraphs *(c)* and *(d)* of the definition of 'charitable purpose' are anachronistic and are removed by this clause. The clause inserts a definition of 'collection contract' and defines, by reference to the relevant section, the three licences that can be granted under the Act.

Clause 4: Repeal of s. 5

Clause 4 repeals section 5. This section restricts the application of the Act to parts of the State proclaimed by the Governor. The Act should apply throughout the State and therefore this section is no longer needed.

Clause 5: Amendment of s. 6—Restriction on certain collections

Clause 5 amends section 6 of the principal Act. Paragraph *(a)* makes a consequential change and paragraph *(b)* increases the penalty

prescribed by subsection (2). Paragraph *(c)* removes from the Act the obligation on a person who is prosecuted for an offence against section 6 to prove that he or she held the appropriate licence. It is felt that the onus should be on the prosecution to prove that the defendant did not hold the required licence.

Clause 6: Insertion of s. 6A

Clause 6 inserts new section 6A. This section requires a collector for a charity under a collection contract who employs others to collect on his or her behalf to hold a licence.

Clause 7: Amendment of s. 7—Restriction on holding certain entertainments

Clause 7 amends section 7 of the principal Act. Paragraphs *(a)* and *(b)* make consequential changes and paragraph *(c)* increases the penalty prescribed by subsection (3). Paragraph *(d)* shifts the onus of proving that the defendant in a prosecution for an offence against section 7 did not hold the required licence back onto the prosecution.

Clause 8: Amendment of s. 8—Grant of authority by licensee

Clause 8 makes a consequential change.

Clause 9: Amendment of s. 9—Revocation of authority by society, etc.

Clause 9 increases the penalty prescribed by section 9(2) of the principal Act.

Clause 10: Amendment of s. 11—Application for licence

Clause 10 makes a consequential change.

Clause 11: Amendment of s. 12—Conditions of licence, etc.

Clause 11 amends section 12 of the principal Act. Paragraphs *(a)* and *(b)* are consequential. The insertion of new subsection (2a) by paragraph *(c)* will enable the Minister to issue a code of practice in relation to the conduct of persons holding the various kinds of licences under the Act and to make compliance with the code a condition of the licence. Paragraph *(ba)* inserted into subsection (4) by paragraph *(d)* of clause 11 will enable the Minister to revoke a licence if the licensee does not observe the conditions of the licence.

Clause 12: Amendment of s. 15—Statements to be furnished by licensees

Clause 12 amends section 15 of the principal Act. Paragraph *(a)* adds a subsection at the beginning of the section 15 that requires licensees to keep proper accounts of the receipt and payment of money and the receipt and disposal of goods. Paragraph *(c)* enables the Minister to require additional information in the statement to the Minister under existing subsection (1) (redesignated as subsection (2)). Existing subsection (2) is replaced by a new subsection that requires a licensee to appoint an appropriate person referred to in the subsection to audit the accounts and the statement of the licensee.

Clause 13: Substitution of s. 16

Clause 13 replaces section 16 of the principal Act with a new section that also deals with the problem of what to do with money or goods donated for a particular purpose that no longer exists. The new section requires the money or goods to be used for a similar charitable purpose but adopts a simpler procedure to achieve this.

Clause 14: Substitution of s. 20

Clause 14 replaces section 20 of the principal Act.

The Hon. CAROLYN PICKLES secured the adjournment of the debate.

PARLIAMENTARY SUPERANNUATION (NEW SCHEME) AMENDMENT 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 second reading explanation inserted in *Hansard* without my reading it.

Leave granted.

This Bill seeks to make some significant changes to the superannuation arrangements for the Members of this Parliament. The changes are the most significant to be made to the Parliamentary Superannuation Scheme in over 20 years.

The Bill provides a package of changes which in the longer term will see the cost to taxpayers of the superannuation arrangements for Members of Parliament, reduced by about 20%.

The cost reduction principally results from the proposed closure of the existing scheme to new Members of the Parliament, and the establishment of a new less expensive scheme for future Members.

Under the existing arrangements, it is possible, in certain circumstances, for a Member of this Parliament to retire with a benefit significantly above the benefit that would be paid for similar service in an interstate or the Commonwealth scheme. In terms of the proposed new scheme, benefits payable on retirement will generally not be greater than those paid to MP's retiring from a Parliament of another State or the Commonwealth.

In accordance with accepted standards for people in existing superannuation schemes, the Government proposes that members in the existing scheme be allowed to continue in their present scheme.

This proposal is also consistent with the arrangements that have been adopted in the past whenever a scheme for Government employees has been closed and a new scheme established. However, because in some circumstances individual members of the existing scheme could be better off under the new scheme, the Bill contains a provision enabling members to transfer to the new scheme.

The Bill seeks to make a few minor changes to the existing scheme. These are, the introduction of an option for new spouse pensioners to commute their pensions to a lump sum, new arrangements covering transfers to another Parliament, an expanded definition of spouse so as to include a putative spouse, and a provision to provide for persons who die in service without a spouse or dependent children, having a lump sum based on the accrued benefit being paid to their estate.

The new scheme is a pension scheme which is considered the most appropriate type of superannuation arrangement for persons who choose to serve their community and State through parliamentary service.

As I have earlier stated, the formula to be used under the new scheme for the purpose of calculating a pension benefit, shall ensure that, in general, retirees do not receive pensions larger than their counterparts in the other States and the Commonwealth. While the Commonwealth's general method of calculating pensions is to be adopted, particularly in respect to higher office, there will be a minor variation in the accrual rate based on basic salary. This will mean that the maximisation of pension entitlements from higher office shall be over 12 or more years rather than the current arrangement of the best six years of service.

One of the significant changes to be introduced as part of the new scheme, is a provision that will restrict the amount of pension that a retired member can receive where the former member is in receipt of any income from remunerative activities before the age of 60. No other parliamentary scheme in Australia has this feature. This is the first time this has been done in Australia. Under the new scheme, retiring Members will be able to commute up to 100% of their pension. This will further assist in controlling the costs of the scheme.

Under the existing scheme, persons who involuntarily leave the Parliament without completing six years service receive no employer support. They do receive however, a Superannuation Guarantee benefit under the State Superannuation Benefit Scheme. It is proposed that under the new scheme, for those persons who involuntarily leave the Parliament with less than six years service due to defeat at an election or loss of pre-selection, an employer financed benefit equal to the member's contributions plus interest will be preserved until at least age 55. The member's contributions may be preserved where the member so desires. This means that these persons will receive an employer component equal to 11.5% of salary, thereby ensuring that the new Parliamentary Superannuation Scheme satisfies the Commonwealth's Superannuation Guarantee requirements within the one scheme.

The new scheme also provides for a 'dislocation allowance', in the form of a lump sum to be paid to those persons who involuntarily leave the Parliament and are not entitled to a pension. However, the allowance will not be paid to those members who involuntarily retire due to being elected to another Parliament. The allowance has primarily been introduced to cover members in marginal seats who often encounter financial and other difficulties in finding new employment after short parliamentary careers.

The Bill also provides that where a Member has served 20 years and one month of service and thus attained the maximum benefits applicable to base salary, the contribution rate will be halved to 5.75% of basic salary. This recognises that members who have served for more than 20 years and one month, and who continue to make contributions, receive no additional benefits in respect of basic

salary. Any higher salary will incur the standard 11.5% contribution rate.

The Bill also includes some updating and technical changes to existing provisions. For example, the provision which deals with the indexation of pensions has been updated to be consistent with the arrangements under the *Superannuation Act* covering the main State Pension Scheme.

Explanation of Clauses

Clause 1: Short title

Clause 2: Commencement

Clauses 1 and 2 are formal.

Clause 3: Amendment of s. 5—Interpretation

Clause 3 amends section 5 of the principal Act. The definition of 'determination day' is struck out. With the replacement of section 35 of the principal Act the term will not be used. 'State' is defined to include a Territory of the Commonwealth. In a number of places the Act makes special provision for a member who transfers to or comes from the Parliament of the Commonwealth, another State or the Northern Territory. The purpose of this amendment is to include the Parliament of the Australian Capital Territory in the ambit of these provisions.

Clause 4: Voluntary and involuntary retirement

Clause 4 amends section 6 of the principal Act by removing the reference to the Northern Territory. Separate reference to the Northern Territory is not required because 'State' is now defined to include Territories.

Clause 5: Amendment of s. 14—Contributions by members

Clause 5 amends section 14 of the principal Act by reducing by half the contributions to be made by certain members of the old and new schemes in respect of their basic salary.

Clause 6: Amendment of s. 16—Entitlement to a pension on retirement

Clause 6 makes a consequential amendment to section 16 of the principal Act.

Clause 7: Amendment of s. 17—Amount of pension for old scheme members

Clause 7 makes consequential amendments to section 17 of the principal Act and removes subsections (2a), (3) and (4). Paragraphs *(b)* and *(c)* of subsection (2a) are repeated in new section 17C which will apply to both the old and new schemes. Paragraph *(b)* of subsection (2a) is now defunct. Subsections (3) and (4) are no longer needed in view of new section 35.

Clause 8: Insertion of ss. 17A and 17B

Clause 8 inserts new sections 17A and 17B.

Clause 9: Amendment of s. 18—Invalidity retirement

Clause 9 makes a consequential amendment to section 18 of the principal Act.

Clause 10: Amendment of s. 19—Reduction of pension in certain circumstances

Clause 10 makes a consequential amendment to section 19 of the principal Act.

Clause 11: Insertion of s. 19A

Clause 11 inserts new section 19A. This section provides that the pension of a former member who has moved to another Parliament will be preserved if the member is under 55 and the superannuation scheme available to the former member as a member of the other Parliament does not recognise the South Australian service.

Clause 12: Amendment of s. 21—Commutation of pension

Clause 12 amends section 21 of the principal Act to make separate provision for commutation by old scheme and new scheme former members. Subsections (1a) and (1b) are replaced by new subsection (1b).

Clause 13: Amendment of s. 21a—Application of s. 21 to certain member pensioners

Section 13 makes a consequential amendment to section 21a of the principal Act.

Clause 14: Insertion of s. 21B

Clause 14 inserts new section 21B as an interpretative provision for Division 3 which now deals with both old scheme and new scheme former members. The new section is basically subsections (2) and (3) of existing section 22.

Clause 15: Amendment of s. 22—Other benefits under the old scheme

Clause 15 makes consequential amendments to section 22 of the principal Act.

Clause 16: Insertion of s. 22A

Clause 16 inserts new section 22A which provides other benefits for new scheme members. New scheme members who are not entitled to a pension will be entitled to twice the balance standing to the credit of their notional contribution account and an amount being one month's salary for each year of service. Preservation of an amount equivalent to the balance standing to the member's notional contribution account applies until the member reaches 55 years.

Clause 17: Amendment of s. 24—Pension for spouse of deceased old scheme member pensioner

Clause 18: Amendment of s. 25—Pension for spouse of deceased old scheme member

Clauses 17 and 18 make consequential amendments to sections 24 and 25 respectively.

Clause 19: Insertion of ss. 25A, 25B and 25C

Clause 19 inserts new sections 25A, 25B and 25C.

Clause 20: Insertion of Part 5 Division 1A

Clause 20 inserts new section 26AA which provides for commutation of spouse pensions.

Clause 21: Amendment of s. 26A—Certain former members deemed members at time of death

Clause 21 amends section 26A of the principal Act. This amendment is consequential on the new definition of 'State' in section 5 of the Act.

Clause 22: Amendment of s. 31a

Clause 22 changes the benefit payable to the estate of a deceased member who leaves no spouse or eligible child.

Clause 23: Substitution of s. 35

Clause 23 replaces section 35 of the principal Act with a provision drawn on the same lines as the corresponding provision in the *Superannuation Act 1988*

Clause 24: Insertion of Part 6A

Clause 24 inserts section 35A of the principal Act which enables old scheme members to transfer to the new scheme.

Clause 25: Amendment of s. 36—Pensions as to previous service

Clause 25 inserts a provision into section 36 of the principal Act that makes it clear that a former old scheme member who returns to Parliament in the circumstances referred to in section 36 remains an old scheme member.

Clause 26: Insertion of ss. 36A and 36B

Clause 26 inserts new sections 36A and 36B. New 36A is necessary because of the change to the definition of 'spouse' in section 5. New section 36B enables the Board to obtain information as to income of a new scheme member pensioner that will reduce the amount of his or her pension.

Clause 27: Insertion of third schedule

Clause 27 inserts commutation factors for spouse pensions.

The Hon. CAROLYN PICKLES secured the adjournment of the debate.

PETROLEUM (SAFETY NET) AMENDMENT BILL

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

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

That this Bill be now read a second time.

I seek leave to have the report and the detailed explanation of the clauses inserted in *Hansard* without my reading them.

Leave granted.

As a result of perceived uncertainties of the effect of the *Native Title Act 1993*, the Cooper Basin Producers have been reluctant to apply for petroleum production licences since 1 January 1994 for new discoveries made.

The amendment in this Bill provides for a safety net clause in the *Petroleum Act 1940* which will provide for a preferential right to the grant of a new petroleum production licence if a petroleum production licence is found to be invalid due to circumstances beyond the control of the licensee.

The amendment mirrors Section 84A of the *Mining (Native Title) Amendment Act 1995*.

Explanation of Clauses

Clause 1: Short title

Clause 2: Insertion of s. 84A—Safety net

New section 84A contemplates the Minister entering into a 'safety net' agreement proposed by a licensee. The agreement is to be designed to give a licensee a preferential right to a new licence in the event that a licence is found to be invalid due to circumstances beyond the control of the licensee.

The Hon. CAROLYN PICKLES secured the adjournment of the debate.

ADJOURNMENT

At 11.49 p.m. the Council adjourned until Thursday 20 July at 11 a.m.